

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

**AND IN THE MATTER OF** an Application by Milton Hydro  
Distribution Inc. to the Ontario Energy Board for an Order or  
Orders approving or fixing just and reasonable rates and other  
service charges for the distribution of electricity as of May 1, 2011.

**MILTON HYDRO DISTRIBUTION INC. (“Milton Hydro”)**

**APPLICATION FOR APPROVAL OF 2011 ELECTRICITY DISTRIBUTION RATES**

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## APPLICATION FOR APPROVAL OF 2011 ELECTRICITY DISTRIBUTION

### RATES

EFFECTIVE MAY 1, 2011

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1           **IN THE MATTER OF** the Ontario Energy Board Act, 1998,  
2           being Schedule B to the Energy Competition Act, 1998, S.O.  
3           1998, c.15;

4           **AND IN THE MATTER OF** an Application by Milton Hydro  
5           Distribution Inc. to the Ontario Energy Board for an Order or  
6           Orders approving or fixing just and reasonable rates and other  
7           service charges for the distribution of electricity as of May 1,  
8           2011.

9   Title of Proceeding:                   An Application by Milton Hydro Distribution Inc. for an  
10   Order or Orders approving or fixing just and reasonable  
11   distribution rates and other charges, effective May 1, 2011.

12   Applicant's Name:                   Milton Hydro Distribution Inc

13  
14   Applicant's Address for Service:   8069 Lawson Rd  
15   Milton, Ontario  
16   L9T 5C4  
17   Attention: Cameron McKenzie  
18   Director, Regulatory Affairs  
19  
20   Telephone: 905-876-4611 ext 246  
21   Fax: 905-876-2044  
22   E-mail: cameronmckenzie@miltonhydro.com  
23  
24

## ADMINISTRATION

### Application

#### 1. Introduction

(a) The Applicant is Milton Hydro Distribution Inc. (referred to in this Application as the "Applicant" or "Milton Hydro"). The Applicant is a corporation incorporated pursuant to the Ontario *Business Corporations Act* with its head office in the Town of Milton. The Applicant carries on the business of distributing electricity within the Town of Milton. Milton Hydro's distribution service area is 370 square kilometres extending to the boundaries of the Town of Milton of which 313 square kilometres or 85% is a rural distribution system.

(b) The Applicant hereby applies to the Ontario Energy Board (the "OEB") pursuant to Section 78 of the *Ontario Energy Board Act, 1998* (the "OEB Act") for approval of its proposed distribution rates and other charges, effective May 1, 2011. A list of requested approvals is set out below.

(c) Except where specifically identified in the Application, the Applicant followed Chapter 2 of the OEB's Filing Requirements for Transmission and Distribution Applications dated June 28, 2010 (the "Filing Requirements") in order to prepare this application.

#### 2. Proposed Distribution Rates and Other Charges

(a) The Schedule of Rates and Charges proposed in this Application is identified in Table 1 below and in Exhibit 8 – Rate Design and the material being filed in support of this Application sets out Milton Hydro's approach to its distribution rates and charges.

#### 3. Proposed Effective Date of Rate Order

(a) The Applicant requests that the OEB make its Rate Order effective May 1, 2011 in accordance with the Filing Requirements.

(b) In the event that the OEB is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2011, the Applicant requests that the OEB declare its current rates as interim, effective May 1, 2011, pending the approval of the proposed distribution rates and other charges.

**4. The Proposed Distribution Rates and Other Charges are Just and Reasonable**

(a) The Applicant submits the proposed distribution rates contained in this Application are just and reasonable on the following grounds:

(i) the proposed rates for the distribution of electricity, as set out in Table 1 below, have been prepared in accordance with the Filing Requirements and reflect traditional rate making and cost of service principles;

(ii) the proposed adjusted rates are necessary to meet the Applicant's Market Based Rate of Return ("MBRR") and Payments in Lieu of Taxes ("PILs") requirements;

(iii) there are no impacts to any of the customer classes or consumption level subgroups that are so significant as to warrant the deferral of any adjustments being requested by the Applicant or the implementation of any other mitigation measures with the exception of the Street Lights and Sentinel Lights which have a rate impact in excess of the 10% "rule of thumb";

(iv) the other service charges proposed by the Applicant are the same as those previously approved by the OEB; and

(v) such other grounds as may be set out in the material accompanying this Application Summary.

**5. Relief Sought**

(a) The Applicant applies for an Order or Orders approving the proposed distribution rates and other charges set out in Exhibit 1, Table 1 to this Application as just and reasonable rates and charges pursuant to Section 78 of the OEB Act, to be effective May 1, 2011, or as soon as possible thereafter; and

(b) In the event that the OEB is unable to provide a Decision and Order in this Application for implementation by the Applicant as of May 1, 2011, the Applicant requests that the OEB declare its current rates as interim, effective May 1, 2011, pending the approval of the proposed distribution rates and other charges.

**6. Form of Hearing Requested**

(a) The Applicant requests that this Application be disposed of by way of a written hearing.

DATED at Milton, Ontario, this 26<sup>th</sup> day of August, 2010.

**All of which is respectfully submitted,**

Cameron McKenzie  
Director, Regulatory Affairs  
Milton Hydro Distribution Inc.

**Table 1**  
**2011 Test year Proposed Tariff of Rates and Charges**

**Milton Hydro Distribution Inc.**  
**PROPOSED TARIFF OF RATES AND CHARGES**  
**Effective May 1, 2011**

EB-2009-0204

**MONTHLY RATES AND CHARGES**

**Proposed Monthly Rates and Charges General**

**Residential**

Service Charge	\$	15.36
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kWh	0.0143
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046
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	\$	16.78
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kWh	0.0178
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0008)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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 999 kW**

Service Charge	\$	88.37
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kW	2.9288
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.0821
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3405)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2592
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9140
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 1,000 to 4,999 kW**

Service Charge	\$	1,008.02
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kW	3.1373
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.0808
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.4110)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2220
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8827
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Large Use

Service Charge	\$	4,219.51
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kW	2.5261
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.0903
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3564)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4061
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1056
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)	\$	8.27
Distribution Volumetric Rate	\$/kWh	0.0175
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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)	\$	1.47
Distribution Volumetric Rate	\$/kW	11.102
Low Voltage Volumetric Rate	\$/kW	0.0564
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.2828)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5379
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3145
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)	\$	1.14
Distribution Volumetric Rate	\$/kW	4.9716
Low Voltage Volumetric Rate	\$/kW	0.0552
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3348)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5301
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2875
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### MicroFit Generator Service Classification

Service Charge (per connection) delivery component - effective September 21, 2009	\$	5.25
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1

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**Specific Service Charges**

**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	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 pole - after regular hours	\$	185.00

**Other**

Optional Interval/TOU Meter charge \$/month	\$	5.50
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Clearance Pole Attachment charge \$/pole/year	\$	5.59

**Allowances**

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 (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, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
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	1.0362
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0149
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0258
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0048

1    **Contact Information:**

2    Milton Hydro Distribution Inc.

3    8069 Lawson Rd

4    Milton, ON

5    L9T 5C4

6

7    Cameron McKenzie

8    Director, Regulatory Affairs

9    Telephone:     905-876-4611 ext 246

10   Facsimile:     905-876-2044

11   E-mail:         cameronmckenzie@miltonhydro.com

12

**Specific Approvals Requested:**

In this proceeding, Milton Hydro is requesting the following approvals:

- Approval to charge rates effective May 1, 2011 to recover a revenue requirement of \$15,061,832 which includes a revenue deficiency of \$1,690,053 as set out in this Exhibit, Page 44 and Exhibit 6 – Calculation of Revenue Sufficiency/Deficiency. The schedule of proposed rates is set out in Table 1 above and Exhibit 8 – Rate Design.
- Approval of the Applicant's deemed capital structure of 40% common equity and 60% debt as set out in Exhibit 5 – Cost of Capital and Capital Structure, consistent with Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors dated December 20, 2006, the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities dated December 11, 2009 and Milton Hydro's 2010 IRM Rate Application, EB-2009-0204;
- Approval to adjust the Retail Transmission Service Charges – Network and Connections as described in Exhibit 8 – Rate Design, subject to any changes as a result of future Hydro One Networks Inc. Uniform Transmission Rate Applications;
- Approval of the proposed loss factor as set out in Exhibit 8 – Rate Design;
- Approval to continue the Specific Service Charges and Transformer Allowance approved in the OEB Decision and Order in the matter of Milton Hydro's 2010 Distribution Rates, EB-2009-0204;
- Approval to dispose of the December 31, 2009 Deferral and Variance Account Balances in accordance with the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative dated July 31, 2009 ("the EDDVAR Report") over a one-year period as described in Exhibit 9 – Deferral and Variance Accounts;
- Approval to dispose of the December 31, 2009 and incidental 2010 Bridge Year costs for the Smart Meter Deferral Accounts 1555 and 1556 over a four year period by way of a Smart Meter Rate Adder Credit of (\$0.43) as described in Exhibit 9 – Deferral and Variance Accounts;

- 1 • Approval to continue using the Smart Meter Deferral Account 1555 to record the balance  
2 of the Deferral Account 1555, the Smart Meter Rate Adder Credit and incidental capital  
3 costs for disposition at a date to be determined at the end of the four year period  
4 as described in Exhibit 9 – Deferral and Variance Accounts;
- 5 • Approval to recover the low voltage charges to end use customers in the amount of  
6 \$139,074 as described in Exhibit 8 – Rate Design;
- 7 • Approval of the proposed revenue to cost ratios as described in Exhibit 7 – Cost  
8 Allocation;
- 9 • Approval of a deferral account to record the Late Payment Settlement amount for  
10 disposition at a date to be determined as discussed in this Exhibit under – Accounting  
11 Orders Requested.

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1     **Draft Issues List:**

2     The Applicant would expect, based on previous regulatory experience and other hearings, that  
3     the following matters pertaining to the 2011 Test Year may constitute issues in this Application:

- 4         •   The amount of Milton Hydro's proposed revenue requirement;
- 5         •   The reasonableness of the proposed rate base and the associated capital program for  
6             the 2011 Test Year;
- 7         •   The reasonableness of the proposed operations, maintenance and administration  
8             expenditures for the 2011 Test Year;
- 9         •   The adjustment to customer class "revenue to cost ratios" based on the OEB Report on  
10            the "Application of Cost Allocation for Electricity Distributors" EB-2007-0667 dated  
11            November 28, 2007;
- 12        •   The reasonableness of the proposed load forecast for the 2011 Test Year;
- 13        •   The reasonableness of the proposed electricity distribution rates;
- 14        •   The disposition of the Smart Meter Deferral Accounts 1555 and 1556.

15

1

2   **Procedural Orders/Motions/Notices:**

3   On January 29, 2009, the OEB issued an update on the Multi-year Electricity Distribution Rate  
4   Setting Plan, EB-2009-0028 in which the OEB extended the number of years for rebasing to  
5   include 2010 and 2011 rate years. Milton Hydro is listed in Schedule B to the update as being  
6   required to file a Cost of Service Rate Rebasing Application in 2011. Milton Hydro is complying  
7   with this requirement.

8

9

**Accounting Orders Requested:**

Milton Hydro is requesting the following account orders:

- Milton Hydro is requesting an accounting order to establish a deferral account for the recovery of a one-time expense in regards to the Late Payment Penalty Litigation as follows:

1. As part of this application, Milton Hydro Distribution Inc ("Milton Hydro") will be seeking recovery of a one-time expense in the amount of \$75,048.02 which is expected to be paid on June 30, 2011. If this payment is made, it will serve to resolve long-standing litigation against all former municipal electric utilities ("MEUs") in the Province in relation to late payment penalty ("LPP") charges collected pursuant to, first, Ontario Hydro rate schedules and, after industry restructuring, Ontario Energy Board rate orders (the "LPP Class Action").

2. On July 22, 2010, The Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice approved a settlement of the LPP Class Action, the principal terms of which are the following:

- (a) Former MEUs collectively pay \$17 million in damages;
- (b) Payment is not due until June 30, 2011; and
- (c) Amounts paid, after deduction for class counsel fee, will be paid to the Winter Warmth Fund or similar charities.

3. Subject to any appeal and the right of the LDCs to terminate the settlement if more than 10,000 plaintiff class members opt out of the settlement, Milton Hydro will make a payment of \$75,048.02 by June 30, 2011. This amount represents Milton Hydro's share of the settlement, applicable taxes and legal fees. Milton Hydro believes that the settlement is in its best interest and the best interest of its customers and that the payment in connection with the settlement will be a prudent one.

1        4.    The LDCs propose that, following expiry of applicable appeal and opt out periods  
2            (the "Date of Final Determination")<sup>1</sup>, the Board hold a generic hearing to determine if  
3            the costs incurred in this litigation and settlement are recoverable from customers  
4            and, if so, the form and timing of recovery from customers. If the Board agrees to  
5            hold this generic hearing, the LDCs will collectively file written evidence to address  
6            the prudence of the settlement, the costs incurred, the methodology of allocating  
7            total settlement costs amongst the LDCs, the proposed method of recovery, and any  
8            other matters the Board determines appropriate.

9        5.    If the Board determines that it will not hold a generic proceeding, Milton Hydro asks  
10           to be advised of this fact by the Date of Final Determination so that it can file, to  
11           permit adjudication as part of this proceeding, written evidence to address the  
12           prudence of the settlement, the costs incurred, the methodology of allocating total  
13           settlement costs amongst the LDCs, the proposed method of recovery, and any  
14           other matters the Board determines appropriate.

- 15       •    On July 8, 2010 the OEB sent a Letter to all distributors in relation to the Depreciation  
16           Study for Use by Electricity Distributors, Consultant Final Report EB-2010-0178 –  
17           Transition to International Financial Reporting Standards which stated "When appearing  
18           before the Board in future cost of service proceedings after the initial IFRS cost of  
19           service proceeding, distributors will be expected to provide update information to the  
20           Board regarding the useful lives of their assets along with justification for any changes."

21       Milton Hydro is not filing an International Financial Reporting Standards ("IFRS") Cost of  
22           Service Application and in accordance with the direction provided in the Letter from the  
23           OEB, Milton Hydro is continuing to provide for depreciation under the current OEB  
24           prescribed service lives for Property, Plant and Equipment. If deemed required by the  
25           OEB, Milton Hydro would request approval to continue accounting for depreciation in this  
26           manner and in accordance with the Letter from the OEB.

<sup>1</sup> The Date of Final Determination falls on the 30<sup>th</sup> day after the plaintiff opt out notice is published in *The Globe and Mail*, which will occur after the expiry of the appeal period. The Date of Final Determination is expected to occur on September 22, 2010.

1    **Compliance with Uniform System of Accounts:**

2    Milton Hydro has followed the accounting principles and main categories of accounts as stated  
3    in the OEB's Accounting Procedures Handbook (the "APH") and the Uniform System of  
4    Accounts ("USoA") in the preparation of this Application.

5    Milton Hydro has filed its trial balances, financial statements and pro-forma financial statements  
6    in accordance with Canadian General Accepted Accounting Principles ("GAAP"). Milton Hydro  
7    has not filed its financial information under the proposed International Financial Reporting  
8    Standards ("IFRS") and continues to follow all OEB prescribed principles.

9

1

2 **Distribution Service Territory and Distribution System:**

3 **Milton Hydro Distribution Inc.**

4	COMMUNITY SERVED:	Town of Milton
5	TOTAL SERVICE AREA:	370 sq km
6	RURAL SERVICE AREA:	313 sq km
7	DISTRIBUTION TYPE:	Electricity distribution
8	SERVICE AREA POPULATION	77,400
9	MUNICIPAL POPULATION:	77,400

10 Milton Hydro serves all customers within the Town of Milton except for 178 load transfer  
11 customers where Milton Hydro is the geographic distributor and the surrounding utilities are the  
12 physical distributors. A map of Milton Hydro's distribution service territory is provided at Page  
13 18.

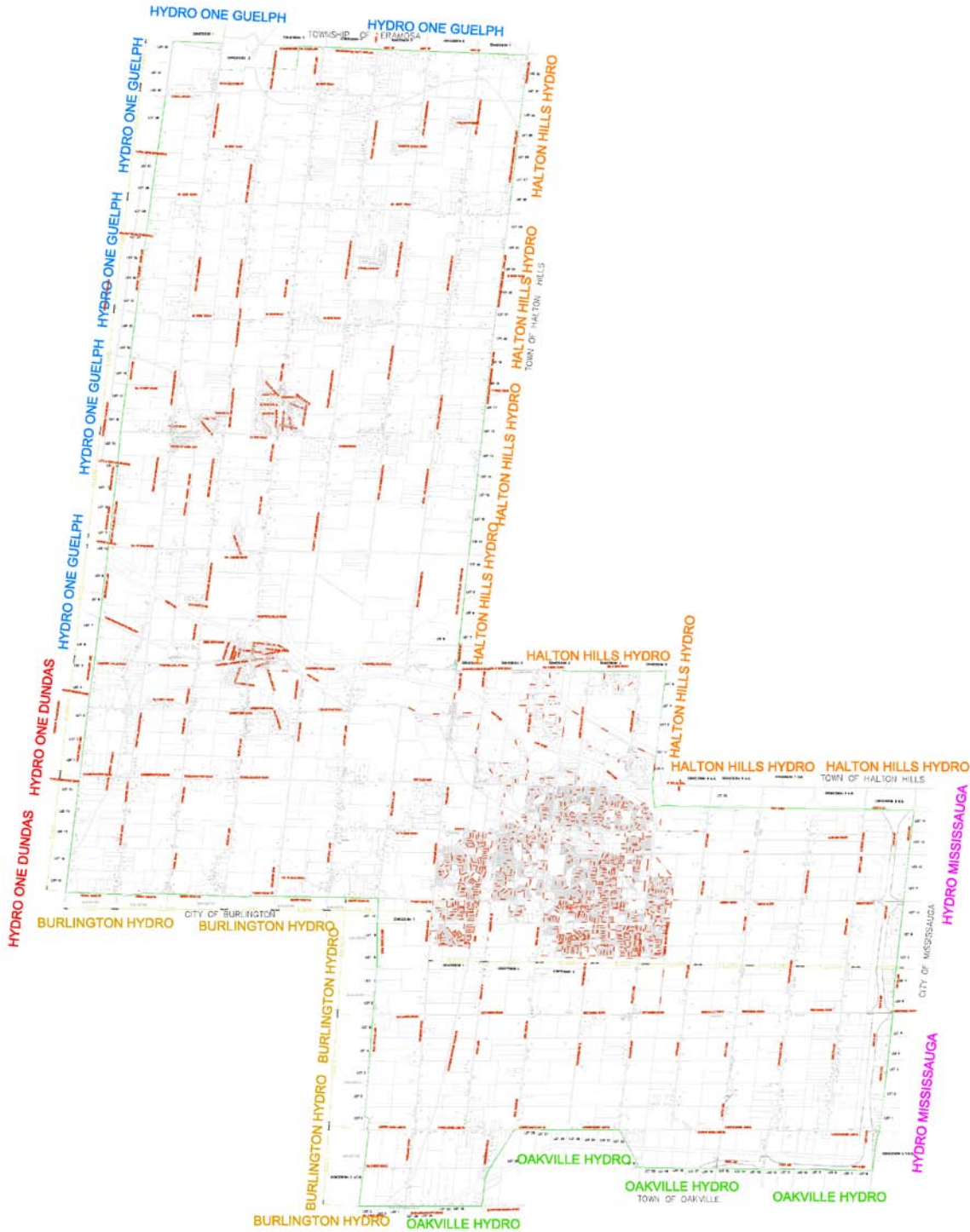
14 Milton Hydro owns and operates the electricity distribution system within its licensed service  
15 area and at the end of 2009 was serving approximately 27,500 customers in the Town of Milton  
16 – 24,832 residential, 2,203 General Service <50 kW, 275 General Service >50 to 999 kW, 12  
17 General Service >1,000 to 4,999 kW, 2 Large Users and 2,774 Street Lights, 279 Sentinel  
18 Lights and 195 Unmetered/Scattered Load customers. Milton Hydro would note that the Street  
19 Light account will be billed based on number of connections as opposed to the number of lights  
20 and that this change has been addressed in Milton Hydro's Cost Allocation Model and Rate  
21 Design. Included in Milton Hydro's customer base is one hospital; 1 public school board <50  
22 kW, 6 public school boards >50 to 999 kW; 7 separate school boards >50 to 999 kW; and 2  
23 French schools, 1 <50 kW and 1 >50 to 999 kW. Milton Hydro is supplied electricity from three  
24 Hydro One owned and operated transformer stations at voltages of 44kV and 27.6kV. Milton  
25 Hydro distributes electricity to its customers through a distribution network made up of 546  
26 kilometers of overhead and 320 kilometers of underground circuits. Milton Hydro supplies  
27 electricity at three voltages, 27.6kV, 13.8kV, 8.32kV utilizing low voltage distribution assets  
28 including three phase, two phase and single phase circuits, 5,300 transformers, 9,600 poles and  
29 5 distribution substations.

1 A schematic diagram of each of Milton Hydro's 44kV/27.6kV, 13.8kV and 8.32kV distribution  
2 systems is attached at Pages 19 to 21.

3

4

## Milton Hydro – Distribution Service Territory

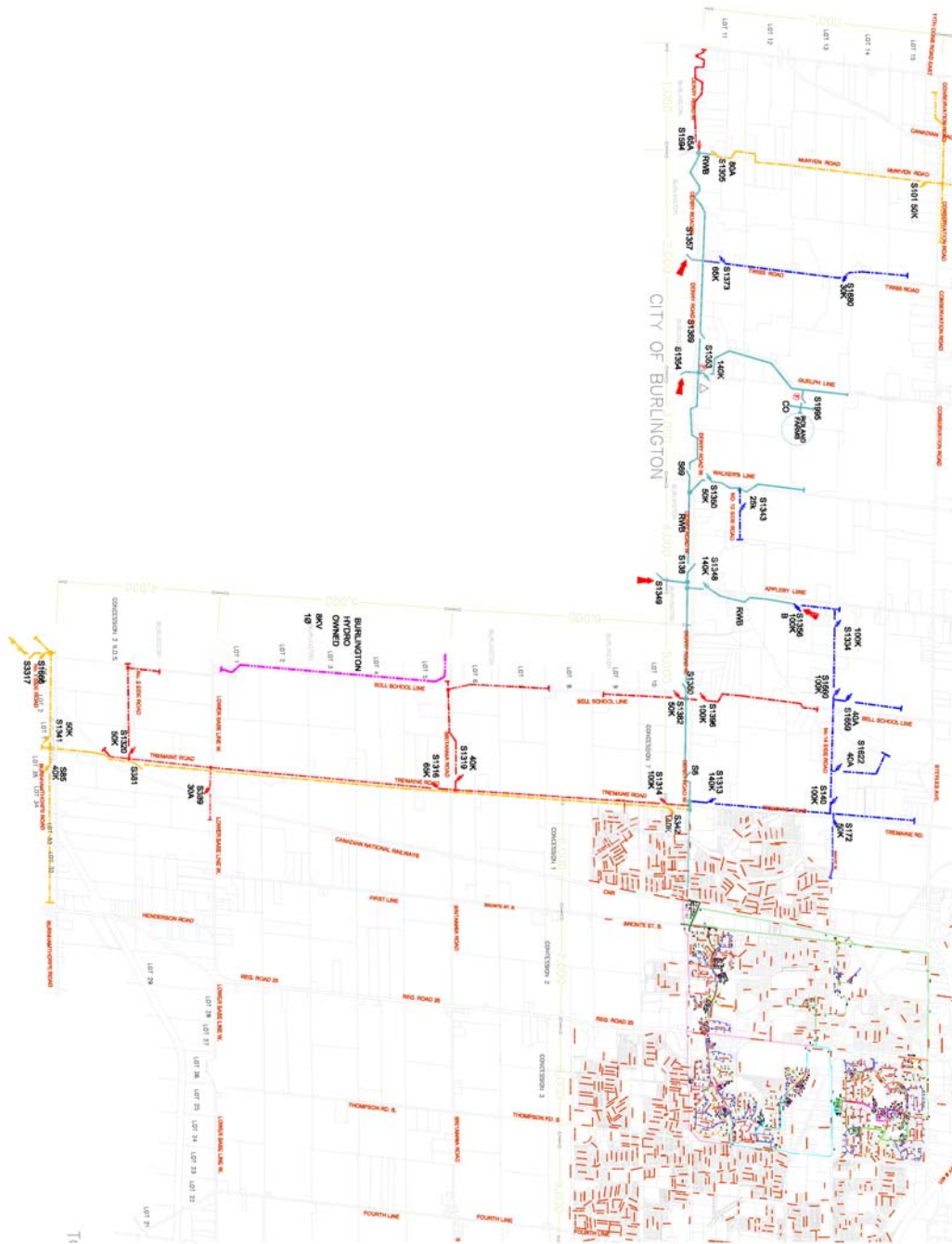


44 kV and 26.6 kV Distribution System



1

## 13.8 kV Distribution System



2  
3  
4

8.32 kV Distribution System



1    **List of Neighbouring Utilities:**

2    Milton Hydro is bounded by:

- 3        • Hydro One Networks Inc. to the North;
- 4        • Oakville Hydro Electricity Distribution Inc. & Burlington Hydro Inc. to the South.
- 5        • Halton Hills Hydro & Enersource Hydro Mississauga to the East;
- 6        • Hydro One Networks Inc. & Burlington Hydro Inc. to the West;

7    **Explanation of Host and Embedded Utilities:**

8    There are no embedded utilities within Milton Hydro's distribution service territory nor is Milton

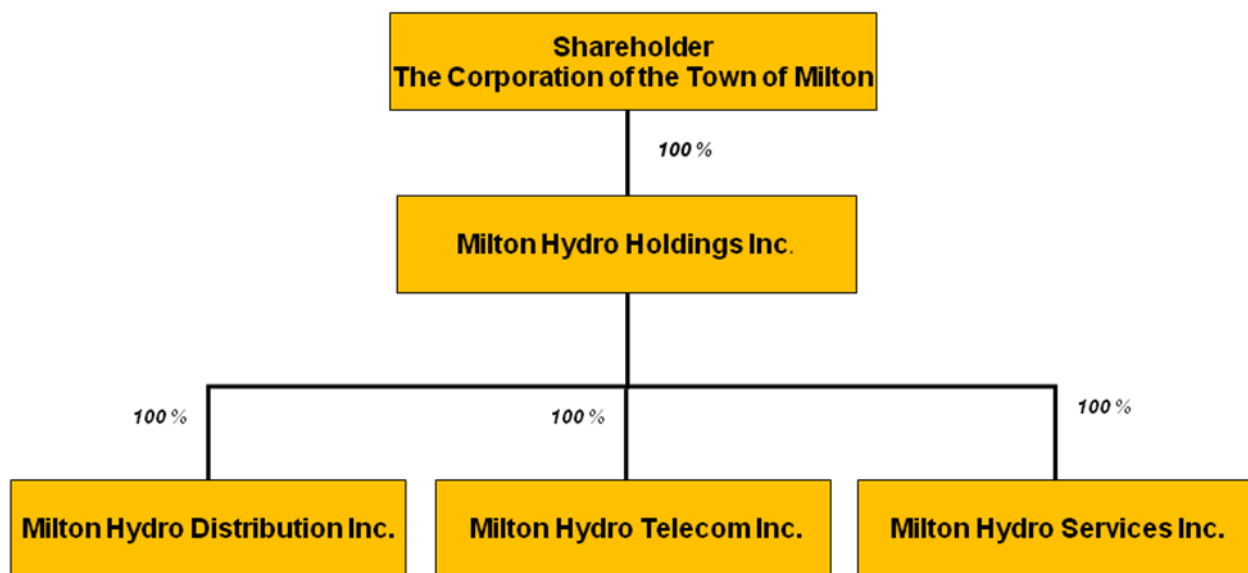
9    Hydro a host utility to other distributors.

10

1 **Corporate Structure:**

2 Milton Hydro is a wholly-owned subsidiary of Milton Hydro Holdings Inc. which is 100% owned  
3 by the Corporation of the Town of Milton ("Town of Milton"). The following chart provides the  
4 corporate relationships.

**Corporate Entities Relationships Chart**



5

6

7 In general, Milton Hydro shares certain services with its affiliates in functional areas such as  
8 Finance, Billing and Collections, Customer Services and Information Technology. Milton Hydro  
9 is the provider of those shared services in accordance with a Services Agreement a copy of  
10 which is attached in Exhibit 4 – Operating Costs, Appendices A to D. Milton Hydro has  
11 identified those shared services and the revenues received in Exhibit 3 – Operating Revenue.  
12 Milton Hydro does not purchase any services from its affiliates but does pay a management fee  
13 to Milton Hydro Holding Inc for its proportionate share of Board of Directors governance. Milton  
14 Hydro uses the "Cost Based" pricing methodology for shared services in the 2010 Bridge Year  
15 and the 2011 Test Year. Prior to the 2010 Bridge Year the office and service centre rent paid to  
16 the Town of Milton was market based. Milton Hydro no longer rents space from the Town of

1 Milton. Up until the sale of Milton Hydro Telecom Inc., in 2008, fibre optic internet service was  
2 provided to Milton Hydro at market based prices.

3 Milton Hydro and the Town of Milton have the following relationships:

- 4 • The Town of Milton is not an energy services provider.
- 5 • Both entities have complete separation of financial records and books of account.
- 6 • Each entity has its own land, buildings and operating facilities and business offices that  
7 are physically separated.
- 8 • There is no sharing between the two entities of human resources or management.
- 9 • There is no sharing between the two entities of information services and no access to  
10 confidential information.

11 Milton Hydro and Milton Hydro Holdings Inc. ("Milton Hydro Holdings") have the following  
12 relationships:

- 13 • Milton Hydro Holdings is not an energy service provider.
- 14 • Both entities have complete separation of financial records and books of accounts.
- 15 • There is no sharing of information services and no access to confidential information.
- 16 • Both entities have the same President & CEO and the Vice-President of Finance for  
17 Milton Hydro serves as Secretary Treasurer for Milton Hydro Holdings.
- 18 • Milton Hydro provides accounting services at full cost recovery to Milton Hydro Holdings.
- 19 • Milton Hydro has three board members comprised of one independent board member  
20 and two board members that also serve on the board of Milton Hydro Holdings.

21 Milton Hydro and Milton Hydro Telecom Inc. ("Milton Hydro Telecom") have the following  
22 relationships.

- 23 • Milton Hydro Telecom is an energy service provider in the business of Sentinel Light  
24 rentals and renewable generation.
- 25 • Both entities have complete separation of financial records and books of accounts.
- 26 • Both entities have the same President & CEO.
- 27 • Milton Hydro provides billing and collection services for Sentinel Light rentals in  
28 accordance with the terms of the Services Agreement.
- 29 • Milton Hydro provides accounting services at full cost recovery to Milton Hydro Telecom.

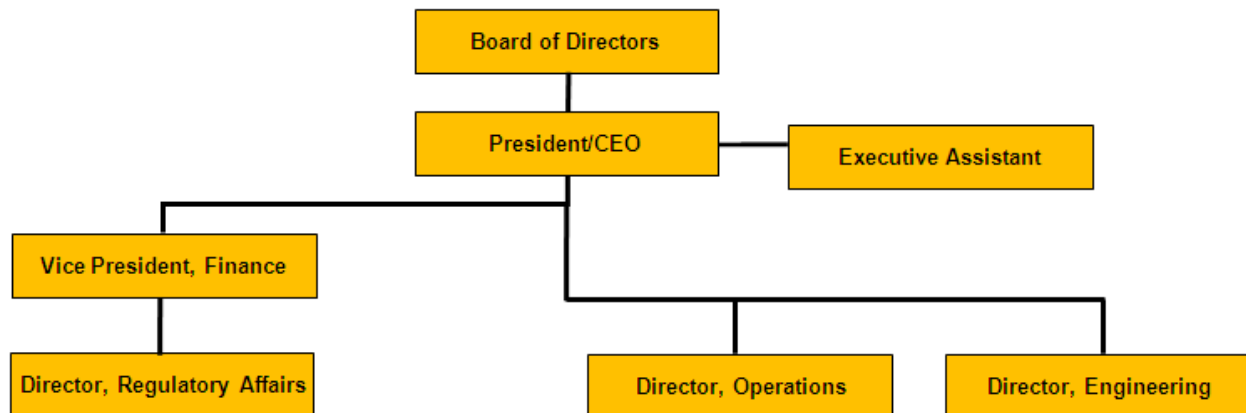
- There is no sharing between the two entities of information services and no access to confidential information except as required to provide billing services to renewable generators.
- There is no sharing of board members.

Milton Hydro and Milton Hydro Services Inc. ("Milton Hydro Services") have the following relationships:

- Milton Hydro Services is inactive.
- There is no sharing of board members.

#### Executive and Board Organization Chart

**Milton Hydro Distribution Inc.**  
**Executive and Board Organization Chart**



#### Planned Changes In Corporate and Operational Structure:

No changes to Milton Hydro's corporate and operational structures are planned at the present time. However, Milton Hydro continues to review business opportunities that may become available to the benefit of both ratepayers and shareholders.

1    **Status of Board Directives from Previous Board Decisions:**

2    Milton Hydro does not have any outstanding Board directives from previous Board Decisions.

3    **Preliminary List of Witnesses:**

4    Milton Hydro is requesting that this Application be disposed of through a written proceeding and  
5    is therefore not submitting a list of witnesses or curricula vitae with this Application. If the Board  
6    determines that an oral proceeding is required for this Application, then Milton Hydro will submit  
7    a list of witnesses and their CVs at that time.

8

## OVERVIEW

### Summary of the Application:

#### Introduction

Milton Hydro is a local distribution company responsible for distributing electricity to more than 27,500 residential and business customers within the Town of Milton. Milton Hydro is licensed and regulated by the Ontario Energy Board ("OEB") and operates in accordance with the appropriate Codes and Regulations and within the requirements set out in its Distribution Licence ED-2003-0014.

Milton Hydro is submitting this Application for revised distribution rates effective May 1, 2011 in accordance with Chapter 2 of the OEB Filing Requirements for Transmission and Distribution Applications dated June 28, 2010. Milton Hydro submits that the proposed distribution rates are required to:

- 1) Maintain current capital investment levels in infrastructure to ensure a reliable distribution system.
- 2) Manage current and future staffing levels, skills and training to ensure regulatory compliance with Codes and Regulations; promote conservation programs including the Ministry of Energy and Infrastructure directives and Milton Hydro's distribution licence; and the implementation of International Financial Reporting Standards.
- 3) To continue to provide the high level of customer service Milton Hydro customers have come to expect.
- 4) To provide a reasonable rate of return to the Shareholder.

Milton Hydro's Board of Directors, Management and Employees operate under the following commitment to its stakeholders:

#### ***Milton Hydro Commitment to Stakeholders***

We affirm to all our stakeholders that we will conduct our business in a transparent manner with respect and care for the quality of service to our customers, the Health

1 and Safety of our employees and the public and protection of the Environment. We  
2 will implement those strategies that build successful businesses and achieve the  
3 greatest benefit for all our stakeholders without compromising the ability of future  
4 generations to meet their needs.

5 We will continuously improve our practices in light of advances in technology and  
6 new understandings in reliability, safety, health and environmental science. We will  
7 make consistent, measurable progress in implementing this commitment throughout  
8 our operations.

9 ***Highest Standards of Performance, Business Excellence***

10 We will adhere to the highest standards for the safe, reliable provision of services.  
11 We will protect our environment, our employees, our customers and the people of  
12 the communities in which we do business.

13 We will strengthen our businesses by making reliability, safety, health and  
14 environmental issues an integral part of all business activities and by continuously  
15 striving to align our businesses with appropriate balancing of stakeholder  
16 expectations.

17 ***Goal of Zero Injuries, Illnesses and Incidents***

18 We believe that all injuries and occupational illnesses, as well as safety,  
19 environmental and reliability incidents, are preventable, and our goal for all of them  
20 is zero. We will promote off-the-job safety for our employees.

21 We will assess the environmental impact of each facility we propose to construct  
22 and will design, build, operate and maintain all our facilities and transportation  
23 equipment so they are reliable, safe, and acceptable to local communities and  
24 protect the environment.

25 We will be prepared for emergencies including fire protection and will provide  
26 leadership to assist our local communities with their emergency preparedness  
27 response capabilities.

***Goal of Being an Industry Leader in Minimizing Waste and Emissions***

We will strive toward minimal waste generation at the source. Materials will be reused and recycled to minimize the need for treatment or disposal and to conserve resources. Where waste is generated, it will be handled and disposed of safely and responsibly.

We will strive toward minimizing emissions and are dedicated to the elimination of pollutants, giving priority to those that may present the greatest potential risk to health or the environment.

Where past practices have created conditions that require correction, we will responsibly correct them.

***Conservation of Energy and Natural Resources, Habitat Enhancement***

We will excel in the efficient use of energy, water and other natural resources.

We will manage our land use to minimize impacts on their habitats.

***Open and Public Discussion, Influence on Public Policy***

We will promote open discussion with our stakeholders about their needs and the service we provide, the materials we use and transport and the impacts of our activities on their safety, health and environment.

We will build alliances with governments, policy makers, businesses and advocacy groups to develop sound policies, laws, regulations and practices that improve reliability, safety, health and the environment.

***Management and Employee Commitment, Accountability***

The Board of Directors, including the Chief Executive Officer, will receive monthly reports on pertinent reliability, safety, health and environmental issues and will ensure that policies are in place and actions taken to achieve this commitment.

Compliance with this commitment and applicable laws is the responsibility of every employee and contractor acting on our behalf and a condition of their employment or contract. Management is responsible to educate, train and motivate employees and contractors to understand and comply with this commitment and applicable laws.

Milton Hydro has consistently met or exceeded the OEB's Service Quality Indicators. The following Table 2 provides Milton Hydro's SQIs for the years 2005 to 2009. It is anticipated that performance in future years will continue to exceed the OEB minimum standards.

**Table 2**  
**Service Quality Indicators**

Description of Standard	OEB Minimum Standard	2005		2006		2007		2008		2009	
		#	% Achieved	#	% Achieved	#	% Achieved	#	% Achieved	#	% Achieved
Connections of New Services - Low voltage	90% of new voltage service requests met within 5 working days	1,921	100.0%	1,256	100.0%	1,883	99.9%	2,670	99.6%	2,204	93.6%
Connections of New Services - High voltage	90% of new voltage service requests met within 10 working days	134	100.0%	-	-	-	-	-	-	-	-
Underground Cable Locates	90% of underground cable locates completed within 5 working days	3,042	95.0%	3406	96.1%	3846	98.7%	5726	99.8%	6467	99.6%
Telephone Accessibility	65% of all incoming calls to the general inquiry number to be answered within 30 seconds	12,114	83.7%	17,448	76.8%	18,448	80.1%	24,453	78.9%	27,431	75.4%
Appointments	Customer must be offered their choice of morning or afternoon appointments and 90% of the appointments must be met at the appointed time	22	100.0%	18	100.0%	192	100.0%	303	100.0%	338	100.0%
Written Response to Inquiries	80% of customer requests for written information must be met within 10 working days	475	100.0%	623	100.0%	566	100.0%	402	100.0%	635	99.7%
Emergency Response- Urban	80% of emergency trouble calls received from fire, ambulance or police responded to within 60 minutes	2	100.0%	2	100.0%	7	100.0%	3	100.0%	10	100.0%
Emergency Response - Rural	80% of emergency trouble calls received from fire, ambulance or police responded to within 120 minutes	7	100.0%	6	100.0%	18	94.4%	22	95.5%	14	100.0%

Milton Hydro's 2005 to 2009 service reliability statistics, including the Code 2 Loss of Supply, are provided in Table 3 below. Milton Hydro's 2009 results are within the three year range from 2006 to 2008 as required in the 2006 Electricity Distribution Handbook, Chapter 15.2 Service Reliability Indices.

**Table 3**  
**Service Reliability Statistics**

	2005	2006	2007	2008	2009
<b>SAIDI</b>	1.05	1.35	1.54	1.01	1.16
<b>SAIFI</b>	1.90	1.49	1.14	0.76	1.24
<b>CAIDI</b>	0.55	0.91	1.35	1.33	0.93

In addition, the following Table 4 provides a summary of the causes of service interruptions by OEB outage code.

**Table 4**  
**Service Interruptions by Outage Code**

Code	Cause	2005	2006	2007	2008	2009	Total
0	Unknown/Other	6	23	24	28	21	102
1	Scheduled Outage	44	129	79	71	74	397
2	Loss of Supply	4	7	16	10	8	45
3	Tree Contacts	3	43	36	55	42	179
4	Lightning		21	13	21	23	78
5	Defective Equipment	20	74	80	118	97	389
6	Adverse Weather		1	22	4	14	41
7	Adverse Environment		1	1			2
8	Human Element		2	5	6	6	19
9	Foreign Interference	7	38	49	15	32	141
	<b>Total</b>	<b>84</b>	<b>339</b>	<b>325</b>	<b>328</b>	<b>317</b>	<b>1393</b>

Milton Hydro monitors the service reliability statistics and causes of interruptions as part of improving or correcting its distribution system to ensure reliability and safety.

Milton Hydro has been an active participant in conservation and demand management (CDM) programs since 2005, believing in the premise that a significant change is required in the conservation ethic of consumers to achieve a long-term supply-demand balance. To this end Milton Hydro has been a strong supporter and the leader in the Ontario Smart Meter program.

Milton Hydro was involved with a number of third tranche and post-third tranche initiatives and, since the introduction of Ontario Power Authority (“OPA”) funded programs, has been an active participant in these programs. The Electricity Retrofit Incentive Program (“ERIP”) has been particularly successful in attracting the participation of a number of the larger Milton Hydro

1 customers. Many of these customers were attendees of the various ERIP seminars put on in  
2 the Halton Region with other Halton LDCs, and more recently as separate Milton Hydro  
3 functions.

4 Milton Hydro has also achieved excellent results with the Small Commercial Direct Install  
5 Program with over 40% of eligible customers already participating. Participation would be even  
6 higher except that much of Milton Hydro's small commercial customer base has been added  
7 since 2000 and occupy newer buildings already using the upgraded lighting.

8 The Appliance Retirement Program has also been successful, despite the fact that two-thirds of  
9 Milton Hydro's residential customers have been added since 2000, greatly limiting the number  
10 of qualifying refrigerators.

11 Milton Hydro will continue to be a leader in promoting energy conservation.

12 **Purpose and Need:**

13 Milton Hydro's requested revenue requirement for 2011, in the amount of \$15,061,832, includes  
14 the recovery of its costs to provide distribution services, its permitted Return on Equity ("ROE")  
15 and the funds necessary to service its debt at its deemed 60/40 debt to equity ratio

16 When forecasted energy and demand levels for 2010 are considered, Milton Hydro estimates  
17 that its present rates will produce a deficiency in distribution revenue of \$1,690,053 for the 2011  
18 Test Year. The recovery of the revenue deficiency is required to ensure that Milton Hydro has  
19 sufficient funds to meet its capital expenditure obligations, to fund operating expenses and to  
20 provide for a reasonable rate of return.

21 Therefore, Milton Hydro seeks the OEB's approval to revise its electricity distribution rates. The  
22 rates proposed to recover its projected revenue requirement and other relief sought are set out  
23 in this Exhibit at Table1 above and Exhibit 8 – Rate Design.

24 The information presented in this Application is Milton Hydro's forecasted results for its 2011  
25 Test Year. Milton Hydro is also presenting the historical information for 2005 Actual, 2006 OEB-  
26 Approved data, 2006 Actual, 2007 to 2009 Actual, and forecast results for the 2010 Bridge Year.

**Timing:**

The financial information supporting the Test Year for this Application will be Milton Hydro's fiscal year ending December 31, 2011 (the "2011 Test Year"). This information will be used to set rates for the period May 1, 2011 to April 30, 2012.

**Customer Impact:**

In preparing this application, Milton Hydro has considered the impacts on its customers, with a goal of minimizing those impacts and in doing so, Milton Hydro has elected not to file an application for a CDM-related lost revenue adjustment ("LRAM") or shared savings ("SSM") at this time. Milton Hydro has maintained its current rate design and applied the cost allocation methodology and rate structure adjustments as determined by the November 28, 2007 Report of the Board "Application of Cost Allocation for Electricity Distributors" EB-2007-0667 ("Cost Allocation Report"). With respect to cost allocation, Milton Hydro notes that for the 2011 Test Year, for the majority of its customers, the revenue to cost ratio of each rate class falls within the applicable threshold defined by the OEB in the Cost Allocation Report. Milton Hydro is proposing to re-align its revenue to cost ratios by adjusting the allocations of revenue among rate classes in order to ensure that all customer classes have a revenue to cost ratio of no more than +/- 10% of unity, except the Street Lighting and Sentinel Light customer classes. Adjustments have been made to those rate classes not falling within the +/- 10% range to bring these classes closer to a revenue-to-cost ratio of 100%. The Street Light and Sentinel Light customer classes are being increased by approximately 50% of the difference between their current level of revenue to cost ratio and the bottom of the OEB range of 70%. Milton Hydro will further adjust the revenue to cost ratios in its 2012 Distribution Rate Application to bring the Street Light and the Sentinel Light customer class to the bottom of the approved ranges. Details are provided in Exhibit 7.

Customer impacts including the percentage average monthly Total Bill Impact and Average Dollar Impact, which include the fixed and variable distribution rates, revised loss factors, Deferral and Variance Accounts Rate Riders, the disposition of the Smart Meter variance accounts, Low Voltage Rate Riders, revised retail transmission service rates, the Special Purpose Charge and all related market charges are set out in Table 5 below.

**Table 5**  
**Average Total Monthly Bill Impact – Dollar & Percent**

<b>Class</b>	<b>Typical kWh Usage</b>	<b>Typical kW Demand</b>	<b>Monthly \$ Impact</b>	<b>Total Bill Impact %</b>
Residential	800		2.77	2.46%
General Service < 50kW	5,000		26.46	4.04%
General Service > 50 - 999kW	200,000	500	692.32	2.88%
General Service > 1000 - 4999kW	1,600,000	4,000	4,642.24	2.65%
Large Use	3,100,000	7,500	3,657.65	1.09%
Streetlighting	526,732	1,484	11,440.66	21.45%
Sentinel Lighting	50	1	13.60	160.76%
Unmetered & Scattered	630		4.54	5.54%

1    **Major Issues**

- 2       • The issues to be reviewed in this Application are discussed in the Draft Issues List above.

3    **Capital Structure:**

4    Milton Hydro's deemed capital structure is 60% Debt and 40% Equity. Milton Hydro is not  
5    proposing to change its Debt/Equity ratio.

6    **Return on Equity:**

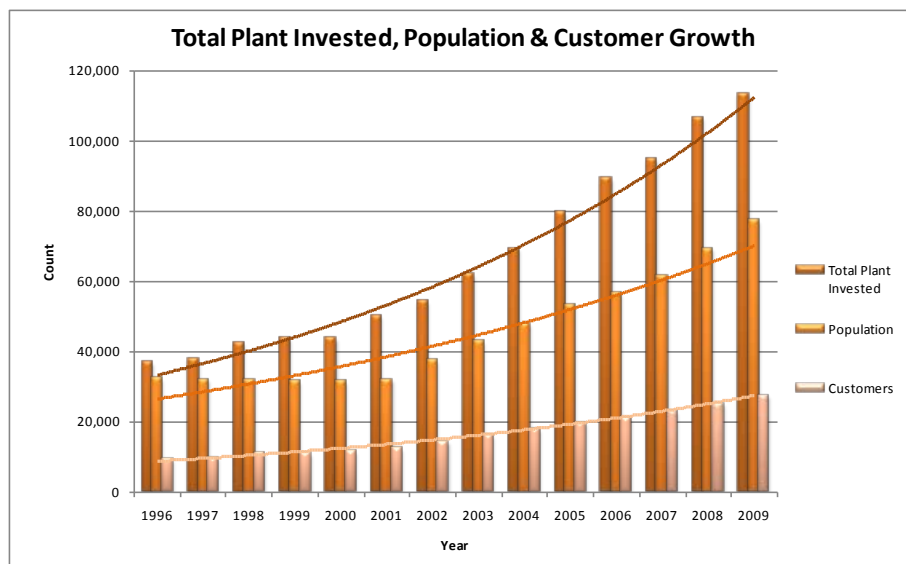
7    Milton Hydro has assumed a return on equity of 9.85% consistent with the Cost of Capital  
8    Parameter Updates for 2010 Cost of Service Applications issued by the OEB on February 24,  
9    2010. Milton Hydro understands the OEB will be finalizing the return on equity for 2011 rates in  
10   early February 2011 and Milton Hydro will adjust its proposed rates accordingly.

11   **Capital Expenditures:**

12   Milton Hydro continues to expand and reinforce its distribution system in order to meet the  
13   demand of new and existing customers in its service territory. This increase in demand is a  
14   result of the rapid growth in the Town of Milton Hydro from 2001 to 2009 which has required  
15   distribution system expansion of new pole lines required to service the growth. In addition  
16   Milton Hydro has a need to upgrade existing plant in the older part of the Town of Milton that is  
17   beyond its useful life. Details of Milton Hydro's capital requirements are provided in Exhibit 2  
18   including explanations for those projects exceeding materiality. The following Chart 1 shows the  
19   relationship between Milton Hydro's total capital investment in distribution plant, population and  
20   customer growth for the period 1996 to 2009.

1

**Chart 1**



2

### 3 **Operating and Maintenance Costs:**

4 Milton Hydro's Application includes the costs required to operate and maintain its distribution  
5 system including costs associated with carrying out the maintenance and inspections of its  
6 distribution plant as part of its Asset Management Plan. The OM&A costs also reflect changes  
7 in Milton Hydro's human resource requirements as provided in Exhibit 4.

8 Based on the OEB's *Comparison of Ontario Electricity Distributors Costs (EB-2006- 0268)*, and  
9 the Peer Groups as established in the Pacific Economic Group ("PEG") Report dated March 20,  
10 2008, Milton Hydro has updated the OM&A costs per customer data for 2008 using the 2008  
11 Yearbook of Electricity Distributors published September 10, 2009. Milton Hydro's OM&A costs  
12 per customer compare favorably with its "Mid Size GTA Medium-High & High Undergrounding"  
13 peer group. In 2008, the average OM&A cost per customer for the peer group was \$190.00  
14 while Milton Hydro's actual OM&A cost per customer was \$202.00. Milton Hydro's average  
15 OM&A per customer for the three years 2006 to 2008 was \$199.00 compared to the three year  
16 average for the peer group of \$186.00. Milton Hydro has also provided 2010 OM&A costs per  
17 customer for other distributors derived from the best available information at the time of  
18 preparing this Application. Milton Hydro submits that its OM&A costs per customer for the 2010  
19 Bridge Year and the 2011 Test Year continue to be reasonable within its peer group. The OM&A  
20 costs per customer for the peer group is provided in Table 6 below.

**Table 6**

**OM&A Costs per Customer – “Mid Size GTA Medium-High Undergrounding” Peer Group**

Mid-Size GTA Medium-High & High Undergrounding	2006	2007	2008	3 Year Average	2009	2010 Bridge Year	2011 Test Year
Barrie Hydro Distribution Inc.	\$124	\$124	\$149	\$132	n/a	n/a	
Kitchener-Wilmot Hydro Inc.	\$148	\$149	\$149	\$149	\$162	\$170	
Oshawa PUC Networks Inc.	\$159	\$172	\$170	\$167	n/a	n/a	
Cambridge and North Dumfries Hydro Inc.	\$148	\$172	\$184	\$168	\$192	\$211	
Waterloo North Hydro Inc.	\$182	\$179	\$177	\$179	n/a	n/a	
Oakville Hydro Electricity Distribution Inc.	\$202	\$189	\$163	\$185	\$182	\$204	
Newmarket - Tay Power Distribution Ltd.	\$189	\$186	\$200	\$191	n/a	n/a	
<b>Milton Hydro Distribution Inc.</b>	<b>\$198</b>	<b>\$198</b>	<b>\$202</b>	<b>\$199</b>	<b>\$199</b>	<b>\$216</b>	<b>\$214</b>
Brantford Power Inc.	\$175	\$217	\$205	\$199	n/a	n/a	
Guelph Hydro Electric Systems Inc.	\$190	\$213	\$207	\$203	n/a	n/a	
Burlington Hydro Inc.	\$199	\$206	\$206	\$204	\$221	\$229	
Whitby Hydro Electric Corporation	\$205	\$214	\$209	\$209	\$215	\$223	
Halton Hills Hydro Inc.	\$241	\$220	\$244	\$235	n/a	n/a	
<b>Peer Group Average</b>	<b>\$181</b>	<b>\$188</b>	<b>\$190</b>	<b>\$186</b>	<b>\$195</b>	<b>\$209</b>	<b>\$214</b>

**Source:**

Comparison of Ontario Electricity Distributors Costs (EB-2006-0268) Peer Groups per PEG Report dated March 20, 2008 and the 2008 Yearbook of Electricity Distributors.

**Human Resources:**

Milton Hydro's Application includes the costs required to maintain its staffing compliment including changes in staffing levels to provide for proper succession and growth. Milton Hydro has compiled the following Table 7 using the Peer Groups established in the Pacific Economic Group ("PEG") Report dated March 20 and 2009 data provided in the MEARIE 2009/2010 Survey of Ontario's Local Distribution Companies. In 2009 Milton Hydro had the highest number of customers served per employee in its Peer Group. Milton Hydro's staffing compliment has not kept up with the rapid growth experienced in the Town of Milton and as such Milton Hydro plans to hire additional staff in the engineering and operations departments in the 2010 Bridge Year and additional staff in customer services, finance and operations in the 2011 Test Year. Details are provided in Exhibit 4. Milton Hydro has included its forecast customers served per employee at 653 customers served per employee and 597 customers served per employee for the 2010 Bridge Year and the 2011 Test Year respectively. The customers served per employee for the four other distributors has been obtained from 2010 rate

1 applications and is the best information available at the time of filing this Application. Milton  
2 Hydro submits that its 2011 Test Year customers served per employee are reasonable and  
3 continue to be higher than the 2009 average and 2010 average based on the information  
4 available.

**Table 7**  
**Customers Served Per Employee**

Mid-Size GTA Medium-High & High Undergrounding	Customers per Employee 2009	2010 Bridge Year	2011 Test Year
<b>Milton Hydro Distribution Inc.</b>	<b>682</b>	<b>653</b>	<b>597</b>
Burlington Hydro Inc.	663	641	
Barrie Hydro Distribution Inc. (June 2008)	661	n/a	
Oakville Hydro Electricity Distribution Inc.	595	588	
Cambridge and North Dumfries Hydro Inc.	572	557	
Whitby Hydro Electric Corporation	557	n/a	
Kitchener-Wilmot Hydro Inc.	500	498	
Guelph Hydro Electric Systems Inc.	499	n/a	
Halton Hills Hydro Inc.	464	n/a	
Brantford Power Inc.	447	n/a	
Waterloo North Hydro Inc.	429	n/a	
Oshawa PUC Networks Inc.	n/a	n/a	
Newmarket - Tay Power Distribution Ltd.	n/a	n/a	
Peer Group Average of Distributors that Reported	<b>552</b>	<b>587</b>	
Peer Group Average Excluding Milton Hydro	<b>539</b>	<b>571</b>	

#### **Budget Process Overview:**

In managing its distribution system assets, Milton Hydro's main objective is to optimize performance of the assets at a reasonable cost with due regard for system reliability, safety, and customer service expectations. Milton Hydro is committed to providing our customers with an economical, safe, reliable supply of electricity and helping the Town of Milton become the most energy efficient community in Ontario. Milton Hydro's Asset Management Plan, which sets out Milton Hydro's processes for determining the necessary distribution system investments to ensure safe, reliable delivery of electricity to its customers, is found at Exhibit 2 Appendix A.

The Capital Budget process at Milton Hydro is an integral planning tool and ensures that appropriate resources are available to maintain and grow its capital infrastructure. It is the responsibility of each department to contribute in the preparation of the Capital and Operating budget, with the assistance of the Finance department. The responsibility of the Finance department is to coordinate the capital budget and forecast process and present a preliminary

Capital budget to the President & CEO for approval. Once the preliminary Capital budget and long range forecast has been approved by the President & CEO, it is presented to the Board of Directors as follows:

1. The President/CEO and the VP, Finance present a preliminary Capital budget and long range forecast at a special meeting of the Board.
2. Subsequent to the special meeting, the Finance department makes any refinements to the Capital budget and long range forecast, as necessary.
3. The President/CEO, with the assistance of the VP, Finance present and recommend the updated Capital budget to Milton Hydro Distribution's Board of Directors for approval.
4. It is then the responsibility of the Board of Directors, on behalf of the stakeholders, to approve the budget.

Once the Board of Directors approve the annual budget the budget amounts do not change but rather provide a plan against which actual results may be evaluated.

On an annual basis, Milton Hydro reviews capital projects identified for potential implementation and attempts to prioritize each project based on performance-related asset information including, but not limited to, data on reliability, asset age and condition, loading, customer connection requirements, and system configuration.

In addition to the capital needs of the distribution system, Milton Hydro plans for the required maintenance of its assets considering both performance and safety. Milton Hydro's maintenance programs are addressed in greater detail in Exhibit 4 – Operating Costs.

#### **Budget Directives:**

Milton Hydro compiles budget information for the three major components of the budgeting process: revenue forecasts, operating and maintenance expense forecast and capital budget forecast. This budget information is compiled for both the 2010 Bridge Year and the 2011 Test Year and presented in this Application.

1           • **Revenue Forecast**

2     Milton Hydro's revenue forecast is based on the forecasted kWh, kW and customer counts for  
3     the 2010 Bridge Year and 2011 Test Year. Milton Hydro prepared its weather normalized load  
4     forecast by customer class and monthly customer class data for the weather sensitive customer  
5     classes using the regression analysis and by average usage and forecasted customer growth  
6     for the non-weather sensitive customer classes. The forecast results are then used to calculate  
7     the 2010 Bridge Year and the 2011 Test Year revenues at existing rates and proposed rates. A  
8     detailed explanation of the forecast methodology and distribution revenue is provided in Exhibit  
9     3 – Operating Revenue.

10           • **Operating Maintenance and Administration ("OM&A") Expense Forecast**

11     Milton Hydro's OM&A expenses for the 2010 Bridge Year and the 2011 Test Year are based on  
12     an in-depth review of planned distribution system maintenance, system inspection results and  
13     prior years experience. Milton Hydro allocates available person hours to the capital work that  
14     will be done in-house with the remaining hours allocated to identified O&M projects. Contract  
15     work is determined based on the level of expertise required and staffing availability. Milton  
16     Hydro reviews each item in detail and establishes the budget based on historical trends and  
17     known factors as opposed to simply applying an arbitrary inflation factor. Labour costs are in  
18     accordance with the Collective Agreement, which expires in 2012. Details are provided in  
19     Exhibit 4 – Operating Costs.

1           •   **Capital Budget**

2   Milton Hydro's Asset Management Plan identifies the capital projects required and projected to  
3   be required over a 5 year period based on the best available information for each year. The  
4   capital budget forecast is influenced significantly by growth and the conversion of aging  
5   infrastructure. As provided in Exhibit 2 below, over 60% of Milton Hydro's capital investments  
6   are customer or municipal driven and not within the discretion or control of Milton Hydro. All  
7   proposed capital projects for the 2010 Bridge Year and 2011 Test Year will be completed and in  
8   service in that year. Details of Milton Hydro's capital budget are provided in Exhibit 2 – Rate  
9   Base. Milton Hydro acknowledges that, where the priority of projects changes, Milton Hydro  
10   may be required to re-evaluate the future year's capital project forecast.

11   **Changes in Methodology:**

12   Milton Hydro is not requesting any changes in methodology in this current proceeding.

13

1   **Causes of Revenue Deficiency:**

2   Milton Hydro's net revenue deficiency is calculated as \$1,253,946 and when grossed up for  
3   PILs, the revenue deficiency is \$1,690,053. Milton Hydro's calculation of its 2011 revenue  
4   deficiency is provided in Table 8 below and Exhibit 6 – Calculation of Revenue  
5   Sufficiency/Deficiency.

6   The revenue deficiency is primarily the result of:

- 7       • Projected increases in OM&A costs including depreciation expense for the 2011 Test  
8       Year and staff additions in the Operations and Engineering departments in 2009 and  
9       2010 to meet the significant customer growth and Regulatory in 2009. OM&A cost are  
10      discussed in further detail in Exhibit 4 – Operating Costs.
- 11      • Projected increases in capital investments in both 2010 and 2011 due to the rapid  
12      growth in the Town of Milton Hydro, the extensive amount of Municipal work requiring  
13      relocation of existing plant and the conversion of aging infrastructure has increased  
14      Milton Hydro's rate base upon which Milton Hydro's rate of return is based. Rate Base is  
15      discussed in further detail in Exhibit 2 – Rate Base.

**Table 8**  
**Calculation of Revenue Deficiency**

Description	2010 Bridge Year Actual	2011 Test Year Existing Rates	2011 Test Year Required Revenue
<b>Revenue</b>			
Revenue Deficiency			1,690,053
Distribution Revenue includes Smart Meter Rev. Req.	13,536,171	11,918,130	11,918,130
Other Operating Revenue (Net)	1,304,407	1,453,649	1,453,649
<b>Total Revenue</b>	<b>14,840,578</b>	<b>13,371,779</b>	<b>15,061,832</b>
<b>Costs and Expenses</b>			
Administrative & General, Billing & Collecting	4,081,901	4,403,240	4,403,240
Operation & Maintenance	2,166,850	2,111,739	2,111,739
Depreciation & Amortization	3,953,062	3,616,371	3,616,371
Property Taxes	0	0	0
Capital Taxes	30,495	0	0
Deemed Interest	1,776,105	1,857,124	1,857,124
<b>Total Costs and Expenses</b>	<b>12,008,412</b>	<b>11,988,474</b>	<b>11,988,474</b>
Less OCT Included Above	30,495	0	0
<b>Total Costs and Expenses Net of OCT</b>	<b>12,038,907</b>	<b>11,988,474</b>	<b>11,988,474</b>
<b>Utility Income Before Income Taxes</b>	<b>2,801,672</b>	<b>1,383,305</b>	<b>3,073,358</b>
<b>Income Taxes:</b>			
Corporate Income Taxes	879,778	188,838	624,945
<b>Total Income Taxes</b>	<b>879,778</b>	<b>188,838</b>	<b>624,945</b>
<b>Utility Net Income</b>	<b>1,921,894</b>	<b>1,194,467</b>	<b>2,448,414</b>
<b>Capital Tax Expense Calculation:</b>			
Total Rate Base	55,659,447	62,142,475	62,142,475
Exemption	0	0	0
Deemed Taxable Capital	<b>55,659,447</b>	<b>62,142,475</b>	<b>62,142,475</b>
Ontario Capital Tax	30,495	0	0
<b>Income Tax Expense Calculation:</b>			
Accounting Income	2,801,672	1,383,305	3,073,358
Tax Adjustments to Accounting Income	230,924	-651,498	-651,498
<b>Taxable Income</b>	<b>3,032,596</b>	<b>731,807</b>	<b>2,421,860</b>
<b>Income Tax Expense</b>	<b>879,778</b>	<b>188,838</b>	<b>624,945</b>
<b>Tax Rate Reflecting Tax Credits</b>	<b>29.01%</b>	<b>25.80%</b>	<b>25.80%</b>
<b>Actual Return on Rate Base:</b>			
Rate Base	55,659,447	62,142,475	62,142,475
Interest Expense	1,776,105	1,857,124	1,857,124
Net Income	1,921,894	1,194,467	2,448,414
<b>Total Actual Return on Rate Base</b>	<b>3,697,998</b>	<b>3,051,591</b>	<b>4,305,537</b>
<b>Actual Return on Rate Base</b>	<b>6.64%</b>	<b>4.91%</b>	<b>6.93%</b>
<b>Required Return on Rate Base:</b>			
Rate Base	55,659,447	62,142,475	62,142,475
<b>Return Rates:</b>			
Return on Debt (Weighted)	5.32%	4.98%	4.98%
Return on Equity	9.00%	9.85%	9.85%
Deemed Interest Expense	1,776,105	1,857,124	1,857,124
Return On Equity	2,003,740	2,448,414	2,448,414
<b>Total Return</b>	<b>3,779,845</b>	<b>4,305,537</b>	<b>4,305,537</b>
<b>Expected Return on Rate Base</b>	<b>6.79%</b>	<b>6.93%</b>	<b>6.93%</b>
<b>Revenue Deficiency After Tax</b>	<b>81,847</b>	<b>1,253,946</b>	<b>0</b>
<b>Revenue Deficiency Before Tax</b>	<b>115,294</b>	<b>1,690,053</b>	<b>0</b>

**FINANCE**

**Work In Progress**

Milton Hydro maintains a work in progress account solely for the purpose of reallocating meters and transformers from inventory to work in progress at the end of each fiscal year. This entry is subsequently reversed on January 1st of the following year. Meters and transformers are capitalized as they are put into service.

All proposed capital projects for the 2010 Bridge Year and 2011 Test Year will be completed and in service in that year.

**Harmonized Sales Tax**

Commencing July 1, 2010 the Provincial Government introduced the Harmonized Sales Tax ("HST") whereby the previous Provincial Sales Tax ("PST") has now been combined with the Goods and Services Tax ("GST") into one tax rate for Ontario. The HST is eligible for recovery by all businesses as an input tax credit. The impact on Milton Hydro's costs, commencing July 1, 2010, is a reduction equivalent to the PST rate of 8%.

Accordingly, in the preparation of the financial information for this Application, Milton Hydro has adjusted its 2010 Bridge Year capital expenditures down by \$111,000 and its 2010 OM&A down by \$33,000. For the 2011 Test Year the capital expenditures have been reduced by \$222,200 and the OM&A by \$65,800 to reflect the reduction in costs due to the recovery of the PST. Further details are provided in Exhibit 4 – Operating Costs.

**Financial Statements - 2008:**

Milton Hydro's Audited 2008 Financial Statements are attached as Appendix A.

**Financial Statements - 2009:**

Milton Hydro's Audited 2009 Financial Statements are attached as Appendix B

**Pro Forma Financial Statements - 2010 and 2011:**

Milton Hydro has provided Pro Forma Financial Statements for the 2010 Bridge Year and the 2011 Test Year as Table 9. Milton Hydro has also included comparative audited financial

1 information for 2005 to 2009 in the same Table 9.

2

3

**Table 9**  
**2010 Bridge Year & 2011 Test Year Pro Forma Financial Statements With Comparative**  
**Figures For 2005 To 2009**

<b>Milton Hydro Distribution Inc.</b>							
<b>Summary of Financial Position</b>							
<b>As at December 31</b>							
	<b>Audited Financial Results</b>					<b>2010 Bridge Year</b>	<b>2011 Test Year</b>
	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>		
<b>ASSETS</b>							
<b>Current</b>							
- Cash & Short-Term Deposits (Borrowings)	\$ 6,047,954	3,383,681	2,787,774	2,687,449		3,633,220	4,111,100
- Accounts Receivable	5,768,400	6,117,490	7,452,443	5,207,631	6,893,674	4,856,142	6,234,998
- Unbilled Revenues	6,172,004	5,000,472	5,645,908	6,210,963	6,880,103	5,330,530	5,330,530
- Inventories	1,791,685	2,045,575	1,998,833	709,143	919,065	1,000,000	1,000,000
- Prepaids/Due from related parties	240,492	325,972	280,471	194,742	384,940	373,945	373,945
- Payment in Lieu of Taxes Receivable		345,000		428,000			
<b>Total Current Assets</b>	<b>20,020,536</b>	<b>17,218,190</b>	<b>18,165,430</b>	<b>15,437,328</b>	<b>15,077,783</b>	<b>15,193,837</b>	<b>17,050,573</b>
<b>Property, Plant &amp; Equipment</b>							
- Distribution Plant Assets	79,706,143	89,118,467	94,931,326	106,812,150	114,812,975	129,410,906	140,365,985
- General Plant	4,296,977	4,412,416	4,535,843	4,639,300	7,633,947	9,183,002	10,171,502
- Accumulated Contributed Capital - Jan 1, 2000	(18,812,855)	(24,523,745)	(25,969,118)	(31,780,091)	(35,454,436)	(39,524,700)	(43,319,638)
- Accumulated Amortiz of Contributed Capital	(33,693,433)	(36,168,641)	(38,390,841)	(41,043,336)	(44,074,818)	(48,168,066)	(51,841,323)
<b>Total Property, Plant &amp; Equipment</b>	<b>31,496,832</b>	<b>32,838,497</b>	<b>35,107,210</b>	<b>38,628,023</b>	<b>42,917,668</b>	<b>50,901,142</b>	<b>55,276,526</b>
<b>Other</b>							
- Other Assets - Feeder Lines	-	-	-	-	-	2,030,126	325,992
- Regulatory Assets	1,092,500	988,000	1,207,000	1,204,000	1,412,101	348,100	348,100
- Payments in Lieu of Taxes - Deferred							
<b>Total Other Assets</b>	<b>1,092,500</b>	<b>988,000</b>	<b>1,226,771</b>	<b>1,204,000</b>	<b>1,412,101</b>	<b>2,378,226</b>	<b>674,092</b>
<b>TOTAL ASSETS</b>	<b>\$ 52,609,868</b>	<b>\$ 51,044,687</b>	<b>\$ 49,499,412</b>	<b>\$ 55,269,351</b>	<b>\$ 59,407,552</b>	<b>\$ 68,473,204</b>	<b>\$ 73,001,191</b>
<b>LIABILITIES</b>							
<b>Current</b>							
- Bank Indebtedness					264,598		
- Accounts Payable & Accrued Charges	\$ 10,669,814	7,314,975	10,023,050	8,787,717	11,327,636	10,320,744	10,320,744
- Current Portion of Long-Term Debt	115,000	184,000	191,000	206,600	379,500	150,000	150,000
- PILs Payable	168,664	-	403,001		143,470	-	-
- Due to Affiliate							
<b>Total Current Liabilities</b>	<b>10,953,478</b>	<b>7,498,975</b>	<b>10,617,050</b>	<b>8,994,317</b>	<b>12,115,204</b>	<b>10,470,744</b>	<b>10,470,744</b>
<b>Long Term Debt</b>							
- Note Payable to Town of Milton	14,934,210	14,934,210	14,934,210	14,934,210	14,934,210	14,934,210	14,934,210
- New Long-Term Debt	-	-	-	-	-	10,165,057	12,884,118
	<b>14,934,210</b>	<b>14,934,210</b>	<b>14,934,210</b>	<b>14,934,210</b>	<b>14,934,210</b>	<b>25,099,267</b>	<b>27,818,328</b>
<b>Other</b>							
- Other Liabilities	2,249,192	2,762,631	2,792,858	3,408,895	3,492,677	3,385,076	3,385,077
- Vested Sick Leave & Employee Future Benefits	159,051	217,162	225,533	233,934	155,482	269,302	269,302
- Regulatory Liabilities	1,239,145	1,072,127	(950,000)	64,409	794,784	-	-
<b>Total Other Liabilities</b>	<b>3,647,398</b>	<b>4,051,921</b>	<b>3,018,391</b>	<b>3,707,238</b>	<b>4,442,943</b>	<b>3,654,378</b>	<b>3,654,379</b>
<b>TOTAL LIABILITIES</b>	<b>29,535,086</b>	<b>26,485,107</b>	<b>28,569,651</b>	<b>27,635,765</b>	<b>31,492,357</b>	<b>39,224,389</b>	<b>41,913,451</b>
<b>Equity in Ontario Hydro</b>							
<b>EQUITY</b>							
- Total Retained Earnings, Beginning	4,235,704	6,065,873	8,000,671	9,870,852	10,682,936	13,121,287	15,454,908
- Current Year Net Income	1,830,169	1,934,798	1,870,180	1,968,825	2,438,350	2,333,621	2,838,924
- Change in Accounting Policy	-	-	-	-	-	-	-
- Dividends Paid During the Year	-	(450,000)	(950,000)	(1,215,000)	(2,215,000)	(3,215,000)	(4,215,000)
- Total Retained Earnings, Ending	<b>6,065,874</b>	<b>7,550,671</b>	<b>8,920,852</b>	<b>10,624,677</b>	<b>10,906,287</b>	<b>12,239,908</b>	<b>14,078,832</b>
- Capital Stock	17,008,909	17,008,909	17,008,909	17,008,909	17,008,909	17,008,909	17,008,909
<b>Total Equity</b>	<b>23,074,782</b>	<b>24,559,580</b>	<b>25,929,760</b>	<b>27,633,586</b>	<b>27,915,195</b>	<b>29,248,816</b>	<b>31,087,741</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 52,609,868</b>	<b>\$ 51,044,687</b>	<b>\$ 49,499,411</b>	<b>\$ 55,269,351</b>	<b>\$ 59,407,552</b>	<b>\$ 68,473,205</b>	<b>\$ 73,001,191</b>
		(0)	(0)	0	(0)	0	(0)

<b>TOTAL REVENUE</b>	<b>(60,176,939)</b>	<b>(55,744,654)</b>	<b>(59,555,959)</b>	<b>(60,517,333)</b>	<b>(64,104,785)</b>	<b>(74,204,035)</b>	<b>(75,450,813)</b>
<b>COST OF ENERGY</b>	<b>50,722,123</b>	<b>46,137,044</b>	<b>49,302,014</b>	<b>49,997,910</b>	<b>52,697,568</b>	<b>60,667,864</b>	<b>61,842,630</b>
<b>NET DISTRIBUTION REVENUE</b>	<b>(9,454,817)</b>	<b>(9,607,610)</b>	<b>(10,253,944)</b>	<b>(10,519,423)</b>	<b>(11,407,217)</b>	<b>(13,536,171)</b>	<b>(13,608,183)</b>
<b>OTHER INCOME</b>							
- Other Operating Income	(421,492)	(501,314)	(590,983)	(719,199)	(751,785)	(772,640)	(808,048)
- Other Income	(398,366)	(408,766)	(437,555)	(486,350)	(728,414)	(595,746)	(632,101)
- Interest Earned	(193,732)	(183,677)	(253,261)	(131,495)	(38,119)	63,979	(45,000)
<b>Total Other Income</b>	<b>(1,013,590)</b>	<b>(1,093,757)</b>	<b>(1,281,799)</b>	<b>(1,347,044)</b>	<b>(1,518,318)</b>	<b>(1,304,407)</b>	<b>(1,485,149)</b>
<b>TOTAL REVENUES</b>	<b>(10,468,407)</b>	<b>(10,698,367)</b>	<b>(11,535,744)</b>	<b>(11,866,467)</b>	<b>(12,925,535)</b>	<b>(14,840,570)</b>	<b>(15,093,332)</b>
<b>EXPENDITURE</b>							
- Distribution - Operations	508,866	433,375	527,987	683,018	685,613	792,937	876,809
- Distribution - Maintenance	945,305	830,665	908,815	879,911	991,549	1,373,913	1,234,930
- Administration	2,752,100	2,853,705	3,140,303	3,553,464	3,689,648	4,081,901	4,403,240
- Administration-Capital Tax	97,300	101,000	70,001	71,000	75,000	30,495	-
- Interest Expense	1,143,290	1,178,603	1,184,752	1,152,003	1,107,221	1,394,871	1,498,114
- Dep'n & Amort'n of Contributed Capital	2,288,724	2,381,999	2,619,516	2,744,199	2,968,831	3,353,062	3,616,371
<b>TOTAL EXPENDITURES</b>	<b>7,735,585</b>	<b>7,779,346</b>	<b>8,451,373</b>	<b>9,083,596</b>	<b>9,516,862</b>	<b>11,627,179</b>	<b>11,629,464</b>
<b>EARNINGS BEFORE TAXES &amp; EXTRAORDINARY ITEMS</b>	<b>(2,732,823)</b>	<b>(2,919,021)</b>	<b>(3,084,370)</b>	<b>(2,782,872)</b>	<b>(3,408,673)</b>	<b>(3,213,399)</b>	<b>(3,463,869)</b>
<b>Payment in lieu of taxes</b>							
- Current	1,358,453	879,723	1,433,190	811,047	1,036,250	879,778	624,945
- Future/Deferred	(455,800)	104,500	(219,000)	3,000	(65,927)	-	-
	<b>902,653</b>	<b>984,223</b>	<b>1,214,190</b>	<b>814,047</b>	<b>970,323</b>	<b>879,778</b>	<b>624,945</b>
<b>NET EARNINGS</b>	<b>(1,830,169)</b>	<b>(1,934,798)</b>	<b>(1,870,180)</b>	<b>(1,968,825)</b>	<b>(2,438,350)</b>	<b>(2,333,621)</b>	<b>(2,838,924)</b>

1    **Reconciliation Between Pro Forma Statements and Revenue Deficiency Statements**

2    Milton Hydro advises that the 2008 and 2009 Audited Financial Statements do not vary from the  
3    regulatory financial results filed in this Application and therefore reconciliation between the  
4    financial statements and financial results filed is not required.

5    For the 2010 Bridge Year and the 2011 Test Year the only known differences will be between  
6    deemed and actual interest expense as provided in the Revenue Deficiency Model in this  
7    Exhibit, Table 8 and Exhibit 6 – Calculation of Revenue Sufficiency/Deficiency.

8

## Information on Affiliates

Milton Hydro Holdings Inc. does not issue an Annual Report. Milton Hydro Holdings Inc. 2009 consolidated financial statements are attached as Appendix C

## MATERIALITY THRESHOLD

### Materiality Threshold

The Filing Requirements set out the methodology for calculating the materiality threshold that distributors are to use to explain year over year variances exceeding this threshold for rate base, capital expenditures and OM&A. Milton Hydro's distribution revenue requirement exceeds \$10 million dollars and as such the materiality threshold is calculated as 0.5% of Milton Hydro's proposed 2011 Test Year revenue requirement. Milton Hydro's materiality threshold calculated in accordance with The Filing Requirements is \$68,000 as set out in Table 10 below. However, prior to determining the 2011 revenue requirement, Milton Hydro based its materiality threshold on 0.5% of its projected 2009 distribution revenue, which amounted to \$55,000 and it is this amount that was used in the preliminary collection and analysis of data. Milton Hydro is proposing to continue to provide analysis on year over year variances exceeding \$55,000 as opposed to increasing the threshold and changing the analysis already completed.

**Table 10**  
**Variance Analysis Threshold 2011**

Description	2011 Test Year
2011 Distribution Revenue Requirement	13,608,183
0.5% of 2011 Distribution Revenue Requirement	68,041
Materiality threshold - Filing Guidelines	68,000
Materiality threshold used	55,000

1

2

APPENDIX A – MILTON HYDRO DISTRIBUTION INC. 2008 AUDITED

3

FINANCIAL STATEMENTS

4



**KPMG LLP**  
**Chartered Accountants**  
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Telephone: (905) 523-5200  
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## AUDITORS' REPORT

To the Shareholder:

We have audited the balance sheet of Milton Hydro Distribution Inc. as at December 31, 2008 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

April 3, 2009

# MILTON HYDRO DISTRIBUTION INC.

## Balance Sheet

December 31, 2008, with comparative figures for 2007

	2008	2007
<b>Assets</b>		
Current assets:		
Cash	\$ 2,687,449	\$ 2,787,774
Accounts receivable	5,207,631	7,452,443
Unbilled revenue	6,210,363	5,645,908
Inventories	709,143	1,062,445
Prepaid expenses	192,105	268,024
Due from related parties	2,636	12,447
Payments in Lieu of Taxes receivable	428,000	-
	15,437,327	17,229,041
Property, plant and equipment (note 3)	38,628,023	36,043,599
Regulatory assets (note 4)	-	19,771
Future Payments in Lieu of Taxes	1,204,000	1,207,000
	\$ 55,269,350	\$ 54,499,411
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,787,718	\$ 10,023,049
Payments in Lieu of Taxes payable	-	403,000
Current portion of customer deposits	206,600	191,000
	8,994,318	10,617,049
Other liabilities	3,408,895	2,792,858
Note payable (note 5)	14,934,210	14,934,210
Liability for employee future benefits (note 6)	233,934	225,533
Regulatory liabilities (note 4)	64,409	-
Shareholder's equity:		
Capital stock:		
Authorized:		
Unlimited number of common shares		
Issued:		
2,000 common shares	17,008,908	17,008,908
Retained earnings	10,624,676	8,920,853
	27,633,584	25,929,761
Commitments and contingencies (notes 9 and 11)		
	\$ 55,269,350	\$ 54,499,411

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# MILTON HYDRO DISTRIBUTION INC.

## Statement of Earnings and Retained Earnings

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Sale of electrical energy	\$ 60,517,333	\$ 59,555,960
Less cost of power purchased	49,997,910	49,302,016
	10,519,423	10,253,944
Other revenue	1,347,044	1,281,800
	11,866,467	11,535,744
Expenses:		
Operations and maintenance	1,562,929	1,436,802
General administration (note 10)	3,624,463	3,210,304
Depreciation	2,744,198	2,619,515
	7,931,592	7,266,621
Earnings before the following	3,934,873	4,269,123
Interest expense	1,152,003	1,184,752
Earnings before Payments in Lieu of Taxes	2,782,870	3,084,371
Payments in Lieu of Taxes:		
Current	811,047	1,433,190
Future	3,000	(219,000)
	814,047	1,214,190
Net earnings	1,968,823	1,870,181
Retained earnings, beginning of year	8,920,853	7,550,672
Dividends paid	(265,000)	(500,000)
Retained earnings, end of year	\$ 10,624,676	\$ 8,920,853

See accompanying notes to financial statements.

# MILTON HYDRO DISTRIBUTION INC.

## Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Cash provided by (used in):		
Operations:		
Net earnings	\$ 1,968,823	\$ 1,870,181
Items not affecting cash:		
Depreciation	2,811,784	2,701,199
Increase in liability for employee future benefits	8,401	8,371
Gain on disposal of property, plant and equipment	-	(2,827)
Future Payments in Lieu of Taxes	3,000	(219,000)
Regulatory assets/liabilities	84,180	(576,494)
	4,876,188	3,781,430
Change in non-cash operating working capital:		
Accounts receivable	2,244,812	(1,334,953)
Unbilled revenue	(564,455)	(645,436)
Inventories	353,302	46,742
Prepaid expenses	75,919	(98,248)
Due from related parties	9,811	143,750
Accounts payable and accrued liabilities	(1,235,331)	2,708,071
Payments in Lieu of Taxes receivable/payable	(831,000)	748,000
	4,929,246	5,349,356
Investments:		
Purchase of property, plant and equipment	(6,025,330)	(5,959,462)
Capital contributions received	629,122	474,146
Proceeds on disposal of property, plant and equipment	-	2,827
	(5,396,208)	(5,482,489)
Financing:		
Current portion of customer deposits	15,600	7,000
Other liabilities	616,037	30,226
Dividend paid	(265,000)	(500,000)
	366,637	(462,774)
Decrease in cash	(100,325)	(595,907)
Cash, beginning of year	2,787,774	3,383,681
Cash, end of year	\$ 2,687,449	\$ 2,787,774

See accompanying notes to financial statements.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2008

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On August 30, 2000, Milton Hydro Distribution Inc. (the "Corporation") was incorporated under the Ontario Business Corporations Act with net assets contributed from the predecessor hydro-electric commission. The incorporation was required in accordance with the Electricity Act, 1998 (Ontario) (the "EA"). The Corporation provides electricity distribution and related services to its commercial and residential customers. Active operations commenced on October 1, 2000.

## 1. Significant accounting policies:

The Corporation has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants and therefore the financial statements are prepared in accordance with Canadian generally accepted accounting principles. The Corporation is regulated by the Ontario Energy Board. Significant accounting policies are as follows:

### (a) Revenue recognition and cost of power:

The Corporation records revenue from the sale of energy on the basis of regular meter readings and estimates of customer usage since the last meter reading to the end of the year. The cost of power is recognized when the energy is consumed.

### (b) Inventories:

Effective January 1, 2008, the Corporation adopted Canadian Institute of Chartered Accountant's (CICA) Handbook Section 3031, *Inventories*. Under the new standard, inventories are required to be measured at the lower of cost and net realizable value and any items considered to be major future components of property, plant and equipment are to be transferred to fixed assets. This new standard also provides updated guidance on the appropriate methods of determining cost and the impact of any write-downs to net realizable value. The implementation of this standard did not have any impact on the Corporation's results of operations.

Inventories are valued at the lower of average cost and net realizable value and consist of maintenance materials and supplies.

### (c) Property, plant and equipment:

Property, plant and equipment are stated at cost. Costs for assets installed or erected by the Corporation include material, labour and overhead.

Depreciation, which is intended to amortize property, plant and equipment over their estimated service life, is provided on the straight-line basis at annual rates ranging from 2.5% to 33%.

Full depreciation is recorded in the year of acquisition and none in the year of disposal.

For readily identifiable assets retired or disposed of, the asset and related accumulated depreciation are removed from the records. Differences between the proceeds, if any, and the undepreciated asset amount plus removal costs, are recorded as a gain or loss in the year of disposal.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 2

Year ended December 31, 2008

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## 1. Significant accounting policies (continued):

### (d) Capital contributions:

Capital contributions are netted against property, plant and equipment and amortized to income on the same basis as the related asset.

### (e) Employee future benefits:

The Corporation pays certain life insurance benefits, under unfunded defined benefit plans on behalf of its retired employees. These post-retirement costs are recognized in the period in which the employees rendered their services to the Corporation. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are recognized in income in the year in which they arise.

### (f) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from these estimates recorded in preparing these financial statements, including changes as a result of future regulatory decisions.

Accounts receivable, unbilled revenue and regulatory assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts. Inventories are recorded net of provisions for obsolescence. Amounts recorded for depreciation of equipment are based on estimates of useful service life.

### (g) Payments in Lieu of Taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts thereunder computed to the Ministry of Finance (Ontario).

The Corporation provides for PILs using the asset and liability method. Under this method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the Ontario Energy Board (OEB) and recovered from the customers of the Corporation at that time.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 3

Year ended December 31, 2008

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## 1. Significant accounting policies (continued):

### (h) Other liabilities:

Included in other liabilities are deposits from developers and customers.

### (i) Financial instruments:

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. The Corporation has chosen to apply Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*.

The Corporation has classified its financial instruments as follows:

Cash	Held for trading
Accounts receivable	Loans and receivables
Unbilled revenue	Loans and receivables
Due from related parties	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer deposits	Other liabilities
Note payable	Other liabilities

### Derivatives and hedge accounting

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 4

Year ended December 31, 2008

## 2. Inventories:

The amount of inventories consumed by the Corporation and recognized as an expense during 2008 was \$230,774 (2007 - \$187,894).

## 3. Property, plant and equipment:

	2008		2007	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 69,883	\$ -	\$ 69,883	\$ 69,883
Building, transmission	106,742,266	42,086,420	64,655,846	57,464,396
Office equipment and tools	4,724,351	4,302,456	421,895	473,135
Capital contributions	(31,780,090)	(5,260,489)	(26,519,601)	(21,963,815)
	<u>\$ 79,756,410</u>	<u>\$ 41,128,387</u>	<u>\$ 38,628,023</u>	<u>\$ 36,043,599</u>

Total depreciation expense for the year is \$2,811,784 (2007 - \$2,701,199) of which \$67,585 (2007 - \$81,684) has been allocated to operating expenses and capital.

Contributions are received from developers to finance necessary capital additions. The OEB requires the utility to calculate a rebate to the developers based upon recoverability of capital investment through future hydro usage. In the current year, \$963,772 (2007 - \$2,955,453) was paid for Milton Hydro's portion of the obligation. All other amounts for repayment cannot be determined and settlement for these amounts will be recorded in the year settled.

## 4. Regulatory assets (liabilities):

	2008	2007
Regulatory assets (liabilities):		
Post-market opening retail settlement variances	\$(2,073,847)	\$ (1,474,782)
Smart metering cost, net of recoveries	2,145,210	1,779,526
Recovery of regulatory assets	89,071	(60,130)
	<u>160,434</u>	<u>244,614</u>
Valuation allowance	(224,843)	(224,843)
	<u>\$ (64,409)</u>	<u>\$ 19,771</u>

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 5

Year ended December 31, 2008

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## 4. Regulatory assets (liabilities) (continued):

Net regulatory assets (liabilities) represent costs incurred by the Corporation in excess of amounts billed to the consumer at OEB approved rates plus recoveries (amounts billed to the consumer at OEB approved rates plus recoveries in excess of costs incurred by the Corporation). These amounts have been accumulated pursuant to the Electricity Act and deferred in anticipation of their future disposition in electricity distribution rates. Management assesses the future uncertainty with respect to the final regulatory disposition of those amounts, and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities.

Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

Regulatory assets (liabilities) earn (incur) interest at the OEB prescribed rates ranging from 3.35% to 5.14% simple interest per annum.

Post-market opening retail settlement variances - represent amounts that have accumulated since Market Opening and comprise:

- a) variances between amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and,
- b) variances between the amounts charged by the IESO for energy commodity costs and the amounts billed to customers by the Corporation based on OEB approved rates.

In August 2005, the Corporation filed for final disposition of the net regulatory asset balances as of December 31, 2004, to be realized over a two year period. The application was approved by the OEB effective May 1, 2006. The provision to dispose of regulatory assets previously incurred by the Corporation and approved in the 2006 rate application was removed from rates effective April 30, 2008.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 6

Year ended December 31, 2008

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## 4. Regulatory assets (liabilities) (continued):

In the absence of rate regulation, generally accepted accounting principles would require the Corporation to record the costs and recoveries described above in the operating results of the year in which they are incurred and reported earnings before income taxes would be \$84,180 higher (2007 - \$576,494 lower) than reported.

### Rate Regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

In 2006 the Corporation filed a rate application to adjust its distribution charges under the Performance Based Rate methodology. Under this methodology, the Corporation was allowed a rate of return on Corporation debt and equity of 7.25% and 9.00% respectively. The application also included the provision to recover regulatory assets previously incurred by the Corporation.

In 2007 the Corporation filed a rate application under the Incentive Regulation Mechanism (IRM) to increase its distribution charges based on the Gross Domestic Product Inflationary Price Index of 2.1% less a province wide net efficiency factor of 1.0%. Rates were reduced for other factors resulting in a net rate decrease of 0.4% effective May 1, 2008.

### Smart Meters

The Province of Ontario has committed to have "Smart Meter" electricity meters installed in 800,000 homes and small businesses by the end of 2007 and throughout Ontario by the end of 2010. Smart Meters permit consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. *Bill 21, Energy Conservation and Responsibility Act*, provides the legislative framework and regulations to support this initiative.

Included in distribution rates effective May 1, 2007 is a charge for smart meters of \$2.16 per metered customer per month. Consistent with the OEB's direction and pending further guidance, all smart meter related expenditures and recoveries are currently being deferred in regulatory accounts.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 7

Year ended December 31, 2008

## 5. Note payable:

The promissory note payable is due on demand to the Town of Milton. The note bears interest at 7.25% per annum. The Town has waived their right to demand payment before January 1, 2010. Consequently, the note has been classified as long-term.

Interest expense for the year was \$1,082,730 (2007 - \$1,082,730).

## 6. Liability for employee future benefits:

Milton Hydro Distribution Inc. pays certain life insurance benefits on behalf of its retired employees. The Corporation has adopted The Canadian Institute of Chartered Accountants accounting standards for employee future benefits. These post-retirement costs are recognized in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2007 and 2008 was determined by actuarial valuation as of December 31, 2006 and was determined using a discount rate of 5.0%.

	2008	2007
Accrued benefit liability recognized in the balance sheet, beginning of year	\$ 225,533	\$ 217,162
Expense for the period	15,350	16,515
Benefits paid for the period	(6,949)	(8,144)
Projected accrued benefit obligation, end of year	\$ 233,934	\$ 225,533

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

### (a) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index for Canada ("CPI"), were assumed at 2.0% in 2006 and thereafter.

### (b) Interest (discount rate):

The obligations at year end, of the present value of future liabilities and the expense for the year ended, were determined using a discount rate of 5.0%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 3.0%.

### (c) Salary levels:

Future general salary and wage levels were assumed to increase at 3.5% per annum.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 8

Year ended December 31, 2008

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## **7. Pension plans:**

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of services and the best 60 consecutive months average earnings.

Contributions by the Corporation were at a rate of 6.5% for employee earnings below the year's maximum pensionable earnings and 9.6% thereafter.

The amount contributed to OMERS for 2008 was \$198,635 (2007 - \$193,992) for current service and is included as an expenditure on the Statement of Earnings and Retained Earnings.

## **8. Public liability insurance:**

The Corporation through its parent company is a named insurer of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$20,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

## **9. Contingent liability:**

A class action by customers claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario. At this time it is not possible to quantify the effect, if any, on the financial statements of the Corporation.

## **10. Bad debts expense:**

During 2008, Milton Hydro Distribution Inc. wrote off bad debts of \$141,598 (2007 - \$20,339).

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 9

Year ended December 31, 2008

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## 11. Commitments:

- (a) The Corporation had a \$4,000,000 committed revolving loan from a financial institution available for use. A letter of credit in the amount of \$2,500,000 has been issued in favour of the IESO as security for the Corporation's purchase of electricity through the IESO. No amounts have been drawn on the letter of credit at year end.
- (b) Future minimum payments under an operating lease with the Town of Milton total \$ 252,303 for 2009.

## 12. Capital disclosures:

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2008, shareholder's equity amounts to \$27,633,584 (2007 - \$25,929,761) and long-term debt amounts to \$14,934,210 (2007 - \$14,934,210).

The OEB regulates the amount of interest on debt and the rate of return that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries on the basis of a deemed capital structure represented by 53.3% debt and 46.7% equity. The actual capital structure for the Corporation may differ from the OEB's deemed structure.

## 13. Transactions with related parties:

Related parties include the following:

Town of Milton	Shareholder of the parent company
Milton Hydro Holdings Inc.	Parent company
Milton Hydro Telecom Inc.	Subsidiary of parent
Milton Hydro Services Inc.	Subsidiary of parent

The Corporation paid a management fee of \$172,722 (2007 - \$99,982) to its parent. The above transaction is in the normal course of operations and is measured at the exchange amount of consideration established and agreed to by the related parties.

During the year, the Corporation earned gross revenue of \$888,264 (2007 - \$878,651) from the Town of Milton. Of this amount, \$105,728 (2007 - \$98,331) was net revenue.

Amounts due from related parties are non-interest bearing with no fixed terms of repayment except for the note payable as described in note 5.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 10

Year ended December 31, 2008

## 14. Supplemental cash flow information:

The following information is supplemental to the Statement of Cash Flows:

	2008	2007
Cash received during the year from interest	\$ 165,729	\$ 370,308
Cash paid during the year for interest	1,152,003	1,184,752
Cash paid during the year for Payments in Lieu of Taxes	1,713,047	1,106,922
Non-cash investing activity:		
Contribution of capital assets from developers	5,181,851	971,227

## 15. Financial instruments:

The carrying values of accounts receivable, unbilled revenue, due from related parties, and accounts payable and accrued liabilities approximate fair values because of the short maturity of these instruments.

It was not practicable to estimate the fair value of the note payable as there are no terms of repayment.

Financial assets held by the corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The corporation earns its revenue from a broad base of customers located in the Town of Milton. No single customer in either year would account for revenue in excess of 3% of the respective reported balances

## 16. Emerging accounting changes:

### Rate regulated entities

In August 2007, the Canadian Accounting Standards Board (AcSB) issued a decision, effective January 1, 2009, to withdraw the temporary exemption in CICA Handbook Section 1100, *Generally Accepted Accounting Principles*, which permits the recognition and measurement of assets and liabilities arising from rate regulation. Further, CICA Handbook Section 3465, *Income Taxes*, was amended to require the recognition of future income tax liabilities and assets for regulated enterprises that were previously not subject these provisions. Consequently, the Corporation will be required to reflect on its Balance Sheet, the effect of applying the liability method when accounting for payments in lieu of corporate income taxes and a corresponding regulatory asset. The Corporation is currently assessing the impact of the AcSB's decision on its Balance Sheet.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 11

Year ended December 31, 2008

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## 16. Emerging accounting changes (continued):

### **International Financial Reporting Standards ["IFRS"]**

On February 13, 2008, the AcSB announced that publicly accountable enterprises will be required to change over to IFRS effective January 1, 2011. Some of the converged standards will be implemented in Canada during the transition period with the remaining standards adopted at the change over date. The Corporation has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its financial statements.

## 17. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

1

2 APPENDIX B – MILTON HYDRO DISTRIBUTION INC. 2009 AUDITED

3 FINANCIAL STATEMENTS

4

Financial Statements of

**MILTON HYDRO DISTRIBUTION INC.**

Year ended December 31, 2009



**KPMG LLP**  
**Chartered Accountants**  
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Hamilton ON L8N 3R1

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## AUDITORS' REPORT

To the Shareholder:

We have audited the balance sheet of Milton Hydro Distribution Inc. as at December 31, 2009 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

March 12, 2010

# MILTON HYDRO DISTRIBUTION INC.

## Balance Sheet

December 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash	\$ -	\$ 2,687,449
Accounts receivable	6,893,674	5,207,631
Unbilled revenue	6,880,103	6,210,363
Inventories	919,065	709,143
Prepaid expenses	373,944	192,105
Due from related parties	10,996	2,636
Payments in lieu of taxes receivable	-	428,000
	15,077,782	15,437,327
Property, plant and equipment (note 3)	42,917,668	38,628,023
Future payments in lieu of taxes	1,412,100	1,204,000
	<u>\$ 59,407,550</u>	<u>\$ 55,269,350</u>
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities:		
Bank indebtedness	\$ 264,598	\$ -
Accounts payable and accrued liabilities	11,327,637	8,787,718
Payments in lieu of taxes payable	143,470	-
Current portion of customer deposits	379,500	206,600
	12,115,205	8,994,318
Other liabilities	3,492,677	3,408,895
Note payable (note 5)	14,934,210	14,934,210
Liability for employee future benefits (note 6)	155,482	233,934
Regulatory liabilities (note 4)	794,783	64,409
Shareholder's equity:		
Capital stock:		
Authorized:		
Unlimited number of common shares		
Issued:		
2,000 common shares	17,008,908	17,008,908
Retained earnings	10,906,285	10,624,676
	27,915,193	27,633,584
Commitments and contingencies (notes 9 and 11)		
	<u>\$ 59,407,550</u>	<u>\$ 55,269,350</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# MILTON HYDRO DISTRIBUTION INC.

## Statement of Earnings and Retained Earnings

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Sale of electrical energy	\$ 64,104,785	\$ 60,517,333
Less cost of power purchased	52,697,568	49,997,910
	11,407,217	10,519,423
Other revenue	1,518,318	1,347,044
	12,925,535	11,866,467
Expenses:		
Operations and maintenance	1,677,162	1,562,929
General administration (note 10)	3,763,648	3,624,467
Depreciation	2,968,831	2,744,198
	8,409,641	7,931,594
Earnings before the following	4,515,894	3,934,873
Interest expense	1,107,221	1,152,003
Earnings before payments in lieu of taxes	3,408,673	2,782,870
Payments in lieu of taxes:		
Current	1,036,250	811,047
Future	(65,927)	3,000
	970,323	814,047
Net earnings	2,438,350	1,968,823
Retained earnings, beginning of year, as previously reported	10,624,676	8,920,853
Change in accounting policy – future income taxes (note 2)	(1,156,741)	-
Retained earnings, beginning of year, as restated	9,467,935	8,920,853
Dividends paid	(1,000,000)	(265,000)
Retained earnings, end of year	\$ 10,906,285	\$ 10,624,676

See accompanying notes to financial statements.

# MILTON HYDRO DISTRIBUTION INC.

## Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operations:		
Net earnings	\$ 2,438,350	\$ 1,968,823
Items not affecting cash:		
Depreciation	3,074,079	2,811,784
Increase (decrease) in liability for employee future benefits	(78,452)	8,401
Gain on sale of assets	(475)	-
Future payments in lieu of taxes	(65,927)	3,000
Regulatory assets/liabilities	(566,225)	84,180
	4,801,350	4,876,188
Change in non-cash operating working capital:		
Accounts receivable	(1,686,043)	2,244,812
Unbilled revenue	(669,740)	(564,455)
Inventories	(209,922)	353,302
Prepaid expenses	(181,839)	75,919
Due from related parties	(8,360)	9,811
Accounts payable and accrued liabilities	2,539,919	(1,235,331)
Payments in lieu of taxes receivable/payable	571,470	(831,000)
	5,156,835	4,929,246
Investments:		
Purchase of property, plant and equipment	(7,544,782)	(6,025,330)
Capital contributions received	177,999	629,122
Proceeds on sale of assets	1,219	-
	(7,365,564)	(5,396,208)
Financing:		
Other liabilities	256,682	631,637
Dividends paid	(1,000,000)	(265,000)
	(743,318)	366,637
Decrease in cash	(2,952,047)	(100,325)
Cash, beginning of year	2,687,449	2,787,774
Cash (bank indebtedness), end of year	\$ (264,598)	\$ 2,687,449

See accompanying notes to financial statements.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements

Year ended December 31, 2009

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On August 30, 2000, Milton Hydro Distribution Inc. (the "Corporation") was incorporated under the Ontario Business Corporations Act with net assets contributed from the predecessor hydro-electric commission. The incorporation was required in accordance with the Electricity Act, 1998 (Ontario) (the "EA"). The Corporation provides electricity distribution and related services to its commercial and residential customers. Active operations commenced on October 1, 2000.

## 1. Significant accounting policies:

The Corporation has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants ("CICA") and therefore the financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Corporation is regulated by the Ontario Energy Board ("OEB"). Significant accounting policies are as follows:

### (a) Revenue recognition and cost of power:

The Corporation records revenue from the sale of energy on the basis of regular meter readings and estimates of customer usage since the last meter reading to the end of the year. The cost of power is recognized when the energy is consumed.

### (b) Inventories:

Inventories are valued at the lower of average cost and net realizable value and consist of maintenance materials and supplies.

The amount of inventories consumed by the Corporation and recognized as an expense during 2009 was \$148,790 (2008 - \$230,774).

### (c) Property, plant and equipment:

Property, plant and equipment are stated at cost. Costs for assets installed or erected by the Corporation include material, labour and overhead.

Depreciation, which is intended to amortize property, plant and equipment over their estimated service life, is provided on the straight-line basis at annual rates ranging from 2.5% to 33%.

Full depreciation is recorded in the year of acquisition and none in the year of disposal.

For readily identifiable assets retired or disposed of, the asset and related accumulated depreciation are removed from the records. Differences between the proceeds, if any, and the undepreciated asset amount plus removal costs, are recorded as a gain or loss in the year of disposal.

### (d) Capital contributions:

Capital contributions are netted against property, plant and equipment and amortized to income on the same basis as the related asset.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 2

Year ended December 31, 2009

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## 1. Significant accounting policies (continued):

### (e) Employee future benefits:

The Corporation pays certain life insurance benefits, under unfunded defined benefit plans on behalf of its retired employees. These post-retirement costs are recognized in the period in which the employees rendered their services to the Corporation. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are recognized in income in the year in which they arise.

### (f) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from these estimates recorded in preparing these financial statements, including changes as a result of future regulatory decisions.

Accounts receivable, unbilled revenue and future payments in lieu of tax assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts or valuation allowance. Inventories are recorded net of provisions for obsolescence. Amounts recorded for depreciation of equipment are based on estimates of useful service life. The liability for employee future benefits is based upon estimated inflation, interest, salary increases and life expectancy.

### (g) Payments in lieu of taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts thereunder computed to the Ministry of Finance (Ontario).

The Corporation provides for PILs using the asset and liability method. Under this method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 3

Year ended December 31, 2009

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## 1. Significant accounting policies (continued):

### (h) Other liabilities:

Included in other liabilities are deposits from developers and customers.

### (i) Financial instruments:

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. The Corporation has chosen to apply Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*.

The Corporation has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Unbilled revenue	Loans and receivables
Due from related parties	Loans and receivables
Bank indebtedness	Held-for-trading
Accounts payable and accrued liabilities	Other liabilities
Customer deposits	Other liabilities
Note payable	Other liabilities

### Derivatives and hedge accounting:

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 4

Year ended December 31, 2009

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## 2. Change in accounting policy:

### (a) Rate regulated operations:

Effective January 1, 2009, the Corporation adopted the amended sections of Handbook Section 1100 *Generally Accepted Accounting Principles*, Handbook Section 3465 *Income Taxes* and Accounting Guideline 19 *Disclosures by Entities Subject to Rate Regulation*.

The amendment to Handbook Section 1100 removed the temporary exemption pertaining to the application of that section to the recognition and measurement of assets and liabilities arising from rate regulation. In response to the removal of the exemption, the Corporation established accounting policies for the recognition and measurement of assets and liabilities arising from rate regulation. In accordance with the Canadian GAAP hierarchy guidance framework outlined in Handbook Section 1100, the Corporation has determined that its assets and liabilities arising from rate regulation qualify for recognition under Canadian GAAP and this recognition is consistent with U.S. Statement of Financial Accounting Standards No. 71 *Accounting for the Effects of Certain Types of Regulation*. The Corporation concluded that its policies for assets and liabilities arising from rate regulation were consistent with the primary sources of Canadian GAAP and were developed through the exercise of professional judgement. As a result, there was no change in the Corporation's opening retained earnings at January 1, 2009 or the Corporation's results from operations for the year ended December 31, 2009.

The amendment to Handbook Section 3465 states that where future income taxes may be expected to be included in approved rates charged to customers in the future and to be recovered or returned to future customers, the recognition of a regulatory asset or regulatory liability for the increase or reduction in future revenue is required. Furthermore, the regulatory asset or regulatory liability established by this requirement is a temporary difference for which an additional future income tax asset or liability is recognized. This change has been applied on a retroactive basis without restatement of prior periods. As a result of this change, opening retained earnings decreased by \$1,156,741 and regulatory assets/liabilities and future income tax assets increased by \$1,629,213 and \$472,472 respectively at January 1, 2009. The impact on the Corporation's results from operations for the year ended December 31, 2009 was a reduction of future income tax expense of \$182,555.

### (b) Intangible assets:

Effective January 1, 2009, the Corporation adopted the amended section of Handbook Section 3064 *Goodwill and Intangible Assets*.

The amendment to the Section states that in determining whether an asset that incorporates both intangible and tangible elements, the Corporation must assess which element is more significant. Computer software that is not an integral part of the related hardware is treated as an intangible asset.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 5

Year ended December 31, 2009

## 3. Property, plant and equipment:

	2009		2008	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 2,288,413	\$ -	\$ 2,288,413	\$ 69,883
Building, transmission	114,743,092	46,294,578	68,448,514	64,655,846
Office equipment and tools	5,500,468	4,527,905	972,563	421,895
Capital contributions	(35,454,436)	(6,662,614)	(28,791,822)	(26,519,601)
	<b>\$ 87,077,537</b>	<b>\$ 44,159,869</b>	<b>\$ 42,917,668</b>	<b>\$ 38,628,023</b>

Total depreciation expense for the year is \$3,074,079 (2008 - \$2,811,784) of which \$105,248 (2008 - \$67,586) has been allocated to operating expenses and capital.

Included in property, plant and equipment is intangible assets of \$493,298 (2008 - \$447,963) with a net book value of \$97,217 (2008 - \$74,862).

Contributions are received from developers to finance necessary capital additions. The OEB requires the utility to calculate a rebate to the developers based upon recoverability of capital investment through future hydro usage. In the current year, \$1,530,170 (2008 - \$963,772) was paid for the Corporation's portion of the obligation.

## 4. Regulatory assets (liabilities):

	2009	2008
<b>OEB regulatory assets (liabilities):</b>		
Post-market opening retail settlement variances	\$(1,919,367)	\$ (2,073,847)
Smart metering cost, net of recoveries	2,260,678	2,145,210
Repayment of regulatory liabilities	162,820	89,071
	<b>504,131</b>	<b>160,434</b>
<b>Other regulatory assets (liabilities):</b>		
Future income taxes	(1,298,914)	-
	<b>(1,298,914)</b>	<b>-</b>
Valuation allowance	-	(224,843)
	<b>\$ (794,783)</b>	<b>\$ (64,409)</b>

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 6

Year ended December 31, 2009

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## 4. Regulatory assets (liabilities) (continued):

Net OEB regulatory assets (liabilities) represent costs incurred by the Corporation in excess of amounts billed to the consumer at OEB approved rates plus recoveries (amounts billed to the consumer at OEB approved rates plus recoveries in excess of costs incurred by the Corporation). These amounts have been accumulated pursuant to the EA and deferred in anticipation of their future disposition in electricity distribution rates. Management assesses the future uncertainty with respect to the final regulatory disposition of those amounts, and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities.

Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

Regulatory assets (liabilities) earn (incur) interest at the OEB prescribed rates ranging from 0.55% to 2.45% simple interest per annum.

Post-market opening retail settlement variances - represent amounts that have accumulated since market opening and comprise:

- a) variances between amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and,
- b) variances between the amounts charged by the IESO for energy commodity costs and the amounts billed to customers by the Corporation based on OEB approved rates.

In August 2005, the Corporation filed for final disposition of the net regulatory asset balances as of December 31, 2004, to be realized over a two year period. The application was approved by the OEB effective May 1, 2006. The provision to dispose of regulatory assets previously incurred by the Corporation and approved in the 2006 rate application was removed from rates effective April 30, 2008.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

In the absence of rate regulation, generally accepted accounting principles would require the Corporation to record the costs and recoveries described above in the operating results of the year in which they are incurred. Reported capital assets would be higher than reported by \$2,761,193 (2008 - \$2,312,818). Reported earnings before income taxes would be \$1,178,749 higher (2008 - \$738,188) than reported.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 7

Year ended December 31, 2009

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## 4. Regulatory assets (liabilities) (continued):

### Rate regulation:

The Corporation is regulated by the OEB, under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian GAAP for enterprises operating in a non-rate regulated environment.

In 2006 the Corporation filed a rate application to adjust its distribution charges under the Performance Based Rate methodology. Under this methodology, the Corporation was allowed a rate of return on Corporation debt and equity of 7.25% and 9.00% respectively. The application also included the provision to recover regulatory assets previously incurred by the Corporation.

In 2007 the Corporation filed a rate application under the Incentive Regulation Mechanism (:IRM") to increase its distribution charges based on the Gross Domestic Product Inflationary Price Index of 2.1% less a province wide net efficiency factor of 1.0%. Rates were reduced for other factors resulting in a net rate decrease of 0.4% effective May 1, 2008.

In 2008 an IRM rate application was approved increasing rates by 2.3% less an efficiency factor of 1.0% effective May 1, 2009.

### Green Energy and Green Economy Act:

In early 2009, the government tabled the *Green Energy and Green Economy Act* ("GEGEA"). This new legislation makes fundamental changes to the roles and responsibilities of Ontario municipal electric utilities ("LDCs") in the areas of renewable power generation, conservation and demand management delivery, and the development of smart distribution grids.

The GEGEA provides LDCs with the option to own and operate a portfolio of renewable power generation and will permit them to provide district heating services in their communities through co-generation. LDCs will also bear added responsibilities to assist and enable consumers to reduce their peak demand and conserve energy in an effort to meet provincial conservation targets. LDCs will also gain new responsibilities in transforming their local distribution networks into smart grids harnessing advanced technologies to facilitate the connection of small-scale generators and the two-way flow of information.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 8

Year ended December 31, 2009

## 4. Regulatory assets (liabilities) (continued):

### Smart meters:

The Province of Ontario has committed to have "smart meter" electricity meters installed in 800,000 homes and small businesses by the end of 2007 and throughout Ontario by the end of 2010. Smart Meters permit consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. Bill 21 *Energy Conservation and Responsibility Act*, provides the legislative framework and regulations to support this initiative.

Included in distribution rates effective May 1, 2007 is a charge for smart meters of \$2.16 per metered customer per month. Consistent with the OEB's direction and pending further guidance, all smart meter related expenditures and recoveries are currently being deferred in regulatory accounts.

## 5. Note payable:

The promissory note payable is due on demand to the Town of Milton (the "Town"). The note bears interest at 7.25% per annum. The Town has waived their right to demand payment before January 1, 2011. Consequently, the note has been classified as long-term.

Interest expense for the year was \$1,082,730 (2008 - \$1,082,730).

## 6. Liability for employee future benefits:

The Corporation pays certain life insurance benefits on behalf of its retired employees. The Corporation has adopted the CICA accounting standards for employee future benefits. These post-retirement costs are recognized in the period in which the employees rendered the services. The accrued benefit liability and the expense for the year ended December 31, 2009, were based on results and assumptions determined by an actuarial valuation as of January 1, 2009.

	2009	2008
Accrued benefit liability recognized in the balance sheet, beginning of year	\$ 233,934	\$ 225,533
Current service cost	4,425	3,989
Interest on benefits	10,077	11,361
Actuarial gain	(73,710)	-
Benefits paid	(19,244)	(6,949)
Projected accrued benefit obligation, end of year	\$ 155,482	\$ 233,934

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 9

Year ended December 31, 2009

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## **6. Liability for employee future benefits (continued):**

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

### **(a) General inflation:**

Future general inflation levels, as measured by changes in the Consumer Price Index for Canada ("CPI"), were assumed at 2.0% in 2009 and thereafter.

### **(b) Interest (discount rate):**

The obligations at year end, of the present value of future liabilities and the expense for the year ended, were determined using a discount rate of 6.5%.

### **(c) Salary levels:**

Future general salary and wage levels were assumed to increase at 3.5% per annum.

## **7. Pension plans:**

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of services and the best 60 consecutive months average earnings.

Contributions by the Corporation were at a rate of 6.5% for employee earnings below the year's maximum pensionable earnings and 9.6% thereafter.

The amount contributed to OMERS for 2009 was \$204,657 (2008 - \$198,635) for current service and is included as an expenditure on the Statement of Earnings and Retained Earnings.

## **8. Public liability insurance:**

The Corporation through its parent company is a named insurer of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$20,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 10

Year ended December 31, 2009

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## **9. Contingent liability:**

An action has been brought under the Class Proceedings Act, 1992. The plaintiff class seeks \$500 million in restitution for amounts paid to Toronto Hydro and to other Ontario municipal electric utilities ("LDCs") who received late payment penalties which constitute interest at an effective rate in excess of 60% per year, contrary to section 347 of the Criminal Code. Pleadings have closed in this action. The action has not yet been certified as a class action and no discoveries have been held, as the parties were awaiting the outcome of a similar proceeding brought against Enbridge Gas Distribution Inc. (formerly Consumers Gas).

On April 22, 2004, the Supreme Court of Canada released a decision in the Consumers Gas case rejecting all of the defenses which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the Statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, a mediation process resulted in the settlement of the damages payable by Enbridge and that settlement was approved by the Ontario Superior Court.

In 2007, Enbridge filed an application to the OEB to recover the Court-approved amount and related amounts from ratepayers. On February 4, 2008 the OEB approved recovery of the said amounts from ratepayers over a five year period.

After the release by the Supreme Court of Canada of its 2004 decision in the Consumers Gas case, the plaintiffs in the LDC late payment penalties class action indicated their intention to proceed with their litigation against the LDCs. The parties are in settlement discussions but no settlement has been reached. At this time, it is not possible to quantify the effect, if any, on the financial statements.

## **10. Bad debts expense:**

During 2009, the Corporation wrote off bad debts of \$79,375 (2008 - \$141,598).

## **11. Commitments:**

- (a) The Corporation had a \$4,000,000 committed revolving loan from a financial institution available for use. A letter of credit in the amount of \$2,500,000 has been issued in favour of the IESO as security for the Corporation's purchase of electricity through the IESO. No amounts have been drawn on the letter of credit at year end.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 11

Year ended December 31, 2009

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## 11. Commitments (continued):

- (b) During the year, the Corporation entered into an operating lease for its Milton premises. The term of the lease is five years, expiring on November 21, 2014 and includes a five year renewal option. The lease agreement requires the Corporation to pay a proportionate share of property taxes and some operating expenses. Future minimum annual commitments, including an estimate of the proportionate share of property taxes and operating expenses are as follows:

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2010	\$	344,282
2011		348,991
2012		386,991
2013		391,264
2014		348,223
	\$	1,819,751

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## 12. Capital disclosures:

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2009, shareholder's equity amounts to \$27,915,193 (2008 - \$26,633,584) and long-term debt amounts to \$14,934,210 (2008 - \$14,934,210).

The OEB regulates the amount of interest on debt and the rate of return that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries on the basis of a deemed capital structure represented by 56.7% debt and 43.3% equity. The actual capital structure for the Corporation may differ from the OEB's deemed structure.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 12

Year ended December 31, 2009

## 13. Transactions with related parties:

Related parties include the following:

Town of Milton	Shareholder of the parent company
Milton Hydro Holdings Inc.	Parent company
Milton Hydro Telecom Inc.	Subsidiary of parent
Milton Hydro Services Inc.	Subsidiary of parent

The Corporation paid a management fee of \$111,364 (2008 - \$172,722) to its parent. The above transaction is in the normal course of operations and is measured at the exchange amount of consideration established and agreed to by the related parties.

During the year, the Corporation earned gross revenue of \$1,008,816 (2008 - \$888,264) from the Town. Of this amount, \$114,254 (2008 - \$105,728) was net revenue.

Amounts due from related parties are non-interest bearing with no fixed terms of repayment except for the note payable as described in note 5.

## 14. Supplemental cash flow information:

The following information is supplemental to the Statement of Cash Flows:

	2009	2008
Cash received during the year from interest	\$ 177,650	\$ 165,729
Cash paid during the year for interest	1,107,221	1,152,003
Cash paid during the year for PILs	441,008	1,713,047
Non-cash investing activity:		
Contribution of capital assets from developers	3,496,346	5,181,851
Increase in regulatory liabilities related to increase in future payment in lieu of tax assets	330,299	-

## 15. Financial instruments:

The carrying values of accounts receivable, unbilled revenue, due from related parties, and accounts payable and accrued liabilities approximate fair values because of the short maturity of these instruments.

It was not practicable to estimate the fair value of the note payable as there are no terms of repayment.

Financial assets held by the corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The corporation earns its revenue from a broad base of customers located in the Town of Milton. No single customer in either year would account for revenue in excess of 3% of the respective reported balances.

# MILTON HYDRO DISTRIBUTION INC.

Notes to Financial Statements, page 13

Year ended December 31, 2009

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## **16. Payments in lieu of taxes:**

At year end, based on substantively enacted income tax rates, future income tax assets of \$1,352,471 (2008 - \$1,634,283) have not been recorded. Such future income tax assets relate to tax bases of depreciable capital assets in excess of amounts recorded for accounting purposes.

## **17. Emerging accounting changes:**

### **International Financial Reporting Standards ["IFRS"]:**

On February 13, 2008, the Canadian Accounting Standards Board announced that publicly accountable enterprises will be required to change over to IFRS effective January 1, 2011. Some of the converged standards will be incorporated into Canadian GAAP prior to 2011 with the remaining standards adopted at the change over date. The Corporation has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its financial statements.

## **18. Comparative figures:**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

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APPENDIX C – MILTON HYDRO HOLDINGS INC. 2009 AUDITED

3

CONSOLIDATED FINANCIAL STATEMENTS

4

Consolidated Financial Statements of

**MILTON HYDRO HOLDINGS INC.**

Year ended December 31, 2009



**KPMG LLP**  
**Chartered Accountants**  
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21 King Street West Suite 700  
Hamilton ON L8N 3R1

Telephone (905) 523-8200  
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Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT

To the Shareholder:

We have audited the consolidated balance sheet of Milton Hydro Holdings Inc. as at December 31, 2009 and the consolidated statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants, Licensed Public Accountants

Hamilton, Canada

March 12, 2010

# MILTON HYDRO HOLDINGS INC.

## Consolidated Balance Sheet

December 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
Current assets:		
Cash	\$ 2,704,750	\$ 7,250,393
Accounts receivable	6,893,674	5,241,989
Unbilled revenue	6,880,103	6,210,363
Inventories	919,065	709,143
Prepaid expenses	373,944	192,105
Due from related parties (note 14)	-	31,960
	17,771,536	19,635,953
Property, plant and equipment (note 4)	42,918,724	38,630,195
Future payments in lieu of taxes	1,415,600	1,207,500
	\$ 62,105,860	\$ 59,473,648

## Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,329,463	\$ 8,849,866
Payments in lieu of taxes payable	148,906	167,000
Current portion of customer deposits	379,500	206,600
	11,857,869	9,223,466
Other liabilities	3,492,677	3,408,895
Note payable (note 6)	14,934,210	14,934,210
Liability for employee future benefits (note 7)	155,482	233,934
Regulatory liabilities (note 5)	794,783	64,409
Shareholder's equity:		
Capital stock:		
Authorized:		
Unlimited number of common shares		
Issued:		
2,000 common shares	17,548,467	17,548,467
Retained earnings	13,322,372	14,060,267
	30,870,839	31,608,734

Commitments and contingencies (notes 10 and 12)

	\$ 62,105,860	\$59,473,648
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See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____	Director
_____	Director

# MILTON HYDRO HOLDINGS INC.

## Consolidated Statement of Earnings and Retained Earnings

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Sale of electrical energy	\$ 64,104,785	\$ 60,517,333
Less cost of power purchased	52,697,568	49,997,910
	11,407,217	10,519,423
Other revenue	1,566,513	1,420,251
	12,973,730	11,939,674
Expenses:		
Operations and maintenance	1,611,196	1,575,267
General administration (note 11)	3,867,856	3,622,009
Depreciation	2,969,947	2,745,452
	8,448,999	7,942,728
Earnings before the following	4,524,731	3,996,946
Interest expense	1,107,221	1,152,003
Earnings before payments in lieu of taxes	3,417,510	2,844,943
Payments in lieu of taxes:		
Current	1,064,591	826,713
Future	(65,927)	3,500
	998,664	830,213
Earnings before discontinued operations	2,418,846	2,014,730
Earnings from discontinued operations, net of payments in lieu of taxes (note 2)	-	3,359,435
Net earnings	2,418,846	5,374,165
Retained earnings, beginning of year, as previously reported	14,060,267	9,436,102
Change in accounting policy – future income taxes (note 3)	(1,156,741)	-
Retained earnings, beginning of year, as restated	12,903,526	9,436,102
Dividend paid	(2,000,000)	(750,000)
Retained earnings, end of year	\$ 13,322,372	\$ 14,060,267

See accompanying notes to consolidated financial statements.

# MILTON HYDRO HOLDINGS INC.

## Consolidated Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operations:		
Net earnings	\$ 2,418,846	\$ 5,374,165
Items not affecting cash:		
Gain on sale of assets	(475)	(3,978,158)
Depreciation	3,075,195	2,875,008
Increase (decrease) in liability for employee future benefits	(78,452)	8,401
Future payments in lieu of taxes	(65,927)	14,500
Regulatory liabilities	(566,225)	84,180
	4,782,962	4,378,096
Change in non-cash operating working capital:		
Accounts receivable	(1,651,685)	2,253,227
Unbilled revenue	(669,740)	(564,455)
Inventories	(209,922)	353,302
Prepaid expenses	(181,839)	75,919
Due from related parties	31,960	(22,537)
Accounts payable and accrued liabilities	2,479,597	(1,180,751)
Unearned revenue	-	(17,482)
Payments in lieu of taxes receivable/payable	(18,094)	(152,000)
	4,563,239	5,123,319
Investments:		
Proceeds on sale of assets	1,219	4,800,000
Purchase of property, plant and equipment	(7,544,782)	(6,039,798)
Capital contributions received	177,999	629,122
	(7,365,564)	(610,676)
Financing:		
Other liabilities	256,682	631,637
Dividends paid	(2,000,000)	(750,000)
	(1,743,318)	(118,363)
Increase (decrease) in cash	(4,545,643)	4,394,280
Cash, beginning of year	7,250,393	2,856,113
Cash, end of year	\$ 2,704,750	\$ 7,250,393

See accompanying notes to consolidated financial statements.

# MILTON HYDRO HOLDINGS INC.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009

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On August 30, 2000, Milton Hydro Holdings Inc. (the "Corporation") was incorporated under the Business Corporations Act along with its wholly-owned subsidiaries, Milton Hydro Distribution Inc. ("MHDl"), Milton Hydro Telecom Inc. ("MHTI"), and Milton Hydro Services Inc. ("MHSI"). The incorporation of MHDl was required in accordance with the restructuring of the electricity industry in Ontario pursuant to the Electricity Act, 1998 (the "EA").

The principal business of the Corporation is to oversee the operations of MHDl, a regulated electricity distribution company MHTI, a competitive telecommunications and retail services company and MHSI, currently a dormant corporation without assets.

### 1. Significant accounting policies:

The Corporation has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants ("CICA") and therefore the financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Corporation is regulated by the Ontario Energy Board ("OEB"). Significant accounting policies are as follows:

(a) Basis of consolidation:

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries: MHDl, MHTI and MHSI. All significant intercompany accounts and transactions have been eliminated.

(b) Revenue recognition and cost of power:

The Corporation records revenue from the sale of energy on the basis of regular meter readings and estimates of customer usage since the last meter reading to the end of the year. The cost of power is recognized when the energy is consumed.

(c) Inventories:

Inventories are valued at the lower of average cost and net realizable value and consist of maintenance materials and supplies.

The amount of inventories consumed by the Corporation and recognized as an expense during 2009 was \$148,790 (2008 - \$230,774).

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 2

Year ended December 31, 2009

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## 1. Significant accounting policies (continued):

### (d) Property, plant and equipment:

Property, plant and equipment are stated at cost. Costs for assets installed or erected by the Corporation include material, labour and overhead.

Depreciation, which is intended to amortize property, plant and equipment over their estimated service life, is provided on the straight-line basis at annual rates ranging from 2.5% to 33%.

Full depreciation is recorded in the year of acquisition and none in the year of disposal.

For readily identifiable assets retired or disposed of, the asset and related accumulated depreciation are removed from the records. Differences between the proceeds, if any, and the undepreciated asset amount plus removal costs, are recorded as a gain or loss in the year of disposal.

### (e) Capital contributions:

Capital contributions are netted against property, plant and equipment and amortized to income on the same basis as the related asset.

### (f) Employee future benefits:

The Corporation pays certain life insurance benefits, under unfunded defined benefit plans on behalf of its retired employees. These post-retirement costs are recognized in the period in which the employees rendered their services to the Corporation. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are recognized in income in the year in which they arise.

### (g) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from these estimates recorded in preparing these financial statements, including charges as a result of future regulatory decisions.

Accounts receivable, unbilled revenue and future payments in lieu of tax assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts or valuation allowance. Inventories are recorded net of provisions for obsolescence. Amounts recorded for depreciation of equipment are based on estimates of useful service life. The liability for employee future benefits is based upon estimated inflation, interest, salary increases and life expectancy.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 3

Year ended December 31, 2009

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## 1. Significant accounting policies (continued):

### (h) Payments in lieu of taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts thereunder computed to the Ministry of Finance (Ontario).

The Corporation provides for PILs using the asset and liability method. Under this method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. When unrecorded future income taxes becomes payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time.

### (i) Other liabilities:

Included in other liabilities are deposits from developers and customers.

### (j) Financial instruments:

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. The Corporation has chosen to apply Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*.

The Corporation has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Unbilled revenue	Loans and receivables
Due from related parties	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Customer deposits	Other liabilities
Note payable	Other liabilities

### Derivatives and hedge accounting:

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2009

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## 2. Discontinued operations:

On July 31, 2008, pursuant to an Asset Purchase Agreement between Milton Hydro Telecom Inc. (MHTI) and Blink Communications Inc., MHTI sold all of the assets of its telecommunications business for cash. The results of operations of MHTI have been reported as discontinued operations in the financial statements. Total revenue, income before payments in lieu of taxes, and payments in lieu of taxes from discontinued operations were \$Nil (2008 - \$459,781, \$4,076,296 and \$716,861 respectively). Earnings from discontinued operations include a gain after payments in lieu of taxes of \$Nil (2008 - \$3,322,353) on the sale.

## 3. Change in accounting policy:

### (a) Rate regulated operations:

Effective January 1, 2009, the Corporation adopted the amended sections of Handbook Section 1100 *Generally Accepted Accounting Principles*, Handbook Section 3465 *Income Taxes* and Accounting Guideline 19 *Disclosures by Entities Subject to Rate Regulation*.

The amendment to Handbook Section 1100 removed the temporary exemption pertaining to the application of that section to the recognition and measurement of assets and liabilities arising from rate regulation. In response to the removal of the exemption, the Corporation established accounting policies for the recognition and measurement of assets and liabilities arising from rate regulation. In accordance with the Canadian GAAP hierarchy guidance framework outlined in Handbook Section 1100, the Corporation has determined that its assets and liabilities arising from rate regulation qualify for recognition under Canadian GAAP and this recognition is consistent with U.S. Statement of Financial Accounting Standards No. 71 *Accounting for the Effects of Certain Types of Regulation*. The Corporation concluded that its policies for assets and liabilities arising from rate regulation were consistent with the primary sources of Canadian GAAP and were developed through the exercise of professional judgement. As a result, there was no change in the Corporation's opening retained earnings at January 1, 2009 or the Corporation's results from operations for the year ended December 31, 2009.

The amendment to Handbook Section 3465 states that where future income taxes may be expected to be included in approved rates charged to customers in the future and to be recovered or returned to future customers, the recognition of a regulatory asset or regulatory liability for the increase or reduction in future revenue is required. Furthermore, the regulatory asset or regulatory liability established by this requirement is a temporary difference for which an additional future income tax asset or liability is recognized. This change has been applied on a retroactive basis without restatement of prior periods. As a result of this change, opening retained earnings decreased by \$1,156,741 and regulatory liabilities and future income tax assets increased by \$1,629,213 and \$472,472 respectively at January 1, 2009. The impact on the Corporation's results from operations for the year ended December 31, 2009 was a reduction of future income tax expense of \$182,555.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 5

Year ended December 31, 2009

### 3. Change in accounting policy (continued):

#### (b) Intangible assets:

Effective January 1, 2009, the Corporation adopted the amended section of Handbook Section 3064 *Goodwill and Intangible Assets*.

The amendment to the Section states that in determining whether an asset that incorporates both intangible and tangible elements, the Corporation must assess which element is more significant. Computer software that is not an integral part of the related hardware is treated as an intangible asset.

### 4. Property, plant and equipment:

	2009		2008	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 2,288,413	\$ -	\$ 2,288,413	\$ 69,883
Building, transmission and distribution system	114,743,092	46,294,578	68,448,514	64,655,847
Office and telecommunications equipment, tools, and rental units	5,734,262	4,760,643	973,619	424,067
Capital contributions	(35,454,436)	(6,662,614)	(28,791,822)	(26,519,602)
	\$ 87,311,331	\$ 44,392,607	\$ 42,918,724	\$ 38,630,195

Total depreciation expense for the year is \$3,075,195 (2008 - \$2,875,008) of which \$105,248 (2008 - \$67,585) has been allocated to operating expenses and capital.

Included in property, plant and equipment is intangible assets of \$493,298 (2008 - \$447,963) with a net book value of \$97,217 (2008 - \$74,862).

Contributions are received from developers to finance necessary capital additions. The OEB requires the utility to calculate a rebate to the developers based upon recoverability of capital investment through future hydro usage. In the current year, \$1,530,170 (2008 - \$963,772) was paid for MHDl's portion of the obligation.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2009

## 5. Regulatory assets (liabilities):

	2009	2008
<b>OEB regulatory assets (liabilities):</b>		
Post-market opening retail settlement variances	\$(1,919,367)	\$ (2,073,847)
Smart metering cost, net of recoveries	2,260,678	2,145,210
Repayment of regulatory liabilities	162,820	89,071
	504,131	160,434
<b>Other regulatory assets (liabilities):</b>		
Future income taxes	(1,298,914)	-
	(1,298,914)	-
Valuation allowance	-	(224,843)
	<b>\$ (794,783)</b>	<b>\$ (64,409)</b>

Net OEB regulatory assets (liabilities) represent costs incurred by the Corporation in excess of amounts billed to the consumer at OEB approved rates plus recoveries (amounts billed to the consumer at OEB approved rates plus recoveries in excess of costs incurred by the Corporation). These amounts have been accumulated pursuant to the EA and deferred in anticipation of their future disposition in electricity distribution rates. Management assesses the future uncertainty with respect to the final regulatory disposition of those amounts, and to the extent required, makes accounting provisions to reduce the deferred balances accumulated or to increase the recorded liabilities.

Upon rendering of the final regulatory decision adjusting distribution rates, the provisions are adjusted to reflect the final impact of that decision, and such adjustment is reflected in net earnings for the period.

Regulatory assets (liabilities) earn (incur) interest at the OEB prescribed rates ranging from 0.55% to 2.45% simple interest per annum.

Post-market opening retail settlement variances represent amounts that have accumulated since Market Opening and comprise:

- variances between amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Corporation based on the OEB approved wholesale market service rate; and,
- variances between the amounts charged by the IESO for energy commodity costs and the amounts billed to customers by the Corporation based on OEB approved rates.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2009

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## 5. Regulatory assets (liabilities) (continued):

In August 2005, the Corporation filed for final disposition of the net regulatory asset balances as of December 31, 2004, to be realized over a two year period. The application was approved by the OEB effective May 1, 2006. The provision to dispose of regulatory assets previously incurred by the Corporation and approved in the 2006 rate application was removed from rates effective April 30, 2008.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

In the absence of rate regulation, generally accepted accounting principles would require the Corporation to record the costs and recoveries described above in the operating results of the year in which they are incurred. Reported capital assets would be higher than reported by \$2,761,193 (2008 - \$2,312,818). Reported earnings before income taxes would be \$1,178,749 higher (2008 - \$738,188) than reported.

### Rate regulation:

The Corporation is regulated by the OEB, under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

In 2006 the Corporation filed a rate application to adjust its distribution charges under the Performance Based Rate methodology. Under this methodology, the Corporation was allowed a rate of return on Corporation debt and equity of 7.25% and 9.00% respectively. The application also included the provision to recover regulatory assets previously incurred by the Corporation.

In 2007 the Corporation filed a rate application under the Incentive Regulation Mechanism ("IRM") to increase its distribution charges based on the Gross Domestic Product Inflationary Price Index of 2.1% less a province wide net efficiency factor of 1.0%. Rates were reduced for other factors resulting in a net rate decrease of 0.4% effective May 1, 2008.

In 2008 an IRM rate application was filed increasing rates by 2.3% less an efficiency factor of 1.0% effective May 1, 2009.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2009

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## 5. Regulatory assets (liabilities) (continued):

### Green Energy and Green Economy Act:

In early 2009, the government tabled the *Green Energy and Green Economy Act* ("GEGEA"). This new legislation makes fundamental changes to the roles and responsibilities of Ontario municipal electric utilities ("LDCs") in the areas of renewable power generation, conservation and demand management delivery, and the development of smart distribution grids.

The GEGEA provides LDCs with the option to own and operate a portfolio of renewable power generation and will permit them to provide district heating services in their communities through co-generation. LDCs will also bear added responsibilities to assist and enable consumers to reduce their peak demand and conserve energy in an effort to meet provincial conservation targets. LDCs will also gain new responsibilities in transforming their local distribution networks into smart grids harnessing advanced technologies to facilitate the connection of small-scale generators and the two-way flow of information.

### Smart meters:

The Province of Ontario has committed to have "Smart Meter" electricity meters installed in 800,000 homes and small businesses by the end of 2007 and throughout Ontario by the end of 2010. Smart Meters permit consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. Bill 21 *Energy Conservation and Responsibility Act* provides the legislative framework and regulations to support this initiative.

Included in distribution rates effective May 1, 2007 is a charge for smart meters of \$2.16 per metered customer per month. Consistent with the OEB's direction and pending further guidance, all smart meter related expenditures and recoveries are currently being deferred in regulatory accounts.

## 6. Note payable:

The promissory note payable is due on demand to the Town of Milton (the "Town"). The note bears interest at 7.25% per annum. The Town has waived their right to demand payment before January 1, 2010. Consequently, the note has been classified as long-term.

Interest expense for the year was \$1,082,730 (2008 - \$1,082,730).

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2009

## 7. Liability for employee future benefits:

The Corporation pays certain life insurance benefits on behalf of its retired employees. The Corporation has adopted the CICA accounting standards for employee future benefits. These post-retirement costs are recognized in the period in which the employees rendered the services. The accrued benefit liability and expense for the year ended December 31, 2009 were based on results and assumptions determined by an actuarial valuation as of January 1, 2009.

Information about the Corporation's defined benefit plans is as follows:

	2009	2008
Accrued benefit liability recognized in the balance sheet, beginning of year	\$ 233,934	\$ 225,533
Current service costs	4,425	3,989
Interest on benefits	10,077	11,361
Actuarial gain	(73,710)	-
Benefits paid	(19,244)	(6,949)
Projected accrued benefit obligation, end of year	\$ 155,482	\$ 233,934

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

(a) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index for Canada ("CPI"), were assumed at 2.0% in 2009 and thereafter.

(b) Interest (discount) rate:

The obligations at year end, of the present value of future liabilities and the expense for the year ended, were determined using a discount rate of 6.5%.

(c) Salary levels:

Future general salary and wage levels were assumed to increase at 3.5% per annum.

## 8. Pension plans:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and the best 60 consecutive months average earnings.

Contributions by the Corporation were at a rate of 6.5% for employee earnings below the year's maximum pensionable earnings and 9.6% thereafter.

The amount contributed to OMERS for 2009 was \$204,657 (2008 - \$198,635) for current service and is included as an expenditure on the Statement of Earnings and Retained Earnings.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2009

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## **9. Public liability insurance:**

The Corporation through its parent company is a named insurer of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$20,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

## **10. Contingent liability:**

An action has been brought under the Class Proceedings Act, 1992. The plaintiff class seeks \$500 million in restitution for amounts paid to Toronto Hydro and to other LDCs who received late payment penalties which constitute interest at an effective rate in excess of 60% per year, contrary to section 347 of the Criminal Code. Pleadings have closed in this action. The action has not yet been certified as a class action and no discoveries have been held, as the parties were awaiting the outcome of a similar proceeding brought against Enbridge Gas Distribution Inc. (formerly Consumers Gas).

On April 22, 2004, the Supreme Court of Canada released a decision in the Consumers Gas case rejecting all of the defenses which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the Statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, a mediation process resulted in the settlement of the damages payable by Enbridge and that settlement was approved by the Ontario Superior Court.

In 2007, Enbridge filed an application to the OEB to recover the Court-approved amount and related amounts from ratepayers. On February 4, 2008 the OEB approved recovery of the said amounts from ratepayers over a five year period.

After the release by the Supreme Court of Canada of its 2004 decision in the Consumers Gas case, the plaintiffs in the LDC late payment penalties class action indicated their intention to proceed with their litigation against the LDCs. The parties are in settlement discussions but no settlement has been reached. At this time, it is not possible to quantify the effect, if any, on the financial statements.

## **11. Bad debts expense:**

During 2009, MHDI wrote off bad debts of \$79,375 (2008 - \$141,598).

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2009

## 12. Commitments:

- (a) The Corporation had a \$4,000,000 committed revolving loan from a financial institution available for use. No amounts have been drawn down on this facility at year end. A letter of credit in the amount of \$2,500,000 has been issued in favour of the IESO as security for the Corporation's purchase of electricity through the IESO. No amounts have been drawn on the letter of credit at year end.
- (b) During the year, the Corporation entered into an operating lease for its Milton premises. The term of the lease is five years, expiring on November 21, 2014 and includes a five year renewal option. The lease agreement requires the Corporation to pay a proportionate share of property taxes and some operating expenses. Future minimum annual commitments, including an estimate of the proportionate share of property taxes and operating expenses are as follows:

2010	\$	344,282
2011		348,991
2012		386,991
2013		391,264
2014		348,223
	\$	1,819,751

## 13. Capital disclosures:

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2009, shareholder's equity amounts to \$30,870,839 (2008 - \$31,608,734) and long-term debt amounts to \$14,934,210 (2008 - \$14,934,210).

The OEB regulates the amount of interest on debt and the rate of return that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries on the basis of a deemed capital structure represented by 56.7% debt and 43.3% equity. The actual capital structure for the Corporation may differ from the OEB's deemed structure.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2009

## 14. Transactions with related parties:

During the year, the Corporation billed \$Nil (2008 - \$62,230) to the Town for telecommunication services. The Corporation also earned gross revenue of \$1,008,816 (2008 - \$888,264) from the Town for electricity distribution services. Of this amount, \$114,254 (2008 - \$105,729) was net revenue.

Amounts due from related parties are non-interest bearing with no fixed terms of repayment except for the note payable as described in note 6.

## 15. Supplemental cash flow information:

The following information is supplemental to the Statement of Cash Flows:

	2009	2008
Cash received during the year from interest	\$ 210,226	\$ 219,792
Cash interest paid during the year	1,107,221	1,152,003
Cash paid during the year for payments in lieu of taxes	1,058,913	1,756,819
Non-cash investing activity:		
Contribution of capital assets from developers	3,496,346	5,181,851
Increase in regulatory liabilities related to increase in future payment in lieu of tax assets	330,299	-

## 16. Financial instruments:

The carrying values of accounts receivable, unbilled revenue, due from related parties, and accounts payable and accrued liabilities approximate fair values because of the short maturity of these instruments.

It was not practicable to estimate the fair value of the note payable as there are no terms of repayment.

Financial assets held by the Corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Town. No single customer in either year would account for revenue in excess of 3% of the respective reported balances.

## 17. Payments in lieu of taxes:

At year end, based on substantively enacted income tax rates, future income tax assets of \$1,352,471 (2008 - \$1,634,283) have not been recorded. Such future income tax assets relate to tax bases of depreciable capital assets in excess of amounts recorded for accounting purposes.

# MILTON HYDRO HOLDINGS INC.

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2009

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## **18. Emerging accounting changes:**

### **International Financial Reporting Standards ["IFRS"]:**

On February 13, 2008, the Canadian Accounting Standards Board announced that publicly accountable enterprises will be required to change over to IFRS effective January 1, 2011. Some of the converged standards will be implemented in Canada during the transition period with the remaining standards adopted at the change over date. The Corporation has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its financial statements.

## **19. Comparative figures:**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

## EXHIBIT 2 – RATE BASE

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APPENDIX A – ASSET MANAGEMENT PLAN

## RATE BASE OVERVIEW

The rate base used for the purpose of calculating the revenue requirement used in this Application follows the definition used in the 2006 EDR Handbook as an average of the balances at the beginning and the end of the 2011 Test Year, plus a working capital allowance, which is 15% of the sum of the cost of power and controllable expenses.

The net fixed assets include those distribution assets that are associated with activities that enable the conveyance of electricity for distribution purposes. Milton Hydro does not have any non-distribution assets. Controllable expenses include operations and maintenance, billing and collecting and administration expenses. Milton Hydro has calculated its 2011 Test Year Rate Base as \$62,142,475.

Milton Hydro has provided a summary of its rate base calculations for the years 2005 Actual, 2006 Board Approved, 2006 Actual, 2007 to 2009 Actual, 2010 Bridge Year and 2011 Test Year in Table 1 below.

**Table 1 -  
Summary of Rate Base**

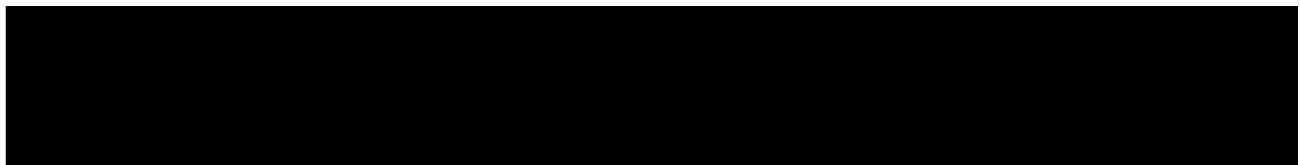
Description	2005 Actual	2006 OEB Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Gross Fixed Assets	65,175,678	58,462,586	69,007,137	73,498,052	78,484,429	85,617,586	97,869,208	106,017,849
Accumulated Depreciation	33,693,433	30,272,189	36,168,641	38,390,841	41,043,336	44,074,818	48,168,066	51,941,323
Net Book Value	31,482,245	28,190,397	32,838,497	35,107,210	37,441,093	41,542,768	49,701,142	54,076,526
Average Net Book Value	30,216,846	28,190,397	32,160,371	33,972,854	36,274,152	39,491,930	45,621,955	51,888,834
Working Capital	54,928,394	47,807,161	50,254,788	53,879,120	55,114,304	58,063,378	66,916,615	68,357,609
Working Capital Allowance	8,239,259	7,171,074	7,538,218	8,081,868	8,267,146	8,709,507	10,037,492	10,253,641
Rate Base	38,456,105	35,361,471	39,698,589	42,054,722	44,541,297	48,201,437	55,659,447	62,142,475

Milton Hydro's capital investment in distribution plant has averaged \$7.7 million per year (2001-2009) and \$8.8 million per year (2005-2009) which accounts for the year over year variance in Average Net Book Value. As discussed throughout Exhibit 1 and Milton Hydro's Asset Management Plan, filed as Appendix A to this Exhibit, the Town of Milton is one of the fastest growing communities in Canada and this growth requires significant investment in distribution plant in order to service the new customers. Milton Hydro had 11,300 metered customers in

2001 which has increased to 27,300 metered customers by the end of 2009 and forecasted to exceed 30,000 by the end of the 2011 Test Year. In addition to the new infrastructure investment required to meet this growth Milton Hydro has a need to replace aging infrastructure.

Milton Hydro has summarized its capital investments by capital driver in the following Table 1(a). As is evident in this table and as discussed in further detail below, over 61% of Milton Hydro's capital expenditures are driven by third parties, 31% is Milton Hydro's capital expenditures on existing and new plant and 8% on other assets.

**Table 1(a) -  
Summary of Capital Drivers**



Milton Hydro has provided a summary of its cost of power and controllable expenses used in calculating working capital for the period 2005 Actual to 2009 Actual, including the 2006 Board Approved, 2010 Bridge Year and 2011 Test Year in Table 2, below. Details of Milton Hydro's calculation of working capital allowance are provided further in this Exhibit at Page 59.

**Table 2 -  
Summary of Working Capital Calculation**

Description	2005 Actual	2006 OEB Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Cost of Power	50,722,123	44,013,855	46,137,044	49,302,014	49,997,910	52,697,568	60,667,864	61,842,630
Operations	504,377	440,504	433,375	527,987	683,018	685,613	792,937	876,809
Maintenance	945,305	728,619	830,665	908,815	879,911	991,549	1,373,913	1,234,930
Billing & Collecting	1,054,965	923,532	1,127,509	1,221,047	1,511,687	1,494,298	1,629,959	1,818,688
Community Relations/3rd tranche CDM	176,894	117	68,775	149,682	14,347	8,470	19,483	10,679
Administration & General Exp.	1,524,730	1,700,535	1,657,420	1,769,575	2,027,431	2,185,880	2,432,459	2,573,873
Working Capital	54,928,394	47,807,162	50,254,788	53,879,120	55,114,304	58,063,378	66,916,615	68,357,609
Working Capital Allowance 15%	8,239,259	7,171,074	7,538,218	8,081,868	8,267,146	8,709,507	10,037,492	10,253,641

The changes in working capital are primarily attributed to the annual changes in Cost of Power resulting from growth, weather and changes in the market price of electricity and increases in OM&A expenditures to service the growth such as staffing requirements, locate costs, meter

1 reading, postage, etc. Milton Hydro has not completed a lead-lag study pending OEB direction.  
2 The working capital allowance is based on 15% of cost of power and controllable expenses in  
3 accordance with the Filing Requirements and consistent with OEB Decisions on other  
4 distribution rate applications where a utility specific lead-lag study had not been completed.

5 In support of its rate base calculation, Milton Hydro has included details of its Gross Assets,  
6 Accumulated Depreciation, Working Capital and Fixed Asset Continuity Schedules for 2005  
7 Actual to 2011 Test Year as required in the Filing Requirements.

#### 8 **Budget Process:**

9 In managing its distribution system assets, Milton Hydro's main objective is to optimize  
10 performance of the assets at a reasonable cost with due regard for system reliability, safety, and  
11 customer service expectations. Milton Hydro is committed to providing our customers with an  
12 economical, safe, reliable supply of electricity and helping the Town of Milton become the most  
13 energy efficient community in Ontario. Milton Hydro's Asset Management Plan, which sets out  
14 Milton Hydro's processes for determining the necessary distribution system investments to  
15 ensure safe, reliable delivery of electricity to its customers, accompanies this Exhibit as  
16 Appendix A.

17 The Capital Budget process at Milton Hydro is an integral planning tool and ensures that  
18 appropriate resources are available to maintain and grow its capital infrastructure. It is the  
19 responsibility of each department to contribute in the preparation of the Capital and Operating  
20 budget with the assistance of the Finance department. The responsibility of the Finance  
21 department is to coordinate the capital budget and forecast process and present a preliminary  
22 Capital budget to the President & CEO for approval. Once the preliminary Capital budget and  
23 long range forecast has been approved by the President & CEO, it is presented to the Board of  
24 Directors for approval.

25 Once the Board of Directors approve the annual budget the budget amounts do not change but  
26 rather provide a plan against which actual results may be evaluated.

#### 27 **Capital Budget:**

28 Milton Hydro's capital budget is segregated into the following categories:

- Asset Management Capital Expenditures
- Developer-Driven (Growth related) Capital Expenditures
- Municipal/Regional-Driven Capital Expenditures
- Other Capital Expenditures

Milton Hydro is one of the fastest growing communities in the country. Asset management capital expenditures are capital projects relating to Milton Hydro's existing and new capital infrastructure and/or projects identified through regulatory and legislative requirements. Developer-driven capital expenditures are directly related to growth and are partially funded through Capital Contributions. Municipal/Regional-driven capital expenditures are also related to growth, which drives road, water and sewer requirements and are partially funded through Capital Contributions, 50% of labour and vehicle, in accordance with the Public Service Works on Highways Act. Other Capital Expenditures are general assets relating to Leasehold Improvements, Office Furniture and Equipment, Communications Equipment, Computer Hardware and Software, System Supervisory Equipment, Vehicles and Miscellaneous Tools and Equipment.

This Application incorporates Milton Hydro's 2010 Bridge Year & 2011 Test Year Capital and Operating, Maintenance & Administration Budgets used in determining the revenue requirement to bring these plans to fruition.

Milton Hydro's Capital Budget process is based on:

- **Customer Demand:**

These are projects that Milton Hydro undertakes to meet customer obligations in accordance with the OEB's Distribution System Code (the "DSC") and Milton Hydro's Conditions of Service. Activities include connecting new residential and general service customers, constructing distribution plant to connect new subdivisions and relocating system plant equipment for roadway reconstruction work. Milton Hydro contributes to the cost of these projects using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions to determine the level of capital contribution.

1       • **Replacement:**

2       Replacement projects are completed when it has been determined through proper condition  
3       assessment that assets are reaching their end of useful life. Milton Hydro completes visual  
4       inspections of its plant and performs predictive testing on certain assets where such testing is  
5       available, and replaces assets based on inspection and testing results as warranted. In some  
6       cases the projects involve spot replacement of assets; in other cases, the projects involve  
7       complete asset replacement within a geographic area. When a geographic area is being  
8       replaced, consideration is given to converting the distribution voltage from 8.3 kV or 13.8kV to  
9       27.6kV. Converting voltage levels while replacing the assets delivers added benefits including  
10      reductions in substation maintenance and capital expenditures, and reduced system losses.  
11      New assets require less maintenance, deliver better reliability and reduce safety risks to the  
12      general public.

13      • **Capacity:**

14      Load growth caused by new customer connections and increased demand of existing  
15      customers over time can result in a need for capacity improvements on the system. Projects  
16      can take the form of new or upgraded feeders and transformers or voltage conversion projects.  
17      These projects are not customer-specific, but rather, they benefit many customers.

18      • **Regulatory Requirements:**

19      These projects are capital investments which are being driven by regulatory requirements.  
20      These requirements may include, among others, directions from the OEB, the IESO, the  
21      Ministry of Energy & Infrastructure or the Ministry of Environment. In 2005, The Government of  
22      Ontario established targets for the installation of 800,000 smart electricity meters by December  
23      31, 2007 and installation of smart meters for all Ontario customers by December 31, 2010. On  
24      August 29, 2006, Ontario Regulation 428/06 made under the Electricity Act, 1998 was filed  
25      relating to Priority Installations of smart meters. Milton Hydro was identified as a priority  
26      installation for the purposes of Ontario Regulation 427/06, Smart Meters: Discretionary Metering  
27      Activity and Procurement Principles, made under the Act. Milton Hydro, in anticipation of the  
28      government's intent to introduce smart meters and the envisioned growth for the Town of Milton,  
29      began installing smart meters in all of its new residential subdivisions beginning in 2003, making

1 it one of the first Local Distribution Companies in the province to implement this Smart meter  
2 initiative

3 In 2009, Milton Hydro also included the elimination of long-term load transfers as a regulatory  
4 requirement pursuant to the DSC.

5       • **Substations:**

6 Substation investments are undertaken to improve or maintain reliability to large numbers of  
7 customers and to maintain security and safety at the substations. Milton Hydro has been  
8 converting aging 8.32kV and 13.8kV to 27.6kV as required for reliability which in addition to the  
9 construction of new 27.6kV feeders, will lead to a reduction in the number of distribution stations  
10 and improved efficiency in the delivery of electricity.

11       • **Customer Connections and Metering:**

12 Capital expenditures include meter installations, meter upgrades, and the capital components of  
13 wholesale and retail meter verification activities. As of June 30, 2010 Milton Hydro has  
14 completed 100% of the deployment of Smart Meters as approved by Ontario Regulation 427/06.  
15 Smart Meter capital is currently recorded in the smart meter variance account 1555. Milton  
16 Hydro is proposing the disposition on its smart meter variance accounts in this Application.

17 **General Plant Capital Projects:**

18 General plant capital projects are also been categorized into project pools. Each pool generally  
19 by OEB USoA category has identified within it the specific focus of the capital requirement and  
20 includes:

- 21       • Land, Buildings and Leasehold Improvements (USoA 1905, 1908, 1910)
- 22       • Office Furniture & Equipment (USoA 1915)
- 23       • Computer Hardware & Software(USoA 1920, 1925)
- 24       • Transportation/Vehicles Equipment (USoA 1930)
- 25       • Stores Equipment, Tools and Measuring Equipment (USoA 1935, 1940, 1945)
- 26       • Communication Equipment (USoA 1955)
- 27       • System Supervisory Equipment (USoA 1980)

- Other Tangible Property (USoA 1990)

## **Capitalization Policy:**

Milton Hydro does not have a formal written capitalization policy. Milton Hydro follows Generally Accepted Accounting Principles, in particular the CICA Handbook Section 3060, Capital Assets as well as the guidelines as set out in the OEB Accounting Procedure Handbook.

Milton Hydro does not capitalize interest on funds used during construction as capital projects are budgeted for and completed in the fiscal year. In addition, Milton Hydro does not capitalize, through internal cost allocations, any indirect administrative support costs such as Finance or Facilities. Milton Hydro does not have a Human Resource or Corporate Services Department.

## **Milton Hydro's Distribution System:**

Milton Hydro owns and operates the electricity distribution system in the Town of Milton Hydro serving more than 27,500 residential and business customers. Milton Hydro is supplied power from three transformer stations at 44kV and 27.6kV, all owned and operated by Hydro One Networks Inc. Milton Hydro distributes electricity to the Town of Milton Hydro at the primary voltage of 27.6kV and also through 5 substations which step down voltage to 13.8kV and 8.32kV.

Milton Hydro's licensed service area is 370 square kilometres consisting of 313 square kilometres of rural service area and 57 kilometres of urban service area. Milton Hydro's distribution system is made up of 546 kilometres of overhead lines, 320 kilometres of underground lines, 9,600 poles, 5,220 distribution transformers and 27,350 meters of which 26,726 are Smart Meters installed on Residential and General Service <50 kW customers.

## **Asset Management Plan:**

Milton Hydro has developed and Asset Management Plan which outlines the capital and operating expenditures necessary to ensure that Milton Hydro continues to provide highest standards for the safe, reliable supply of electricity at the lowest cost. A copy of the Asset Management Plan is attached to this Exhibit as Appendix A.

The Asset Management Plan provides for:

- 1 • Replacement and voltage conversion of old plant
- 2 • Construction of new plant required to service the Town of Milton's rapid growth
- 3 • Town of Milton and Region of Halton road work
- 4 • Inspection and testing of existing plant
- 5 • Maintenance of the highest standard of service to the Town of Milton Hydro residents
- 6 and businesses

7 Milton Hydro's Asset Management Plan has been developed with due regard to the different  
8 Acts, Regulations, Codes and Guidelines and the continual updating of good utility practice to  
9 ensure the needs of the Town of Milton and Milton Hydro customers are met.

#### 10 **Service Quality and Reliability**

11 Milton Hydro monitors and relies on its service quality and reliability indices (SQIs) monthly as a  
12 means of measuring system performance. Milton Hydro's commitment to stakeholders is to  
13 ensure "highest standards of performance and business excellence for the safe, reliable  
14 provision of service". An SQI report, comparing the annual monthly results of SAIDI, SAIFI and  
15 CAIDI and the 5 year average, is prepared and presented to Milton Hydro's Board of Directors  
16 each month. The following Chart 1 was presented to Milton Hydro's Board in January 2010 for  
17 the reporting year 2009.

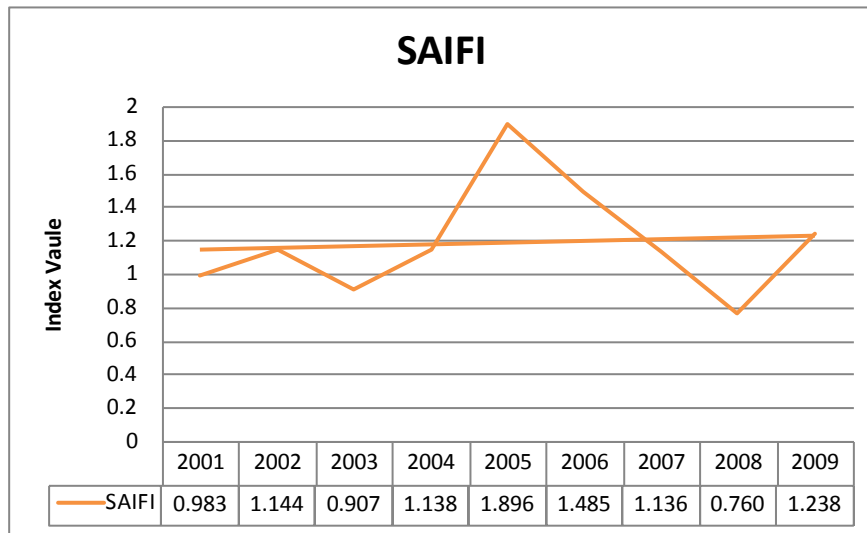
18 Milton Hydro also tracks the cause of outages, as provided in Exhibit 1 Table 4 - Service  
19 Interruptions by Outage Code, from which Milton Hydro is able to determine whether corrective  
20 action is required to prevent or reduce similar occurrences. This information is also presented  
21 to the Milton Hydro's Board of Directors on a monthly basis.

3  
4

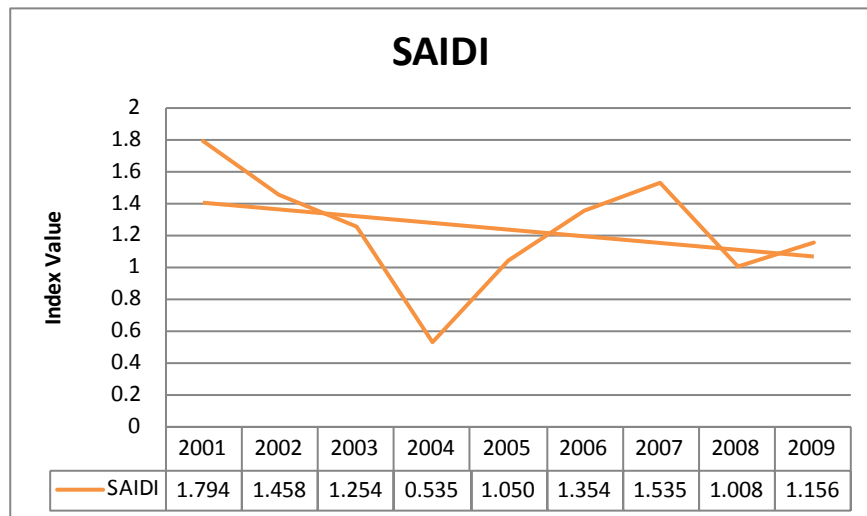
The charts 2 to Chart 4 below provide Milton Hydro's reliability performance for each of the measures over the period 2001-2009. Year over year fluctuations may result from variations in weather such as extreme lightning, excessive snowfalls, ice storms, foreign interference such as animal contacts and motor vehicle accidents. Milton Hydro's system performance indices are trending positively except for the "outage frequency" in 2007 and 2008 where Milton Hydro

experienced severe thunderstorms in 2007 and 2008 and a tornado in 2009. This being said the “duration” and “restoration time” continued to improve.

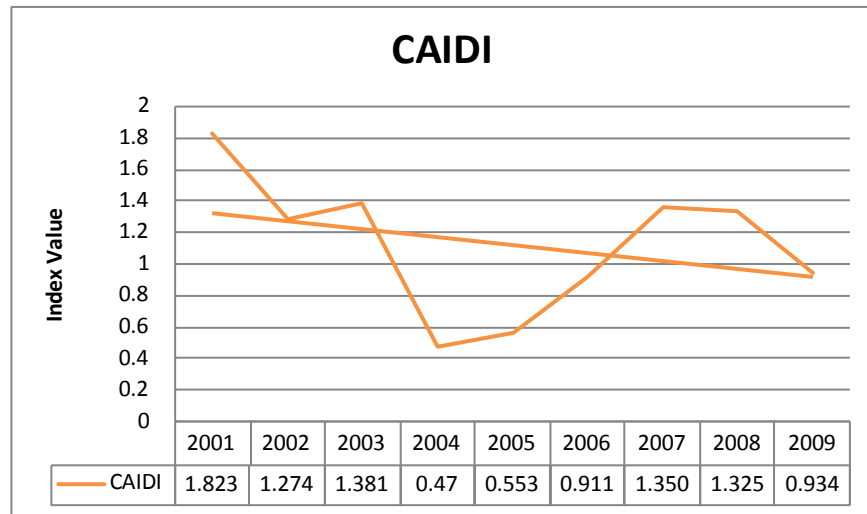
**Chart 2 -  
System Average Outage Frequency Performance**



**Chart 3 -  
System Average Duration Performance**



**Chart 4 -  
Average Customer Restoration Time**



#### **RATE BASE VARIANCE ANALYSIS**

The following Table 3 sets out Milton Hydro's year over year rate base variances for the 2005 Actual, 2006 OEB Approved, the four years 2006 to 2009 Actuals, 2010 Bridge Year and 2011 Test Year. Milton Hydro notes that the 2006 OEB Approved rate base was determined through the 2006 EDR process and is based on the 2004 year end rate base adjusted for Tier 1 Adjustments. Accordingly, the variance between 2006 Actual and 2006 OEB Approved spans a two-year period.

**Table 3 -  
Rate Base Variances**

Description	2006 Actual Variance from 2006 OEB Approved	2006 Actual Variance from 2005 Actual	2007 Actual Variance from 2006 Actual	2008 Actual Variance from 2007 Actual	2009 Actual Variance from 2008 Actual	2010 Bridge Year Variance from 2009 Actual	2011 Test Year Variance from 2010 Bridge
Gross Fixed Assets	10,544,551	3,831,460	4,490,914	4,986,377	7,133,156	12,251,623	8,148,641
Accumulated Depreciation	5,896,452	2,475,207	2,222,201	2,652,495	3,031,482	4,093,248	3,773,257
Net Book Value	4,648,100	1,356,252	2,268,713	2,333,882	4,101,675	8,158,374	4,375,384
Average Net Book Value	3,969,974	1,943,525	1,812,483	2,301,298	3,217,779	6,130,025	6,266,879
Working Capital	2,447,627	(4,673,606)	3,624,332	1,235,184	2,949,074	8,853,237	1,440,994
Working Capital Allowance	367,144	(701,041)	543,650	185,278	442,361	1,327,986	216,149
Rate Base	4,337,118	1,242,484	2,356,133	2,486,575	3,660,140	7,458,010	6,483,028

The year over year percentage change in rate base and the rate base components is set out in Table 4 below.

**Table 4 -  
Percent Change in Rate Base Components**

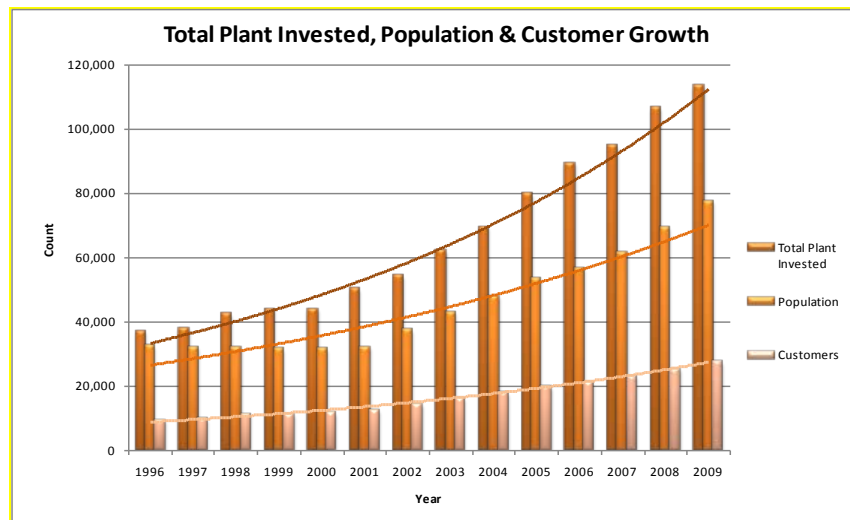
Description	2006 Actual % Variance from 2006 OEB Approved	2006 Actual % Variance from 2005 Actual	2007 Actual % Variance from 2006 Actual	2008 Actual % Variance from 2007 Actual	2009 Actual % Variance from 2008 Actual	2010 Bridge+% Year Variance from 2009 Actual	2011 Test Year % Variance from 2010 Bridge
Gross Fixed Assets	18.04%	5.88%	6.51%	6.78%	9.09%	14.31%	8.33%
Accumulated Depreciation	19.48%	7.35%	6.14%	6.91%	7.39%	9.29%	7.83%
Net Book Value	16.49%	4.31%	6.91%	6.65%	10.96%	19.64%	8.80%
Average Net Book Value	14.08%	6.43%	5.64%	6.77%	8.87%	15.52%	13.74%
Working Capital	5.12%	-8.51%	7.21%	2.29%	5.35%	15.25%	2.15%
Working Capital Allowance	5.12%	-8.51%	7.21%	2.29%	5.35%	15.25%	2.15%
Rate Base	12.27%	3.23%	5.94%	5.91%	8.22%	15.47%	11.65%

#### Gross Fixed Asset Variance Analysis:

As discussed in Exhibit 1, the Town of Milton has experienced significant growth since 2001 which has required Milton Hydro to invest in the expansion of its distribution system to service this growth. The Chart 1 in Exhibit 1 is reproduced below as Chart 5 highlights the relationship between the growth in the Town of Milton, customer growth and Milton Hydro's total investment in distribution plant.

1

**Chart 5 -**



2

3 For the purposes of this Application Milton Hydro has provided information for the period 2005  
4 and forward. Milton Hydro's investment in capital has increased in each year from 2006 to 2009  
5 as set out in Table 4 above – Percentage Change Rate Base Components. Milton Hydro would  
6 note that the percentage increase in gross fixed assets for the 2006 Actual over the 2006 OEB  
7 Approved is over a two year period as compared to the percent change in the 2006 Actual over  
8 the 2005 Actual gross fixed assets. Milton Hydro's capital additions by USoA for the years 2005  
9 to the 2011 Test Year, is provided in Table 5 and discussed in further detail in this Exhibit  
10 beginning at Page 18. The credit balance in USoA 1860 for the 2007 Actual year is a  
11 reallocation of Milton Hydro's investment in Smart Meters, for the years 2005 and 2006, from  
12 meter capital to the Smart Meter Variance Account 1555 in accordance with the OEB's August  
13 8, 2007 Decision with Reasons on the Smart Meter proceeding, EB-2007-0063.

**Table 5 -  
Capital Additions 2005 Actual to 2011 Test Year**

USoA	Description	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
1830	Poles, Towers and Fixtures	2,376,033	1,677,114	2,247,693	1,921,395	1,051,652	2,929,158	2,410,336
1835	Overhead Conductors and Devices	998,887	424,991	732,401	1,250,938	559,278	1,438,086	1,485,384
1840	Underground Conduit	1,708,255	2,827,766	10,613	2,287,044	1,842,374	1,635,529	2,189,940
1845	Underground Conductors and Devices	1,412,011	973,284	513,137	1,085,307	660,686	1,020,051	1,147,536
1850	Line Transformers	1,255,304	2,063,040	1,913,348	2,407,991	2,011,194	2,743,025	2,399,153
1855	Services	1,474,251	876,534	1,262,664	1,497,756	1,331,206	898,261	1,033,560
1860	Meters	1,138,597	584,182	(323,370)	583,720	371,712	4,115,660	289,170
<b>Total Additions to Plant</b>		<b>10,363,339</b>	<b>9,426,911</b>	<b>6,356,487</b>	<b>11,034,152</b>	<b>7,828,102</b>	<b>14,779,770</b>	<b>10,955,079</b>
1905	Land					2,218,530	700,000	
1908	Buildings and Fixtures							150,000
1910	Leasehold Improvements					280,817	180,000	
1915	Office Furniture and Equipment			10,965	21,081	28,376	25,000	5,000
1920	Computer Equipment - Hardware	25,007	39,147	41,240	55,380	55,731	181,752	201,000
1925	Computer Software	58,596	49,128	53,561	16,356	45,335	61,470	210,000
1930	Transportation Equipment			4,980	17,763	342,202	285,000	210,000
1935	Stores Equipment					14,240	10,000	10,000
1940	Tools, Shop and Garage Equipment		10,635	9,331	3,811	4,837	23,250	2,500
1945	Measurement and Testing Equipment	3,713			4,559	5,697		
1955	Communication Equipment	19,270	16,528	3,351	1,120	29,290	12,583	200,000
1990	Other Tangible Property						70,000	
<b>Total Additions to Other Assets</b>		<b>106,587</b>	<b>115,439</b>	<b>123,428</b>	<b>120,070</b>	<b>3,025,055</b>	<b>1,549,055</b>	<b>988,500</b>
<b>Total Capital Additions Before Capital Contributions</b>		<b>10,469,926</b>	<b>9,542,350</b>	<b>6,479,914</b>	<b>11,154,222</b>	<b>10,853,158</b>	<b>16,328,825</b>	<b>11,943,579</b>
1995	Contributions and Grants	(5,414,558)	(5,710,890)	(1,445,373)	(5,810,973)	(3,674,345)	(4,070,264)	(3,794,938)
<b>Net Capital Additions</b>		<b>5,055,367</b>	<b>3,831,460</b>	<b>5,034,541</b>	<b>5,343,250</b>	<b>7,178,812</b>	<b>12,258,561</b>	<b>8,148,641</b>

Milton Hydro has three key drivers of its capital investment as discussed below and summarized in Table 6 also below.

The first driver of Milton Hydro's capital investment is its obligation to connect a customer in accordance with Section 28 of the *Electricity Act, 1998*, Section 7 of Milton Hydro's Electricity Distribution Licence and the Distribution System Code. As previously discussed, the Town of Milton and therefore Milton Hydro have experienced rapid growth since 2001. Both subdivisions and commercial developments are being constructed in rural areas outside of the core area of the Town of Milton. In most development areas Milton Hydro does not have existing distribution plant capable of supplying the new developments and as such, Milton Hydro is required to construct the expansion of its overhead distribution plant. Milton Hydro contributes to the subdivision based on an economic evaluation in accordance with the DSC. The developer is allowed to build the subdivision based on Milton Hydro's subdivision agreement outlining

1 specifications and Milton Hydro contributes based on actual connections and load over a 5 year  
2 horizon.

3 The second driver is also a result of the growth in the Town of Milton whereby both the Town of  
4 Milton and the Region of Halton are investing in the widening of roads, installation of sewers  
5 and water which in many cases results in Milton Hydro being required to relocate existing  
6 distribution lines. Milton Hydro collects a partial recovery of these costs in accordance with the  
7 *Public Service Works on Highways Act*.

8 The first two drivers result in the non-discretionary investment in capital by Milton Hydro. This  
9 non-discretionary expenditure accounts for more than 60% of Milton Hydro's total expenditure  
10 on capital.

11 The third driver is Milton Hydro's own capital investment required to meet its commitment to  
12 provide a safe and reliable supply of electricity to its customers. Details are provided in Milton  
13 Hydro's Asset Management Plan attached as Appendix A to this Exhibit but in summary  
14 includes the rebuilding and conversion of deteriorating 8.32kV and 13.8kV distribution plant,  
15 pole replacement and other capital works required as a result of inspection and testing of  
16 existing distribution plant. Other Asset investments include building/facilities, computer  
17 hardware, software, vehicles and communication equipment.

Table 6 -

Capital Investment Drivers & % of Total Capital 2005 Actual to 2011 Test Year

Capital Driver	Type of Project	2005 Actual	% of Total Capital Additions	2006 Actual	% of Total Capital Additions	2007 Actual	% of Total Capital Additions	2008 Actual	% of Total Capital Additions	2009 Actual	% of Total Capital Additions	2010 Bridge Year	% of Total Capital Additions	2011 Test Year	% of Total Capital Additions
Customer Drivers															
	Subdivisions	0		4,869,457		1,526,274		5,841,530		4,094,746		3,276,000		3,780,000	
	Commercial Development	4,114,407		0		0		1,249,952		217,148		incl in new		incl in new	
	New Customer Services	842,574		572,655		940,093		602,261		678,651		1,066,500		1,088,200	
	Pole Line Extension					1,745,582		404,888				679,336		685,000	
		4,956,981	47.3%	5,442,112	57.0%	4,211,949	59.0%	8,098,630	72.6%	4,990,545	46.0%	5,021,836	40.3%	5,553,200	46.5%
	Municipal Relocates	1,767,912	16.9%	734,559	7.7%	901,768	12.6%	979,372	8.8%	948,027	8.7%	2,693,460	21.6%	1,650,720	13.8%
<b>Third Party Capital Drivers</b>		<b>6,724,893</b>	<b>64.2%</b>	<b>6,176,670</b>	<b>64.7%</b>	<b>5,113,717</b>	<b>71.6%</b>	<b>9,078,002</b>	<b>81.4%</b>	<b>5,938,572</b>	<b>54.7%</b>	<b>7,715,296</b>	<b>61.9%</b>	<b>7,203,920</b>	<b>60.3%</b>
	Conversion/Rebuild/Upgrade	1,465,585		1,161,797		205,949		581,644		211,260		1,949,977		3,164,645	
	Pole Replacement Program	524,483		429,452		224,776		107,631		94,015		106,817		106,292	
	SC & Tx Replacement	764,775		631,052		321,781		172,157		559,744		149,355		0	
	Other Asset Management	63,653		213,987		258,725		147,675		283,929		639,827		406,502	
	Transformers	253,999		440,706		708,494		577,117		597,442		280,938		incl in conv	
	Meters	565,950		373,247		187,901		369,924		143,139		63,320		73,720	
<b>Milton Hydro - Distribution Plant</b>		<b>3,638,445</b>	<b>34.8%</b>	<b>3,250,241</b>	<b>34.1%</b>	<b>1,907,627</b>	<b>26.7%</b>	<b>1,956,150</b>	<b>17.5%</b>	<b>1,889,530</b>	<b>17.4%</b>	<b>3,190,234</b>	<b>25.6%</b>	<b>3,751,159</b>	<b>31.4%</b>
	Smart Meter Reallocation					-1,208,486		-340,259							
	Land									2,218,530		700,000			
	Building													150,000	
	Leaseholds									280,817		180,000			
<b>Milton Hydro - Land &amp; Building</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>2,499,347</b>	<b>23.0%</b>	<b>880,000</b>	<b>7.1%</b>	<b>150,000</b>	<b>1.3%</b>
	Office Equipment					10,965		21,081		28,376		25,000		5,000	
	Hardware	25,007		39,147		41,240		55,380		55,731		181,752		201,000	
	Software	58,596		49,128		53,561		16,356		45,335		61,470		210,000	
	Rolling Stock					4,980		17,763		342,202		285,000		210,000	
	Stores									14,240		10,000		10,000	
	Major Tools			10,635		9,331		3,811		10,534		23,250		2,500	
	Measuring Equipment	3,713						4,559							
	Communications Equipment	19,270		16,528		3,351		1,120		29,290		12,583		200,000	
	Tangible Property											70,000			
<b>Milton Hydro - Other Assets</b>		<b>106,586</b>	<b>1.0%</b>	<b>115,439</b>	<b>1.2%</b>	<b>123,428</b>	<b>1.7%</b>	<b>120,070</b>	<b>1.1%</b>	<b>525,709</b>	<b>4.8%</b>	<b>669,055</b>	<b>5.4%</b>	<b>838,500</b>	<b>7.0%</b>
<b>Total Capital Additions</b>		<b>10,469,924</b>	<b>100.0%</b>	<b>9,542,351</b>	<b>100.0%</b>	<b>7,144,772</b>	<b>100.0%</b>	<b>11,154,222</b>	<b>100.0%</b>	<b>10,853,157</b>	<b>100.0%</b>	<b>12,454,585</b>	<b>100.0%</b>	<b>11,943,579</b>	<b>100.0%</b>
<b>Capital Contributions</b>		<b>-5,414,558</b>	<b>-51.7%</b>	<b>-5,710,890</b>	<b>-59.8%</b>	<b>-1,445,373</b>	<b>-20.2%</b>	<b>-5,810,973</b>	<b>-52.1%</b>	<b>-3,674,345</b>	<b>-33.9%</b>	<b>-4,070,264</b>	<b>-32.7%</b>	<b>-3,794,938</b>	<b>-31.8%</b>
<b>Net Capital Additions</b>		<b>5,055,366</b>	<b>48.3%</b>	<b>3,831,460</b>	<b>40.2%</b>	<b>5,699,399</b>	<b>79.8%</b>	<b>5,343,249</b>	<b>47.9%</b>	<b>7,178,812</b>	<b>66.1%</b>	<b>8,384,321</b>	<b>67.3%</b>	<b>8,148,641</b>	<b>68.2%</b>

Capital Projects Exceeding Materiality Threshold:

The following section sets out the year over year variances in Milton Hydro's capital expenditures by the OEB's USoA classification. Also provided are the annual fixed asset continuity schedules, capital projects by USoA and explanations for the capital projects exceeding the materiality threshold of \$55,000. This information has been presented for the years 2005 to 2009 Actuals, the 2010 Bridge Year and the 2011 Test Year.

Table 7 below sets out the year over year gross asset variances by the OEB's USoA classification. Milton Hydro has prepared the year over year analysis in a consistent format for comparison purposes.

Table 7 -  
Gross Asset Variances by Year

Description	2005 Actual (\$)	2006 Board Approved (\$)	2006 Actual (\$)	Variance from 2006 Board Approved	Variance from 2005 Actual	2007 Actual (\$)	Variance from 2006 Actual	2008 Actual (\$)	Variance from 2007 Actual	2009 Actual (\$)	Variance from 2008 Actual	2010 Bridge (\$)	Variance from 2009 Actual	2011 Test (\$)	Variance from 2010 Bridge
<b>Land and Buildings</b>															
1805-Land	69,883	69,883	69,883	0		69,883		69,883		69,883		69,883		69,883	
1806-Land Rights															
1808-Buildings and Fixtures															
1905-Land										2,218,530	2,218,530	2,918,530	700,000	2,918,530	
1906-Land Rights															
1810-Leasehold Improvements															
Sub-Total-Land and Buildings	69,883	69,883	69,883	0		69,883		69,883		2,288,413	2,218,530	2,988,413	700,000	2,988,413	
<b>TS Primary Above 50</b>															
1815-TX Station Equip - Normally Primary above 50 kV															
Sub-Total-TS Primary Above 50															
<b>DS</b>															
1820-Dist Station Equip - Normally Primary below 50 kV	1,516,192	1,516,192	1,516,192	(0)		1,516,192		1,516,192		1,516,192		1,516,192		1,516,192	
Sub-Total-DS	1,516,192	1,516,192	1,516,192	(0)		1,516,192		1,516,192		1,516,192		1,516,192		1,516,192	
<b>Poles and Wires</b>															
1830-Poles, Towers and Fixtures	11,372,669	8,175,135	13,049,784	4,874,649	1,677,114	15,297,477	2,247,693	17,218,872	1,921,395	18,270,524	1,051,652	21,199,682	2,929,158	23,610,018	2,410,336
1835-Overhead Conductors and Devices	14,960,302	13,809,951	15,385,293	1,575,342	424,991	16,117,694	732,401	17,368,632	1,250,938	17,927,909	559,278	19,365,995	1,438,086	20,851,279	1,485,384
1840-Underground Conduit	9,868,975	7,494,291	12,696,741	5,202,450	2,827,766	12,707,354	10,613	14,994,396	2,287,044	16,836,772	1,842,374	18,472,301	1,635,529	20,662,241	2,189,940
1845-Underground Conductors and Devices	10,728,325	8,990,996	11,701,609	2,710,613	973,294	12,214,746	513,137	13,300,053	1,085,307	13,960,739	660,686	14,980,790	1,020,051	16,128,326	1,147,536
Sub-Total-Poles and Wires	46,930,271	38,470,373	52,833,426	14,363,053	5,903,155	56,337,270	3,503,845	62,881,955	6,544,684	66,995,944	4,113,989	74,018,768	7,022,824	81,251,964	7,233,196
<b>Line Transformers</b>															
1850-Line Transformers	21,446,501	19,604,361	23,509,541	3,905,180	2,063,040	25,422,889	1,913,348	27,830,880	2,407,991	29,840,722	2,009,842	32,583,747	2,743,025	34,982,900	2,399,153
Sub-Total-Line Transformers	21,446,501	19,604,361	23,509,541	3,905,180	2,063,040	25,422,889	1,913,348	27,830,880	2,407,991	29,840,722	2,009,842	32,583,747	2,743,025	34,982,900	2,399,153
<b>Services and Meters</b>															
1855-Services	4,831,286	2,673,877	5,707,821	3,033,944	876,534	6,970,484	1,262,664	8,468,241	1,497,756	9,799,447	1,331,206	10,697,708	898,261	11,731,268	1,033,560
1860-Meters	4,897,423	3,406,316	5,481,605	2,075,289	584,182	4,614,608	(866,997)	4,858,069	243,461	5,215,886	357,817	9,324,608	4,108,722	9,613,778	289,170
Sub-Total-Services and Meters	9,728,709	6,080,193	11,189,425	5,109,232	1,460,716	11,585,092	395,667	13,326,310	1,741,218	15,015,333	1,689,023	20,022,316	5,006,983	21,345,046	1,322,730
<b>General Plant</b>															
1908-Buildings and Fixtures														150,000	150,000
1910-Leasehold Improvements										280,817	280,817	460,817	180,000	460,817	
Sub-Total-General Plant										280,817	280,817	460,817	180,000	610,817	150,000
<b>IT Assets</b>															
1920-Computer Equipment - Hardware	1,277,024	1,232,444	1,316,171	83,727	39,147	1,357,410	41,240	1,412,790	55,380	1,468,521	55,731	1,650,273	181,752	1,851,273	201,000
1925-Computer Software	234,055	147,528	283,184	135,656	49,128	336,744	53,561	336,487	(257)	381,822	45,335	443,292	61,470	653,292	210,000
Sub-Total-IT Assets	1,511,079	1,379,972	1,599,354	219,382	88,275	1,694,155	94,801	1,749,277	55,122	1,850,343	101,066	2,093,565	243,222	2,504,565	411,000
<b>Equipment</b>															
1915-Office Furniture and Equipment	559,582	553,611	559,582	5,971		570,548	10,965	591,629	21,081	620,005	28,376	645,005	25,000	650,005	5,000
1930-Transportation Equipment	1,488,267	1,416,410	1,488,267	71,857		1,493,247	4,980	1,511,010	17,763	1,822,804	311,794	2,107,804	285,000	2,317,804	210,000
1935-Stores Equipment	165,286	165,286	165,286	(0)		165,286		165,286		179,526	14,240	189,526	10,000	199,526	10,000
1940-Tools, Shop and Garage Equipment	357,882	354,970	368,518	13,548	10,635	377,849	9,331	381,660	3,811	386,497	4,837	409,747	23,250	412,247	2,500
1945-Measurement and Testing Equipment	21,465	11,734	21,465	9,731		21,465		26,024	4,559	31,721	5,697	31,721		31,721	
1950-Power Operated Equipment															
1955-Communication Equipment	151,870	128,804	168,398	39,594	16,528	171,749	3,351	172,869	1,120	202,159	29,290	214,742	12,583	414,742	200,000
1960-Miscellaneous Equipment															
Sub-Total-Equipment	2,744,353	2,630,815	2,771,516	140,701	27,164	2,800,143	28,627	2,848,478	48,334	3,242,713	394,235	3,598,546	355,833	4,026,046	427,500
<b>Other Distribution Assets</b>															
1925-Storage Battery Equipment															
1970-Load Management Controls - Customer Premises															
1975-Load Management Controls - Utility Premises															
1980-System Supervisory Equipment	41,545	41,545	41,545			41,545		41,545		41,545		41,545		41,545	
1985-Sentinel Lighting Rental Units															
1990-Other Tangible Property														70,000	70,000
1995-Contributions and Grants - Credit	(18,812,855)	(11,556,463)	(24,523,745)	(12,967,282)	(5,710,890)	(25,969,118)	(1,445,373)	(31,780,091)	(5,810,973)	(35,454,436)	(3,674,345)	(39,524,700)	(4,070,264)	(43,319,638)	(3,794,938)
2005-Property under Capital Lease															
Sub-Total-Other Distribution Assets	(18,771,310)	(11,514,918)	(24,482,200)	(12,967,282)	(5,710,890)	(25,927,573)	(1,445,373)	(31,738,546)	(5,810,973)	(35,412,891)	(3,674,345)	(39,413,155)	(4,000,264)	(43,208,093)	(3,794,938)
2055- Work in Process	14,587				(14,587)			1,186,930	1,186,930	1,374,901	187,971	1,200,000	(174,901)	1,200,000	
GROSS ASSET TOTAL	65,190,265	58,236,871	69,007,137	10,770,266	3,816,872	73,498,052	4,490,914	79,671,359	4,986,377	86,992,486	7,133,156	97,869,208	12,251,623	106,017,849	8,148,641

Milton Hydro has prepared and presented the year over year analysis for each year in a consistent format for comparison purposes.

## 2005 Actual Capital Additions:

The 2005 Fixed Asset Continuity Schedule, Table 8 provides a summary of the additions and disposals based on the OEB USoA classification. This schedule may also be found in Milton Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as Appendix B.

**Table 8 -  
2005 Fixed Asset Continuity Schedule**

		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	69,883			69,883				0	69,883	
CEC	1806	Land Rights				0				0	0	
1	1808	Buildings and Fixtures				0				0	0	
	1810	Leasehold Improvements				0				0	0	
	1815	Transformer Station Equipment - Normally Primary above 50 kV				0				0	0	
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,172,718	38,656		1,211,374	304,818	
	1825	Storage Battery Equipment				0				0	0	
1	1830	Poles, Towers and Fixtures	8,996,636	2,376,033		11,372,669	4,807,700	406,641		5,214,341	6,158,329	
1	1835	Overhead Conductors and Devices	13,961,414	998,887		14,960,302	7,519,735	481,591		8,001,327	6,958,975	
1	1840	Underground Conduit	8,160,720	1,708,255		9,868,975	2,335,527	383,127		2,718,654	7,150,321	
1	1845	Underground Conductors and Devices	9,316,314	1,412,011		10,728,325	2,633,679	411,469		3,045,148	7,683,176	
1	1850	Line Transformers	20,191,196	1,255,304		21,446,501	7,998,168	802,305		8,800,473	12,646,028	
1	1855	Services	3,357,036	1,474,251		4,831,286	1,302,027	193,232		1,495,259	3,336,028	
1	1860	Meters	3,758,825	1,138,597		4,897,423	1,311,915	184,236		1,496,151	3,401,271	
	1865	Other Installations on Customer's Premises				0				0	0	
N/A	1905	Land				0				0	0	
CEC	1906	Land Rights				0				0	0	
1	1908	Buildings and Fixtures				0				0	0	
	1910	Leasehold Improvements				0				0	0	
8	1915	Office Furniture and Equipment	559,582			559,582	536,243	4,770		541,013	18,570	
45	1920	Computer Equipment - Hardware	1,252,016	25,007		1,277,024	1,117,217	50,507		1,167,725	109,299	
12	1925	Computer Software	175,459	58,596		234,055	102,094	60,120		162,213	71,842	
10	1930	Transportation Equipment	1,488,267			1,488,267	1,155,671	80,087		1,235,758	252,509	
10	1935	Stores Equipment	165,286			165,286	121,379	5,506		126,885	38,401	
8	1940	Tools, Shop and Garage Equipment	357,882			357,882	332,252	4,473		336,725	21,157	
8	1945	Measurement and Testing Equipment	17,752	3,713		21,465	1,786	2,149		3,935	17,530	
	1950	Power Operated Equipment				0				0	0	
10	1955	Communication Equipment	132,600	19,270		151,870	110,624	5,257		115,881	35,989	
	1960	Miscellaneous Equipment				0				0	0	
	1970	Load Management Controls - Customer Premises				0				0	0	
	1975	Load Management Controls - Utility Premises				0				0	0	
	1980	System Supervisory Equipment	41,545			41,545	36,005	2,770		38,775	2,770	
	1985	Sentinel Lighting Rentals				0				0	0	
	1990	Other Tangible Property				0				0	0	
1	1995	Contributions and Grants	-13,398,296	-5,414,558		(18,812,855)	-1,282,244	-735,958		(2,018,202)	(16,794,652)	
	2005	Property under Capital Lease				0				0	0	
		<b>Total before Work in Process</b>	<b>60,120,310</b>	<b>5,055,367</b>	<b>0</b>	<b>65,175,678</b>	<b>31,312,494</b>	<b>2,380,939</b>	<b>0</b>	<b>33,693,433</b>	<b>31,482,245</b>	
WIP		Work in Process	129,043.57	14,587.34	129,043.57	14,587	0	0	0	0	14,587	
		<b>Total after Work in Process</b>	<b>60,249,354</b>	<b>5,069,955</b>	<b>129,044</b>	<b>65,190,265</b>	<b>31,312,494</b>	<b>2,380,939</b>	<b>0</b>	<b>33,693,433</b>	<b>31,496,832</b>	

65,190,265

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	80,087
Stores	5,506
Tools	4,473
Measurement	2,149
	<u>2,288,724</u>

## 2005 Actual Capital Projects (exceeding threshold):

The following Table 9 provides Milton Hydro's capital additions, exceeding the materiality threshold of \$55,000, by project, project type and USoA as well as the total projects, by USoA that fall under the materiality threshold. Included in the projects under materiality are approximately 130 work orders for Residential, General Service and upgrades for services and metering.

**Table 9 -  
2005 Actual Capital Projects**

2005 Actual Capital Projects	Type of Project	1830 Poles, Towers & Fixtures	1835 OH Conductors & Cables	1840 U/G Conduit	1845 U/G Conductors & Devices	1850 Line Transformers	1855 Services	1860 Meters	1920 Computer Hardware	1925 Computer Software	1945 Measurement & Testing Equip.	1955 Communication Equipment	1995 Contributions & Grants	2055 WIP	Total
Subdivisions															
Still Meadows	Subdivision			45,181	16,859	34,036	25,979								122,056
Mattamy Village South Phase 11	Subdivision						21,677	57,142							78,819
Milton East South Phase 2C West	Subdivision			307,165	211,440	258,604	75,191	157,838							1,010,238
Loganbrook Phase 3	Subdivision						69,218	88,967							148,186
Mattamy Village South Phase 10	Subdivision			48,547	12,876	38,353	42,711	128,681							271,169
Mattamy Village South Phase 12	Subdivision			285,357	53,580	165,306	242,957	33,559							780,759
Mattamy Village South Phase 13	Subdivision			314,065	73,109	221,716	242,959	106,459							958,307
Loganbrook Ph 2	Subdivision			144,188	261,756	125,475	120,750								652,169
Cooper	Commercial Development			44,684	37,597		10,423								92,704
General Service Customer #1	New Customer Services			31,580	54,043										85,624
General Service Customer #2	New Customer Services			24,269	89,871										114,140
Pole replacements identified by testing. Various locations	Pole Replacement Program	327,655													327,655
6th Line MS-6 to Hwy 7. Replace poles	Pole Replacement Program	196,628													196,628
Steeles Ave. Harro to Ontario St. Rebuild 27.6 kV pole line	Rebuild/upgrade	80,116	34,614		5,555	4,610									124,895
Main St. - Bronte To Bell St. 4.16 kV underground rebuild/conversion	Rebuild/upgrade	104,111		29,331	50,292	45,948									229,683
Mill St. - Bronte to James St. 13.8 and 4.16 kV underground conversion	Rebuild/upgrade	90,591		26,678	13,326	21,826									152,421
James Snow Parkway north of Main to Steeles New 4 circuit 27.6 kV pole line	Rebuild/upgrade	367,906	343,472												711,378
Woodward St. Martin to Court St. 4.16 kV to 27.6 kV conversion	Rebuild/upgrade	20,319	1,778	25,209	5,342	15,779									68,427
Mill St. James to Millside St. Rebuild and conversion	Rebuild/upgrade	51,881				8,845									60,726
Hilton TS Joint use pole line with Halton Hills Hydro. 27.6kV duct structure and pole line exiting Halton TS	Rebuild/upgrade	118,054													118,054
Derry Road Thompson to 4th Line 27.6 kV relocation for ROH	Regional Initiative	33,754	23,564												57,318
James Snow Parkway south of Main. Relocate 27.6 kV pole line for ROH	Regional Initiative	245,445	90,787												336,232
Regional Road 5 and 25. Relocate 27.6 kV pole line for ROH and Cooper Sub.	Regional Initiative	86,171	59,543			16,443									162,156
Derry Road Thompson to Hwy 25. Relocate 27.6 kV poles	Regional Initiative	488,388	381,477	53,800	72,359	27,115									1,023,139
Thompson South of Derry. Relocate 27.6 kV T.O.M.	Regional Initiative	164,819			17,429	6,824									189,068
SC-9 Childs Dr. Replace cable and transformers	Switching Cubicle			34,899	198,099										232,998
SC-10 Childs Dr. Replace cable and transformers	Switching Cubicle			46,415	205,486										251,901
SC-13 Laurier Ave to Thompson Road. Replace 3 phase cable and switchgear	Switching Cubicle			246,976	32,991										279,966
Transformer Maintenance Program	Transformer Maintenance					201,158									201,158
Meter changes / installations	Meter Installation							424,116							424,116
Contributions & Grants for the Year													-5,414,558		-5,414,558
WIP Total at year end														14,587	14,587
Projects Under Threshold		0	63,653	0	0	52,841	642,810	141,834	25,007	58,596	3,713	19,270			1,007,724
<b>Total</b>		<b>2,376,033</b>	<b>998,887</b>	<b>1,708,255</b>	<b>1,412,011</b>	<b>1,255,304</b>	<b>1,474,281</b>	<b>1,136,597</b>	<b>25,007</b>	<b>58,596</b>	<b>3,713</b>	<b>19,270</b>	<b>-5,414,558</b>	<b>14,587</b>	<b>5,069,954</b>

## Project 2005: Developer Driven Projects – Subdivisions: Total Cost: \$4,114,407

The following projects are directly related to the growth experienced in the Town of Milton. The capital costs are directly related to the underground system expansion and are required to accommodate the installation of these new residential/commercial subdivisions. Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions. Subdivisions energized in 2005 are:

- 1           1. Still Meadows – \$122,056
- 2           2. Mattamy Village S. Phase 10, 11, 12, 13 – \$2,089,054
- 3           3. Milton East S. Phase 2C West – \$1,010,238
- 4           4. Loganbrook Phase 2, 3 – \$800,354
- 5           5. Cooper Commercial – \$92,704

6   **Project 2005: Customer Driven Projects – New Connections: Total Cost: \$199,764**

7   New customer services may include the installation of transformers, underground cable and  
8   metering equipment. As per Milton Hydro's conditions of service, customers are required to pay  
9   100% of the costs to supply and install a new service whether it is performed by Milton Hydro or  
10   their own civil contractor. Customers are responsible to construct the underground duct bank  
11   and transformer pad to Milton Hydro construction specifications. Milton Hydro will then design  
12   and install the transformer and cable and associated equipment to the new service. New  
13   commercial services in 2005:

- 14           1. General Service Customer #1 – \$85,624
- 15           2. General Service Customer #2 – \$114,140

16   **Project 2005: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$511,257**

17   Routine inspection of Milton Hydro's distribution system has revealed transformers and primary  
18   cable in need of replacement primarily due to being beyond its rated life span. As part of an  
19   ongoing initiative by Milton Hydro to provide future capacity and higher efficiency an  
20   underground upgrade/rebuild from 4.16kV single phase line to 27.6kV three phase line was  
21   performed replacing poles, transformers and underground conductor.

- 22           1. Main Street-Bronte-Bell Street – \$229,683
- 23           2. Mill Street-Bronte-James St.- \$152,421
- 24           3. Mill St.-James St.-Mill side Street – \$60,726
- 25           4. Woodward St.-Martin St.-Court St – \$68,427

**Project 2005: Region of Halton & Town of Milton Initiatives: Total Cost \$1,767,913**

Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro was required to relocate pole lines. As per the *Public Service Works on Highways Act*, the Region and Town of Milton contribute 50% of labour and vehicle costs incurred to relocate poles and overhead conductor. These projects are municipally and regionally driven and are beyond the discretion of Milton Hydro.

1. Derry Rd.-Thompson- 4<sup>th</sup> Line – \$57,318
2. James Snow Parkway, south of Main – \$336,232
3. Regional Rd. 25 – \$162,156
4. Derry Rd. & Thompson to Hwy 25 – \$1,023,139
5. Thompson Rd. South of Derry – \$189,068

**Project 2005: Switching Cubicle Inspection & Cable Replacement: Total cost \$764,775**

Milton Hydro inspects and cleans Switching Cubicles on a three year cycle. As part of Milton Hydro's regular Switchgear and Cable inspection and CO2 dry ice cleaning, aging underground cable at 13.8kV is being replaced and upgraded to 27.6kV cable for future capacity and higher efficiency.

1. Switching Cubicle #9 Ductwork & Cabling – \$232,908
2. Switching Cubicle #10 Ductwork & Cabling – \$251,901
3. Switching Cubicle #13 – \$279,966

**Project 2005: Pole Replacement Program – various locations Total cost \$524,483**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are visually inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year varies from year to year. In 2005, 2,446 poles were systematically tested by outside contractors who measure the density and strength of the pole using various methods. Poles that have reached their life expectancy or exhibit deterioration or dry rot are replaced. In 2005 Milton Hydro planned to replace 58 wood

poles and in addition to pole replacement there are circumstances such as accidents also require pole replacement that are beyond the control of Milton Hydro.

**Project 2005: Maple Ave. (General Service Customer #1): Total cost \$85,624**

Milton Hydro installed 27.6kV cables and switchgear to connect a new General Service customer.

**Project 2005: Maple Ave. (General Service Customer #2): Total cost \$114,140**

Milton Hydro installed 27.6kV cables and switchgear to connect a new General Service customer.

**Project 2005: Steeles Ave. Harrop to Ontario St. Rebuild 27.6kV Pole Line: Total cost: \$124,896**

Routine inspection of this area discovered re-bar exposed and rusting on concrete poles. These poles along with overhead conductor and cables required replacement.

**Project 2005: James Snow Parkway-Main St. to Steeles: Total cost \$711,378**

To accommodate the growth and commercial expansion in this area, a new pole line with 4 - 27.6kV circuits was constructed.

**Project 2005: Halton TS joint use pole line with Halton Hills Hydro: Total cost \$118,054**

In order to accommodate system expansion a 27.6kV duct structure and pole line was rebuilt out of Halton Transformer Station. This project was shared with Halton Hills Hydro.

**Project 2005: Meter Installations: Total cost \$424,116**

Meter projects included commercial meter changes \$180,000, upgrade of wholesale meter points to be IESO compliant and rural smart meter CDM testing. The smart meter costs were subsequently reallocated to the smart meter variance account 1555.

1    **Project 2005: Transformer maintenance: Total cost \$201,158**

2    Routine inspections of underground and overhead transformers are conducted in accordance  
3    with the Distribution System Code and transformers are replaced as required.

4    **2006 Actual Capital Additions:**

5    The 2006 Fixed Asset Continuity Schedule, Table 10 provides a summary of the additions and  
6    disposals based on the OEB USoA classification. This schedule may also be found in Milton  
7    Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as  
8    Appendix B.

**Table 10 -  
2006 Fixed Asset Continuity Schedule**

		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	69,883			69,883				0	69,883
CEC	1806	Land Rights				0				0	0
1	1808	Buildings and Fixtures				0				0	0
	1810	Leasehold Improvements				0				0	0
	1815	Transformer Station Equipment - Normally Primary above 50 kV				0				0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,211,374	38,656		1,250,030	266,162
	1825	Storage Battery Equipment				0				0	0
1	1830	Poles, Towers and Fixtures	11,372,669	1,677,114		13,049,784	5,214,341	469,930		5,684,271	7,365,513
1	1835	Overhead Conductors and Devices	14,960,302	424,991		15,385,293	8,001,327	492,670		8,493,997	6,891,296
1	1840	Underground Conduit	9,868,975	2,827,766		12,696,741	2,718,654	496,224		3,214,878	9,481,863
1	1845	Underground Conductors and Devices	10,728,325	973,284		11,701,609	3,045,148	450,399		3,495,547	8,206,062
1	1850	Line Transformers	21,446,501	2,063,040		23,509,541	8,800,473	845,691		9,646,163	13,863,377
1	1855	Services	4,831,286	876,534		5,707,821	1,495,259	228,299		1,723,557	3,984,263
1	1860	Meters	4,897,423	584,182		5,481,605	1,496,151	207,616		1,703,767	3,777,837
	1865	Other Installations on Customer's Premises				0				0	0
N/A	1905	Land				0				0	0
CEC	1906	Land Rights				0				0	0
1	1908	Buildings and Fixtures				0				0	0
	1910	Leasehold Improvements				0				0	0
8	1915	Office Furniture and Equipment	559,582			559,582	541,013	4,534		545,547	14,036
45	1920	Computer Equipment - Hardware	1,277,024	39,147		1,316,171	1,167,725	46,747		1,214,472	101,699
12	1925	Computer Software	234,055	49,128		283,184	162,213	55,931		218,145	65,039
10	1930	Transportation Equipment	1,488,267			1,488,267	1,235,758	80,087		1,315,845	172,422
10	1935	Stores Equipment	165,286			165,286	126,885	5,394		132,279	33,007
8	1940	Tools, Shop and Garage Equipment	357,882	10,635		368,518	336,725	5,581		342,307	26,211
8	1945	Measurement and Testing Equipment	21,465			21,465	3,935	2,146		6,081	15,384
	1950	Power Operated Equipment				0				0	0
10	1955	Communication Equipment	151,870	16,528		168,398	115,881	6,908		122,789	45,609
	1960	Miscellaneous Equipment				0				0	0
	1970	Load Management Controls - Customer Premises				0				0	0
	1975	Load Management Controls - Utility Premises				0				0	0
	1980	System Supervisory Equipment	41,545			41,545	38,775	2,770		41,545	0
	1985	Sentinel Lighting Rentals				0				0	0
	1990	Other Tangible Property				0				0	0
1	1995	Contributions and Grants	-18,812,855	-5,710,890		(24,523,745)	-2,018,202	-964,375		(2,982,578)	(21,541,167)
	2005	Property under Capital Lease				0				0	0
		Total before Work in Process	65,175,678	3,831,460	0	69,007,137	33,693,433	2,475,207	0	36,168,641	32,838,497
WIP		Work in Process	14,587.34	0.00	14,587.34	0	0	0	0	0	0
		Total after Work in Process	65,190,265	3,831,460	14,587	69,007,137	33,693,433	2,475,207	0	36,168,641	32,838,497

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation  
Transportation 80,087  
Stores 5,394  
Tools 5,581  
Measurement 2,146  
2,381,999

## 2006 Actual Capital Projects (exceeding threshold):

The following Table 11 provides Milton Hydro's capital additions, exceeding the materiality threshold of \$55,000, by project, project type and USoA as well as the total projects, by USoA that fall under the materiality threshold. Included in the projects under materiality are approximately 115 work orders for Residential, General Service and upgrades for services, metering and transformers.

**Table 11 -  
2006 Actual Capital Projects**

2006 Actual Capital Projects	Type of Project	1830 Poles, Towers & Fixtures	1835 OH Conductors & Cables	1840 U/G Conduit	1845 U/G Conductors & Devices	1850 Line Transformers	1855 Services	1860 Meters	1920 Computer Hardware	1925 Computer Software	1940 Tools, Shop & Garage Equip.	1945 Measurement & Testing Equip.	1955 Communication Equipment	1995 Contributions & Grants	2055 WIP	Total
Subdivisions																
Escarpment Industrial Subdivision, James Snow Parkway west of 25	Commercial Development						59,682									59,682
Escarpment Business Park	Commercial Development	47,380	41,894	90,220	97,038	80,922										357,454
Milton Business Park	Commercial Development	77,800	72,865	13,788	3,206	2,800										170,440
Mannam Phase 2 Standalone Homes, Urban Residential	Subdivision		131,845	54,390	101,430	131,214	16,050									434,929
Mattamy Village South Phase 13 Urban Residential	Subdivision					45,192	23,216									68,408
Milton East - 2C East, extension of 2C West	Subdivision		237,683	65,500	102,520	121,385	35,996									563,083
Mattamy Village South Phase 14A	Subdivision		621,800		182,000	136,043	70,765									1,010,609
Mattamy Village South Phase 14B	Subdivision		416,100		135,900	69,454	18,151									630,605
Mattamy Village South Phase 15A	Subdivision		631,300		167,900											799,200
ARG Industrial Park	Subdivision		23,077	156,308												179,385
Bridlewood	Subdivision		46,063	74,985	22,700											143,775
Transcon Industries - Redwood	Subdivision		86,477	37,587	51,590	67,955										243,610
Brookville/Westchester	Subdivision		49,943	44,705	40,272	670										135,590
Escarpment Ph 2	Subdivision		14,694	20,690	37,303											72,687
General Service Customer #1	New Customer Services					85,759	15,737									101,496
General Service Customer #2	New Customer Services					85,753	6,959									92,742
General Service Customer #3	New Customer Services					63,261	2,053									65,294
General Service Customer #4	New Customer Services					56,600	2,595									59,184
Pole Replacement due to Testing, Various locations and voltages	Pole Replacement Program	261,975														261,975
Go Train at Halton TS New 27.6 kV pole line	Rebuild/upgrade	167,477														167,477
Bel and Mary St. install u/g ducts and cable for 4.16 to 27.6 kV conv.	Rebuild/upgrade	70,373		1,716	56,899	91,896										208,884
Main St. east of Court St. 4.16 to 27.6 kV conversion	Rebuild/upgrade	68,802		1,118	21,745	85,713										177,379
Rolland Farms conversion - Guelph Line south of Steeles Ave. install 27.6 kV pole line	Rebuild/upgrade	438,370	88,557			48,394		19,445								594,756
Bronte St. Main to MS-10 and Pearl St. Recover 4.16 kV	Rebuild/upgrade	22,333				39,755										59,091
Mill St. to Millside Dr. Replace 13.8 kV cable, prepare for conversion	Rebuild/upgrade	15,816	1,838	37,182	54,850											109,687
Guelph Line Blacklock to 20 Sideroad ROH Relocate 8.32 kV poles to 27.6 kV.	Regional Initiative	177,670	134,205			138,455										450,330
Thompson Rd at CPR Relocate 27.6 kV T.O.M.	Regional Initiative	153,349	54,274			4,389										212,010
Thompson Road Louis St. Laurent to Britannia Relocate 27.6 kV pole line for TOM	Regional Initiative	72,218														72,218
Holly and Laurier Ave. SC-12 to SC-15 Switchgear and cable replacement	Switching cubicle		226,144	45,629												271,774
SC-9 Chish Dr. Switchgear & cable replacement	Switching cubicle		46,103	152,880												218,983
SC-10 Chish Dr. Switchgear & cable replacement	Switching cubicle		93,441	49,845												140,286
MSB & Halton TS Metering upgrade	Metering Installation					184,850										184,850
Contributions & Grants for the Year														-5,710,890		-5,710,890
WIP total at year end																0
Projects Under Threshold		103,550	31,358	39,062	40,017	440,706	253,938	188,397	39,147	49,128	10,635		16,528			1,212,468
<b>Total</b>		<b>1,677,114</b>	<b>424,991</b>	<b>2,827,763</b>	<b>973,284</b>	<b>2,063,040</b>	<b>876,534</b>	<b>584,193</b>	<b>39,147</b>	<b>49,128</b>	<b>10,635</b>	<b>0</b>	<b>16,528</b>	<b>-5,710,890</b>	<b>0</b>	<b>3,831,468</b>

**Project 2006: Developer Driven Projects – Subdivisions: Total Cost \$4,869,457**

The following projects are directly related to the growth experienced in the Town of Milton. The capital costs are directly related to the underground system expansion and are required to accommodate the installation of these new residential/commercial subdivisions. Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions. Subdivisions energized in 2006 are:

1. Escarpment Industrial Business Park – \$417,136
2. Milton Business Park – \$170,440
3. Mannam Phase 2 – \$434,929
4. Mattamy Village S. Phase 13, 14A, 14B, 15A – \$2,508,822
5. Milton East 2C – \$563,083
6. ARG Industrial Park – \$179,385
7. Bridlewood – \$143,775

8. *Transcon Industries-Redwood – \$243,610*

9. *Brookville/Westchester – \$135,590*

10. *Mattamy Escarpment Phase 2 – \$72,687*

**Project 2006: Customer Driven Projects – New Connections: Total Cost: \$318,716**

New customer services may include the installation of transformers, underground cable and metering equipment. As per Milton Hydro's conditions of service, customers are required to pay 100% of the costs to supply and install a new service whether it is performed by Milton Hydro or their own civil contractor. Customers are responsible to construct the underground duct bank and transformer pad to Milton Hydro construction specifications. Milton Hydro will then design and install the transformer and cable and associated equipment to the new service. New commercial services in 2006:

1. General Service Customer #1 – \$101,496

2. General Service Customer #2 – \$92,742

3. General Service Customer #3 – \$65,294

4. General Service Customer #4 – \$59,184

**Project 2006: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$567,041**

Routine inspection of Milton Hydro's distribution system has revealed transformers and primary cable beyond its life span. As part of an ongoing initiative by Milton Hydro to provide future capacity and higher efficiency an underground upgrade/rebuild from 4.16kV single phase line to 27.6kV three phase line was performed replacing poles, transformers and underground conductor.

1. *Bell St – Mary St. – \$220,884*

2. *Main St. East of Court St. – \$177,379*

3. *Bronte St-Main St-MS10 – \$59,091*

4. *Mill St to Millside Drive – \$109,687*

**Project 2006: Region of Halton & Town of Milton Initiatives: Total Cost \$734,558**

Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro was required to relocate pole lines. As per the *Public Service Works on Highway Act*, the Region and Town of Milton contribute 50% of labour and vehicle costs required to relocate poles and overhead conductor. These projects are municipally and regionally driven therefore are beyond the discretion of Milton Hydro.

1. *Guelph Line -20 Side road – \$450,330*
2. *Thompson Rd. at CPR – \$212,010*
3. *Thompson Rd.-Louis St. Laurent-Britannia – \$72,218*

**Project 2006: Switching Cubicle Inspection & Cable Replacement: Total cost \$631,053**

Milton Hydro inspects and cleans Switching Cubicles on a three year cycle. As part of Milton Hydro's regular Switchgear and Cable inspection and CO2 dry ice cleaning, aging 13.8kV cable is being replaced and upgraded to 27.6kV cable for future capacity and higher efficiency.

1. *Switching Cubicle #12 Ductwork & Cabling – \$271,774*
2. *Switching Cubicle #9 Switchgear & Transformers – \$218,993*
3. *Switching Cubicle #10 Switchgear & Transformers – \$140,286*

**Project 2006: Pole Replacement Program-various locations: Total cost \$261,975**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are visually inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year varies from year to year. In 2006, 1019 poles were systematically tested by outside contractors who measure the density and strength of the pole using various methods. Poles that have reached their life expectancy or exhibit deterioration are replaced. In 2006 Milton Hydro replaced 52 wood poles. Circumstances such as accidents also require pole replacement and are beyond the control of Milton Hydro.

**Project 2006: Go Train Pole Line expansion: Total Cost \$167,477**

Expansion of the Go Train service required installation of 27.6kV pole line to support this major commercial service.

**Project 2006: Conversion to 27.6kV & General Service Farm upgrade: Total Cost \$594,756**

Milton Hydro was converting the current 13.8kV system at the corner of Steeles Ave. and Guelph Line to 27.6kV which included the pole line and transformer replacement. This project was extended to include the expansion and upgrade of an existing General Service Farm. The customer agreed to pay for the upgrade to reach the existing customer owned distribution system/substation, however due to economic conditions the farm customer never connected to the upgraded system.

**Project 2006: Metering Station #6 &/Halton TS & Meter Upgrade: Total cost \$184,849**

Metering upgrade of MS6 and Halton Transformer Station in order comply with Wholesale Metering market rules (\$124,631)

Upgrade of old mechanical polyphase meters to new interval polyphase meters for commercial and industrial customers in order to meet requirements with respect to Smart Metering. (\$60,218)

**2007 Actual Capital Additions:**

The 2007 Fixed Asset Continuity Schedule, Table 12 provides a summary of the additions and disposals based on the OEB USoA classification. This schedule may also be found in Milton Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as Appendix B.

**Table 12 -  
2007 Fixed Asset Continuity Schedule**

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	0			0	0			0	0
0	1810	Leasehold Improvements	0			0	0			0	0
0	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,250,030	38,656		1,288,686	227,506
0	1825	Storage Battery Equipment	0			0	0			0	0
1	1830	Poles, Towers and Fixtures	13,049,784	2,247,693		15,297,477	5,684,271	532,754		6,217,025	9,080,452
1	1835	Overhead Conductors and Devices	15,385,293	732,401		16,117,694	8,493,997	515,019		9,009,016	7,108,678
1	1840	Underground Conduit	12,696,741	10,613		12,707,354	3,214,878	496,646		3,711,524	8,995,830
1	1845	Underground Conductors and Devices	11,701,609	513,137		12,214,746	3,495,547	470,926		3,966,473	8,248,272
1	1850	Line Transformers	23,509,541	1,913,348		25,422,889	9,646,163	922,233		10,568,397	14,854,492
1	1855	Services	5,707,821	1,262,664		6,970,484	1,723,557	278,811		2,002,368	4,968,116
1	1860	Meters	5,481,605	-323,370	543,627	4,614,608	1,703,767	290,562	424,382	1,569,947	3,044,660
0	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
0	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	559,582	10,965		570,548	545,547	5,626		551,173	19,375
45	1920	Computer Equipment - Hardware	1,316,171	41,240		1,357,410	1,214,472	37,472		1,251,943	105,467
12	1925	Computer Software	283,184	53,561		336,744	218,145	46,413		264,558	72,186
10	1930	Transportation Equipment	1,488,267	4,980		1,493,247	1,315,845	67,735	54,617	1,328,964	164,283
10	1935	Stores Equipment	165,286			165,286	132,279	5,506		137,785	27,501
8	1940	Tools, Shop and Garage Equipment	368,518	9,331		377,849	342,307	6,296		348,603	29,246
8	1945	Measurement and Testing Equipment	21,465			21,465	6,081	2,146		8,227	13,238
0	1950	Power Operated Equipment	0			0	0			0	0
10	1955	Communication Equipment	168,398	3,351		171,749	122,789	7,122		129,911	41,838
0	1960	Miscellaneous Equipment	0			0	0			0	0
0	1970	Load Management Controls - Customer Premises	0			0	0			0	0
0	1975	Load Management Controls - Utility Premises	0			0	0			0	0
0	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
0	1985	Sentinel Lighting Rentals	0			0	0			0	0
0	1990	Other Tangible Property	0			0	0			0	0
1	1995	Contributions and Grants	-24,523,745	-1,445,373		(25,969,118)	-2,982,578	-1,022,725		(4,005,303)	(21,963,815)
0	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	69,007,137	5,034,541	543,627	73,498,052	36,168,641	2,701,199	478,999	38,390,841	35,107,210
WIP	-	Work in Process	0.00			0	0	0	0	0	0
		Total after Work in Process	69,007,137	5,034,541	543,627	73,498,052	36,168,641	2,701,199	478,999	38,390,841	35,107,210

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation  
Transportation 67,735  
Stores 5,506  
Tools 6,296  
Measurement 2,146  
Net Depreciation 2,619,516

## 2007 Actual Capital Projects (exceeding threshold):

The following Table 13 provides Milton Hydro's capital additions, exceeding the materiality threshold of \$55,000, by project, project type and USoA as well as the total projects, by USoA that fall under the materiality threshold. Included in the projects under materiality are approximately 179 work orders for Residential, General Service and upgrades for services, metering and transformers. The credit balances in USoA 1845 – U/G Conductors & Devices are true-ups to the developer within the five year horizon from the economic evaluation model.

**Table 13 -  
2007 Actual Capital Projects**

2007 Actual Capital Projects		1830	1835	1840	1845	1850	1855	1860	1915	1920	1925	1930	1940	1945	1955	1995	2055	
Type of Project		Poles, Towers & Fixtures	OH Conductors & Cables	U/G Conduit	U/G Conductors & Devices	Line Transformers	Services	Meters	Office Furniture & Equipment	Computer Hardware	Computer Software	Transportation Equipment	Tools, Shop & Garage Equip.	Measurement & Testing Equip.	Communication Equipment	Contributions & Grants	WIP	Total
Subdivisions																		
Fieldgate Homes 1A (Milton Trails)	Subdivision						65,797	249										66,036
Mattamy on the Escarpment Phase 1A	Subdivision						112,376	16,073										128,451
Mattamy Village South Phase 14A	Subdivision			-122,727			50,153	138,745										66,171
Mattamy Village South Phase 14B	Subdivision						51,757	42,417										94,174
Mattamy Village South Phase 15A	Subdivision			-175,631			110,402	291,739										309,485
Mattamy Village South Phase 15B	Subdivision			107,442			65,056	32,591										205,065
Octavian Meadows (Cipriano Development Corp.)	Subdivision			50,358	255,313		27,370	77,893										416,396
Brookville Phase 3	Subdivision						49,843	44,705										135,599
Milton East 2D East	Subdivision			63,026	3,101		39,444	21,754										113,820
General Service Customer #1	New Customer Services						78,122	76,966										155,048
General Service Customer #2	New Customer Services						60,556											60,556
General Service Customer #3	New Customer Services						158,521											158,521
General Service Customer #4	New Customer Services						67,670											67,670
General Service Customer #5	New Customer Services						70,420											70,420
Derry Road Brome to Tremaine Install 27.6 kV pole line for new development	Pole Line Extension	326,716	246,481															573,197
6th Line at Clarendon 27.6 kV pole line extension	Pole Line Extension	229,263	169,911	0	0		81,110											470,222
Tremaine Road south of Derry Road 27.6 kV extension for development	Pole Line Extension	174,798	125,738				-2,727											298,809
Main Street west of Brome St. 27.6 kV extension for development	Pole Line Extension	271,736	115,023				11,526											398,285
Pole Replacement Program Due to Tending	Pole Replacement Program	224,776																224,776
Streets Ave. Guelph Line to 2nd Line Conversion to 27.6 kV	Rebuild/upgrade	51,511	21,694				53,519											126,724
1st Line 5 SDRD to 10 SDRD Rebuild & Conversion to 27.6 kV	Rebuild/upgrade	71,681	1,121				6,423											79,225
Trillium Rd Brome to Hwy 601 27.6 kV relocation ROH	Regional Initiative	446,288	13,086				753											460,127
Derry Rd 5th Line to 407 ROH	Regional Initiative	149,015																149,015
West of First Line on Louis St. Laurent to ROH - Temporary 27.6 kV supply to ROH Pump Station	Regional Initiative	84,131	13,172															97,303
Thompson Road at Hespeler Road 27.6 kV pole relocation TCM	Regional Initiative	36,032				16,622	136,660											189,314
Holly and Laurier Ave. SC-12 to SC-15 Switchgear and cable replacement	Switching cabinet		17,478			45,115												62,593
Timberlea Switchgear & Cable & Transformer Replacement	SC & Tx Replacement		40,722	88,888		129,600												259,188
2007 Meters Installation - Meters, Hydro Time, Contractor	Smart Meter Installation							-664,859										-664,859
Contributions & Grants for the Year																		0
WIP total at year end																		0
Projects Under Threshold		184,745	21,165	0	52,815	708,494	392,568	187,901	10,965	41,240	53,561	4,980	9,331		3,351			1,671,137
<b>Total</b>		<b>2,247,694</b>	<b>732,401</b>	<b>16,613</b>	<b>513,137</b>	<b>1,913,348</b>	<b>1,262,863</b>	<b>-323,371</b>	<b>10,965</b>	<b>41,240</b>	<b>53,561</b>	<b>4,980</b>	<b>9,331</b>	<b>0</b>	<b>3,351</b>	<b>-1,445,373</b>	<b>0</b>	<b>5,034,546</b>

**Project 2007: Developer Driven Projects: Subdivisions: Total Cost \$1,526,274**

The following projects are directly related to the growth experienced in the Town of Milton. The capital costs are directly related to the underground system expansion and are required to accommodate the installation of these new residential/commercial subdivisions. Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions. Subdivisions energized in 2007 are:

1. *Fieldgate Homes 1A – Milton Trails – \$66,036*
2. *Mattamy on the Escarpment Phase 1A – \$128,451*
3. *Mattamy Village S. Phase 14A, 14B, 15A, 15B – \$665,875*
4. *Octavian Meadows – \$416,396*
5. *Brookville Phase 3 – \$135,590*
6. *Milton East 2D East – \$113,926*

**Project 2007: Customer Driven Projects: New Connections: Total Cost \$547,505**

New customer services may include the installation of transformers, underground cable and metering equipment. As per Milton Hydro's conditions of service, customers are required to pay 100% of the costs to supply and install a new service whether it is performed by Milton Hydro or their own civil contractor. Customers are responsible to construct the underground duct bank and transformer pad to Milton Hydro construction specifications. Milton Hydro will then design and install the transformer and cable and associated equipment to the new service. New Services in 2007:

1. *General Service Customer #1 – \$156,948*
2. *General Service Customer #2 – \$83,377*
3. *General Service Customer #3 – \$164,584*
4. *General Service Customer #4 – \$69,631*
5. *General Service Customer #5 – \$72,965*

**Project 2007: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$465,138**

Routine inspection of Milton Hydro's distribution system has revealed transformers and primary cable beyond its life span. To provide future capacity and higher efficiency an underground rebuild from 13.8kV to 27.6kV was performed replacing poles, transformers and underground conductor.

1. *Steeles Ave-Guelph Line to 2nd Line – \$126,724*
2. *1st line-5th side road to 10th side road – \$79,226*
3. *Timberlea – \$259,188*

**Project 2007: Region of Halton & Town of Milton Initiatives –Total Cost \$901,768**

Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro was required to relocate pole lines. As per the *Public Service Works on Highway Act*, the Region and Town of Milton contribute 50% of labour and vehicle costs required to relocate poles and overhead conductor. These projects are municipally and regionally driven therefore are beyond the discretion of Milton Hydro.

1. *Trafalgar Rd. – Britannia – Hwy 401-\$466,137*
2. *Derry Rd.-5th Line-407 – \$149,015*
3. *First Line – Louis St. Laurent – \$97,303*
4. *Thompson Rd. – Nipissing – \$189,314*

**Project 2007: Switching Cubicle Inspection & Cable Replacement: Total cost \$62,593**

Milton Hydro inspects and cleans Switching Cubicles on a three year cycle. As part of Milton Hydro's regular Switchgear and Cable inspection and CO2 dry ice cleaning, aging 13.8kV cable is being replaced and upgraded to 27.6kV cable for future capacity and higher efficiency.

1. *Switching Cubicle #12 Switchgear – \$62,593*

**Project 2007: Pole Replacement Program-various locations Total cost \$224,776**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year varies from year to year. In 2007, 1371 wood poles and 27 concrete poles were systematically tested and inspected by outside contractors who measure the density and strength of the pole using various methods. 36 Poles have reached their life expectancy needed to be replaced. Circumstances such as accidents also require pole replacement and are beyond the control of Milton Hydro.

**Project 2007: Pole Line extensions – Total cost \$1,745,582**

Due to development expansions, 27.6kV pole lines were constructed to allow for future realignment of feeders as load growth continues. Projects include:

1. *Derry Rd., Bronte to Tremaine – \$572,197*
2. *6<sup>th</sup> Line @ Quarrie – \$477,292*
3. *Tremaine Rd. south of Derry – \$297,808*
4. *Main St West of Bronte – \$398,285*

**Project 2007: Smart Meters- Total cost (\$1,208,486)**

Smart Meter rollout and installation costs relating to Milton Hydro's Smart Meter initiative were reallocated from USoA Capital account 1860 to the Regulatory Asset account 1555 as per OEB Smart Meter Proceeding – EB-2007-0063.

**2008 Actual Capital Additions:**

The 2008 Fixed Asset Continuity Schedule, Table 14 provides a summary of the additions and disposals based on the OEB USoA classification. This schedule may also be found in Milton Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as Appendix B.

**Table 14 -  
2008 Fixed Asset Continuity Schedule**

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	0			0	0			0	0
0	1810	Leasehold Improvements	0			0	0			0	0
0	1815	Transformer Station Equipment - Normally Primary above 50 kV									
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,288,686	23,011		1,311,697	204,495
0	1825	Storage Battery Equipment	0			0	0			0	0
1	1830	Poles, Towers and Fixtures	15,297,477	1,921,395		17,218,872	6,217,025	607,599		6,824,623	10,394,249
1	1835	Overhead Conductors and Devices	16,117,694	1,250,938		17,368,632	9,009,016	562,583		9,571,599	7,797,033
1	1840	Underground Conduit	12,707,354	2,287,044		14,994,398	3,711,524	588,134		4,299,659	10,694,739
1	1845	Underground Conductors and Devices	12,214,746	1,085,307		13,300,053	3,966,473	514,333		4,480,807	8,819,246
1	1850	Line Transformers	25,422,889	2,407,991		27,830,880	10,568,397	1,018,546		11,586,943	16,243,938
1	1855	Services	6,970,484	1,497,756		8,468,241	2,002,368	338,738		2,341,107	6,127,134
1	1860	Meters	4,614,608	583,720	340,259	4,858,069	1,569,947	259,329	159,289	1,669,987	3,188,082
0	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
0	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	570,548	21,081		591,629	551,173	7,740		558,913	32,716
45	1920	Computer Equipment - Hardware	1,357,410	55,380		1,412,790	1,251,943	39,983		1,291,926	120,864
12	1925	Computer Software	336,744	16,356	16,614	336,487	264,558	32,334		296,892	39,595
10	1930	Transportation Equipment	1,493,247	17,763		1,511,010	1,328,964	53,311		1,382,274	128,735
10	1935	Stores Equipment	165,286			165,286	137,785	5,394		143,179	22,107
8	1940	Tools, Shop and Garage Equipment	377,849	3,811		381,660	348,603	6,279		354,883	26,778
8	1945	Measurement and Testing Equipment	21,465	4,559		26,024	8,227	2,601		10,828	15,196
0	1950	Power Operated Equipment	0			0	0			0	0
10	1955	Communication Equipment	171,749	1,120		172,869	129,911	7,055		136,966	35,903
0	1960	Miscellaneous Equipment	0			0	0			0	0
0	1970	Load Management Controls - Customer Premises	0			0	0			0	0
0	1975	Load Management Controls - Utility Premises	0			0	0			0	0
0	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
0	1985	Sentinel Lighting Rentals	0			0	0			0	0
0	1990	Other Tangible Property	0			0	0			0	0
1	1995	Contributions and Grants	-25,969,118	-5,810,973		(31,780,091)	-4,005,303	-1,255,187		(5,260,489)	(26,519,601)
0	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	73,498,052	5,343,250	356,872	78,484,429	38,390,841	2,811,784	159,289	41,043,336	37,441,093
WIP		Work in Process	0.00	1,186,929.98		1,186,930	0			0	1,186,930
		Total after Work in Process	73,498,052	6,530,180	356,872	79,671,359	38,390,841	2,811,784	159,289	41,043,336	38,628,023

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	53,311
Stores	5,394
Tools	6,279
Measurement	2,601
Net Depreciation	<u>2,744,199</u>

## 2008 Actual Capital Projects (exceeding threshold):

The following Table 15 provides Milton Hydro's capital additions, exceeding the materiality threshold of \$55,000, by project, project type and USoA as well as the total projects, by USoA that fall under the materiality threshold. Included in the projects under materiality are approximately 158 work orders for Residential, General Service and upgrades for services, metering and transformers.

**Table 15 -  
2008 Actual Capital Projects**

2008 Actual Capital Projects		1830	1835	1840	1845	1850	1855	1860	1915	1920	1925	1930	1940	1945	1955	1995	2055	
	Type of Project	Poles, Towers & Fixtures	OH Conductors & Cables	UG Conduit	UG Conductors & Devices	Line Transformers	Services	Meters	Office Furniture & Equipment	Computer Hardware	Computer Software	Transportation Equipment	Tools, Shop & Garage Equip.	Measurement & Testing Equip.	Communication Equipment	Contributions & Grants	WIP	Total
Subdivisions																		
Bridlewood	Subdivision				88,711	32,938	31,572	32,691	425									186,336
Fieldgate Homes 1A (Milton Trails)	Subdivision							92,003	74,804									166,807
Heathwood	Subdivision				411,636	236,180	191,223											839,038
Maple Crossing	Subdivision				55,239	90,690	100,834											246,764
Mattamy on the Escarpment Phase 1A	Subdivision							80,864	53,387									144,251
Mattamy on the Escarpment Phase 3	Subdivision							66,092	46,474									112,566
Mattamy CTE #h1	Subdivision				524,776	162,049	338,581	212,332										1,237,737
Mattamy CTE #h2	Subdivision				128,069	72,636	85,662	58,334										334,309
Mattamy CTE #h3	Subdivision				256,969	87,117	215,446	134,059										692,577
Mattamy CTE #h4	Subdivision				187,449	65,838	88,422	61,444										375,154
Mattamy CTE #h5	Subdivision				228,136	67,791	157,746	99,693										553,703
Milton East 2B West	Subdivision				330,627	122,259	283,104	192,155	35,535									963,680
Sheeles Ave., Laneson to Thompson Add 27.6 kV circuit for Commercial development	Commercial Development	126,927	74,199															201,126
Jamies Snow Hwy 4th Line to CNR Tracks/Hwy4 - Commercial system expansion	Commercial Development	611,159	437,728															1,048,887
General Service Customer #1	New Customer Service						75,594	618										76,212
General Service Customer #2	New Customer Service						65,601	2,343										67,944
Pole Replacement Program due to Testing	Pole Replacement Program	107,631																107,631
1st Line, 5 SDRD to 10 SDRD, rebuild and conversion to 27.6kV	Rebuild/upgrade	37,888	39,549				31,927											109,364
4th Line CPE to Louis St. Laurent, conversion to 27.6kV	Rebuild/upgrade		205,305															205,305
6th Line Bessima to Derry Road, conversion 8.8kV to 27.6kV	Rebuild/upgrade	176,620			10,738	14,121												201,489
Swanish Line Rowland Farms to Derry Rd, 13.8 to 27.6kV conversion	Rebuild/upgrade			104,681	87,478	68,495												260,654
Merit and Coulson Sts - 13.8kV Switchgear & Cable replacement 13.8 kV to 27.6 kV	Switching outdate																	68,495
Derry Rd 5th Line to 407, 27.6kV pole relocation for Region of Halton (ROH)	Regional Initiative	304,309	150,098		3,478	51,437												509,321
Thompson Road at Neilsena Road, pole relocation Town of Milton (TOM)	Regional Initiative	11,839		842	21,795	5,806												40,382
Trafalgar Rd Bessima to Hwy 401, Pole relocation ROH	Regional Initiative	146,912	172,828		4,889	12,373												336,902
Tremaine Road north of Derry Road, Pole relocation ROH	Regional Initiative	55,055	37,632															92,687
Thomas St. J M Demers, 27.6kV system expansion for new school	System Expansion	38,575	25,002			8,680												72,557
Derry Rd 407 to 5th Line, 27.6kV expansion	System Expansion	156,764	111,654		39,360	23,629												332,626
Commercial & Industrial	Meter Installation							141,878										141,878
Reallocation of Meters to Regulatory Assets	Smart Meter reallocation							340,259										340,259
Contributions & Grants for the Year																		
WIP total at year end																		
Projects Under Threshold		147,675	0	0	0	577,117	458,105	568,305	21,081	55,380	16,356	17,763	3,811	4,559	1,120			-5,810,873
																	1,186,930	1,871,273
<b>Total</b>		<b>1,821,395</b>	<b>1,250,938</b>	<b>2,287,044</b>	<b>1,085,307</b>	<b>2,487,591</b>	<b>1,487,756</b>	<b>583,720</b>	<b>21,081</b>	<b>55,380</b>	<b>16,356</b>	<b>17,763</b>	<b>3,811</b>	<b>4,559</b>	<b>1,120</b>	<b>-5,810,873</b>	<b>1,186,930</b>	<b>6,520,180</b>

## Project 2008: Developer Driven Projects – Subdivisions: Total Cost \$5,841,530

The following projects are directly related to the growth experienced in the Town of Milton. The capital costs are directly related to the underground system expansion and are required to accommodate the installation of these new residential/commercial subdivisions. Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions. Subdivisions energized in 2008 are:

1. Bridlewood – \$186,336

2. *Fieldgate Homes Phase 1A (Milton Trails) – \$166,807*
3. *Heathwood – \$839,038*
4. *Maple Crossings – \$246,764*
5. *Mattamy on the Escarpment Phase 1A, 2, 3, 4A, 4B – \$3,438,905*
6. *Milton East 2B West – \$963,680*

**Project 2008: Customer Driven Projects – New Connections –Total Cost \$144,156**

New customer services may include the installation of transformers, underground cable and metering equipment. As per Milton Hydro's conditions of service, customers are required to pay 100% of the costs to supply and install a new service whether it is performed by Milton Hydro or their own civil contractor. Customers are responsible to construct the underground duct bank and transformer pad to Milton Hydro construction specifications. Milton Hydro will then design and install the transformer and cable and associated apparatus to the new service. New Services in 2008:

1. *General Service Customer #1 – \$76,212*
2. *General Service Customer #2 – \$67,944*

**Project 2008: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$581,644**

Routine inspection of Milton Hydro's distribution system has revealed transformers and primary cable beyond its life span. To provide future capacity and higher efficiency an underground rebuild to 27.6kV was performed replacing poles, transformers and underground conductor.

1. *1st line-5th side road to 10th side road – \$109,364*
2. *4<sup>th</sup> line to Louis St. Laurent – \$202,305*
3. *6<sup>th</sup> line at Britannia to Derry Rd. – \$201,480*
4. *Guelph Line at Rowland Farms to Derry Rd. – \$68,495*

**Project 2008: Region of Halton & Town of Milton Initiatives –Total Cost \$979,372**

Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro was required to relocate pole lines. As per the *Public Service Works on Highway Act*, the Region

and Town of Milton contribute 50% of labour and vehicle costs required to relocate poles and overhead conductor. These projects are municipally and regionally driven therefore are beyond the discretion of Milton Hydro.

1. *Derry Rd. at 5th line to 407etr- \$ 509,321*
2. *Thompson Rd. at Nipissing rd. - \$ 40,382*
3. *Trafalgar Rd. at Brittania to Hwy 401 - \$ 336,982*
4. *Tremaine Rd. N. of Derry Rd. - \$ 92,687*

**Project 2008: Switching Cubicle Inspection & Cable Replacement: Total cost \$172,157**

Milton Hydro inspects and cleans Switching Cubicles on a three year cycle. As part of Milton Hydro's regular Switchgear and Cable inspection and CO2 dry ice cleaning, aging 13.8kV cable is being replaced and upgraded to 27.6kV cable for future capacity and higher efficiency.

1. *Merrit and Coulson SC 13, 16 – \$172,157*

**Project 2008: Pole Replacement Program-various locations Total cost \$107,631**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year varies from year to year. In 2008, 2,241 wood poles were systematically tested and inspected by outside contractors who measure the density and strength of the pole using various methods. 9 Poles have reached their life expectancy needed to be replaced. Circumstances such as accidents also require pole replacement and are beyond the control of Milton Hydro.

**Project 2008: Pole Line extension – Total cost \$1,654,840**

Due to commercial expansions, 27.6kV pole lines were constructed to allow for future realignment of feeders as load growth continues. Projects include:

1. *Commercial Development @ Steeles Ave/Lawson to Thompson – \$201,025*
2. *Commercial Development @ James Snow Pkwy/4th line to CNR tracks – \$1,048,927*
3. *Thomas St. JM Deynes School expansion – \$72,260*

1                   4. *Derry Rd. @ 407 ETR to 9th line – \$332,628*

2   **Project 2008: Commercial & Industrial: Total cost \$141,878**

3   This project provides for Commercial and industrial meter installations and revivifications.

4   **Project 2008: Smart Meters- Total cost (\$340,259) credit**

5   Smart Meter rollout and installation costs relating to Milton Hydro's Smart Meter initiative were  
6   reallocated from USoA Capital account 1860 to the Regulatory Asset account 1555 as per OEB  
7   Proceeding – Smart Metering EB-2007-0063.

8   **2009 Actual Capital Additions:**

9   The 2009 Fixed Asset Continuity Schedule, Table 16 provides a summary of the additions and  
10   disposals based on the OEB USoA classification. This schedule may also be found in Milton  
11   Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as  
12   Appendix B.

**Table 16 -  
2009 Fixed Asset Continuity Schedule**

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	0			0	0			0	0
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,311,697	23,011		1,334,708	181,484
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	17,218,872	1,051,652		18,270,524	6,824,623	639,370		7,463,993	10,806,531
47	1835	Overhead Conductors and Devices	17,368,632	559,278		17,927,909	9,571,599	578,199		10,149,797	7,778,112
47	1840	Underground Conduit	14,994,398	1,842,374		16,836,772	4,299,659	661,834		4,961,493	11,875,279
47	1845	Underground Conductors and Devices	13,300,053	660,686		13,960,739	4,480,807	541,156		5,021,963	8,938,776
47	1850	Line Transformers	27,830,880	2,011,194	1,353	29,840,722	11,586,943	1,101,121	610	12,687,454	17,153,268
47	1855	Services	8,468,241	1,331,206		9,799,447	2,341,107	392,101		2,733,208	7,066,239
47	1860	Meters	4,858,069	371,712	13,895	5,215,886	1,669,987	283,557	11,580	1,941,964	3,273,922
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0	2,218,530		2,218,530	0			0	2,218,530
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0			0	0			0	0
13	1910	Leasehold Improvements	0	280,817		280,817	0	56,165		56,165	224,652
8	1915	Office Furniture and Equipment	591,629	28,376		620,005	558,913	8,408		567,321	52,684
10	1920	Computer Equipment - Hardware	1,412,790	55,731		1,468,521	1,291,926	43,301		1,335,227	133,294
12	1925	Computer Software	336,487	45,335		381,822	296,892	32,879		329,771	52,051
10	1930	Transportation Equipment	1,511,010	342,202	30,408	1,822,804	1,382,274	89,698	30,408	1,441,565	381,239
8	1935	Stores Equipment	165,286	14,240		179,526	143,179	6,818		149,997	29,529
8	1940	Tools, Shop and Garage Equipment	381,660	4,837		386,497	354,883	5,563		360,446	26,052
8	1945	Measurement and Testing Equipment	26,024	5,697		31,721	10,828	3,169		13,997	17,724
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	172,869	29,290		202,159	136,966	9,854		146,820	55,339
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	-31,780,091	-3,674,345		(35,454,436)	-5,260,489	-1,402,125		(6,662,615)	(28,791,821)
0	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	78,484,429	7,178,812	45,656	85,617,586	41,043,336	3,074,080	42,598	44,074,818	41,542,768
								0			
WIP		Work in Process	1,186,929.98	1,374,900.71	1,186,929.98	1,374,901	0			0	1,374,901
		Total after Work in Process	79,671,359	8,553,713	1,232,586	86,992,486	41,043,336	3,074,080	42,598	44,074,818	42,917,668

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation  
Transportation 89,698  
Stores 6,818  
Tools 5,563  
Measurement 3,169  
Net Depreciation 2,968,831

## 2009 Actual Capital Projects (exceeding threshold):

The following Table 17 provides Milton Hydro's capital additions, exceeding the materiality threshold of \$55,000, by project, project type and USoA as well as the total projects, by USoA that fall under the materiality threshold. Milton Hydro had approximately 158 new Residential and General Service services and individual upgrades that are included in the projects under the materiality threshold.

**Table 17 -  
 2009 Actual Capital Projects**

2009 Actual Capital Projects	Type of Project	1630 Poles, Towers & Cables	1635 OH Conductor & Cables	1640 UG Conduit	1645 UG Conductor & Cables	1650 Line Transformers	1655 Services Meters	1660 Land	1665 Leaseholds	1910 Office Furniture & Equipment	1920 Computer Hardware	1925 Computer Software	1930 Transportation Equipment	1935 Stores Equipment	1940 Tools, Shop & Garage Equip.	1945 Measurement & Testing Equip.	1950 Communication Equipment	1955 Contributions & Grants	1960 VPP	Total
Subdivisions																				
Summerwood, Phase 1A and 1B	Subdivision				499,543	201,520	300,344													70,304
Fieldgate Homes (14 Milton Tracts)	Subdivision						202,970													1,741,112
Mattamy Village South Phase 15A	Subdivision						60,450													87,880
Mattamy on the Escarpment Phase 4A	Subdivision				171,133	66,763	90,301													486,176
Mattamy on the Escarpment Phase 4B	Subdivision				166,084	64,480	92,703													662,761
Fieldgate Homes (10 Phase 2 Milton Tracts)	Subdivision						162,664													60,536
Mattamy Vista Civiero N Phase 1	Subdivision						18,161													132,678
Fieldgate Homes (24 Milton Tracts)	Subdivision				166,799	63,250	90,721													379,768
Fieldgate Homes (24 Milton Tracts)	Subdivision				89,420	30,655	51,491													291,857
Mattamy Village South Phase 15C	Subdivision				107,496	39,136	67,374													271,525
Mattamy Escarpment Phase 5A	Subdivision				214,044	47,874	154,241													647,209
Steeles Ave. - Lanigan to Thompson Add 27.6 kV circuit for Commercial development	Commercial Development	42,044	30,135																	81,179
Steeles Ave. - Lanigan to Bishop Church Add 27.6 kV circuit Commercial development	Commercial Development	1,111	134,838																	135,949
Brimley Corridor (20 D.E.P.)	New Commercial Service					85,903				1,648										87,471
MMB Property Corporation Building C	New Commercial Service					69,713				7,317										77,030
York (East) - Commercial Service	New Commercial Service					104,967				2,389										107,356
Stages Ave. Retail	New Commercial Service					49,502				1,319										50,821
HCCRP Building	New Commercial Service					54,423				302										54,725
Pole Replacement program	Pole Replacement Program		34,015			90,070														124,085
Mattamy and Goshen (20-1500-12) Transformer replacement 12.5 kV to 27.6 kV	Transformer Upgrade					51,179	7,984													59,163
Tranmere Rd. to Kettle Lake Road 12.5 kV to 27.6 kV	Transformer Upgrade					80,344	30,590													110,934
20 Kilometre road at 12.5 kV - Road 12.5 kV	Regional Initiative					202,732	207,223													409,955
Queen Street E. Extension - Pole Replacement for Region of Halton	Regional Initiative					77,696	13,197													90,893
Wentworth at James Street Parkway - Pole Replacement for Region of Halton Add 27.6 kV	Regional Initiative					175,988	13,614													189,602
Tranmere Rd. South of Hwy 7 - Pole Replacement for Region of Halton	Regional Initiative					131,189	12,280													143,469
4th Ave South of 10th Street - Pole Replacement for Town of Milton	Regional Initiative					79,424	3,759													83,183
South St. - 12.5 kV to 27.6 kV pole line for Town of Milton	Regional Initiative																			
Tranmere (20-17) to 20-12 road, 12.5 kV	Regional Initiative																			
Land Purchase for future office/warehouse centre	Land								2,219,530											2,219,530
Purchase of Double Bottom Tract	Leaseholds																			
Building Renovations	Leaseholds																			
Contributions & Grants for the Year																				
Year total at year end																				
Projects Under Transition		166,279	60,730	5,167	40,734	197,442	331,458	143,138	0	0	20,375	51,731	45,338	0	14,243	10,534		29,236		1,374,981
<b>Total</b>		<b>1,051,001</b>	<b>509,278</b>	<b>1,840,374</b>	<b>668,080</b>	<b>2,011,194</b>	<b>1,331,206</b>	<b>375,712</b>	<b>2,219,530</b>	<b>201,817</b>	<b>28,391</b>	<b>50,731</b>	<b>45,338</b>	<b>342,242</b>	<b>14,243</b>	<b>10,534</b>	<b>0</b>	<b>29,236</b>	<b>-1,671,345</b>	<b>8,955,735</b>

**Project 2009: Developer Driven Projects – Subdivisions: Total Cost \$4,094,746**

The following projects are directly related to the growth experienced in the Town of Milton. The capital costs are directly related to the underground system expansion and are required to accommodate the installation of these new residential/commercial subdivisions. Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions. Subdivisions energized in 2009 are:

1. Summerwood – \$70,304
2. Fieldgate Homes #1A, 2A, 3A, 1D – \$1,861,098
3. Mattamy Village 15C, 16A – \$359,522
4. Mattamy on the Escarpment 4A, 4B, 5A – \$1,666,144
5. Mattamy Vista Civiero N Phase 1 – \$137,678

**Project 2009: Customer Driven Projects – New Connections –Total Cost \$347,195**

New customer services may include the installation of transformers, underground cable and metering equipment. As per Milton Hydro's conditions of service, customers are required to pay

1 100% of the costs to supply and install a new service whether it is performed by Milton Hydro or  
2 their own civil contractor. Customers are responsible to construct the underground duct bank  
3 and transformer pad to Milton Hydro construction specifications. Milton Hydro designs and  
4 installs the transformer and cable and associated apparatus to the new service. New Services  
5 installed in 2009:

- 6 1. General Service Customer #1 – \$57,471
- 7 2. General Service Customer #2 – \$72,343
- 8 3. General Service Customer #3 – \$106,867
- 9 4. General Service Customer #4 – \$55,439
- 10 5. General Service Customer #5 – \$55,075

11 **Project 2009: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$211,260**

12 Routine inspection of Milton Hydro's distribution system has revealed transformers and primary  
13 cable beyond its life span. To provide future capacity and higher efficiency an overhead rebuild  
14 to 27.6kV was performed replacing poles, transformers and overhead conductor.

- 15 1. *Tremaine Rd. to Kelso Gate Phase 1 – \$64,344*
- 16 2. *20 Sideroad W. of 2<sup>nd</sup> Line – \$ 146,916*

17 **Project 2009: Region of Halton & Town of Milton Initiatives –Total Cost \$948,026**

18 Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road  
19 realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro was  
20 required to relocate pole lines. As per the *Public Service Works on Highway Act*, the Region  
21 and Town of Milton contribute 50% of labour and vehicle costs required to relocate poles and  
22 overhead conductor. These projects are municipally and regionally driven therefore are beyond  
23 the discretion of Milton Hydro.

- 24 1. *Derry Rd. @ Bronte to Tremaine – \$476,374*
- 25 2. *Britannia at James Snow Parkway – \$89,893*
- 26 3. *Tremaine Rd. North of Derry Rd. – \$142,900*
- 27 4. *4<sup>th</sup> line S. of 15<sup>th</sup> Side Rd. – \$160,425*
- 28 5. *Louis St. Laurent @ 16 mile creek crossing – \$78,434*

**Project 2009: Switching Cubicle Inspection & Cable Replacement: Total cost – \$559,744**

Milton Hydro inspects and cleans Switching Cubicles on a three year cycle. As part of Milton Hydro's regular Switchgear and Cable inspection and CO2 dry ice cleaning, aging 13.8kV cable is being replaced and upgraded to 27.6kV cable for future capacity and higher efficiency.

1. *Merrit and Coulson SC 13, 16 (follow up transformer replacement) – \$95,070*

2. *Timberlea Phase 1 – \$464,674*

**Project 2009: Pole Replacement Program-various locations Total cost – \$94,015**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year varies from year to year. In 2009, 2,469 wood poles were systematically tested and inspected by outside contractors who measure the density and strength of the pole using various methods. 15 Poles have reached their life expectancy needed to be replaced. Circumstances such as accidents also require pole replacement and are beyond the control of Milton Hydro. See Asset Management Plan for further details.

**Project 2009: Pole Line extension: Total cost – \$217,148**

Due to commercial expansions, 27.6kV pole lines were constructed to allow for future realignment of feeders as load growth continues. Projects include:

1. Commercial Development @ Steeles Ave/Lawson to Thompson – \$81,165

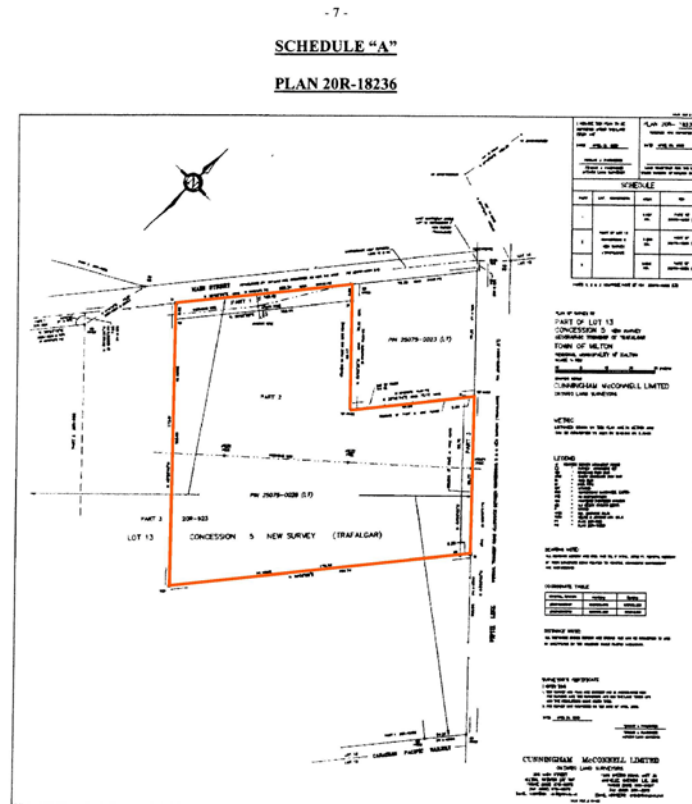
2. Commercial Development @ Harrop Rd./Steeles to Boston Church – \$135,983

**Project 2009: Purchase of Land: Total cost – \$2,218,530**

Milton Hydro entered into an Agreement of Purchase and Sale with the Town of Milton to purchase 6.415 acres of unserviced land at the corner of Main Street and 5<sup>th</sup> Line in the Town of Milton Hydro for a future office and service centre site. The Town of Milton purchased the land from Hydro One on August 13, 2009 and transferred title to Milton Hydro on August 14, 2009. Milton Hydro paid \$2,116,950 to the Town of Milton Hydro which in turn paid Hydro One. Milton Hydro undertook a Phase 1 and Phase 2 environmental assessment prior to the purchase to

1 address any environmental concerns and such results were satisfactory to Milton Hydro. The  
2 costs of the environmental assessments are included in the total cost of the land. The Chart 6  
3 provides the site plan and outline of the land purchased. It is Milton Hydro's intention to  
4 construct the office and service centre on the land within the next 3 to 5 years aligning with the  
5 expiration of the current lease agreement.

**Chart 6 -  
Land Purchase**



**Project 2009: Leasehold Improvements: Total cost – \$280,817**

In June 2009 Milton Hydro received four months notice to vacate the office/service centre building being leased, at that time, from the Town of Milton. Milton Hydro was able to secure a five year lease on a vacant building and commenced the inside renovation of an office/service centre facility with an occupancy date of November 1, 2009.

**Project 2009: Purchase of Double Bucket Truck: Total cost – (\$ 342,202)**

Milton Hydro manages the replacement of vehicles in accordance with the schedule provided in Table 18 below and subject to the continued operation of and the costs of maintenance, makes the final decision as to replacement the year prior to the scheduled replacement.

Milton Hydro purchased a new 68 foot Double Bucket truck to replace a 68 foot Double Bucket originally purchased in 1986.

**Table 18 -  
Vehicle Replacement Schedule**

Vehicle Type	Vehicle #	Year	Make	Make	2009	2010	2011	2012	2013	2014	2015
Dbl Bucket 68' reach	#43	2009	GMC	Posi-Plus (68')	\$342,202						
Double Bucket	#19	1992	International	Altec (55')				\$340,000			
Digger/Derrick	#26	1996	International	Altec (D947)						\$205,000	
Step Van	#28	1999	GMC				\$80,000				
Pickup Truck 4x4	#29	2000	GMC								
Single Bucket	#30	2000	International	Posi-Plus (42')		\$235,000					
Montana	#42	2009	Chevrolet								
Full-Size Van	#32	2001	Chevrolet						\$40,000		
Utility Vehicle 4x4 Blazer	#33	2002	Chevrolet				\$45,000				
Step Van	#34	2002	GMC								\$85,000
Pickup Truck 4x4	#35	2003	Chevrolet				\$45,000				
Pickup Truck 4x4	#36	2003	Ford					\$45,000			
Digger/Derrick	#37	2004	International	Altec (1988-D1090)					\$200,000		
Pickup Truck 4x4	#38	2004	Ford								\$45,000
Single Bucket	#39	2004	International	Posi-Plus (42')							
Jeep 4x4	#40	2007	Dodge							\$40,000	
Pickup Truck 4x4	#41	2008	Dodge								
Pole Trailer	---	1983	TJ Welding			\$38,000					
Reel Trailer (-> 3 position)	---	1973	???			\$12,000					
2 Position Reel Trailer	---	2003	Sauber								
Bobcat/Loader	---	2003	Bobcat A300								
Dumping Trailer/float		2010	?				\$40,000				
<b>Total</b>					<b>\$342,202</b>	<b>\$285,000</b>	<b>\$210,000</b>	<b>\$340,000</b>	<b>\$285,000</b>	<b>\$245,000</b>	<b>\$130,000</b>

**2010 Bridge Year Capital Additions:**

The 2010 Bridge Year Fixed Asset Continuity Schedule, Table 18 provides a summary of the additions and disposals based on the OEB USoA classification. This schedule may also be found in Milton Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as Appendix B.

1  
2  
**Table 19 -**  
**2010 Bridge Year Fixed Asset Continuity Schedule**

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	0			0	0			0	0
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,334,708	23,011		1,357,719	158,472
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	18,270,524	2,929,158		21,199,682	7,463,993	747,009		8,211,002	12,988,679
47	1835	Overhead Conductors and Devices	17,927,909	1,438,086		19,365,995	10,149,797	620,817		10,770,615	8,595,381
47	1840	Underground Conduit	16,836,772	1,635,529		18,472,301	4,961,493	727,009		5,688,501	12,783,800
47	1845	Underground Conductors and Devices	13,960,739	1,020,051		14,980,790	5,021,963	581,687		5,603,649	9,377,141
47	1850	Line Transformers	29,840,722	2,743,025		32,583,747	12,687,454	1,202,311		13,889,765	18,693,982
47	1855	Services	9,799,447	898,261		10,697,708	2,733,208	428,050		3,161,258	7,536,450
47	1860	Meters	5,215,886	4,115,660	6,938	9,324,608	1,941,964	953,562	3,891	2,891,634	6,432,974
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	2,218,530	700,000		2,918,530	0			0	2,918,530
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0			0	0			0	0
13	1910	Leasehold Improvements	280,817	180,000		460,817	56,165	92,163		148,328	312,489
8	1915	Office Furniture and Equipment	620,005	25,000		645,005	567,321	10,912		578,233	66,772
10	1920	Computer Equipment - Hardware	1,468,521	181,752		1,650,273	1,335,227	74,651		1,409,878	240,395
12	1925	Computer Software	381,822	61,470		443,292	329,771	41,054		370,825	72,467
10	1930	Transportation Equipment	1,822,804	285,000		2,107,804	1,441,565	125,321		1,566,886	540,918
8	1935	Stores Equipment	179,526	10,000		189,526	149,997	7,818		157,815	31,711
8	1940	Tools, Shop and Garage Equipment	386,497	23,250		409,747	360,446	7,767		368,212	41,535
8	1945	Measurement and Testing Equipment	31,721			31,721	13,997	3,172		17,169	14,552
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	202,159	12,583		214,742	146,820	11,115		157,935	56,807
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0	70,000		70,000	0	4,662		4,662	65,338
47	1995	Contributions and Grants	-35,454,436	-4,070,264		(39,524,700)	-6,662,615	-1,564,950		(8,227,565)	(31,297,135)
	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	85,617,586	12,258,561	6,938	97,869,208	44,074,818	4,097,140	3,891	48,168,066	49,701,142
WIP		Work in Process	1,374,900.71	1,200,000.00		1,374,900.71	1,200,000	0		0	1,200,000
		Total after Work in Process	86,992,486	13,458,561	1,381,839	99,069,208	44,074,818	4,097,140	3,891	48,168,066	50,901,142

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation  
Transportation 125,321  
Stores 7,818  
Tools 7,767  
Measurement 3,172  
Net Depreciation 3,953,062

3  
4  
5 **2010 Bridge Year Capital Projects:**

6 The following Table 20 provides Milton Hydro's capital additions by project, project type and  
7 USoA for the 2010 Bridge Year.

**Table 20 -  
2010 Bridge Year Capital Projects**

2010 Budgeted Capital Projects	Type of Project	Poles, Towers & Structures	OH Conductors & Cables	UG Conduct	UG Conductors & Devices	Line Transformers	Services	Meters	Land	Leaseholds	Office Furniture & Equipment	Computer Hardware	Computer Software	Transportation Equipment	Stores Equipment	Tools, Shop & Garage Equip.	Measurement & Testing Equip.	Communication Equipment	Other Tangible Property	Contributions & Grants	WPP	Total
2010 Subdivisions	Subdivisions			291,633	569,616	616,400	658,281	179,100														3,276,000
James Street West, Louis St Laurent to Britannia - Developer Built	Developer	198,100	132,700																			320,800
Man St. west of Saville Blvd to Transline Road 27.6 kV extension 1 km	Developer	131,004	87,699																			218,703
Extend Park Lane from Derry to new bus halt (DPS)	Developer	77,846	61,695																			139,541
General Service/Residential New Overhead Services	Commercial/Residential					181,600																181,600
General Service/Residential New Underground Services	Commercial/Residential					885,000																885,000
Onp. Replacement projects	Onp. Replacement Projects	86,281				15,938																102,219
Desert Park Wilson and Fairbairn Change underground and cable to 27.6 kV	Refurbish Cables			133,683	15,995																	149,678
Transline St. to Kettle Gate, Refurbish 5.12 to 27.6 kV	Refurbish Cables	89,000	42,288			19,731																150,799
Brown St MS-4 to Derry Road 13.8 along CN	Refurbish Cables	111,768	45,170			3,000																159,938
Derry Rd. Trench to McRae, replace to 27.6 kV	Refurbish Cables	255,136	87,145			113,000	42,823	38,917														435,961
Private townhouse rebuild to 27.6V 950 m and 9 transformers	Refurbish Cables					50,049	90,000															140,049
Transline area underground rebuild 13.8 kV	Refurbish Cables	204,308	129,337			23,409																357,054
East Lane from 20th to 25 mile Rd	Refurbish Cables			110,318	28,797	73,368																212,483
CV Commercial Refurbish to 27.6V 700 m & 12 transformers	Refurbish Cables					1,004																1,004
Derry Road and Wilson's Lane for 90V	Regional Initiative	208,917	87,494	962	16,000	31,489																326,961
Louis St. Laurent to Regent Rd 25.27 & 8 kV line 5 km and cross crossing	Regional Initiative	85,798	27,716	568	6,698	12,521																133,713
Lower Base Line at 10 Mile Creek for TCM	Regional Initiative	600,320	203,937	2,902	50,000	84,303																840,462
Reg Rd 25.27 Derry to Brown Rd 27.6 kV pole relocation	Regional Initiative	149,202	48,203	893	11,098	22,474																232,868
Regional Road 25.401 to 5.12 extended	Regional Initiative	117,238	37,476	646	9,477	17,698																182,736
Transline St Derry to Main	Regional Initiative	440,770	142,068	2,030	35,444	68,363																687,634
Main St Brown to Transline	Regional Initiative	13,150	5,095	75	1,257	2,372																18,679
Derry Rd and 10 Mile Road alignment (traffic lights)	Regional Initiative	14,628																				14,628
Derry Rd Road relocation study (Transline to DPS)	Regional Initiative	64,020	20,885	295	5,149	8,644																99,592
20 Extended east of Transline Road 25.2 kV for RCH	Regional Initiative					295,500																295,500
Estimate Transline from Transline	Regional Initiative	61,243	38,884																			100,127
RTT Projects 2010	RTT Projects/RTT Program																					
Install equipment at MS-4	Regional Initiative					69,000																69,000
Install three phase switches for future automation	Switchgear	258,700																				258,700
Transline St. to 13 to 13C-12 repair ducts, transformer replacement	Transformer Replacement			5,000	34,880	201,304																241,184
Upgrade knowledge at subdivisions, cable replacement	Upgrade					249,000																249,000
Land	Land					50,188																50,188
Meters - New Construction	Meters							799,000														799,000
Office Furniture for New Staff Hqs	Office Equipment							69,320														69,320
Parking Lot Repairs	Leasehold										25,000											25,000
New Electric Gate	Leasehold										150,000											150,000
Communication Equipment - BCM400 upgrade, telephones, miscellaneous	Communication Equipment										30,000											30,000
New Generator - power backup	Communication Equipment																	12,585				12,585
Power Equipment - Miscellaneous	Tangible Property																		70,000			70,000
Computer Hardware	Hardware																					
Computer Software	Software												181,702									181,702
Vehicle Replacement	Vehicle Stock												87,476									87,476
Major Tools	Major Tools													285,000								285,000
WPP															23,250						1,200,000	23,250
Grant Meter Disposition																						3,874,344
Contributions & Grants for the Year																				4,070,284		4,070,284
Total		2,829,184	1,438,084	1,835,026	1,000,051	2,743,020	895,261	4,115,669	790,000	186,000	25,000	181,702	87,476	285,000	16,000	23,250	0	12,585	70,000	4,070,284	1,200,000	13,498,561

## Project 2010: Developer Driven Projects – Subdivisions: Total Cost \$3,276,000

Milton Hydro has been advised by developers that due to the economic downturn, new subdivision construction will not proceed until the developments are 80% sold. As of the filing of this Application, Milton Hydro received 7 requests from developers for new subdivisions consisting of a total of 1,131 lots expected to be connected in the 2010 Bridge Year. Milton Hydro has estimated that subdivisions that began in 2009 and are currently under construction will account for approximately 350 to 400 additional residential homes in the 2010 Bridge Year. Milton Hydro has used a total of 1,500 new residential homes in the 2010 Bridge Year. This has been reflected in Milton Hydro's load forecast provided in Exhibit 3 – Operating Revenue, below.

Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions.

**Project 2010: Customer Driven Projects – New Connections –Total Cost \$1,066,500**

New customer services may include the installation of transformers, underground cable and metering equipment. As per Milton Hydro's conditions of service, customers are required to pay 100% of the costs to supply and install a new service whether it is performed by Milton Hydro or their own civil contractor. Customers are responsible to construct the underground duct bank and transformer pad to Milton Hydro construction specifications. Milton Hydro will then design and install the transformer and cable and associated apparatus to the new service. Milton Hydro has estimated the following new service connections for the 2010 Bridge Year.

*1. Overhead Services – 10 General Service, 10 Residential – \$181,500*

*2. Underground Services – 30 General Service, 10 Residential – \$885,000*

**Project 2010: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$1,949,977**

Milton Hydro performs routine inspection of its distribution system as explained in its Asset Management Plan attached as Appendix A and based on the results of the inspections Milton Hydro identifies those areas where the distribution plant is deteriorating and in need of replacement. In order to provide future capacity and higher efficiency Milton Hydro converts or prepares for conversion the deteriorating 8.32kV and 13.8kV distribution plant to 27.6kV. This project provides for the areas identified as requiring replacement in the 2010 Bridge Year.

*1. Tremaine rd. to Kelso Gate Phase 2 – \$151,700*

*2. Bronte St. MS-4 to Derry Rd.: Total Cost – \$156,875*

*3. Derry Rd. @ Twiss Rd. to McNiven Rd. – \$333,358*

*4. Pitfield Townhouse rebuild – \$195,725*

*5. Timberlea area rebuild Phase 2 – \$546,729*

*6. 2nd line from 20th Side Rd to 25 Side Rd. – \$353,125*

*7. Commercial Development - 551 Commercial Street - \$ 212,465*

**Project 2010: Region of Halton & Town of Milton Initiatives –Total Cost \$2,693,460**

Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro is required to relocate pole lines. As per the *Public Service Works on Highway Act*, the Region

and Town of Milton contribute 50% of labour and vehicle costs required to relocate poles and overhead conductor. These projects are municipally and regionally driven therefore are beyond the discretion of Milton Hydro. Based on the information known at the time of filing this Application the following relocation work is confirmed.

1. *Derry Rd. & Walkers Line – \$10,389*
2. *Louis St. Laurent to RR #25 – \$325,641*
3. *Lower Base Line @ 16 Mile Creek – \$133,733*
4. *RR#25 @ Derry rd. to Britannia Rd. – \$982,492*
5. *RR#25 @ Hwy 401 to 5th Side Rd. – \$232,560*
6. *Tremaine Rd. @ Derry Rd. to Main St. – \$182,739*
7. *Main St. @ Bronte to Tremaine Rd. – \$687,034*
8. *Britannia Rd. and 5th line – \$24,550*
9. *Derry Rd. install sidewalk struts – \$14,520*
10. *20 Side Rd. east of Town line – \$99,802*

**Project 2010: Switching Cubicle Inspection, Cable & TX Replacement: Total cost – \$390,105**

Milton Hydro performs regular Switchgear and Cable inspection and CO2 dry ice cleaning of its switching cubicles as provided in the Asset Management Plan attached as Appendix A. This project provides for the replacement of deteriorating 8.32kV 13.8kV cable and upgrade to 27.6kV cable for future capacity and higher efficiency.

1. *Dorsett Park, Wilson and Frobisher – \$149,355*
2. *Timberlea Phase 2 – \$240,750*

**Project 2010: Pole Replacement Program-various locations Total cost \$106,817**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year varies from year to year. In the 2010 Test Year Milton Hydro plans to have approximately 2,000 wood poles systematically tested and inspected by outside contractors who measure the density and strength of the pole using

various methods. It has been estimated that 35 poles will have reached their life expectancy or have sufficient deterioration to require replacement. Circumstances such as accidents also require pole replacement and are beyond the control of Milton Hydro. See Milton Hydro's Asset Management Plan for further details.

**Project 2010: Pole Line extension: Total cost – \$679,336**

In order to meet the demands for residential and commercial expansions, Milton Hydro has identified the following areas where an extension of its 27.6kV pole lines is required in order to connect the future developments. Milton Hydro will collect capital contributions as permitted under the DSC and Milton Hydro's Condition of Service. Projects include:

1. *James Snow Parkway, Louis St. Laurent to Britannia - \$330,250*
2. *Main St. West of Savoline Blvd to Tremaine Rd.- \$ 219,173*
3. *James Snow from Derry Rd. to New Fire Hall - \$ 129,913*

**Project 2010: Eliminate Heat Shrink: Total Cost – \$268,500**

Over the past 12 to 15 years, Milton Hydro has been installing heat shrink on the primary bushings of distribution transformers in an attempt to reduce the number of outages related to animals. This heat shrink is now contributing to premature failures of some of these transformers due to trapped moisture and the harsh winter/spring climate. This project provides for the identification and removal of the heat shrink. It also provides for the inspection and replacement of those transformers that may already exhibit damage to the primary bushings.

**Project 2010: FIT Project 2010 Bridge Year: Total Cost – \$100,127**

The Green Energy Act has resulted in an obligation for Milton Hydro to bear part of the costs, up to \$90,000 per MW, of distribution system expansions associated with the connection of renewable energy generation in relation to Feed-In Tariff – "FIT" and microFIT projects. Milton Hydro's service area is 85% rural and the distribution plant servicing the rural area may result in customers interested in microFIT solar projects not having an overhead line or transformer in proximity to the location of a proposed microFIT project. The cost of extending a line to reach a microFIT project far exceeds the \$90 per kW that Milton Hydro is responsible to contribute and

1 in one actual case, the customer would have been responsible for \$15,000, thereby removing  
2 any incentive to construct the microFIT project. This project provides for estimated capital  
3 expenditures to address this disincentive. Milton Hydro submits that this capital expenditure is  
4 under the threshold of 3% of Milton Hydro's distribution rate base in accordance with the OEB  
5 Filing Requirements, Distribution System Plans – Filing under Deemed Conditions of Licence,  
6 EB-2009-0397 and required to meet the directives of the Minister of Energy, the DSC and are  
7 reasonable under the circumstances.

8 **Project 2010: Install Reclosures at MS-6: Total Cost – \$65,500**

9 This project was deferred to the 2010 Bridge Year pending the purchase of smart reclosures  
10 that will be capable of remote operation from a control room. This project provides for the  
11 upgrading of outdated feeder protection at MS-6, a substation that is expected to remain in  
12 service as it serves an area where there is little growth.

13 **Project 2010: Install Three Phase Switches: Total Cost – \$205,700**

14 Milton Hydro will continue to update and install three phase switches which will be capable of  
15 being upgraded for remote operations from a central control room proposed for the 2011 Test  
16 Year. Milton Hydro installs 2 or 3 switches each year in selected areas.

17 **Project 2010: Upgrade Grounding at Sub-Stations: Total Cost – \$40,188**

18 Milton Hydro has experienced the theft of copper grounding at sub-stations which not only puts  
19 the safe and reliable operation of the distribution system at risk but also poses a human safety  
20 risk. This project provides for the replacement of traditional 'soft' copper ground wire with  
21 copper weld (copper cladding chemically bonded to a hard steel core) that will make it more  
22 difficult to steal and renders it worthless to scrap dealers.

23 **Project 2010: Land: Total Cost – \$700,000**

24 In 2009 Milton Hydro purchased land from the Town of Milton as discussed above at Page 41.  
25 At that time a section of the land at the corner of Main Street and Fifth Line was owned by a  
26 residential customer and not included in the parcel of land that was owned by Hydro One.

1 Milton Hydro has an interest in purchasing this property of approximately 1.3 acres and  
2 estimates a market value of close to \$700,000.

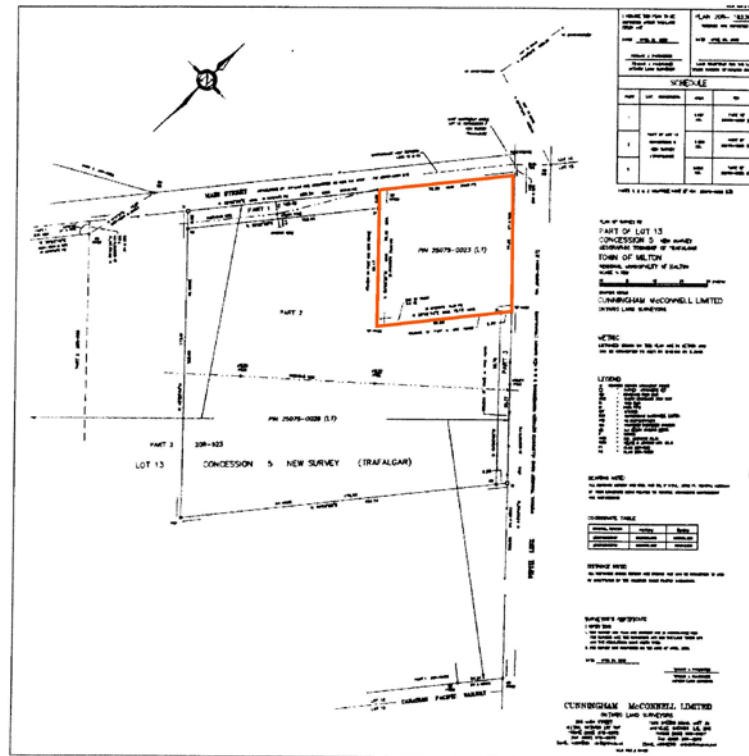
3 This project provides for the purchase of this corner of property thereby giving Milton Hydro 7.6  
4 acres and the complete corner of Main Street and 5<sup>th</sup> Line for the future construction of its  
5 office/service centre building for completion in 2014. The Chart 7 below outlines the parcel of  
6 land Milton Hydro is interested in.

Chart 7 -  
 Proposed Land for Purchase

- 7 -

SCHEDULE "A"

PLAN 20R-18236



**Project 2010: Meters – \$63,320**

This project provides for the replacement of the remaining electro-mechanical meters with interval meters.

1     **Projects 2010: Office Equipment: Total Cost – \$25,000**

2     Office furnishings for new staff hires in the 2010 Bridge Year and/or replacement as required.

3     **Projects 2010: Leaseholds: Total Cost – \$180,000**

4             1. *Paving of parking lot at new office site – 8069 Lawson Rd. – \$150,000*

5             2. *New Electric Gate – \$30,000*

7     **Projects 2010: Communications Equipment: Total Cost – \$12,583**

8     Communication BCM400 telephone upgrade which involves the replacement of the key  
9     components of the system to provide for the installation of a Session Initiation Protocol ("SIP")  
10    trunk line utilizing fibre optic cable which is more economical than copper lines.

11    **Projects 2010: Generator: Total Cost – \$70,000**

12    Milton Hydro has installed a 156 kVa backup Diesel Generator to provide the ability to operate  
13    the office and service centre in an outage situation.

14    **Projects 2010: Stores Equipment: Total Cost – \$10,000**

15    Milton Hydro has provided for the purchase of miscellaneous stores equipment such as a drill  
16    press, grinder, hand tools and slings.

17    **Projects 2010: Computer Hardware: Total Cost – \$181,752**

18    Milton Hydro has purchased visual display equipment for Board and staff presentations. In  
19    addition Milton Hydro has provided for new or replacement hardware as required in its computer  
20    hardware replacement program. Milton Hydro typically replaces laptops every three years and  
21    desktops every five years.

22             1. *Smart Board (boardroom) – \$6,752*

23             2. *Control Room Screens – \$50,000*

24             3. *Bar Code Scanner (x3) for Inventory – \$20,000*

25             4. *Servers (x4) – MV-90, Settlement, New Web, Harris – \$40,000*

1                   5. *GPS System for trucks – \$15,000*

2                   6. *New computer desktops, docking stations, laptops, scanning systems and*  
3                   *miscellaneous replacements – \$50,000*

4   **Projects 2010: Computer Software: Total Cost – \$36,470**

5   Milton Hydro is expecting to upgrade its Customer Service billing software to the most current  
6   version which provides additional functionality to interface with the Cayenta software used for  
7   accounting and work orders. Software licenses are required for new employees.

8                   1. *Upgrade Harris billing software to version 6.1 – \$15,000*

9                   2. *3 x File Nexus – Loris software licenses – \$11,470*

10                  3. *Miscellaneous Software and licenses as required – \$10,000*

11   **Projects 2010: Vehicle Replacement: Total Cost – \$285,000**

12   Milton Hydro manages the replacement of vehicles in accordance with the schedule set out in  
13   Table 18 above and subject to the continued operation of and the costs of maintenance, makes  
14   the final decision as to replacement the year prior to the scheduled replacement.

15   Milton Hydro will purchase the following transportation equipment in the 2010 Bridge Year in  
16   accordance with the schedule.

17                  1. *Posi-Plus 42 foot Single bucket truck (diesel) – \$235,000*

18                  2. *Pole & Reel Trailers – \$50,000*

19   **Projects 2010: Major Tools: Total Cost – \$23,250**

20   Milton Hydro requires the following tools and test equipment to carry out general service meter  
21   installations and Farm Stray Voltage testing.

22                  1. *Poly phase meter installation tester – \$17,500*

23                  2. *Stray Voltage test equipment – \$5,000*

24                  3. *Gas Chainsaw, extendable – \$750*

## 2011 Test Year Capital Additions:

The 2011 Test Year Fixed Asset Continuity Schedule, Table 21 provides a summary of the additions and disposals based on the OEB USoA classification. This schedule may also be found in Milton Hydro's Revenue Requirement Model attached to Exhibit 3 – Operating Revenue as Appendix B.

**Table 21 -  
2011 Test Year Fixed Asset Continuity Schedule**

		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	69,883	0		69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	0			0	0			0	0
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,357,719	23,011		1,380,730	135,461
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	21,199,682	2,410,336		23,610,018	8,211,002	795,662		8,996,664	14,613,354
47	1835	Overhead Conductors and Devices	19,365,995	1,485,384		20,851,379	10,770,615	635,578		11,406,193	9,445,187
47	1840	Underground Conduit	18,472,301	2,189,940		20,662,241	5,688,501	769,380		6,457,881	14,204,360
47	1845	Underground Conductors and Devices	14,980,790	1,147,536		16,128,326	5,603,649	602,593		6,206,242	9,922,084
47	1850	Line Transformers	32,583,747	2,399,153		34,982,900	13,889,765	1,217,616		15,107,381	19,875,519
47	1855	Services	10,697,708	1,033,560		11,731,268	3,161,258	448,700		3,609,958	8,121,310
47	1860	Meters	9,324,608	289,170		9,613,778	2,891,634	488,630		3,380,265	6,233,513
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	2,918,530			2,918,530	0			0	2,918,530
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0	150,000		150,000	0	1,500		1,500	148,500
13	1910	Leasehold Improvements	460,817			460,817	148,328	92,163		240,491	220,326
8	1915	Office Furniture and Equipment	645,005	5,000		650,005	578,233	10,624		588,857	61,148
10	1920	Computer Equipment - Hardware	1,650,273	201,000		1,851,273	1,409,878	86,920		1,496,798	354,475
12	1925	Computer Software	443,292	210,000		653,292	370,825	70,602		441,426	211,865
10	1930	Transportation Equipment	2,107,804	210,000		2,317,804	1,566,886	138,446		1,705,332	612,472
8	1935	Stores Equipment	189,526	10,000		199,526	157,815	8,318		166,133	33,393
8	1940	Tools, Shop and Garage Equipment	409,747	2,500		412,247	368,212	6,950		375,162	37,085
8	1945	Measurement and Testing Equipment	31,721			31,721	17,169	3,172		20,341	11,380
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	214,742	200,000		414,742	157,935	19,578		177,513	237,229
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	70,000			70,000	4,662	4,667		9,329	60,671
47	1995	Contributions and Grants	-39,524,700	-3,794,938		(43,319,638)	-8,227,565	-1,640,853		(9,868,418)	(33,451,220)
2005		Property under Capital Lease	0			0	0			0	0
		<b>Total before Work in Process</b>	<b>97,869,208</b>	<b>8,148,641</b>	<b>0</b>	<b>106,017,849</b>	<b>48,168,066</b>	<b>3,773,257</b>	<b>0</b>	<b>51,941,323</b>	<b>54,076,526</b>
WIP		Work in Process	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000	0			0	1,200,000
		<b>Total after Work in Process</b>	<b>99,069,208</b>	<b>9,348,641</b>	<b>1,200,000</b>	<b>107,217,849</b>	<b>48,168,066</b>	<b>3,773,257</b>	<b>0</b>	<b>51,941,323</b>	<b>55,276,526</b>

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation  
Transportation 138,446  
Stores 8,318  
Tools 6,950  
Measurement 3,172  
Net Depreciation 3,616,371

## 2011 Test Year Proposed Capital Projects:

The following Table 22 provides Milton Hydro's capital additions by project, project type and USoA for the 2011 Test Year.

**Table 22 -  
 2011 Test Year Proposed Capital Projects**

2011 Budgeted Capital Projects		2010	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Type of Project	Poles, Towers & Structures	OH Conductors & Cables	UG Conductors & Devices	Line Transformers	Services	Meters	Building	Office Furniture & Equipment	Computer Hardware	Computer Software	Transportation Equipment	Stores Equipment	Tools, Shop & Garage Equip.	Communication Equipment	Contributions & Grants	WIP	Total
2011 Subdivisions	Subdivisions			1,141,030	677,160	712,800	1,033,560	215,450										3,780,000
Louis St. Laurent 1st Line east to mid block 27.6 kV line 0.75 km	Developer	130,500	87,000															217,500
Louis St. Laurent mid block to Regional Road 25 27.6 kV line 0.75 km	Developer	130,500	87,000															217,500
2011 Developer Project Forecast	Developer	150,000	100,000															250,000
General Service/Residential New Overhead Services	Commercial/Residential				186,400													186,400
General Service/Residential New Underground Services	Commercial/Residential				901,800													901,800
Pole Replacement Program 2011	Pole Replacement Program	106,282																106,282
Rog Rd 25 400' to Bettemma Rd 27.6 kV pole relocation	Region Driven	715,531	414,385	29,980														1,159,896
Main St. Grade separation	Region Driven	314,892	181,730	1,450	25,321	47,431												490,824
Timberlea area underground re-hab on 13.8 kV COMPLETION	Rebuild/Upgrade			230,601	28,379	51,033												310,013
Bonita Meadows underground re-hab on 13.8 kV	Rebuild/Upgrade			86,999	141,354	104,642												333,000
Campbell Ave. west of Walkers Line Rebuild 8.32 to ROW 0.8 km 0.5 of u/g	Rebuild/Upgrade	85,917	24,399	11,425	12,084	49,671												183,500
Walkers Line/Sidewalk rebuild to 27.6 kV and u/g re-hab 4 km o/h & 1.4 km u/g	Rebuild/Upgrade	314,383	89,280	41,819	44,217	181,751												671,450
Glendon Lane and Jesse Ave. u/g re-hab. 1.25 km and 7 transformers	Rebuild/Upgrade			154,720	80,171													234,891
Hegside u/g re-hab. 75 km and 8 transformers	Rebuild/Upgrade			89,700	50,369													140,069
Beetles Ave west of Twiss. Install 27.6 kV pole line	Rebuild/Upgrade	69,258	21,883		7,260													98,441
20 Sidewalk east of 2nd Line Rebuild 8.32 kV to ROW	Rebuild/Upgrade	116,838	40,718		2,819													160,375
Inner Blackden Brookville 8.32 kV u/g re-hab and conversion 1.7 km & 9 transformers	Rebuild/Upgrade			180,000	24,942													204,942
Derry Road east of Guelph Line 13.8 kV to 27.6 kV conversion 1.6 km to Walkers Line	Rebuild/Upgrade	21,806	112,665	228,965														363,436
Derry Road west of Guelph Line 27.6 kV conversion	Rebuild/Upgrade	4,761	25,233		52,091													82,085
First Line south of Bettemma Road 27.6 kV rebuild	Rebuild/Upgrade	174,618	49,896	23,227	24,059	100,950												372,843
FTT Projects 2011	FTT/MicroFTT Program	75,000	75,127															150,127
Install three phase switches for future automation	Scada/Meters		256,375															256,375
Building	New Building							150,000										150,000
Meters - New Construction	Meters							73,720										73,720
Office Furnishings for New Staff hires	Office Equipment								5,000									5,000
Communication Equipment - Display	Communication Equipment														200,000			200,000
Stores Equipment - Miscellaneous	Stores												10,000					10,000
Computer Hardware - New GIS hardware & computer replacements	Hardware									201,000								201,000
Computer Software - New GIS software	Software										210,000							210,000
Vehicle Replacement	Rolling Stock											210,000						210,000
Major Tools	Major Tools													2,500				2,500
WIP																	1,200,000	1,200,000
Contributions & Grants for the Year																	-3,794,938	-3,794,938
Total		2,419,335	1,485,384	2,189,940	1,147,036	2,399,153	1,033,560	289,170	150,000	5,000	201,000	210,000	210,000	10,000	2,500	200,000	-3,794,938	9,348,641

## Project 2011: Developer Driven Projects – Subdivisions: Total Cost \$3,780,000

Milton Hydro has been advised by developers that due to the economic downturn, new subdivision construction will not proceed until the developments are 80% sold. As of the filing of this Application, Milton Hydro received 9 additional requests from developers in the 2010 Bridge Year for new subdivisions. Of the nine requests, four have begun grading in preparation for deep services. Milton Hydro estimates approximately 1,300 lots will be ready for connection in the 2011 Test Year. Allowing for carry over from the 2010 Bridge Year, Milton Hydro provided for an additional 1,500 residential homes in the 2011 Test Year. This has been reflected in Milton Hydro's load forecast provided in Exhibit 3 – Operating Revenue.

Based on Milton Hydro's subdivision agreement, developers bear the cost of the civil work and the installation of the Transformation, Switchgear and Primary and Secondary Distribution according to Milton Hydro's engineering standards and specifications. Milton Hydro contributes to the cost of these subdivisions using the economic evaluation methodology in accordance with the DSC and the provisions of its Conditions of Service for system expansions.

## Project 2011: Customer Driven Projects – New Connections –Total Cost \$1,088,200

New customer services may include the installation of transformers, underground cable and metering equipment. As per Milton Hydro's conditions of service, customers are required to pay

1 100% of the costs to supply and install a new service whether it is performed by Milton Hydro or  
2 their own civil contractor. Customers are responsible to construct the underground duct bank  
3 and transformer pad to Milton Hydro construction specifications. Milton Hydro will then design  
4 and install the transformer and cable and associated apparatus to the new service. Milton Hydro  
5 has estimated the following new service connections for 2011 Test Year.

6 *1. Overhead Services – 10 General Service, 10 Residential - \$186,400*

7 *2. Underground Services – 30 General Service, 10 Residential – \$901,800*

8 **Project 2011: Conversion Upgrade/Rebuild to 27.6kV: Total cost \$3,164,645**

9 Milton Hydro performs routine inspection of its distribution system as explained in its Asset  
10 Management Plan attached as Appendix A and based on the results of the inspections Milton  
11 Hydro identifies those areas where the distribution plant is deteriorating and in need of  
12 replacement. In order to provide future capacity and higher efficiency Milton Hydro converts or  
13 prepares for conversion the deteriorating 8.32kV and 13.8kV distribution plant to 27.6kV. This  
14 project provides for the areas identified as requiring replacement in the 2011 Test Year.

15 *1. Timberlea area Phase 3 – \$310,013*

16 *2. Bronte Meadows – \$333,000*

17 *3. Campbell Ave. west of Walkers Line – \$183,500*

18 *4. Walkers Line @ 3rd Side line – \$671,450*

19 *5. Glenda Jane Dr. and Jessie Ave. – \$234,891*

20 *6. Highside Drive – \$149,069*

21 *7. Steeles Ave. west of Twiss – \$98,441*

22 *8. 20 Side Rd. east of 2nd Line – \$160,375*

23 *9. Amos-Blacklock Brookville – \$204,942*

24 *10. Derry Rd. east of Guelph Line – \$363,436*

25 *11. Derry Rd. west of Guelph Line – \$82,585*

26 *12. First Line south of Britannia Rd. – \$372,943*

**Project 2011: Region of Halton & Town of Milton Initiatives –Total Cost \$1,650,720**

Due to initiatives set by the Region of Halton and the Town of Milton for road widening, road realignment, sidewalk construction, sewer and water installation and repairs, Milton Hydro is required to relocate pole lines. As per the *Public Service Works on Highway Act*, the Region and Town of Milton contribute 50% of labour and vehicle costs required to relocate poles and overhead conductor. These projects are municipally and regionally driven therefore are beyond the discretion of Milton Hydro. At the time of filing this Application the following two municipal projects were confirmed for the 2011 Test Year.

1. RR #25 @ 407 to Britannia Rd. – \$1,159,896

2. Main St – \$490,824

**Project 2011: Pole Replacement Program-various locations- Total cost \$106,292**

As part of Milton Hydro's Pole testing and Pole replacement program, areas within the Town of Milton are inspected on a three year cycle with more rigorous testing performed on a five year cycle. The number of poles tested in any given year can vary from year to year. In the 2011 Test Year Milton Hydro plans to have approximately 2,000 wood poles systematically tested and inspected by outside contractors who measure the density and strength of the pole using various methods. It has been estimated that 35 poles will have reached their life expectancy or have sufficient deterioration to require replacement. Circumstances such as accidents also require pole replacement and are beyond the control of Milton Hydro. See Milton Hydro's Asset Management Plan for further details.

**Project 2011: Pole Line extension: Total cost – \$685,000**

In order to meet the demands for residential and commercial expansions Milton Hydro has identified the following areas where an extension of its 27.6kV pole lines is required in order to connect the future developments. Milton Hydro will collect capital contributions as permitted under the DSC and Milton Hydro's Condition of Service. Projects include:

1. Louis St. Laurent @ 1st Line east – \$217,500

2. Louis St. Laurent to RR #25 – \$217,500

3. Other Developer Projects – \$250,000

**Project 2011: FIT Project 2011: Total Cost – \$150,127**

The Green Energy Act has resulted in an obligation for Milton Hydro to bear part of the costs, up to \$90,000 per MW, of distribution system expansions associated with the connection of renewable energy generation in relation to Feed-In Tariff – “FIT” and microFIT projects. Milton Hydro's service is 85% rural and the distribution plant servicing the rural area may result in customers interested in microFIT solar projects not having an overhead line or transformer in proximity to the location of a proposed microFIT project. The cost of extending a line to reach a microFIT project far exceeds the \$90 per kW that Milton Hydro is responsible to contribute thereby creating a disincentive to construct a microFIT installation. This project provides for estimated capital expenditures to address this disincentive. Milton Hydro submits that this capital expenditure is under the threshold of 3% of Milton Hydro's distribution rate base in accordance with the OEB Filing Requirements, Distribution System Plans – Filing under Deemed Conditions of Licence, EB-2009-0397 and required to meet the directives of the Minister of Energy, the DSC and are reasonable under the circumstances.

**Project 2011: Install three phase switches for future automation: Total Cost – \$256,375**

Milton Hydro will continue to update and install three phase switches which will be capable of being upgraded for remote operations from Milton Hydro's control room. Milton Hydro installs 2 or 3 switches each year.

**Project 2011: Building: Total Cost – \$150,000**

Milton Hydro proposes to begin the architectural design and planning for its new office/service centre building in order that construction is completed by 2014.

**Project 2011: Meters: Total cost \$73,720**

This project provides for the installation of new commercial meter installations.

**Projects 2011: Office Equipment: Total Cost – \$5,000**

Desks or workstations and chairs for new staff hires in the 2011 Test Year and/or replacement furniture as required.

**Projects 2011: Communications Equipment: Total Cost – \$200,000**

This project provides for the installation of a broadband wide area network (WAN) call Skypilot which will be used to transport meter reading data from the data collectors to Milton Hydro's meter provider. This equipment will also be used to communicate with truck laptops, enhance the Global Positioning System ("GPS") and system control and monitoring.

**Projects 2011: Stores Equipment: Total Cost – \$10,000**

Milton Hydro has provided for the purchase of miscellaneous stores tools and equipment in 2011 Test Year.

**Projects 2011: Computer Hardware: Total Cost – \$201,000**

As discussed in Milton Hydro's Asset Management Plan, Milton Hydro is updating its engineering software to a Geographic Information System and this project provides for the purchase of the required hardware and system conversion.

This project also provides for the upgrading of Milton Hydro's three phase switches for automation through the control room.

In addition Milton Hydro has provided for new or replacement hardware as required in its computer hardware replacement program. Milton Hydro typically replaces laptops every three years and desktops every five years.

*1. Geographic Information Systems (GIS) hardware – \$100,000*

*2. Computers consisting of 2 x truck tough books and docking stations, 2 x laptops & 16 x desktops – \$46,000*

*3. Communication (Scadamate) hardware – \$35,000*

*4. Printer 8100 replacements – \$10,000*

*5. 1 x NAS Server – \$10,000*

**Projects 2011: Computer Software: Total Cost – \$210,000**

Milton Hydro's distribution assets are currently recorded on a CableCad Geographic Information System ("GIS") which is proprietary with limited support. This project provides for the upgrade

1 or replacement of the GIS software which will integrate hardware, software, and data for  
2 capturing, managing, analyzing, and displaying Milton Hydro's distribution assets to be used by  
3 its engineering, operations and the control room.

4 **Projects 2011: Vehicle Replacement: Total Cost – \$210,000**

5 Milton Hydro manages the replacement of vehicles in accordance with the schedule set out in  
6 Table 18 above and subject to the continued operation of and the costs of maintenance, makes  
7 the final decision as to replacement the year prior to the scheduled replacement.

8 Milton Hydro proposes to purchase the following transportation equipment in the 2011 Test Year  
9 in accordance with the schedule.

- 10                   1. *Step Van – \$80,000*  
11                   2. *Utility Vehicle 4 x 4 – \$45,000*  
12                   3. *Pick up Truck 4 x 4 – \$45,000*  
13                   4. *Dumping Trailer – \$40,000*

14  
15 **Projects 2011: Major Tools: Total Cost – \$2,500**

16 A portable shoring box is required for open trench excavation.

17 **Capital Contributions**

18 The following Table 23 sets out Milton Hydro's capital contributions received and forecasted by  
19 capital asset category.

**Table 23 -  
Capital Contributions by Asset Category**

Description	2005	2006	2007	2008	2009	2010	2011
OH Line	1,699,381	1,005,535	1,654,408	369,768	725,717	1,006,636	938,544
UG Lines	1,945,686	2,943,884	-1,777,271	3,389,082	1,181,822	1,418,108	1,322,183
OH Transformers	97,890	203,227	152,681	111,107	92,963	121,404	113,192
UG Transformers	1,668,557	1,536,097	1,396,109	1,939,557	1,673,648	1,515,815	1,413,280
Metering	1,733	22,148	19,446	1,459	196	8,301	7,740
DevChgs	1,310	0	0	0	0	0	0
Total	5,414,558	5,710,890	1,445,373	5,810,973	3,674,345	4,070,264	3,794,938

## ASSET MANAGEMENT PLAN SUMMARY

Milton Hydro's Asset Management Plan, which sets out the foundation from which Milton Hydro derives its Asset Management requirements including new construction, capital replacements and the maintenance programs, is an integral part of ensuring that Milton Hydro provides a safe and reliable electricity distribution system. Milton Hydro's Asset Management Plan is attached to this Exhibit as Appendix A and should be read in conjunction with this Rate Base Exhibit.

## ACCUMULATED DEPRECIATION

Milton Hydro uses the straight line method of amortization to determine the depreciation expense for all distribution assets on a pooled basis and identifiable assets individually. A full year's amortization is calculated on a straight line basis over estimated useful life of the asset. Milton Hydro follows the amortization schedule provided at Schedule B of the OEB's 2006 Electricity Distribution Rate Handbook.

For the purposes of this rate application, Milton Hydro used the half year rule for calculating depreciation expense for the 2011 Test Year. Details of Milton Hydro's depreciation by account number are provided in the Fixed Asset Continuity Schedules as set out above, by year, in the Rate Base section of this Exhibit.

Further information on Milton Hydro's depreciation expenses and continuity schedules are provided in Exhibit 4 – Operating Costs.

## WORKING CAPITAL CALCULATION

### Overview:

Milton Hydro's working capital allowance is forecast to be \$68,357,609 for the 2011 Test Year. Milton Hydro has not undertaken a Working Capital lead-lag study pending OEB direction and as such has calculated its working capital allowance using the 15% Allowance Approach as provide for at page 8 of the OEB's Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, dated May 27, 2009. Milton Hydro submits that its working capital calculations are not only consistent with the Filing Guidelines but are also consistent with OEB Decisions in distributors' cost of service applications approved in 2008, 2009 and 2010, where a utility specific lead-lag study had not been undertaken. The working capital allowance is based on Milton Hydro's proposed 2011 Test Year controllable expenses and cost of power. Milton Hydro has provided the calculations by the OEB's USoA classification for each of 2005 Actual to 2009 Actual, the 2010 Bridge Year and the 2011 Test Year in Table 26 below. The 2011 Test Year Cost of Power calculations are provided in Table 29 below.

The Table 24 below is a reproduction of Milton Hydro's Summary of Working Capital Calculations Table 2 above for ease of comparison of the working capital variances. The following Table 25 sets out Milton Hydro's year over year working capital variances for the 2006 OEB Approved, the four years 2006 to 2009 Actuals, 2010 Bridge Year and 2011 Test Year. Milton Hydro notes that the 2006 OEB Approved working capital was determined through the 2006 EDR process and is based on the 2004 year end OM&A and cost of power adjusted for Tier 1 Adjustments. Accordingly, the variance between 2006 Actual and 2006 OEB Approved spans a two-year period. As apparent from Table 25, the major variance in the change in working capital is in the year over year cost of power. The detailed working capital calculations by OEB USoA classification are provided in Table 26 below and the variances in the OM&A accounts is discussed in further detail in Exhibit 4 below.

**Table 24 -  
Summary of Working Capital Calculations**

Description	2005 Actual	2006 OEB Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Cost of Power	50,722,123	44,013,855	46,137,044	49,302,014	49,997,910	52,697,568	60,667,864	61,842,630
Operations	504,377	440,504	433,375	527,987	683,018	685,613	792,937	876,809
Maintenance	945,305	728,619	830,665	908,815	879,911	991,549	1,373,913	1,234,930
Billing & Collecting	1,054,965	923,532	1,127,509	1,221,047	1,511,687	1,494,298	1,629,959	1,818,688
Community Relations/3rd tranche CDM	176,894	117	68,775	149,682	14,347	8,470	19,483	10,679
Administration & General Exp.	1,524,730	1,700,535	1,657,420	1,769,575	2,027,431	2,185,880	2,432,459	2,573,873
Working Capital	54,928,394	47,807,162	50,254,788	53,879,120	55,114,304	58,063,378	66,916,615	68,357,609

**Table 25 -  
Working Capital Variances**

Description	2006 Actual Variance from 2006 OEB Approved	2006 Actual Variance from 2005 Actual	2007 Actual Variance from 2006 Actual	2008 Actual Variance from 2007 Actual	2009 Actual Variance from 2008 Actual	2010 Bridge Year Variance from 2009 Actual	2011 Test Year Variance from 2010 Bridge
Cost of Power	2,123,189	(4,585,079)	3,164,971	695,896	2,699,658	7,970,296	1,174,766
Operations	(7,129)	(71,002)	94,612	155,031	2,595	107,324	83,872
Maintenance	102,046	(114,640)	78,150	(28,904)	111,638	382,364	(138,983)
Billing & Collecting	203,978	72,544	93,538	290,640	(17,389)	135,661	188,729
Community Relations	68,658	(108,119)	80,907	(135,335)	(5,877)	11,013	(8,804)
Administration & General Expense	(43,115)	132,690	112,154	257,856	158,450	246,579	141,414
Working Capital	2,447,626	(4,673,606)	3,624,332	1,235,184	2,949,074	8,853,237	1,440,994

**Table 26 -  
Detailed Working Capital Calculations**

Description	2005 Actual	Allowance for Working Capital	2006 Actual	Allowance for Working Capital	2007 Actual	Allowance for Working Capital	2008 Actual	Allowance for Working Capital	2009 Actual	Allowance for Working Capital	2010 Bridge Year	Allowance for Working Capital	2011 Test Year	Allowance for Working Capital
Rate Used for Working Capital Allowance	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
<b>Operations</b>														
5005 Operation Supervision and Engineering	-	-	-	-	-	-	-	-	-	-	23,400	3,510	43,173	6,476
5010 Load Dispatching	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5012 Station Buildings and Fixtures Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5014 Transformer Station Equipment - Operation Labour	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5015 Transformer Station Equipment - Operation Supplies and Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5016 Distribution Station Equipment - Operation Labour	3,576	536	4,187	628	8,677	1,302	20,881	3,132	21,799	3,270	4,684	705	21,035	3,155
5017 Distribution Station Equipment - Operation Supplies and Expenses	46,715	7,007	59,963	8,994	42,089	6,313	64,841	9,726	63,351	9,503	59,522	8,928	66,880	10,032
5020 Overhead Distribution Lines and Feeders - Operation Labour	24,271	3,641	-	-	-	-	-	-	9,323	1,398	11,310	1,697	11,580	1,737
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Exp	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5030 Overhead Subtransmission Feeders - Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5035 Overhead Distribution Transformers - Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5040 Underground Distribution Lines and Feeders - Operation Labour	2,234	335	1,333	200	2,165	325	879	132	1,273	191	1,213	182	1,440	215
5045 Underground Distribution Lines and Feeders - Operation Supplies and Exp	118,567	17,785	135,050	20,257	190,902	28,635	273,045	40,957	309,976	46,496	356,458	53,469	356,458	53,469
5050 Underground Subtransmission Feeders - Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5055 Underground Distribution Transformers - Operation	43,078	6,462	-	-	-	-	-	-	372	56	606	91	1,200	180
5060 Street Lighting and Signal System Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5065 Meter Expense	97,715	14,657	61,043	9,156	102,155	15,323	139,206	20,881	89,321	13,398	135,972	20,396	178,657	26,799
5070 Customer Premises - Operation Labour	171,834	25,775	185,040	27,756	182,383	27,357	180,811	27,122	202,123	30,318	194,772	29,216	191,386	28,708
5075 Customer Premises - Materials and Expenses	875	131	(34,962)	(5,244)	(384)	(58)	3,356	503	(11,924)	(1,789)	5,000	750	5,000	750
5085 Miscellaneous Distribution Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5090 Underground Distribution Lines and Feeders - Rental Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5095 Overhead Distribution Lines and Feeders - Rental Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5096 Other Rent	-	-	14,650	2,198	-	-	-	-	-	-	-	-	-	-
<b>Operations - Sub-Total</b>	<b>508,866</b>	<b>76,330</b>	<b>426,305</b>	<b>63,946</b>	<b>527,987</b>	<b>79,198</b>	<b>683,018</b>	<b>102,453</b>	<b>685,613</b>	<b>102,842</b>	<b>792,937</b>	<b>118,941</b>	<b>876,809</b>	<b>131,521</b>

<b>Maintenance</b>														
5105 Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-	-	-	23,400	3,510	43,173	6,476
5110 Maintenance of Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5112 Maintenance of Transformer Station Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5114 Mtain Dist Stn Equip	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5120 Maintenance of Poles, Towers and Fixtures	160,762	24,114	105,609	15,841	60,891	9,134	63,965	9,595	146,420	21,963	179,434	26,915	154,340	23,151
5125 Maintenance of Overhead Conductors and Devices	291,960	43,794	224,629	33,694	297,743	44,661	269,803	40,470	266,290	39,943	244,420	36,663	336,813	50,522
5130 Maintenance of Overhead Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5135 Overhead Distribution Lines and Feeders - Right of Way	242,036	36,305	175,906	26,386	243,050	36,458	193,507	29,026	199,597	29,940	202,923	30,435	171,940	25,791
5145 Maintenance of Underground Conduit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5150 Maintenance of Underground Conductors and Devices	5,581	837	7,991	1,199	16,021	2,403	6,404	961	22,341	3,351	75,456	11,318	133,829	20,074
5155 Maintenance of Underground Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5160 Maintenance of Line Transformers	244,855	36,728	316,530	47,479	291,110	43,667	346,232	51,935	356,795	53,519	356,472	53,462	394,835	59,225
5165 Maintenance of Street Lighting and Signal Systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5170 Sentinel Lights - Labour	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5172 Sentinel Lights - Materials and Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5175 Maintenance of Meters	111	17	-	-	-	-	-	-	105	16	291,868	43,780	-	-
5178 Customer Installations Expenses - Leased Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5195 Maintenance of Other Installations on Customer Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Maintenance - Sub-Total</b>	<b>945,305</b>	<b>141,796</b>	<b>830,665</b>	<b>124,600</b>	<b>908,815</b>	<b>136,322</b>	<b>879,911</b>	<b>131,987</b>	<b>991,549</b>	<b>148,732</b>	<b>1,373,913</b>	<b>206,087</b>	<b>1,234,930</b>	<b>185,240</b>

<b>Billing and Collecting</b>														
5305 Supervision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5310 Meter Reading Expense	255,899	38,385	260,282	39,042	260,472	39,071	252,832	37,925	223,592	33,539	230,030	34,505	316,859	47,529
5315 Customer Billing	627,006	94,051	697,503	104,625	768,351	115,253	883,669	132,550	882,996	132,449	1,002,467	150,370	1,083,885	162,583
5320 Collecting	135,589	20,338	149,653	22,448	171,695	25,754	233,756	35,063	308,233	46,235	347,462	52,119	367,944	55,192
5325 Collecting - Cash Over and Short	15	2	282	42	191	29	(168)	(25)	102	15	-	-	-	-
5330 Collection Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5335 Bad Debt Expense	36,456	5,468	19,790	2,968	20,339	3,051	141,598	21,240	79,375	11,906	50,000	7,500	50,000	7,500
5340 Miscellaneous Customer Accounts Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Billing and Collecting- Sub-Total</b>	<b>1,054,965</b>	<b>158,245</b>	<b>1,127,509</b>	<b>169,126</b>	<b>1,221,047</b>	<b>183,157</b>	<b>1,511,687</b>	<b>226,753</b>	<b>1,494,298</b>	<b>224,145</b>	<b>1,629,959</b>	<b>244,494</b>	<b>1,818,688</b>	<b>272,803</b>

<b>Community Relations</b>														
5405 Supervision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5410 Community Relations - Sundry	-	-	7,070	1,061	21,903	3,285	11,037	1,656	8,470	1,271	19,483	2,922	10,679	1,602
5415 Energy Conservation	172,405	25,861	68,775	10,316	127,779	19,167	3,310	497	-	-	-	-	-	-
5420 Community Safety Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5425 Miscellaneous Customer Service and Informational Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community Relations-Sub-Total</b>	<b>172,405</b>	<b>25,861</b>	<b>75,845</b>	<b>11,377</b>	<b>149,682</b>	<b>22,452</b>	<b>14,347</b>	<b>2,152</b>	<b>8,470</b>	<b>1,271</b>	<b>19,483</b>	<b>2,922</b>	<b>10,679</b>	<b>1,602</b>

<b>Administrative and General Expenses</b>														
5605 Executive Salaries and Expenses	22,281	3,342	23,264	3,490	26,128	3,919	46,178	6,927	28,141	4,221	28,316	4,247	28,792	4,319
5610 Management Salaries and Expenses	368,033	55,205	392,387	58,859	430,172	64,526	475,917	71,387	469,030	70,354	631,236	94,685	652,924	97,939
5615 General Administrative Salaries and Expenses	363,774	54,566	370,444	55,567	358,423	53,763	436,946	65,542	551,006	82,651	579,239	86,886	703,920	105,588
5620 Office Supplies and Expenses	90,818	13,623	98,539	14,781	107,033	16,055	125,476	18,821	133,641	20,046	139,386	20,908	138,897	20,835
5625 Administrative Expense Transferred-Credit	(17,982)	(2,697)	(22,656)	(3,398)	(19,632)	(2,945)	(19,632)	(2,945)	(16,560)	(2,484)	(16,560)	(2,484)	(16,560)	(2,484)
5630 Outside Services Employed	106,648	16,297	176,744	26,512	181,021	27,153	192,070	28,811	172,228	25,834	213,307	31,996	178,400	26,760
5635 Property Insurance	54,652	8,198	44,077	6,611	59,025	8,854	63,313	9,497	56,763	8,514	59,727	8,959	62,512	9,377
5640 Injuries and Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5645 Employee Pensions and Benefits	12,157	1,824	66,007	9,901	16,515	2,477	15,350	2,302	14,502	2,175	-	-	-	-
5650 Franchise Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5655 Regulation Expenses	800	120	49,710	7,457	71,237	10,686	74,084	11,113	77,544	11,832	85,551	12,833	144,406	21,661
5660 General Advertising Expenses	2,495	374	2,683	402	8,427	1,264	16,424	2,464	2,524	379	3,225	484	3,194	479
5665 Miscellaneous Expenses	155,016	23,252	108,221	16,233	139,878	20,982	206,286	30,943	322,189	48,328	242,660	36,399	205,672	30,851
5670 Rent	206,298	31,245	219,232	32,885	252,303	37,845	252,303	37,845	227,349	34,102	344,414	51,662	349,055	52,358
5675 Maintenance of General Plant	155,740	23,361	128,769	19,315	139,044	20,857	142,715	21,407	147,524	22,129	121,958	18,294	122,661	18,399
5680 Electrical Safety Authority Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5685 Independent Market Operator Fees and Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5695 OMAA Control Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Administrative and General Expenses- Sub-Total</b>	<b>1,524,730</b>	<b>228,709</b>	<b>1,657,420</b>	<b>248,613</b>	<b>1,769,575</b>	<b>265,436</b>	<b>2,027,431</b>	<b>304,115</b>	<b>2,185,880</b>	<b>327,882</b>	<b>2,432,459</b>	<b>364,869</b>	<b>2,573,673</b>	<b>386,081</b>

<b>Property Taxes</b>														
6105 Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Property Taxes- Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Total O M &amp; A</b>	<b>4,206,271</b>	<b>630,941</b>	<b>4,117,745</b>	<b>617,662</b>	<b>4,577,106</b>	<b>686,566</b>	<b>5,116,394</b>	<b>767,459</b>	<b>5,365,810</b>	<b>804,871</b>	<b>6,248,751</b>	<b>937,313</b>	<b>6,514,979</b>	<b>977,247</b>
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Description	2005 Actual	Allowance for Working Capital 15%	2006 Actual	Allowance for Working Capital 15%	2007 Actual	Allowance for Working Capital 15%	2008 Actual	Allowance for Working Capital 15%	2009 Actual	Allowance for Working Capital 15%	2010 Bridge Year	Allowance for Working Capital 15%	2011 Test Year	Allowance for Working Capital 15%
Rate Used for Working Capital Allowance														
Cost of Power														
4705 Power Purchased	40,093,794	6,014,069	35,660,923	5,349,138	38,315,855	5,747,378	39,343,272	5,901,491	41,888,993	6,283,349	48,490,353	7,273,553	49,462,450	7,419,367
4708 WMS	4,100,141	615,021	4,084,149	612,622	4,296,890	644,533	4,372,414	655,862	4,428,788	664,318	3,700,383	555,057	3,773,963	566,094
4710 Cost of Power Adjustments	-	-	-	-	-	-	-	-	-	164	25	-	-	-
4712 Charges One Time	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4714 NW	3,442,225	516,334	3,410,420	511,563	3,581,137	537,170	3,174,067	476,110	3,225,297	483,795	4,093,167	613,975	4,184,623	627,693
4715 System Control and Load Dispatching	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4716 NCN	3,085,962	462,894	2,880,616	432,092	2,928,354	439,253	2,921,907	438,286	2,968,994	445,349	3,264,578	489,732	3,339,030	500,854
4720 Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4725 Competition Transition Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4730 Rural Rate Assistance Expense	-	-	-	-	-	-	-	-	-	-	925,096	138,764	943,491	141,524
4750 LV Charges	-	-	100,935	15,140	179,780	26,967	186,250	27,938	185,332	27,800	193,987	29,098	139,074	20,861
<b>Total Cost of Power</b>	<b>50,722,123</b>	<b>7,608,318</b>	<b>46,137,044</b>	<b>6,920,557</b>	<b>49,302,014</b>	<b>7,395,302</b>	<b>49,997,910</b>	<b>7,499,687</b>	<b>52,697,568</b>	<b>7,904,635</b>	<b>60,667,864</b>	<b>9,100,180</b>	<b>61,842,630</b>	<b>9,276,395</b>
<b>Working Capital &amp; Working Capital Allowance</b>	<b>54,928,394</b>	<b>8,239,259</b>	<b>50,254,788</b>	<b>7,538,218</b>	<b>53,879,120</b>	<b>8,081,868</b>	<b>55,114,304</b>	<b>8,267,146</b>	<b>58,063,378</b>	<b>8,709,507</b>	<b>66,916,615</b>	<b>10,037,492</b>	<b>68,357,609</b>	<b>10,253,641</b>

### COST OF POWER

Milton Hydro has calculated cost of power for the 2010 Bridge year and 2011 Test Year based on the results of the load forecast which is discussed in detail in Exhibit 3 below. The electricity prices used in the calculation were the published prices in the OEB's Regulated Price Plan Price Report – May 1, 2010 to April 30, 2011, issued April 15, 2010. Milton Hydro will update the electricity prices should the OEB publish a revised Regulated Price Plan Report prior to a Decision.

The cost of power calculations for the 2010 Bridge Year and a cost of power summary are provided in the following Table 27 and Table 28 respectively. The cost of power calculations for the 2011 Test Year and a cost of power summary are provided in the following Table 29 and Table 30 respectively.

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**Table 27 -  
 2010 Bridge Year Cost of Power Forecast Calculation**

<u>Electricity - Commodity</u>		2010 RPP Forecasted Metered kWhs	2010 Loss Factor			
Class per Load Forecast				2010		
Residential		222,283,027	1.0351	230,085,161	\$0.06938	\$15,963,308
GS<50kW		64,544,062	1.0351	66,809,559	\$0.06938	\$4,635,247
GS>50-999kW		30,152,181	1.0351	31,210,522	\$0.06938	\$2,165,386
GS>1000-4999		2,760,515	1.0351	2,857,409	\$0.06938	\$198,247
Large Users		-0	1.0145	-0	\$0.06938	(\$0)
Sentinel Lighting		117,438	1.0351	121,560	\$0.06938	\$8,434
Street Lighting		3,773,209	1.0351	3,905,648	\$0.06938	\$270,974
Unmetered Scattered Load		0	1.0351	0	\$0.06938	\$0
TOTAL		323,630,432		334,989,860		\$23,241,596
<u>Electricity - Commodity</u>		2010 Non-RPP Forecasted Metered kWhs	2010 Loss Factor			
Class per Load Forecast				2010		
Residential		27,464,006	1.0351	28,427,992	\$0.06704	\$1,905,813
GS<50kW		9,413,951	1.0351	9,744,380	\$0.06704	\$653,263
GS>50-999kW		153,711,132	1.0351	159,106,393	\$0.06704	\$10,666,493
GS>1000-4999		101,822,774	1.0351	105,396,753	\$0.06704	\$7,065,798
Large Users		69,292,234	1.0145	70,296,971	\$0.06704	\$4,712,709
Sentinel Lighting		52,477	1.0351	54,319	\$0.06704	\$3,642
Street Lighting		2,089,799	1.0351	2,163,151	\$0.06704	\$145,018
Unmetered Scattered Load		1,383,738	1.0351	1,432,307	\$0.06704	\$96,022
TOTAL		365,230,110		376,622,267		\$25,248,757
<u>Transmission - Network</u>			Volume Metric			
Class per Load Forecast				2010		
Residential			kWh	258,513,154	\$0.0059	\$1,525,228
GS<50kW			kWh	76,553,939	\$0.0054	\$413,391
GS>50-999kW			kW	498,609	\$2.4305	\$1,211,869
GS>1000-4999			kW	214,222	\$2.3905	\$512,099
Large Users			kW	152,542	\$2.5886	\$394,871
Sentinel Lighting			kW	473	\$1.6545	\$782
Street Lighting			kW	16,520	\$1.6461	\$27,193
Unmetered Scattered Load			kWh	1,432,307	\$0.0054	\$7,734
TOTAL						\$4,093,167
<u>Transmission - Connection</u>			Volume Metric			
Class per Load Forecast				2010		
Residential			kWh	258,513,154	\$0.0047	\$1,215,012
GS<50kW			kWh	76,553,939	\$0.0042	\$321,527
GS>50-999kW			kW	498,609	\$1.9383	\$966,454
GS>1000-4999			kW	214,222	\$1.9066	\$408,436
Large Users			kW	152,542	\$2.1323	\$325,266
Sentinel Lighting			kW	473	\$1.3312	\$629
Street Lighting			kW	16,520	\$1.3038	\$21,539
Unmetered Scattered Load			kWh	1,432,307	\$0.0042	\$6,016
TOTAL						\$3,264,878
<u>Wholesale Market Service</u>						
Class per Load Forecast				2010		
Residential				258,513,154	\$0.0052	\$1,344,268
GS<50kW				76,553,939	\$0.0052	\$398,080
GS>50-999kW				190,316,915	\$0.0052	\$989,648
GS>1000-4999				108,254,162	\$0.0052	\$562,922
Large Users				70,296,971	\$0.0052	\$365,544
Sentinel Lighting				175,879	\$0.0052	\$915
Street Lighting				6,068,799	\$0.0052	\$31,558
Unmetered Scattered Load				1,432,307	\$0.0052	\$7,448
TOTAL						\$3,700,383
<u>Rural Rate Assistance</u>						
Class per Load Forecast				2010		
Residential				258,513,154	\$0.0013	\$336,067
GS<50kW				76,553,939	\$0.0013	\$99,520
GS>50-999kW				190,316,915	\$0.0013	\$247,412
GS>1000-4999				108,254,162	\$0.0013	\$140,730
Large Users				70,296,971	\$0.0013	\$91,386
Sentinel Lighting				175,879	\$0.0013	\$229
Street Lighting				6,068,799	\$0.0013	\$7,889
Unmetered Scattered Load				1,432,307	\$0.0013	\$1,862
TOTAL						\$925,096
<u>Low Voltage Service Rate</u>			Volume Metric			
Class per Load Forecast				2010		
Residential			kWh	258,513,154	\$0.0003	\$77,554
GS<50kW			kWh	76,553,939	\$0.0002	\$15,311
GS>50-999kW			kW	498,609	\$0.1135	\$56,592
GS>1000-4999			kW	214,222	\$0.1116	\$23,907
Large Users			kW	152,542	\$0.1248	\$19,037
Sentinel Lighting			kW	473	\$0.0779	\$37
Street Lighting			kW	16,520	\$0.0764	\$1,262
Unmetered Scattered Load			kWh	1,432,307	\$0.0002	\$286
TOTAL						\$193,987

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**Table 28 -**  
**2010 Bridge Year Cost of Power Summary**

<b>Cost of Power Account</b>	<b>\$\$\$</b>
4705-Power Purchased	48,490,353
4708-Charges-WMS	3,700,383
4714-Charges-NW	4,093,167
4716-Charges-CN	3,264,878
4730-Rural Rate Assistance	925,096
4750-Low Voltage	193,987
<b>TOTAL</b>	<b>60,667,864</b>

Table 29 -

2011 Test Year Cost of Power Forecast Calculation

<u>Electricity - Commodity</u>	2011 RPP Forecasted Metered kWhs	2011 Loss Factor	2011		
Class per Load Forecast					
Residential	230,091,794	1.0362	238,419,103	\$0.06938	\$16,541,517
GS<50kW	65,492,486	1.0362	67,862,741	\$0.06938	\$4,708,317
GS>50-999kW	30,715,789	1.0362	31,827,432	\$0.06938	\$2,208,187
GS>1000-4999	2,490,207	1.0362	2,580,331	\$0.06938	\$179,023
Large Users	-0	1.0148	-0	\$0.06938	(\$0)
Sentinel Lighting	115,553	1.0362	119,735	\$0.06938	\$8,307
Street Lighting	4,067,818	1.0362	4,215,038	\$0.06938	\$292,439
Unmetered Scattered Load	0	1.0362	0	\$0.06938	\$0
<b>TOTAL</b>	<b>332,973,648</b>		<b>345,024,380</b>		<b>\$23,937,791</b>
<u>Electricity - Commodity</u>	2011 Non-RPP Forecasted Metered kWhs	2011 Loss Factor	2011		
Class per Load Forecast					
Residential	28,428,812	1.0362	29,457,686	\$0.06704	\$1,974,843
GS<50kW	9,552,281	1.0362	9,897,990	\$0.06704	\$663,561
GS>50-999kW	156,584,320	1.0362	162,251,302	\$0.06704	\$10,877,327
GS>1000-4999	91,852,376	1.0362	95,176,629	\$0.06704	\$6,380,641
Large Users	78,821,751	1.0148	79,991,309	\$0.06704	\$5,362,617
Sentinel Lighting	51,635	1.0362	53,503	\$0.06704	\$3,587
Street Lighting	2,252,969	1.0362	2,334,506	\$0.06704	\$156,505
Unmetered Scattered Load	1,519,815	1.0362	1,574,819	\$0.06704	\$105,576
<b>TOTAL</b>	<b>369,063,959</b>		<b>380,737,744</b>		<b>\$25,524,658</b>
<u>Transmission - Network</u>		Volume Metric	2011		
Class per Load Forecast					
Residential		kWh	267,876,789	\$0.0059	\$1,580,473
GS<50kW		kWh	77,760,731	\$0.0054	\$419,908
GS>50-999kW		kW	507,929	\$2.4305	\$1,234,521
GS>1000-4999		kW	193,246	\$2.3905	\$461,954
Large Users		kW	173,521	\$2.5886	\$449,176
Sentinel Lighting		kW	465	\$1.6545	\$770
Street Lighting		kW	17,810	\$1.6461	\$29,316
Unmetered Scattered Load		kWh	1,574,819	\$0.0054	\$8,504
<b>TOTAL</b>					<b>\$4,184,623</b>
<u>Transmission - Connection</u>		Volume Metric	2011		
Class per Load Forecast					
Residential		kWh	267,876,789	\$0.0047	\$1,259,021
GS<50kW		kWh	77,760,731	\$0.0042	\$326,595
GS>50-999kW		kW	507,929	\$1.9383	\$984,519
GS>1000-4999		kW	193,246	\$1.9066	\$368,443
Large Users		kW	173,521	\$2.1323	\$369,999
Sentinel Lighting		kW	465	\$1.3312	\$619
Street Lighting		kW	17,810	\$1.3038	\$23,220
Unmetered Scattered Load		kWh	1,574,819	\$0.0042	\$6,614
<b>TOTAL</b>					<b>\$3,339,030</b>
<u>Wholesale Market Service</u>			2011		
Class per Load Forecast					
Residential			267,876,789	\$0.0052	\$1,392,959
GS<50kW			77,760,731	\$0.0052	\$404,356
GS>50-999kW			194,078,734	\$0.0052	\$1,009,209
GS>1000-4999			97,756,960	\$0.0052	\$508,336
Large Users			79,991,308	\$0.0052	\$415,955
Sentinel Lighting			173,239	\$0.0052	\$901
Street Lighting			6,549,544	\$0.0052	\$34,058
Unmetered Scattered Load			1,574,819	\$0.0052	\$8,189
<b>TOTAL</b>					<b>\$3,773,963</b>
<u>Rural Rate Assistance</u>			2011		
Class per Load Forecast					
Residential			267,876,789	\$0.0013	\$348,240
GS<50kW			77,760,731	\$0.0013	\$101,089
GS>50-999kW			194,078,734	\$0.0013	\$252,302
GS>1000-4999			97,756,960	\$0.0013	\$127,084
Large Users			79,991,308	\$0.0013	\$103,989
Sentinel Lighting			173,239	\$0.0013	\$225
Street Lighting			6,549,544	\$0.0013	\$8,514
Unmetered Scattered Load			1,574,819	\$0.0013	\$2,047
<b>TOTAL</b>					<b>\$943,491</b>
<u>Low Voltage Service Rate</u>		Volume Metric	2011		
Class per Load Forecast					
Low Voltage sub-Transmission		kWh	208,668	\$0.6300	\$131,461
Monthly Fixed charge	(3 feeders)		36	\$211.4700	\$7,613
<b>TOTAL</b>					<b>\$139,074</b>

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Table 30 -

2011 Test Year Cost of Power Summary

Cost of Power Account	\$\$\$
4705-Power Purchased	49,462,450
4708-Charges-WMS	3,773,963
4714-Charges-NW	4,184,623
4716-Charges-CN	3,339,030
4730-Rural Rate Assistance	943,491
4750-Low Voltage	139,074
<b>TOTAL</b>	<b>61,842,630</b>

SUMMARY

Milton Hydro has provided explanations to address its actual capital investments for year 2005 to 2009 and provided details in support of its 2010 Bridge Year and 2011 Test Year capital and working capital requirements as required in the Filing Requirements.

Milton Hydro submits that its historical capital investment in its distribution system has primarily been in response to the rapid growth of the Town of Milton and the investment in its existing distribution system has been required to improve the efficiency and reliability of its distribution system to ensure the safe and reliable supply of electricity that Milton Hydro's customer have come to expect.

Milton Hydro further submits that its forecasted capital investments for the 2010 Bridge Year and 2011 Test Year are consistent with the required investments of prior years and are prudent and just in supporting the continued growth in the Town of Milton and the continued safety and reliability of its distribution system.

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## APPENDIX A – ASSET MANAGEMENT PLAN



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Aug. 12, 2010

Milton Hydro Distribution Inc.  
8069 Lawson Rd.  
Milton, Ontario  
L9T 5C4

Mr. Cameron Mckenzie,  
Director, Regulatory Affairs

Dear Sir,

**Milton Hydro Distribution Inc. Asset Management Plan**

Further to its review of Milton Hydro's Asset Management Plan, AESI Acumen Engineered Solutions International Inc. offers the following commentary.

**AESI Background**

AESI Acumen Engineered Solutions International Inc. is a well-established engineering firm with its head office in Milton, Ontario and a subsidiary office in Atlanta, Georgia. Our professional staff and associates offer a full range of services, including strategic planning, business studies, project management, design engineering, business process re-engineering, systems implementation, start-up and training.

Since its inception in 1984, AESI has met the needs of both domestic and international clientele through a portfolio of capabilities in five distinct areas:

- Distribution Utility Services
- Power System Operations and Planning
- Information & Communication Technology & System Automation Services
- Power System Facilities Design, Construction, Operations & Maintenance
- Regulatory Compliance Services

A more detailed profile on the company is available on our web site at [www.aesi-inc.com](http://www.aesi-inc.com).

In its services to distribution utilities AESI has assisted a number of Local Distribution Companies in the review of their Asset Management practices, development of Asset Management strategies and plans.

## Comments

Milton Hydro has developed its Asset Management Plan as part of its current rate filing and in accordance with Chapter 2 of the Filing Requirements for Transmission and Distribution Applications:

### *"2.3.6 Asset Management Plan*

- The applicant must provide a formal asset management plan, if the applicant has such a plan. If not, an explanation as to why the applicant does not have such a plan must be provided. The applicant must also state whether or not it is planning to have one in place in the future.*
- In the absence of an asset management plan, the applicant must provide information outlining its approach to the planning and prioritization of capital projects.*
- The applicant must also provide a three year forecast of capital expenditures (Test year plus two subsequent years).*
- The applicant must also state whether or not it has undertaken any asset condition studies and, if so, copies of such studies must be filed."*

AESI has reviewed the proposed Milton Hydro Asset Management Plan and concludes that the inspection and maintenance activities are in accordance with generally accepted utility practices. The review did not include detailed audits of the documentation records but was based on the samples included in the plan. The extent of documentation and analysis is a function of the size and organizational complexity of individual utilities, this aspect of Milton Hydro's plan is reasonable for the size of the company.

Yours truly,



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# **MILTON HYDRO DISTRIBUTION INC.**

## **Asset Management Plan 2010 - 2015**

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## 1. Introduction

Milton Hydro Distribution Inc. (Milton Hydro) is the local distribution company responsible for distributing electricity to residential and business customers within the Town of Milton. Milton Hydro served 27,500 customers by the end 2009 and is a wholly owned subsidiary of Milton Hydro Holdings Inc. which is 100% owned by the Town of Milton. Milton Hydro is regulated by the Ontario Energy Board (“OEB”) and operates in accordance with the appropriate Codes and Regulations and within the requirements set out in Distribution Licence ED-2003-0014. Milton Hydro is supplied power from three transformer stations at 44kV and 27.6kV, all owned and operated by Hydro One Networks Inc. Milton Hydro distributes electricity to the Town of Milton through a distribution network comprising of 27.6kV, 13.8kV, 8.32kV and low voltage distribution assets that include lines, transformers, poles and substations.

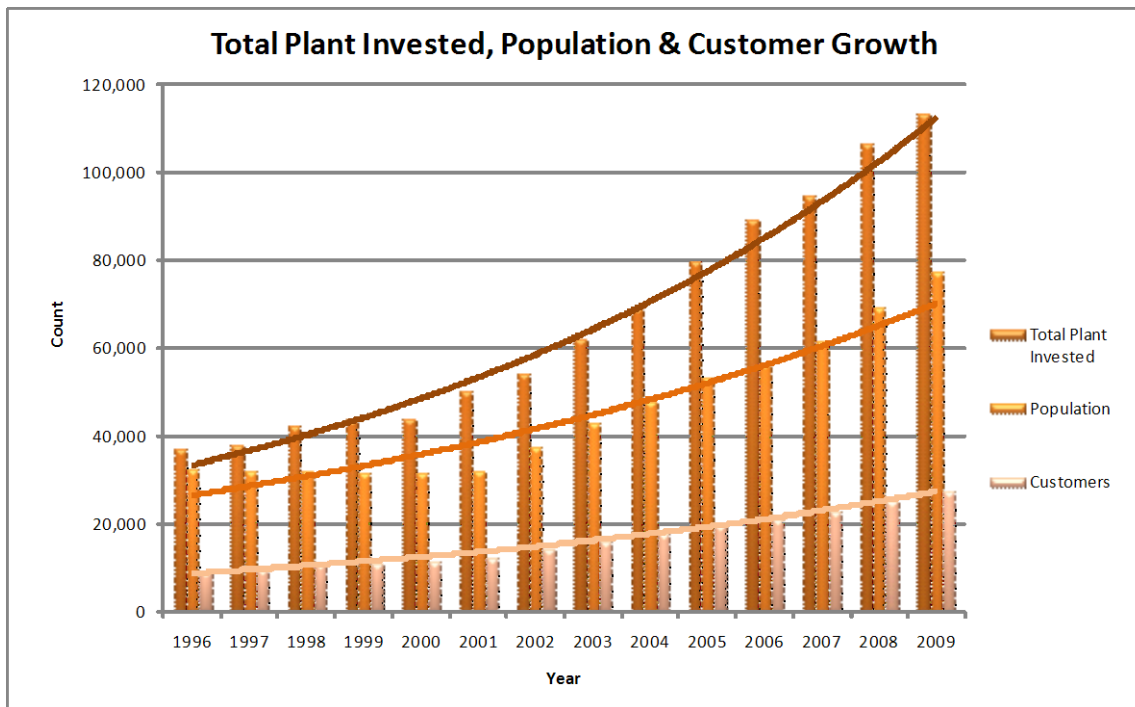
This document details the framework utilized by Milton Hydro to derive its Asset Management plans including new construction, capital replacements and the maintenance programs required to ensure the existing plant operates at an optimal level.

The Town of Milton (“the Town”) is one of the fastest growing communities in Canada. According to the Town’s report to council on the 2006 Statistics Canada Census, attached as Appendix A, the Town of Milton experienced unprecedented population growth of 71.4% between 2001 and 2006. In a presentation to the Milton Chamber of Commerce, attached as Appendix B, a Region of Halton research paper forecast Milton’s population will reach 82,700 by 2011, a continued growth rate of approximately 10% per year.

From 1991 to 2001 the Town of Milton experienced a 1.9% decline in population. From 1984 to 2001 Milton Hydro had an annual average investment in infrastructure of approximately \$1.9 million per year. Since 2001, and consistent with the pattern of growth in the community, Milton Hydro’s annual average investment in distribution plant has increased to \$7.7 million.

Graph 1 shows the historical relationship between Milton Hydro’s total capital investment in distribution plant and the population/customer growth from 1996 to 2009.

**Graph 1 – Total Plant, Population and Customer Growth**



Milton Hydro is committed to providing our customers with an economical, safe, reliable supply of electricity and helping the Town of Milton become the most energy efficient community in Ontario.

## 2. Milton Hydro Commitment to Stakeholders

We affirm to all our stakeholders that we will conduct our business in a transparent manner with respect and care for the quality of services delivered to our customers, the health and safety of our employees and the public and our impact on the environment. We will implement those strategies that build successful businesses and achieve the greatest benefit for all our stakeholders without compromising the ability of future generations to meet their needs.

We will continuously improve our practices in light of advances in technology and new understandings in reliability, safety, health and environmental science. We will make consistent, measurable progress in implementing this commitment throughout our operations.

### **Highest Standards of Performance, Business Excellence**

We will adhere to the highest standards for the safe, reliable delivery of services. We will protect our environment, our employees, our customers and the people of the communities in which we do business.

We will strengthen our business by making reliability, safety, health and environmental issues an integral part of all business activities and by continuously striving to align our businesses with an appropriate balancing of stakeholder expectations.

### **Goal of Zero Injuries, Illnesses and Incidents**

We believe that all injuries and occupational illnesses, as well as environmental and reliability incidents, are preventable, and our goal for all of them is zero occurrences. We will promote off-the-job safety for our employees.

We will assess the environmental impact of each facility we plan to construct and will design, build, operate and maintain all our facilities and transportation equipment so they are reliable, safe, and acceptable to local communities with minimal impact on the environment.

We will be prepared for emergencies and will provide assistance to our local communities with their emergency preparedness and response plans.

### **Goal of Being an Industry Leader in Minimizing Waste and Emissions**

We will strive toward minimal waste generation at the source. Materials will be reused and recycled to minimize the need for treatment or disposal and to conserve resources. Where waste is generated, it will be handled and disposed of safely and responsibly.

We will strive toward minimizing emissions and are dedicated to the elimination of pollutants, giving priority to those that may present the greatest potential risk to health or the environment.

Where past practices have created conditions that require correction, we will responsibly correct them.

### **Conservation of Energy and Natural Resources, Habitat Enhancement**

We will excel in the efficient use of energy, water and other natural resources.

We will manage our land use to minimize impacts on their habitats.

### **Open and Public Discussion, Influence on Public Policy**

We will promote open discussion with our stakeholders about their needs and the service we provide, the materials we use and transport and the impacts of our activities on their safety, health and environment.

We will build alliances with governments, policy makers, businesses and advocacy groups to develop sound policies, laws, regulations and practices that improve reliability, safety, health and the environment.

### **Management and Employee Commitment, Accountability**

The Board of Directors, including the President and Chief Executive Officer, will receive quarterly reports on pertinent reliability, safety, health and environmental issues and will ensure that policies are in place and actions taken to achieve this commitment.

Compliance with this commitment and applicable laws is the responsibility and a condition of employment of every employee and contractor acting on Milton Hydro's behalf. Management is responsible to educate, train and motivate employees and contractors to understand and comply with this commitment and applicable laws.

## **3. Asset Management**

### **Overview**

Milton Hydro has established a comprehensive system of inspection and performance measurement as a means of continually assessing its distribution business and achieving consistency with its commitment to stakeholders. System performance reports deliver the information necessary to satisfy the requirements of the Ontario Energy Board's (OEB) Distribution System Code (DSC) as well as Milton Hydro's own internal needs. Milton Hydro has developed reporting mechanisms that are focused on continuous performance improvements which ensure the availability of long term capacity to meet the needs of a growing community, enable the effective and successful management of all distribution assets and fulfill Milton Hydro's regulatory obligations.

Milton Hydro regards asset management as a critical driver of the distribution systems' longer term performance. Senior management is committed to the asset management philosophy and ensures that sufficient resources are allocated to support the asset management process. This requires an ongoing investment in resources and personnel

to complete the annual planning, inspecting, reporting and implementation activities associated with the various asset management processes. The quality and consistency of those processes and the resulting data is critical for a successful asset management plan. The responsibility for the continuous management of the strategy is assigned to a Project Engineer in the role of Asset Manager. The Asset Manager's responsibilities primarily involve risk management and ensuring that:

- The inspection process is organized with assets identified in reasonable zones and segments.
- Inspections and follow up maintenance is being effectively organized and performed.
- Records are accurate and current including those in the GIS.
- Condition analysis is completed correctly.
- Potential Maintenance and Capital Budget recommendations are incorporated into the planning process.
- The condition of the distribution system is reviewed to ensure system reliability efforts are implemented in the most cost effective manner for the short, medium and long term.

Milton Hydro operates a distribution system comprised of high voltage networks at 27.6kV, 13.8kV, and 8.32kV. Outage data is monitored and information accumulated on the performance of all feeders at the three voltage levels. This data is reviewed and analyzed with attention focussed on identifying those causes that negatively impact system reliability and the continuity of supply. Any pattern of system failures that is attributable to the same root cause is identified, analysed and used to prioritize capital projects and maintenance programs.

The Asset Manager provides key input to the maintenance budget and capital investment proposals. He/she will also assist in the preparation of the justifications for the budget items.

### **Inspections and Assessments**

The DSC encourages good utility practices and mandates a defined approach to distribution system inspections. Milton Hydro has incorporated the DSC requirements into its internal processes as a means of continually monitoring its facilities and ensuring the performance level of the distribution system does not degrade.

## **Asset Management Considerations and Priorities**

To provide service levels that are consistent with its commitment to stakeholders, Milton Hydro manages its assets so that appropriate performance levels are achieved and customer's expectations for safe, reliable electricity delivered at a reasonable price are respected and incorporated into our planning processes. The following considerations help Milton Hydro to balance and address the various expectations from an asset management perspective:

- Asset Management should create opportunities for improved efficiencies.
- The activities should demonstrate good stewardship of the distribution system.
- Service delivery should be safe, fair and consistent within all customer groups.
- Any performance improvements should demonstrate a good balance between the achievement of goals and budgetary requirements.
- Maintenance plans should be consistent with good utility practice and incorporate the results from annual assessments and customer needs.
- Capital investment plans should justify proposed expenditures and be able to respond to new priorities and changing capital drivers.
- Annual reviews of asset management processes.

## **Risk Management**

Risk management is a fundamental activity in any business and in the electrical distribution industry it requires a systematic approach to assess the following attributes of each asset:

- Condition
- Risk exposure
- Age and life expectancy
- Location
- Operational data, and
- Maintenance

Milton Hydro takes such a systematic approach to identify and mitigate risk to its assets and distribution system.

## **4. Inspections and Condition Assessments**

The Minimum Inspection Requirements (Appendix C of the DSC) details the inspection standards and inspection cycles required of all distributors. Table C-1 identifies the maximum intervals for inspection cycles, which for most urban facilities is 3 years, for rural facilities is 6 years and for stations is 1 year, 3 years or 6 months. A definition of Patrol Inspection is included on the first page of Appendix C of the DSC.

Milton Hydro's inspection of its major distribution facilities, as noted below, is comprehensive and at a level of detail that satisfies the requirements established by the OEB's Patrol Inspection definition. In addition to fulfilling the OEB's cyclical inspection requirements, Milton Hydro's inspection process enables the identification and documentation of condition-related deficiencies, which, taken together with the subsequent analysis process, results in a framework that supports maintenance and capital expenditures for the various distribution assets. A thorough understanding of the condition of existing assets is critical in order to maximize asset life, improve efficiencies, improve reliability by reducing failures, plan for proper capital replacement, and enact maintenance programs that help to ensure the safety of both employees and the general public.

### **Overhead Systems**

Milton Hydro systematically inspects its overhead distribution system, completing approximately one-third of its distribution system each year, as per Appendix C 'Minimum Inspection Requirements' of the DSC. The visual patrol serves as an inspection to assess the condition of overhead assets, including wood/concrete poles and their supports and attachments, pole-mount distribution transformers, switches and surrounding vegetation.

Inspections results are documented through the Overhead Distribution System Inspection form included in Appendix C of this document.

## **Underground Systems**

Similar to the general overhead process of inspection and condition assessment, the underground distribution system is also inspected on a 3 year cyclical basis to assess the condition of underground assets including pad-mount transformers, submersible transformers, transformer vaults and adjacent civil structures. Specific attention is given to the following elements of the underground system.

### **A. Underground Vault Flushing and Inspection**

Underground vaults are inspected annually for structural deterioration and are cleaned and pressure washed on a five year cycle. This work is contracted out and an inspection checklist is completed and returned to Engineering for record keeping and follow up purposes as required. The Transformer Maintenance Inspection Checklist attached in Appendix D is used for recording vault inspections and initiating any required maintenance.

### **B. Switching Cubicle Cleaning and Inspection**

Milton Hydro has approximately 65 switching cubicles which are inspected and maintained every 3 years. The process includes dry ice cleaning which involves a high pressure blast of CO<sub>2</sub>/dry ice vapor to clean the cubicles. The process removes contamination from the insulating components of the switches as well as providing an overall cleaning of the switching cubicle. Milton Hydro contracts this work out and receives a full report on the work performed and any concerns or deficiencies that require Milton Hydro's attention. The Switching Cubicle Maintenance Checklist is shown in Appendix E.

### **C. Transformer Room Inspections**

Milton Hydro has 114 distribution transformers installed in locked rooms within various buildings throughout the Town of Milton; access to these rooms is only available to Milton Hydro employees. These transformer rooms are checked regularly to ensure they remain locked and have not been tampered with. Milton Hydro line staff inspects and maintains the transformer rooms every 3 years as part of the pad-mount transformer inspection program. Transformer rooms are maintained but are no longer used for new additions to the distribution system.

#### **D. Pad-mount Transformer Inspection**

Milton Hydro has approximately 2,000 pad-mount transformers, 470 submersible transformers and 114 transformer room transformers within its distribution system. These transformers are divided into 3 groups and inspected on a 3 year cycle. Milton Hydro line staff perform the inspections and complete a Transformer Maintenance Inspection Checklist, included in Appendix D, which is returned to the Operations Department for follow up as required.

#### **E. Substations**

As with the overhead and underground distribution system, Milton Hydro inspects and assesses all of its substations on an ongoing basis. All substations are inspected monthly by Milton Hydro Operations staff. Inspection findings are captured by the Substation Maintenance Checklist, included in Appendix F, and returned to the Engineering Department for follow up and records purposes. The substation inspection process supports short and long term maintenance and capital planning activities.

### **5. Maintenance Programs**

Preventative maintenance, when properly carried out, helps to minimize possible distribution plant failures and improve system reliability and performance.

Depending on the level of specialization required, planned maintenance activities may be carried out by Milton Hydro line staff or contracted out to an external supplier. Any deficiencies reported are reviewed and prioritized by Engineering and Operations staff to determine whether reactive maintenance is required or if the work can be scheduled as a component of a future capital project or planned maintenance. The following maintenance programs are an integral part of Milton Hydro's asset management activities:

#### **A. Straighten Poles and Add Anchors**

During routine capital and maintenance work Milton Hydro staff record the location of poles that are leaning and/or require the addition of anchors. Milton Hydro also responds to notice from the public of potential pole hazards. An Instruction Order detailing the concern is prepared and issued to the Operation Department for follow up.

## **B. Infrared Thermography**

This is an annual maintenance program. An independent contractor scans all of Milton Hydro's overhead plant, including approximately 2,650 overhead transformers, as a means of detecting 'hot spots', which are system weak spots that lead to equipment failure.

Milton Hydro receives a written report that details the location, the extent of the temperature rise and the severity of the hot spot. Milton Hydro engineering staff then issue work instructions based on a prioritization of the inspection results. This is a program used to proactively detect and prevent unnecessary failures and equipment damage.

A sample Infrared Thermography report is included in Appendix G.

## **C. Tree Trimming – Vegetation Management**

Milton Hydro has divided its service area into three geographic areas as shown in Appendix H. Each area is trimmed at least on a 3 year cycle and more frequently if required. Milton Hydro tenders the work annually to a qualified utility arborist. Maps are provided to the contractor and Milton Hydro personnel inspect the contractor's work. This proactive approach reduces the number of tree related power outages during stormy conditions and minimizes the possibility of inadvertent tree contacts, with energized distribution lines, during moderate weather conditions.

Milton Hydro also responds to requests from the public to remove or trim trees that are growing into the power lines.

## **D. Pole Testing**

Milton Hydro has approximately 9,000 wood poles and 600 concrete poles within its distribution system which are inspected every 3 years as stipulated by the DSC's minimum inspection requirements. Poles are either tested as part of a comprehensive pole testing cycle performed on a 5 year basis, or, depending on the previous inspection date, are visually inspect to satisfy the 3 year DSC inspection requirements. The 5 year pole testing cycle is scheduled based on the geographic areas shown in Appendix I. Milton Hydro contracts out the pole testing to a qualified independent third party who inspects and tests all poles to determine the overall condition of individual poles. The contractor submits the detailed results of the testing program to Milton Hydro via an

Access database and a summary report, included in Appendix J. Poles requiring immediate replacement are changed in the current year on a priority basis. Those poles requiring replacement within the next year are scheduled to be replaced as part of the following year's budget.

In addition to testing and assessing poles, the contractor also visually inspects cross arms and other hardware for any signs of abnormal conditions.

Milton Hydro operations staff also report poles that are found damaged or in need of replacement. An Instruction Order, included in Appendix K, is prepared by Operations and issued to the line crews accordingly.

#### **E. Insulator Washing**

Milton Hydro has both polymer and porcelain insulators in its distribution system. Porcelain insulators continue to be replaced with polymer insulators as a means of enhancing system performance, the work is performed either as a distinct project or in combination with other capital or maintenance work. Insulator washing is performed in high traffic areas, such as the vicinity adjacent to Highway 401, where contamination is more prevalent. Insulator washing is scheduled based on the level of contamination and the resulting impact on system reliability.

#### **F. Overhead Switch Maintenance**

All overhead switches are visually inspected over a three year period as required by the DSC. Any deficiencies identified as part of the inspection are corrected on a priority basis. Beyond the inspection process, a switch maintenance program is conducted over a five year cycle by Milton Hydro line crews or contractors. A Switch Maintenance Checklist, included in Appendix L, is completed, and all findings are reviewed for additional follow-up. Depending on the maintenance program results, any additional work generated is performed either on a reactive basis, as part of a maintenance schedule, or as part of planned capital work. The switch maintenance program ensures that the switches will function reliably and safely at all times.

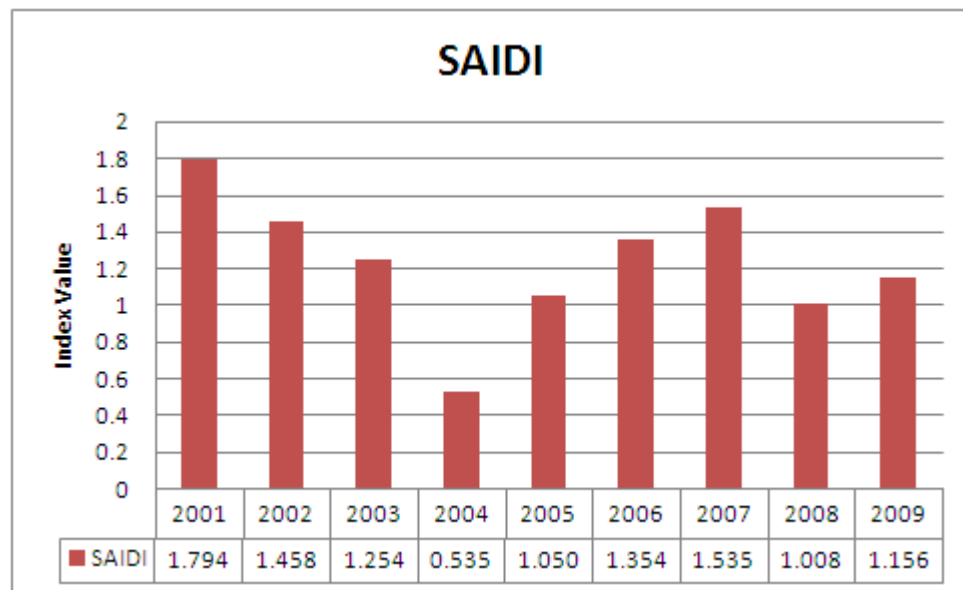
## 6. System Performance

Milton Hydro assesses the performance of its distribution system through a regular review of its Service Quality Indicators (“SQLs”). Monthly tracking of system SQLs provide a statistical measure of system performance in the three areas noted below. Milton Hydro’s engineering and operating staff review the statistical data to gauge ongoing system performance levels, including changes in reliability levels, failure trends and associated causes, and take corrective action as required. The SQL’s are reported to Milton Hydro’s Board as part of the monthly Board Report.

$$\text{SAIDI} = \text{System Average Interruption Duration Index}$$

$$= \frac{\text{Total Customer-Hours of Interruptions}}{\text{Total Customers Served}}$$

**SAIDI Graph**

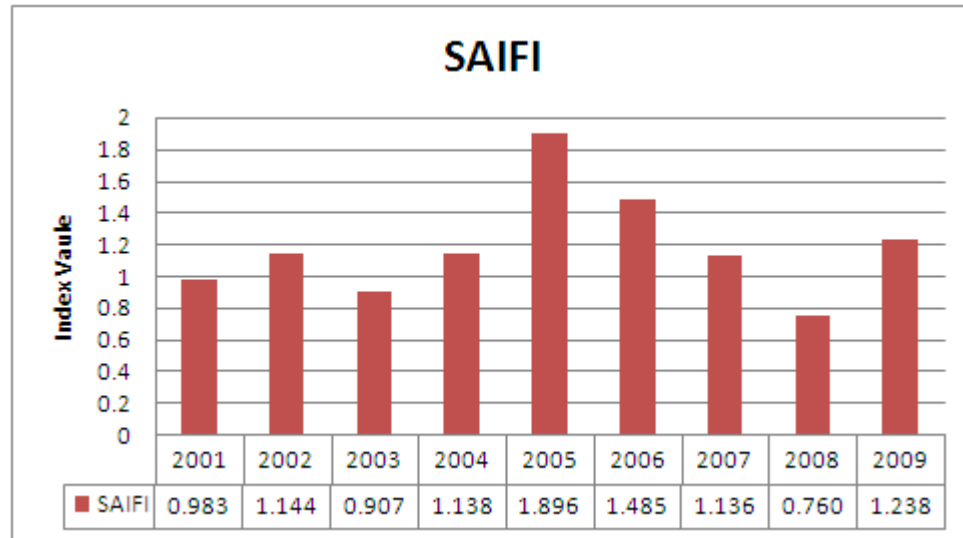


SAIFI = System Average Interruption Frequency Index

$$= \frac{\text{Total Customer Interruptions}}{\text{Total Customers Served}}$$

Total Customers Served

### SAIFI Graph

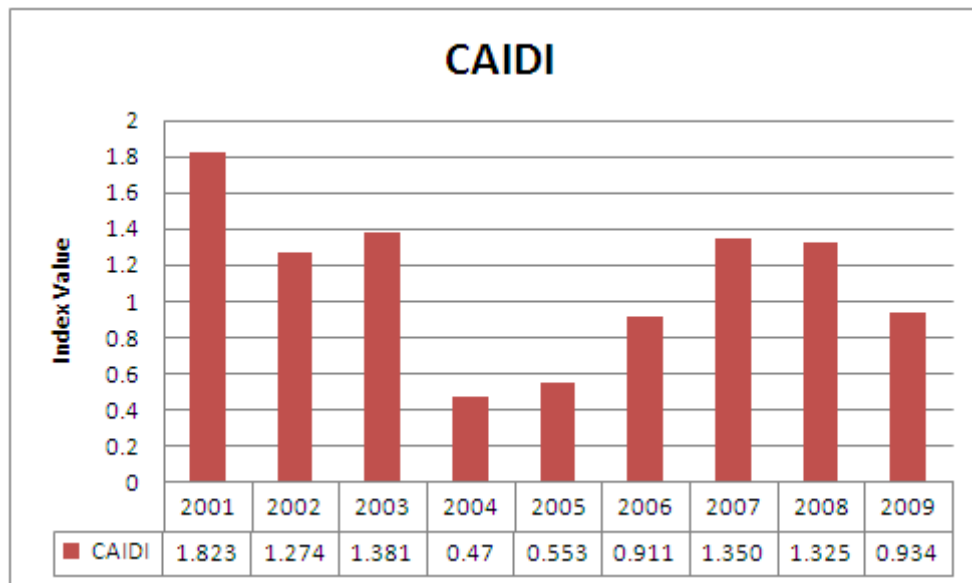


CAIDI = Customer Average Interruption Duration Index

$$= \frac{\text{Total Customer-Hours of Interruptions}}{\text{Total Customer Interruptions}}$$

Total Customer Interruptions

### CAIDI Graph



## **7. Environmental Responsibilities**

Milton Hydro's Commitment to Stakeholders includes ensuring that Milton Hydro does not negatively impact the environment. Milton Hydro complies with all environmental legislation and regulations and ensures personnel are properly trained to recognize environmental hazards.

Milton Hydro's distribution system is compliant with all Federal and Provincial PCB regulatory requirements such that all transformers are either PCB free or contaminated with less than 50 parts per million.

## **8. Documentation/Data Analysis**

Milton Hydro's distribution assets are currently recorded on a CableCad Geographic Information System ("GIS") system. Data from CableCad is used to help establish inspection cycles and track asset information. As assets are replaced, pole and transformer details are captured in detail on CableCad, other assets' details are captured as part of installation drawings and project documentation. Milton Hydro is planning to migrate additional asset specific information to a GIS system as a means of enhancing its asset management efforts through greater accessibility to asset specific details.

All inspection results are captured electronically, inspection results are either scanned into Milton Hydro's document management system or stored as part of some other software package; as an example, an Access database is used to document pole testing results. Milton Hydro also utilizes an AutoCad system in which maintenance programs have been geographically defined resulting in an ability to generate printouts for field inspectors or contractors.

In 2011 Milton Hydro will be replacing or upgrading its Geographic Information System ("GIS") thereby installing greater data management capabilities. Where appropriate greater access to data will facilitate asset management initiatives and enhance operational efforts such as outage response efforts by utilizing common database elements between the Customer Information System ("CIS") and the GIS system.

Milton Hydro maintains the following records in support of its inspection and maintenance programs as provided in Table 1.

**Table 1 – Maintenance Records**

<b>Document Retention</b>
<b>InfraRed Scan System Connections, TX's</b>
<b>Insulator Washing</b>
<b>OEB-Distribution System Code -Inspection</b>
<b>Overhead Switch Maintenance</b>
<b>Padmount Transformer Inspection &amp; Mtce Urban/Rural</b>
<b>Pole Testing</b>
<b>Straighten Poles &amp; Add Anchors</b>
<b>Substation Maintenance Checklist</b>
<b>Switching Cubicle Cleaning &amp; Inspection</b>
<b>Vault Flushing</b>
<b>Transformer Room Inspections &amp; Maintenance</b>
<b>Tree Trimming - Central, South &amp; North Areas</b>

## 9. System Planning/Performance Considerations

The Town of Milton continues to experience very high rates of growth requiring Milton Hydro to maintain close relationships with staff at the Town and the Region of Halton. Long range development plans are closely reviewed and incorporated into load growth projections that are critical for both internal capacity planning and joint capacity studies with Hydro One. The resulting projects are evaluated and prioritized along with projects driven by other needs such as distribution plant renewal, reliability driven projects, or other growth related projects.

The introduction of the Green Energy and Green Economy Act potentially adds further variables into the system planning process.

All of the above contribute to the maintenance budgets and the capital investment planning process described below.

## **10. Inspection and Maintenance Plans 2010 to 2015**

Milton Hydro's inspection and maintenance plans have been developed as part of Milton Hydro's Commitment to Stakeholders to deliver reliable service while maintaining the highest safety standards possible.

Operations and maintenance budgets are developed as budgetary forecasts of routine and non-routine operations and maintenance activities for the upcoming year. Operations and maintenance costs are captured by the appropriate OEB accounts and include overhead, underground and substation inspections, reactive and preventative maintenance, and general system maintenance. Routine activities occurring annually, such as vegetation management, are forecasted annually with the help of historical experience and figures. As part of the ongoing review process these forecast values are adjusted to reflect the most current scope of work and price information. These expenditures are forecasted based on either an estimate of internal labour hours required to complete the activity or, alternatively, estimated based on proposals or quotations. For routine activities occurring on a cyclical basis, associated expenditures are only included within the operations and maintenance budget for the year in which the activity is scheduled to be performed. While the majority of operations and maintenance activities are recurring, non-routine or single occurrence expenditures may be warranted to reflect changes to performance priorities or new operations and maintenance programs. These non-routine maintenance activities typically undergo an internal review process that explores the drivers and costs associated with the deviation from past operational and maintenance activities. Lastly, administrative expenditures, such as staff training, are identified and included prior to completion of the budget.

## 1.1 Planned Overhead

Table 2 details Milton Hydro's routine annual overhead maintenance schedule.

**Table 2 – Maintenance Schedule**

	OVERHEAD	Priority	2010	2011	2012	2013	2014	2015
<b>A</b>	Straighten Poles & Add Anchors (1 year)	Safe/Rel.	X	X	X	X	X	X
<b>B</b>	Infrared Scan System, Connections, TX's (1 year)	Safe/Rel.	X	X	X	X	X	X
<b>C</b>	Tree Trimming (3 year cycle)	Safe/Rel.						
	Central Area	Safe/Rel.		X			X	
	South Area	Safe/Rel.			X			X
	North Area	Safe/Rel.	X			X		
<b>D</b>	Pole Testing (5 year cycle)	Safe/Rel.	X	X	X	X	X	X
<b>E</b>	Insulator Washing	Reliability	X	X	X	X	X	X
<b>F</b>	Overhead Switch Maintenance (5 year cycle)	Reliability	X					X
<b>G</b>	OEB - Distribution System Code - Inspection	Safe/Rel.	X	X	X	X	X	X

## 1.2 Planned Underground

Table 3 details Milton Hydro's routine annual underground maintenance schedule.

**Table 3 – Underground Maintenance Schedule**

	UNDERGROUND	Priority	2010	2011	2012	2013	2014	2015
<b>A</b>	U/G Vault Flushing & Inspection (5 year cycle)	Safe/Rel.						
	Dorset Park Area (120 Vaults)						X	X
	Timberlea (125 Vaults)		X					
	Bronte Meadows (130 Vaults)			X				
<b>B</b>	Switching Cubicle Cleaning & Inspection (3 year cycle)	Safe/Rel.			X			
<b>C</b>	Transformer Room Inspections (3 year cycle)	Safe/Rel.		X			X	X
<b>D</b>	Padmount TX. Inspection & Maintenance (3 year cycle)	Safe/Rel.	urban	rural		urban	rural	rural

### 1.3 Planned Substations

Table 4 details Milton Hydro's substation maintenance schedule.

**Table 4 – Substation Maintenance Schedule**

SUBSTATIONS	Priority	2010	2011	2012	2013	2014	2015
<b>MS #3</b>	Reliability						
Breakers, Cubicles, Relays & Transformer Tests		X			X		
<b>MS #4 T1 &amp; T2</b>	Reliability						
Breakers, Cubicles, Relays & Transformer Tests				X			X
<b>MS #6</b>	Reliability						
Structure, On Load Tap Changer & Transformer				X			X
<b>MS #7</b>	Reliability						
Structure, Transformer & Reclosers			X			X	
<b>Regulator MRS #7</b>	Reliability						
Regulator & Tap Changer Maintenance, Oil Analysis			X			X	
<b>Regulator MRS #10</b>	Reliability						
Regulator & Tap Changer Maintenance, Oil Analysis			X			X	
<b>MS #9</b>	Reliability						
Structure, Transformer & Reclosers		X			X		
<b>3-1 ph Regulators at Derry &amp; Guelph</b>	Reliability						
Regulator & Tap Changer Testing, Oil Analysis		X			X		
<b>Transformer Oil Tests (All Substations &amp; Regulators)</b>	Reliability						
Standard 5 Part ASTM Oil Analysis		X	X	X	X	X	X
Dissolved Gases in Oil Analysis		X	X	X	X	X	X
<b>Battery Maintenance &amp; Inspection - All Stations</b>	Reliability	X	X	X	X	X	X

## 11. Capital Investments 2010 to 2015

Milton Hydro's capital investment plans are prepared and updated as part of the annual budgeting process and are driven by the need to meet the capacity and security (of supply) needs of existing and future customers. Milton Hydro manages its physical infrastructure by integrating best practices in all aspects of selection, design, construction, operation, maintenance and replacement. As noted above, condition assessments are carried out that exceed the minimum inspection requirements of the DSC and include visual inspections, pole testing, infra red scanning and regularly scheduled maintenance to identify those assets which require immediate attention as a means of ensuring reliable and safe operation of the distribution system. Those assets requiring attention are then scheduled accordingly for repair or replacement as part of the Asset Management Plan and budgeting process.

Of the \$113.4 million investment in distribution assets made historically by Milton Hydro, sixty percent (60%) or \$68 million was invested over the last 9 years in response to the rapid customer growth experienced in Milton. The remaining 40% or \$45.4 million of Milton Hydro's total investment in distribution plant was made prior to 2001 and of this

approximately 11% or \$12 million is fully depreciated. Milton Hydro has identified areas of older 13.8kV and 8.32kV plant that will need to be upgraded to 27.6kV over the next several years as part of various system projects required to meet growth, sustainability and reliability requirements.

A system of project prioritization is applied that takes into account growth rates, safety, reliability and performance, condition and age, and other drivers internal or external to Milton Hydro. Projects are categorized as one of 'high', 'medium-high', 'medium', 'medium-low' or 'low' based on these considerations. Appendix M includes a copy of a capital project template that Milton Hydro utilizes as a means of capturing project specific information. Appendix N shows a project summary template that captures information on an aggregate basis. The table below provides examples of capital investment drivers and corresponding priority levels:

HIGH	New development/Regulatory/GEA/Municipally-driven project(s)
	Infrastructure renewal project(s) where assets are at end-of-life or present a health or environmental risk
	System reliability, supply/capacity or contingency planning project(s)
MED-HIGH	Infrastructure renewal project(s) where assets are nearing end-of-life
	Specific or small-scale system reliability, supply/capacity or contingency planning project(s)
	Distribution Automation project(s)
	Tools/Fleet/Internal System-related project(s)
MEDIUM	Replacement of obsolete/vintage plant project(s)
	System Optimization
	System Studies
MED-LOW	Rebuild of non-standard design project(s)
LOW	Unique, 'one-off' project(s)

Based on the criterion described, a capital investment plan has been prepared for the current year and going forward for a period of five years. Project specific plans are developed to ensure the prudent replacement of distribution system assets before they begin to fail thereby maintaining the system reliability and safety Milton Hydro customers have come to expect.

The capital investment requirements are driven by various considerations as follows:

- Development and growth experience
- Town and Regional demands such as road widening/expansions
- Capital replacement requirements
- Unplanned or reactive capital replacement

By reviewing and prioritizing forecast projects using the above framework, Milton Hydro has developed a capital projects list up to the year 2015. This is a dynamic list and will change as project expectations or drivers change, in particular the longer term projects will experience ongoing review and modifications as conditions evolve.

In addition, Milton Hydro will be required to review its capital requirements in order to comply with the “Green Energy and Green Economy Act” and the potential impacts of renewable generation. While these plans are beyond the scope of this Asset Management Plan at this time, Milton Hydro has provided a nominal amount of capital expenditure for unexpected expansions to connect renewable generation.

The following distribution system projects are summarized by year of expected capital investment. The cost of each project is Milton Hydro’s best estimate and subject to revision as additional information becomes available.

## 2010 Capital Plans

Budget Year	Job #	Projects Description	Budget Total	Capital Contribution
2010	09-001	3 Sideroad Tremaine Road to Kelso Gate Carryover	\$151,700	
2010	09-003	Timberlea SC-13 to SC-12 Install ducts, cable and trans - Planned carryover	\$240,750	
2010	09-006	Dorset Park Wilson and Frobisher Carryover	\$149,355	
2010	09-009	Bronte St MS-4 to Derry Carryover	\$156,875	
2010	09-010	Install reclosers at MS-6 Carryover	\$65,500	
2010	09-027	Derry Road and Walkers Line for ROH	\$10,389	\$3,735
2010	10A	Pole Replacement Program* 2010	\$106,817	
2010	10B	Derry Road Twiss to McNiven rebuild to 27.6 kV	\$333,358	
2010	10C	FIT Projects 2010	\$100,127	
2010	10E	Pitfield townhome rebuild to 27.6 kV 950 m and 8 transformers	\$195,725	
2010	10F	Install three phase switches for future automation	\$205,700	
2010	10G	Timberlea area underground re-hab on 13.8 kV	\$546,733	
2010	10K	551 Commercial rebuild to 27.6 kV 700 m and 12 transformers	\$212,465	
2010	10S	Upgrade grounding at substations using copperweld	\$40,188	
2010	10T	Eliminate heatshrink from transformers	\$268,500	
2010	10U	Rebuild Line, 2nd Line from 20th to 25 S.R.	\$353,125	
2010	10H	James Snow Pkwy, Louis St Laurent to Britannia - Developer Built	\$330,250	\$330,250
2010	10J	Main St. west of Savoline Blvd to Tremaine Road 27.6 kV extension 1 km	\$219,173	\$219,173
2010	09-026	Extend Pole Line from Derry to new fire hall (JSP)	\$129,913	\$86,000
2010	10L	Louis St. Laurent to Regional Rd 25 27.6 kV line .5 km and creek crossing	\$325,641	\$18,348
2010	10M	Lower Base Line at 16 Mile Creek for TOM	\$133,733	\$41,250
2010	10N	Reg Rd 25 Derry to Britannia Rd 27.6 kV pole relocation	\$982,498	\$257,813
2010	09-029	Regional Road 25 401 to 5 Sideroad	\$232,560	\$70,469
2010	10Q	Tremaine Rd Derry to Main	\$182,739	\$97,588
2010	10R	Main St Bronte to Tremaine	\$687,034	\$325,038
2010	09-032	Britannia Rd and 5th Line - Road realignment (traffic lights)	\$24,550	\$8,223
2010	10X	Derry Rd Install sidewalk struts (Thompson to JSP)	\$14,520	\$14,520
2010	10-016	20 Sideroad east of Townline Relocate 8.32 kV for ROH	\$99,802	\$99,802
			\$6,499,716	\$1,572,208

## 2011 Capital Plans

Budget Year	Job #	Projects Description	Budget Total	Capital Contribution
2011	10GA	Timberlea area underground re-hab on 13.8 V	\$310,013	
2011	11A	Bronte Meadows underground re-hab on 13.8 kV	\$333,000	
2011	11B	Campbell Ave. west of Walkers Line Relocate 8.32 to ROW 0.8 km 0.5 of u/g	\$183,500	
2011	11D	Walkers Line/3 Sideroad rebuild to 27.6 kV and u/g rehab 4 km o/h & 1.4 km u/g	\$671,450	
2011	11E	Pole Replacement Program* 2011	\$106,292	
2011	11F	20 Sideroad east of 2nd Line Relocate 8.32 kV to ROW	\$160,376	
2011	11G	Amos-Blacklock Brookville 8.32 kV u/g re-hab and conversion 1.7 km & 9 transformers	\$204,942	
2011	11H	Derry Road east of Guelph Line 13.8 kV to 27.6 kV conversion 1.6 km to Walkers Line	\$363,436	
2011	11J	Derry Road west of Guelph Line 27.6 kV conversion	\$82,585	
2011	11K	First Line south of Britannia Road 27.6 kV rebuild	\$372,943	
2011	11L	FIT Projects 2011	\$150,127	
2011	11M	Glenda Jane and Jessie Ave. u/g rehab. 1.25 km and 7 transformers	\$234,891	
2011	11N	Highside u/g rehab .75 km and 6 transformers	\$149,069	
2011	11P	Install three phase switches for future automation	\$256,375	
2011	11Q	Louis St. Laurent 1st Line east to mid block 27.6 kV line 0.75 km	\$217,500	\$217,500
2011	11R	Louis St. Laurent mid block to Regional Road 25 27.6 kV line 0.75 km	\$217,500	\$217,500
2011	11U	Developer projects - Forecast	\$250,000	\$250,000
2011	11S	Reg Rd 25 407 to Britannia Rd 27.6 kV pole relocation	\$1,159,896	\$354,125
2011	11T	Main St. Grade separation	\$490,825	\$168,463
2011	12E	Steeles Ave west of Twiss Install 27.6 kV pole line	\$98,441	
			\$6,013,159	\$1,207,588

## 2012 Capital Plans

Budget Year	Job #	Projects Description	Budget Total	Capital Contribution
2012	11AA	Bronte Meadows underground re-hab on 13.8 V COMPLETION	\$167,000	
2012	12A	Bronte Meadows underground re-hab on 13.8 kV	\$600,000	
2012	12B	Derry Road east of Guelph Line 13.8 kV to 27.6 kV conversion 1.6 km to Appleby Line	\$440,250	
2012	12C	FIT Projects 2012	\$150,127	
2012	12D	Install three phase switches for future automation	\$256,375	
2012	12F	Tremaine Rd south to Britannia Rd Phase 3 27.6 kV extension 1.2 km	\$240,000	\$240,000
2012	12G	Pole Replacement Program* 2012	\$106,292	
2012	12H	TmTS Tremaine Road south of Lower Baseline to Burnhamthorpe	\$486,588	
2012	12J	MHDI share of capital contribution for the construction of Tremaine TS	\$50,000	
2012	12K	Britannia Rd west of Regional Road 25 to 1st Line 27.6 kV extension 1.4 km	\$356,825	\$356,825
2012	12L	Britannia Rd east of Tremaine Rd to 1st Line 27.6 kV extension 1.4 km	\$356,825	\$356,825
2012	12M	Municipal Projects - Forecast	\$1,250,000	\$325,000
2012	14A	Convert 13.8 to 27.6 kV Mill to Pine to Ontario St	\$325,625	
2012	14B	Recover 13.8 kV stations	\$50,000	
2012	13D	Derry Road east of Guelph Line 13.8 kV to 27.6 kV conversion 2.8 km to Tremaine	\$769,500	
2012	11C	Twiss Road north of Derry Rebuild to 27.6 kV	\$215,584	
			\$5,820,991	\$1,278,650

## 2013 Capital Plans

Budget Year	Job #	Projects Description	Budget Total	Capital Contribution
2013	13A	15 Sideroad Cedar to 1st Line Rebuild and conversion	\$201,541	
2013	13B	Britannia Road Regional Road 25 to Thompson Relocate 27.6 kV 1.4 km	\$321,450	\$75,000
2013	13E	Tremaine Road north of 5 Sideroad rebuild single phase pole line 1.0 km	\$85,000	
2013	13F	Pole Replacement Program* 2013	\$106,292	
2013	13G	FIT Projects 2013	\$150,127	
2013	13H	Install three phase switches for future automation	\$256,375	
2013	13J	Louis St. Laurent 1st Line west 27.6 kV line 1.5 km	\$352,438	\$352,438
2013	13K	Tremaine Rd south of Derry HOTE 27.6 kV extension 0.6 km	\$119,500	\$119,500
2013	13L	Developer projects - Forecast	\$300,000	\$300,000
2013	13M	Municipal Projects - Forecast	\$1,250,000	\$325,000
			\$3,142,723	\$1,171,938

## 2014 Capital Plans

Budget Year	Job #	Projects Description	Budget Total	Capital Contribution
2014	14C	Pole Replacement Program* 2014	\$106,292	
2014	14D	Construct Permanent Building	\$3,500,000	
2014	14E	FIT Projects 2014	\$150,127	
2014	14F	Install three phase switches for future automation	\$256,375	
2014	14G	Rehabilitation Projects - Forecast	\$750,000	
2014	14H	Growth Projects - Forecast	\$250,000	
2014	14T	Lower Base Line Henderson Road 27.6 kV rebuild	\$394,136	
2014	14W	Trafalgar TS Lower Baseline 6th to 5th 27.6 kV pole line 1.7 km	\$391,225	
2014	14X	Trafalgar TS 5th Line Lower Baseline to Britannia install 27.6 kV 2.5 km	\$500,000	
2014	14Y	Trafalgar TS Lower Baseline Trafalgar Road to 6th 27.6 kV pole line 1.3 km	\$259,750	
2014	14Z	Trafalgar TS 6th Line to Britannia Install 27.6 kV 1.5 km plus 2 phases	\$450,000	
2014	14M	JSP south of Louis St. Laurent to Britannia add 27.6 kV circuit	\$54,875	\$54,875
2014	14N	Tremaine TS Derry Road 27.6 kV gaps from JSP to 6th Line 1.2 km	\$240,000	\$240,000
2014	14L	Developer Projects - Forecast	\$300,000	\$300,000
2014	14J	Britannia Road Thompson to JSP. Relocate 27.6 kV 1.8 km	\$413,650	\$100,000
2014	14K	Regional 25 Britannia to Palermo TS rebuild for road widening 4.5 km	\$1,035,375	\$250,000
			\$9,051,805	\$944,875

## 2015 Capital Plans

Budget Year	Job #	Projects Description	Budget Total	Capital Contribution
2015	14U	Trafalgar TS Derry Road Trafalgar to 8th Line 27.6 kV line 0.8 km	\$159,750	
2015	14V	Trafalgar TS Trafalgar TS egress (New Breaker Positions) 27.6 kV	\$289,353	
2015	15A	LT TTS 9th Line Add 27.6 kV conductors for 3 phase	\$150,000	
2015	15B	LT TTS 9th Line south of Britannia to Lower Baseline. Install 27.6 kV pole line single	\$338,759	
2015	15C	LT TTS 9th Line south of Union Gas to Britannia. Install 27.6 kV pole line single phase	\$267,987	
2015	15D	Trafalgar TS 4th Line Lower Baseline to Britannia install 27.6 kV 2.5 km	\$500,000	
2015	15H	Trafalgar TS Lower Base Line - Trafalgar TS to 9th Line - Rebuild 27.6 kV pole line	\$249,063	
2015	15J	Trafalgar TS Lower Baseline 5th to 4th 27.6 kV pole line 1.4 km	\$280,000	
2015	15K	Develop material storage yard - 5th Line & Main St	\$200,500	
2015	15N	JSP south of Derry to Louis St. Laurent and to 4th Line add 27.6 kV circuit	\$95,000	\$95,000
			\$2,530,412	\$95,000

## 12. Conclusion

Milton Hydro recognizes that any asset management plan will not remain static; changes to the distribution system occur as a result of different variables such as abnormal weather, premature equipment failure, and growth requirements. This plan is forward looking and takes into account the available assets information, planned projects, changes to municipal and regional planning, and future development. As additional information is gathered, changes to Milton Hydro's long term plans may be required as a result of Milton Hydro's ongoing focus on service quality indicators ("SQIs") or as a result of externally driven projects.

Milton Hydro's asset management strategy is designed to deliver the continued reliability and system security required to ensure a safe and reliable supply of electricity to the Town of Milton and to meet Milton Hydro's commitment to all customers, employees and shareholder.

## Appendix A – Report to Council, Milton Facts



### MILTON FAST FACTS



#### WELL CONNECTED LOCATION

- Situated in Southern Ontario, Canada and part of the Greater Toronto Area (GTA), Milton is just west of Toronto
- Centrally located on Highway 401 and near Highways 407, 403/QEW, 410, 427 and 400
- Direct CN and CP rail access, commuter rail (GO Transit) links to Downtown Toronto
- 20 minutes from Toronto Pearson International Airport, 50 minutes from Hamilton International Airport, and Region of Waterloo International Airport
- Ports of Toronto and Hamilton are within 45 minutes, offering access to the Great Lakes and St. Lawrence Seaway

#### OUR COMMUNITY

- **The fastest growing community in Canada**, 71.4% growth rate
- **Population: 86,000**; expected to grow to approximately **238,000 by 2031**
- Young, Educated and Growing – Milton is the only municipality to be in the top 10 in Growth, Education Attainment, Median Age, Median Age of Labour Force and Income
- **Two-Thirds (66.6%)** of residents have post secondary education
- **Median age of residents: 34.4**, one of the youngest in Canada
- Median earning for economic families: \$87,739
- Growing visible minorities population: **17.1% in 2006** compared to just **3.1% in 2001**
- Milton encompasses a land area of 366.61 square km\*
- Green space and recreational areas are double anywhere in the GTA, including bordering the Niagara Escarpment, a UNESCO bio-sphere reserve

#### LABOUR

- Major economic sectors include the automotive, advanced manufacturing, distribution/warehouse and food production industries
- Diversified local economy with several large employers
- **Median age of labour force: 38.4**
- **Labour Force: 31,635 in 2006**; expected to grow to **71,000 by 2021**
- Access to skilled labour in town as well as close proximity to colleges and universities

#### GROWTH AND DEVELOPMENT

- **1.9 million total square feet average** annually over last 5 years
- **1.4 million new square feet average** annually over last 5 years
- Industrial and commercial development in 2009: 508,619 square feet
- 148 industrial/commercial building permits were issued in 2009, with a construction value of \$77 million
- Total residential building permits issued in 2009: 1,945; 2,000 annual average over last 5 years
- Residential construction value in 2009: \$330.6 million
- Amongst the lowest residential and business property tax rates in the GTA

#### INDUSTRIAL REAL ESTATE

- **Over 2,500 total employment lands available** for development (Business Park Phases 1 and 2)
- 12.7 million inventory (square feet)\*
- Average land price for fully serviced industrial land: **\$450,000/acre\***
- Average net rental rate: **\$5.20/sq.ft.\***

SOURCE:

\* CBRE Milton Industrial Market First Quarter 2010 Report

# RESEARCH PAPER

## Appendix B

Refer to Report No. PPW73-07

## April 2007

Print Version Date: April 10, 2007

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## *1 Introduction*

This Research Paper on the Best Planning Estimates of population, occupied dwelling units and employment for the period 2007-2021 is produced by the Planning & Transportation Services Division of Halton Region Planning and Public Works Department in consultation with the staff of the Local Municipalities in Halton. It represents an update to the last version, published in June 2003, using the latest available information sources including the recently published statistics from the 2006 Census.

## *2 Intended Use*

The Best Planning Estimates are meant to be used where working numbers of future population, occupied dwelling units or employment within Halton are needed for planning purposes. The intent of producing these Estimates is to provide a consistent set of land use data and forecasts to be commonly used by both public and private agencies or individuals interested in such data for business or personal purposes.

These estimates are called Best Planning Estimates because they were prepared on a best effort basis by Regional and Local Municipal staff based on their collective knowledge and understanding of demographic and economic trends in Halton. By definition, they are estimates, not policy numbers committed to by Regional or Local Municipal Councils. The application of these estimates by any user in an undertaking, private or public, should be at the discretion of the user, guided by the nature, purpose and scope of that particular undertaking. If clarification or assistance is needed in interpreting these estimates, please

contact the Long Range Planning Section at the Region as listed under Section 7. ***The Region, however, does not warrant, nor is it responsible for, the use or misuse of these Best Planning Estimates by any party or for any undertaking.***

Attempts have been made to achieve as high a degree of consistency as possible between Official Plan or policy numbers and the Best Planning Estimates. As the purpose of the Best Planning Estimates is to reflect the latest trends and information sources, they will be updated from time to time and should not be construed as replacing Official Plan or policy numbers. The official status of the Best Planning Estimates and how they are to be used in municipal projects and undertakings are determined through resolutions of Regional or Local Council.

These Best Planning Estimates are based on, and are compatible with, Census statistics (not adjusted for under-counting), but they are not necessarily comparable to population forecasts using Provincial Assessment data, because there is a difference in definition of "population" between these two major data sources.

### *3 Notes on This Update*

Since the publication of the June 2003 estimates, the following events have caused the need for an update:

- New population and dwelling unit counts from the 2006 Census have been released in March 2007.
- As part of preparing evidence for the Ontario Municipal Board Hearing on Regional Official Plan Amendment No. 25, the Region and Local Municipalities have initiated additional research on the supply of lands and

hence housing units and employment areas within the current Urban Area envelopes. This provided improved information on the ability of each Local Municipality in accommodating future population and employment growth.

- The Region has embarked on an update of its Development Charges By-law to be completed in 2007 to ensure that infrastructure—water supply, wastewater treatment and transportation—facilities needed to support growth within the current Urban Area envelopes can be adequately funded. For this purpose, up-to-date Best Planning estimates of population and employment up to the planning horizon of 2021 (when the current Official Plan urban envelopes are expected to be fully developed) are needed as input to updating both the Transportation and Servicing Master Plans and their corresponding list of capital projects.
- Last but not the least of all, the Province of Ontario released its final Places to Grow Plan in June 2006, in which population and employment growth targets in five-year intervals between 2006 and 2031 for Halton Region are specified.

It should, however, be pointed out that, besides establishing growth targets, the Provincial Growth Plan also sets forth a policy framework on how growth should take place within the Greater Golden Horseshoe Region, including intensification of land uses within the current Urban Area envelopes and the protection of employment lands. While this series of Best Planning Estimates reflects the Growth Plan population and employment targets to the year 2021 and growth within the current Official Plan urban envelopes, it has not fully explored the implications of meeting the policy framework of the Growth Plan, nor does it address growth between 2021 and 2031. Those tasks will be the subject of the next series of the Best Planning Estimates, as discussed in Section 7 below.

## 4 *Assumptions and Methodology*

As chronicled in Research Paper 9901 published in January 1999, one key input to preparing the Best Planning Estimates is how the number of persons per unit by housing type would change over time. As information on such trends from the 2006 Census is not yet available until the Fall of 2007, this update of the Estimates is still based on person per unit statistics from the 2001 Census.

Other assumptions and the methodology on which this series of Best Planning Estimates is based are similar to those in the last series in June 2003.

## 5 *Definitions*

To ensure that the Best Planning Estimates are used and interpreted properly, the following definitions are adopted:

- Population data and forecasts are consistent with the official Census figures as reported by Statistics Canada, not adjusted for undercounting. It should be noted that the un-adjusted counts, sometimes referred to as “Census population” (versus “total population” referring to the adjusted counts), remain as the official population counts and are never updated to include the under-count.
- Population, occupied dwelling units and employment estimates for each year are as of May 1 of that year, coincidental with the Census Day, i.e. roughly

mid-year.

- Low density housing means single detached and semi-detached housing units.
- Medium density housing means townhouses and duplexes.
- High density housing means apartment units.
- Employment estimates are jobs located within Halton (not employed labour force residing in Halton) and include jobs with no fixed locations such as construction sites and mobile servicing units.

## 6 *Best Planning Estimates*

The Best Planning Estimates are presented in Tables 1-13, for Halton and for each Area Municipality. The following observations can be made:

- Halton as a whole will reach a population of 628,900 by the year 2021, with annual increases fluctuating between 12,000 and 14,000.
- Oakville and Milton remain to be the two growing communities in Halton, together absorbing between 8,000 and 10,000 new population annually between now and 2021. On the other hand, Burlington and Halton Hills continue to mature with declining annual increases in population over the forecasting period.
- Forecasts of occupied dwelling units follow a pattern similar to that for population, although the rate of increase is slightly higher than population. Between 2006 and 2021, population will grow by 43 per cent while occupied units by 47 per cent. This is due to the continuing decline in the persons per unit factor over time (from 2.77 persons to 2.70 for the Region as a whole).

- The density mix of new housing for Halton as a whole will move gradually from the current (2006) 68-25-7 (low-medium-high) to one with a much higher proportion of high density housing of 52-26-22 by 2021. The latter is approaching the 2001 Regional Municipal Housing Statement targets of 55-25-20.
- Employment is forecast to grow by 47 per cent between 2006 and 2021, bringing the employment-to-population ratio from 52.5 to 54.1 jobs per 100 residents overall for the Region.
- Among the municipalities, all with the exception of Milton will see their employment-to-population ratios increasing over the next 15 years. Milton, because of its substantial growth in residential population, will see a drop of this ratio from 63 to 48 jobs per 100 residents. In time and beyond 2021, as Milton matures, this ratio will rise again to the level of at least one job for every two residents.
- Compared with the previous series of Best Planning Estimates published in June 2003, this new series has some substantial differences mostly as a result of the mandated growth targets in the Provincial Growth Plan. These differences are summarized in the table below. Milton, because of its unique position of being the only municipality with an ample supply of designated urban lands, will absorb the lion's share of the changes.

		<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
<b>2021 Population</b>	<b>June 2003 BPE</b>	592,300	184,500	231,800	106,000	70,000
	<b>April 2007 BPE</b>	628,900	182,000	229,500	147,400	70,000
	<b>Difference</b>	+36,600	-2,500	-2,300	+41,400	+0
	<b>% Change</b>	+6%	-1%	-1%	+39%	+0%
<b>2021 Dwelling Units</b>	<b>June 2003 BPE</b>	215,848	74,000	82,979	34,264	24,606
	<b>April 2007 BPE</b>	230,917	73,559	84,378	48,198	24,782
	<b>Difference</b>	+15,069	-441	+1,399	+13,934	+176
	<b>% Change</b>	+7%	-1%	+2%	+41%	+1%
	<b>June 2003 BPE</b>	307,710	106,610	118,330	53,360	29,410

<b>2021 Employment</b>	<b>April 2007 BPE</b>	340,000	108,000	130,000	71,000	31,000
	<b>Difference</b>	+32,290	+1,390	+11,670	+17,640	+1,590
	<b>% Change</b>	+10%	+1%	+10%	+33%	+5%

## 7 Future Updates

These Best Planning Estimates only forecast population and employment growth to the year 2021, the current planning horizon in the Region's and Local Municipalities' Official Plans, and within the current Official Plan Urban Area envelopes. In early 2006, Regional Council endorsed a multi-year work plan to look at the implications of the Provincial Growth Plan, which mandates a longer planning horizon of 2031. It is most likely that, in order to accommodate the growth to this new horizon, additional Urban Areas will need to be introduced. This multi-year work plan is scheduled for completion in mid-2009, at which time Regional Council is expected to adopt a new Official Plan or a major Official Plan Amendment reflecting the new planning horizon as well as a new urban structure for Halton Region. By that time, additional information on the number of person per units by housing type from the 2006 Census would also be available. That would be the time for the next update of the Best Planning Estimates.

If any user of these Estimates is aware of other sources of forecasts or relevant information, the Long Range Planning Section will appreciate being apprised of these sources to assist in future reviews and updates of the Estimates.

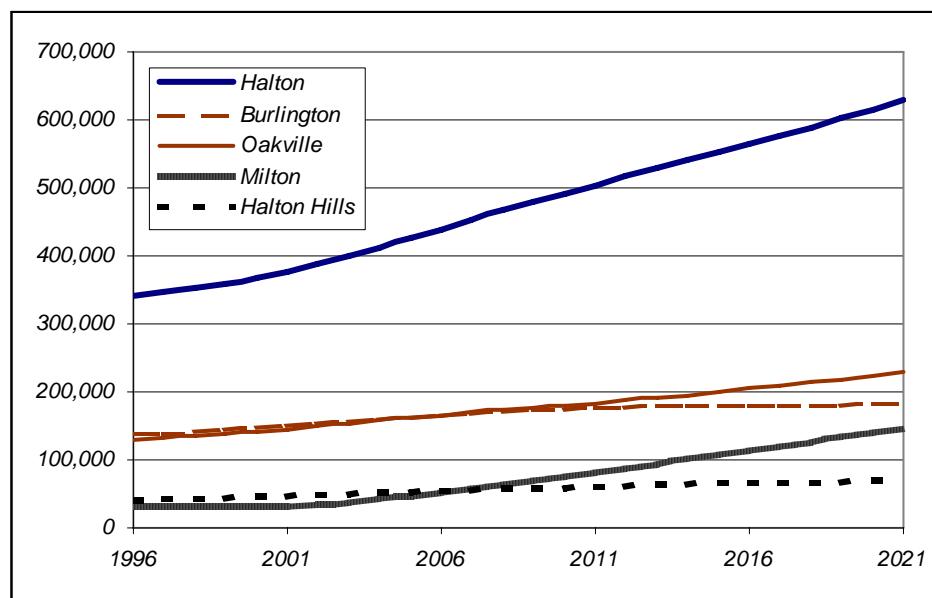
Any update of the Best Planning Estimates will be published in a future Research Paper presented for endorsement by Regional Council. For enquiries on the estimates themselves and related matters, please contact:

***Long Range Planning Section  
Planning & Transportation Services Division  
Planning & Public Works Department  
Regional Municipality of Halton  
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or visit the Region's website at:

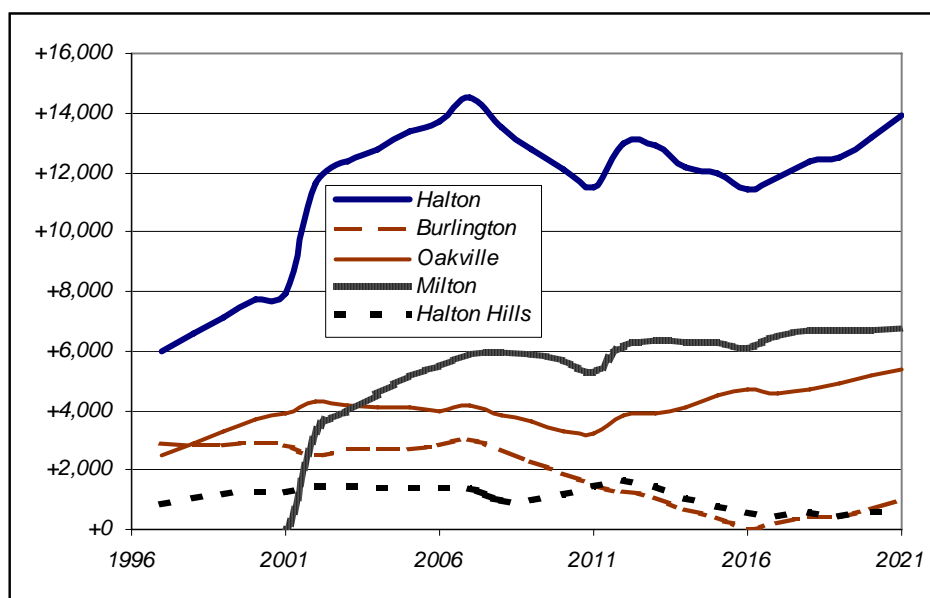
***“[www.halton.ca](http://www.halton.ca)”.***

TABLE 1 POPULATION					
<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
1996	340,000	136,800	128,600	32,300	42,300
1997	346,000	139,700	131,100	32,000	43,200
1998	352,600	142,500	134,000	31,800	44,300
1999	359,700	145,300	137,300	31,600	45,500
2000	367,400	148,200	141,000	31,400	46,800
2001	375,300	151,000	144,900	31,300	48,100
2002	386,900	153,500	149,200	34,600	49,600
2003	399,300	156,200	153,400	38,600	51,100
2004	412,100	158,900	157,500	43,200	52,500
2005	425,500	161,600	161,600	48,400	53,900
2006	439,200	164,400	165,600	53,900	55,300
2007	453,700	167,400	169,800	59,800	56,700
2008	467,200	170,100	173,600	65,800	57,700
2009	480,000	172,400	177,200	71,700	58,700
2010	492,100	174,300	180,500	77,400	59,900
2011	503,600	175,800	183,700	82,700	61,400
2012	516,600	177,100	187,500	88,900	63,100
2013	529,500	178,200	191,400	95,300	64,600
2014	541,700	178,900	195,500	101,600	65,700
2015	553,700	179,300	200,000	107,900	66,500
2016	565,100	179,300	204,700	114,000	67,100
2017	576,900	179,500	209,300	120,500	67,600
2018	589,300	179,900	214,000	127,200	68,200
2019	601,800	180,300	218,900	133,900	68,700
2020	615,000	181,000	224,100	140,600	69,300
2021	628,900	182,000	229,500	147,400	70,000



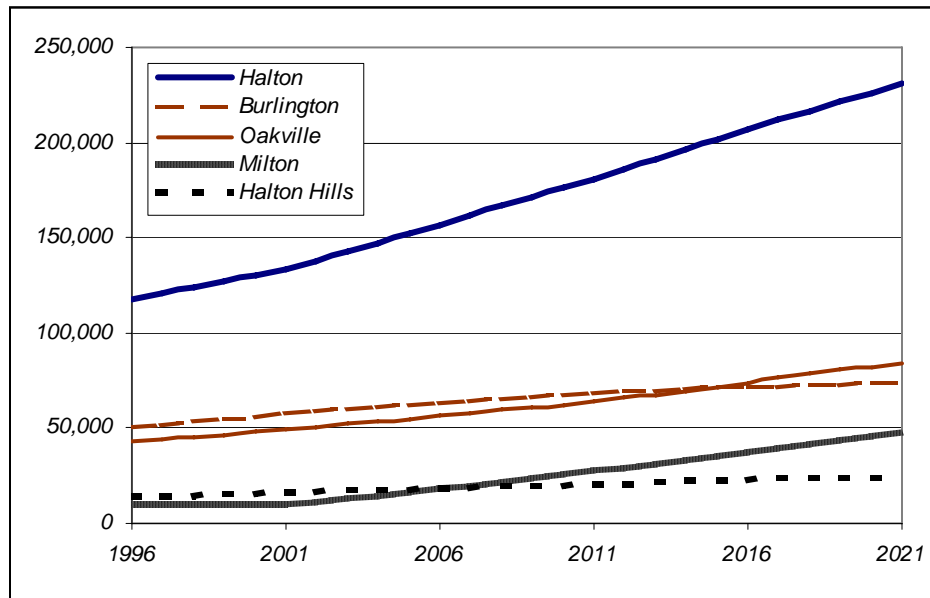
**TABLE 2 ANNUAL POPULATION CHANGES**

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
1997	+6,000	+2,900	+2,500	-300	+900
1998	+6,600	+2,800	+2,900	-200	+1,100
1999	+7,100	+2,800	+3,300	-200	+1,200
2000	+7,700	+2,900	+3,700	-200	+1,300
2001	+7,900	+2,800	+3,900	-100	+1,300
2002	+11,600	+2,500	+4,300	+3,300	+1,500
2003	+12,400	+2,700	+4,200	+4,000	+1,500
2004	+12,800	+2,700	+4,100	+4,600	+1,400
2005	+13,400	+2,700	+4,100	+5,200	+1,400
2006	+13,700	+2,800	+4,000	+5,500	+1,400
2007	+14,500	+3,000	+4,200	+5,900	+1,400
2008	+13,500	+2,700	+3,800	+6,000	+1,000
2009	+12,800	+2,300	+3,600	+5,900	+1,000
2010	+12,100	+1,900	+3,300	+5,700	+1,200
2011	+11,500	+1,500	+3,200	+5,300	+1,500
2012	+13,000	+1,300	+3,800	+6,200	+1,700
2013	+12,900	+1,100	+3,900	+6,400	+1,500
2014	+12,200	+700	+4,100	+6,300	+1,100
2015	+12,000	+400	+4,500	+6,300	+800
2016	+11,400	+0	+4,700	+6,100	+600
2017	+11,800	+200	+4,600	+6,500	+500
2018	+12,400	+400	+4,700	+6,700	+600
2019	+12,500	+400	+4,900	+6,700	+500
2020	+13,200	+700	+5,200	+6,700	+600
2021	+13,900	+1,000	+5,400	+6,800	+700



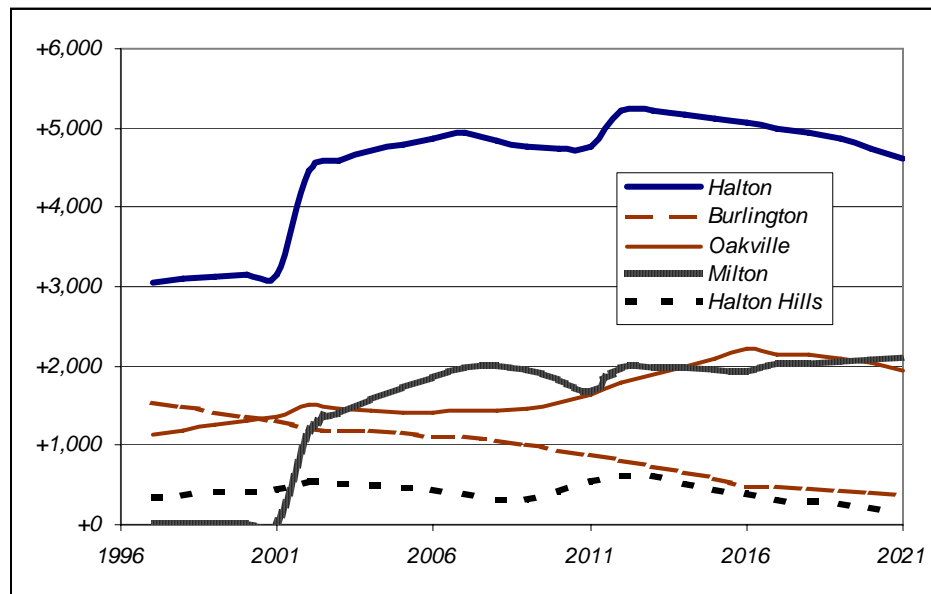
**TABLE 3 OCCUPIED DWELLING UNITS**

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
1996	117,945	50,225	42,990	10,455	14,275
1997	120,995	51,775	44,112	10,492	14,617
1998	124,093	53,254	45,309	10,529	15,001
1999	127,225	54,668	46,573	10,566	15,418
2000	130,377	56,021	47,895	10,603	15,857
2001	133,535	57,320	49,265	10,640	16,310
2002	137,995	58,527	50,779	11,832	16,857
2003	142,586	59,720	52,248	13,240	17,378
2004	147,288	60,893	53,685	14,834	17,876
2005	152,081	62,041	55,107	16,580	18,353
2006	156,947	63,159	56,528	18,448	18,812
2007	161,884	64,273	57,953	20,446	19,212
2008	166,722	65,329	59,398	22,453	19,542
2009	171,478	66,328	60,868	24,410	19,872
2010	176,222	67,271	62,398	26,261	20,292
2011	180,987	68,159	64,028	27,948	20,852
2012	186,206	68,959	65,819	29,936	21,492
2013	191,435	69,689	67,704	31,930	22,112
2014	196,601	70,344	69,695	33,920	22,642
2015	201,706	70,918	71,800	35,896	23,092
2016	206,777	71,409	74,028	37,848	23,492
2017	211,781	71,896	76,173	39,880	23,832
2018	216,715	72,346	78,307	41,930	24,132
2019	221,572	72,769	80,402	43,999	24,402
2020	226,315	73,170	82,435	46,088	24,622
2021	230,917	73,559	84,378	48,198	24,782



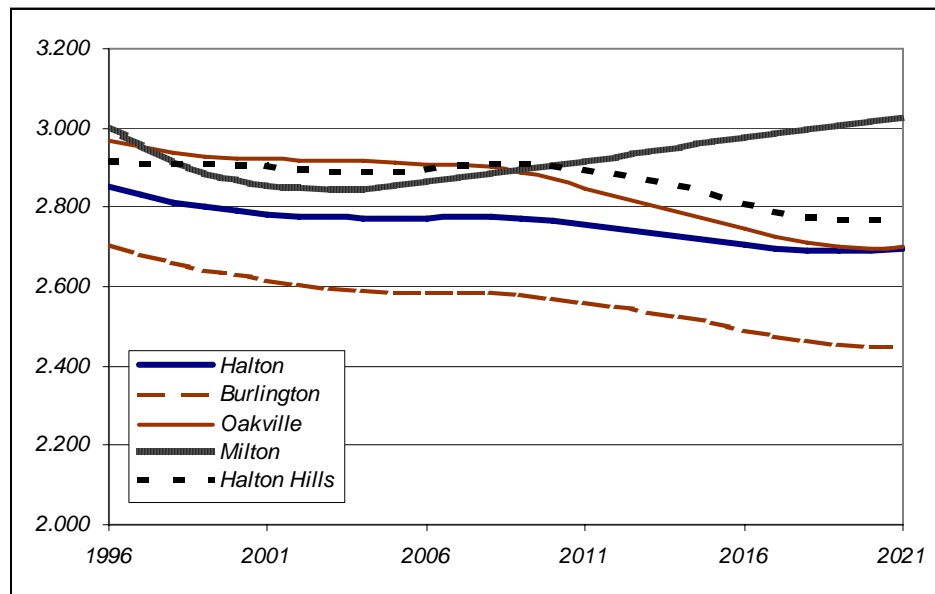
**TABLE 4 ANNUAL DWELLING UNIT CHANGES**

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
<b>1997</b>	+3,050	+1,550	+1,122	+37	+342
<b>1998</b>	+3,098	+1,479	+1,197	+37	+384
<b>1999</b>	+3,132	+1,414	+1,264	+37	+417
<b>2000</b>	+3,152	+1,354	+1,322	+37	+440
<b>2001</b>	+3,158	+1,299	+1,370	+37	+453
<b>2002</b>	+4,460	+1,207	+1,514	+1,192	+547
<b>2003</b>	+4,591	+1,193	+1,468	+1,408	+521
<b>2004</b>	+4,702	+1,173	+1,438	+1,593	+498
<b>2005</b>	+4,794	+1,148	+1,422	+1,746	+477
<b>2006</b>	+4,866	+1,118	+1,421	+1,868	+459
<b>2007</b>	+4,937	+1,114	+1,425	+1,998	+400
<b>2008</b>	+4,837	+1,056	+1,445	+2,006	+330
<b>2009</b>	+4,756	+999	+1,470	+1,957	+330
<b>2010</b>	+4,744	+943	+1,530	+1,851	+420
<b>2011</b>	+4,765	+888	+1,630	+1,687	+560
<b>2012</b>	+5,219	+800	+1,791	+1,988	+640
<b>2013</b>	+5,230	+730	+1,886	+1,994	+620
<b>2014</b>	+5,165	+655	+1,990	+1,990	+530
<b>2015</b>	+5,106	+575	+2,105	+1,976	+450
<b>2016</b>	+5,071	+491	+2,228	+1,952	+400
<b>2017</b>	+5,004	+487	+2,145	+2,032	+340
<b>2018</b>	+4,934	+451	+2,133	+2,050	+300
<b>2019</b>	+4,857	+422	+2,096	+2,069	+270
<b>2020</b>	+4,743	+402	+2,032	+2,089	+220
<b>2021</b>	+4,602	+389	+1,943	+2,110	+160



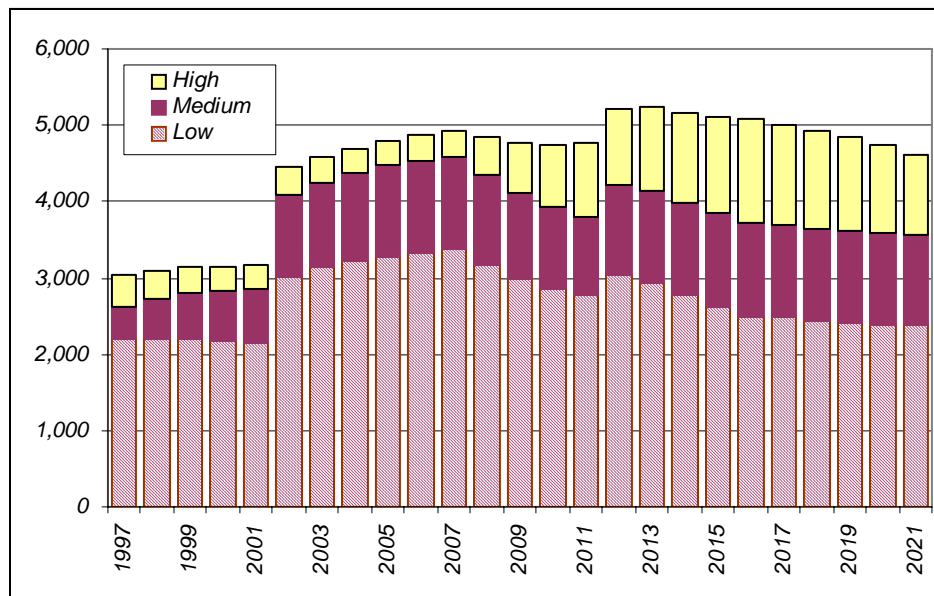
**TABLE 5 OVERALL PERSONS PER DWELLING UNIT**

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
1996	2.854	2.705	2.969	3.007	2.915
1997	2.830	2.679	2.950	2.957	2.914
1998	2.813	2.658	2.937	2.918	2.913
1999	2.799	2.641	2.928	2.890	2.911
2000	2.790	2.628	2.923	2.870	2.908
2001	2.783	2.617	2.921	2.858	2.906
2002	2.778	2.606	2.919	2.850	2.898
2003	2.774	2.597	2.918	2.847	2.894
2004	2.772	2.591	2.916	2.850	2.893
2005	2.771	2.587	2.913	2.856	2.894
2006	2.772	2.584	2.909	2.865	2.896
2007	2.775	2.586	2.908	2.876	2.906
2008	2.776	2.584	2.901	2.887	2.910
2009	2.773	2.579	2.889	2.899	2.911
2010	2.766	2.571	2.871	2.909	2.907
2011	2.756	2.560	2.848	2.916	2.900
2012	2.748	2.549	2.828	2.929	2.888
2013	2.738	2.536	2.807	2.942	2.874
2014	2.729	2.523	2.786	2.955	2.857
2015	2.718	2.507	2.765	2.966	2.836
2016	2.707	2.490	2.745	2.977	2.811
2017	2.698	2.476	2.726	2.988	2.793
2018	2.692	2.464	2.711	3.000	2.779
2019	2.689	2.456	2.701	3.010	2.770
2020	2.691	2.451	2.697	3.019	2.769
2021	2.697	2.452	2.700	3.027	2.777



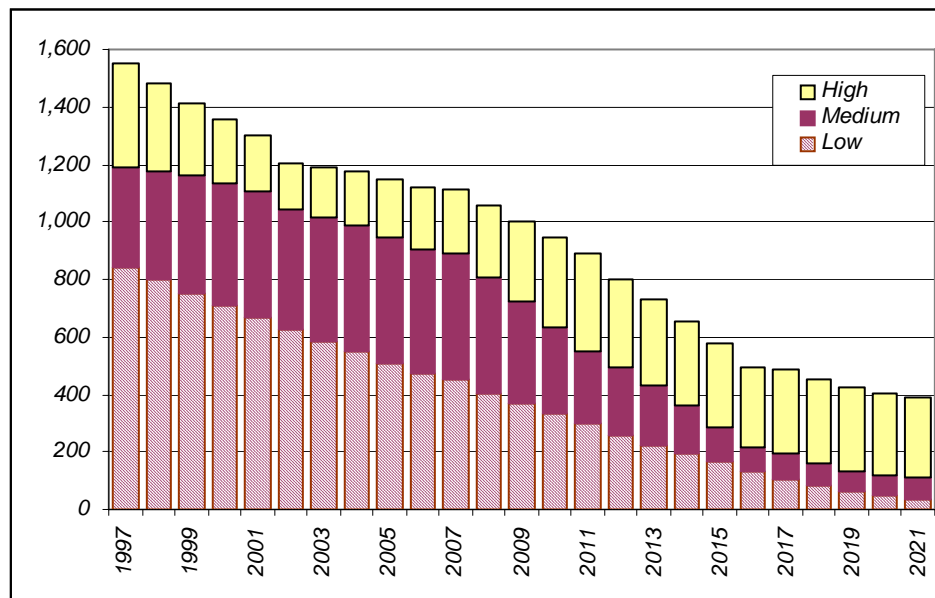
**TABLE 6 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--HALTON**

<i>Year</i>	<i>All Densities</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
<b>1997</b>	3,050	2,193	434	424
<b>1998</b>	3,098	2,199	525	374
<b>1999</b>	3,132	2,192	602	337
<b>2000</b>	3,152	2,173	667	312
<b>2001</b>	3,158	2,142	718	298
<b>2002</b>	4,460	3,019	1,079	362
<b>2003</b>	4,591	3,136	1,120	334
<b>2004</b>	4,702	3,226	1,155	321
<b>2005</b>	4,794	3,288	1,182	324
<b>2006</b>	4,866	3,323	1,202	341
<b>2007</b>	4,937	3,375	1,202	361
<b>2008</b>	4,837	3,173	1,171	493
<b>2009</b>	4,756	2,993	1,123	641
<b>2010</b>	4,744	2,864	1,073	807
<b>2011</b>	4,765	2,780	1,012	973
<b>2012</b>	5,219	3,032	1,181	1,006
<b>2013</b>	5,230	2,943	1,195	1,091
<b>2014</b>	5,165	2,777	1,205	1,184
<b>2015</b>	5,106	2,633	1,209	1,264
<b>2016</b>	5,071	2,500	1,228	1,343
<b>2017</b>	5,004	2,489	1,199	1,316
<b>2018</b>	4,934	2,445	1,199	1,291
<b>2019</b>	4,857	2,419	1,198	1,241
<b>2020</b>	4,743	2,389	1,198	1,156
<b>2021</b>	4,602	2,377	1,187	1,037



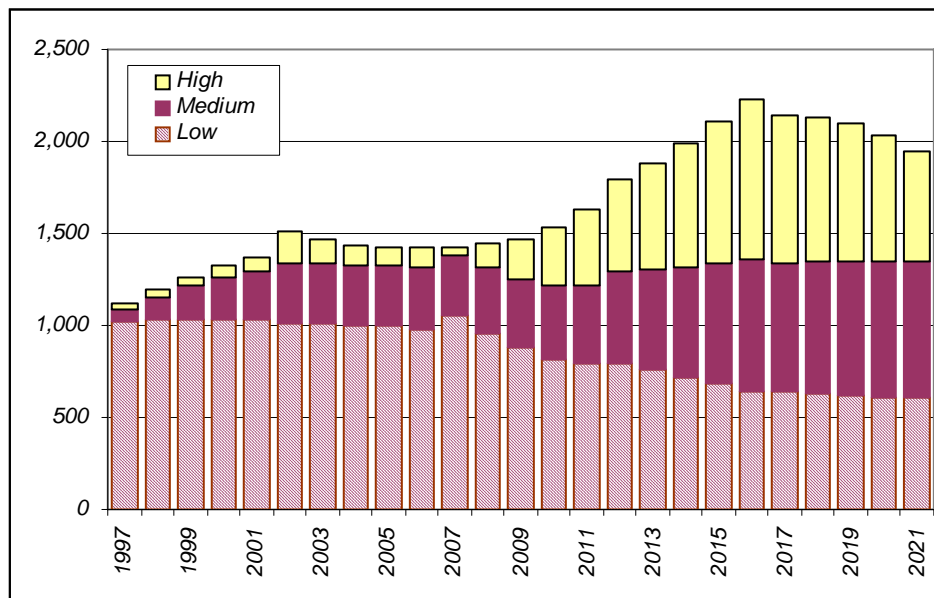
**TABLE 7 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--BURLINGTON**

<i>Year</i>	<i>All Densities</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
<b>1997</b>	1,550	845	345	360
<b>1998</b>	1,479	798	379	303
<b>1999</b>	1,414	752	406	256
<b>2000</b>	1,354	709	426	219
<b>2001</b>	1,299	666	440	193
<b>2002</b>	1,207	627	418	162
<b>2003</b>	1,193	587	431	174
<b>2004</b>	1,173	549	438	187
<b>2005</b>	1,148	511	439	199
<b>2006</b>	1,118	473	433	212
<b>2007</b>	1,114	449	441	224
<b>2008</b>	1,056	406	401	249
<b>2009</b>	999	367	355	277
<b>2010</b>	943	331	304	308
<b>2011</b>	888	298	249	342
<b>2012</b>	800	257	240	303
<b>2013</b>	730	225	204	301
<b>2014</b>	655	194	165	296
<b>2015</b>	575	164	124	287
<b>2016</b>	491	135	80	275
<b>2017</b>	487	108	85	294
<b>2018</b>	451	85	73	292
<b>2019</b>	422	66	67	289
<b>2020</b>	402	49	67	285
<b>2021</b>	389	36	73	280



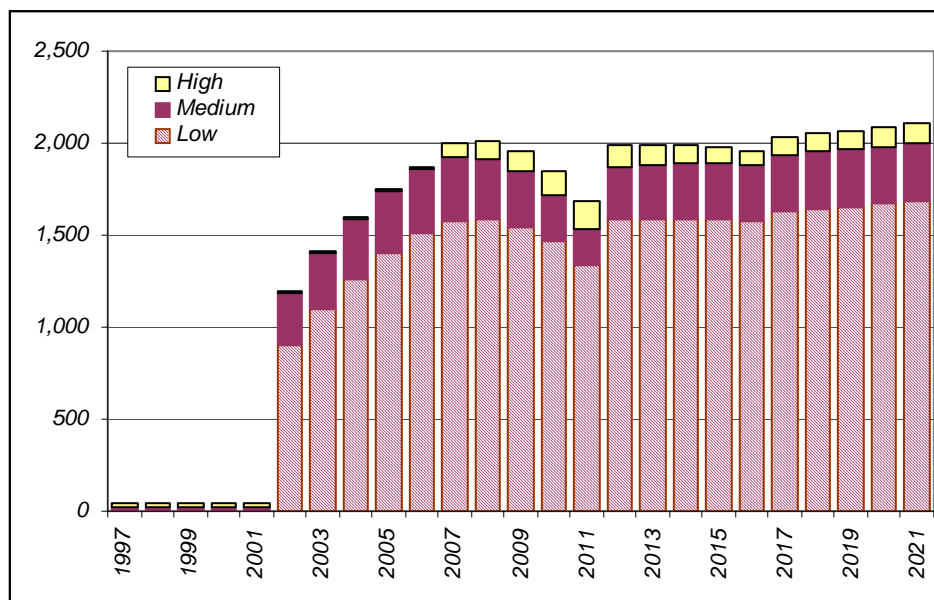
**TABLE 8 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--OAKVILLE**

<i>Year</i>	<i>All Densities</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
<b>1997</b>	1,122	1,017	72	33
<b>1998</b>	1,197	1,028	129	41
<b>1999</b>	1,264	1,034	180	50
<b>2000</b>	1,322	1,036	224	62
<b>2001</b>	1,370	1,034	261	75
<b>2002</b>	1,514	1,007	332	175
<b>2003</b>	1,468	1,008	325	135
<b>2004</b>	1,438	1,004	323	110
<b>2005</b>	1,422	996	326	100
<b>2006</b>	1,421	983	334	104
<b>2007</b>	1,425	1,049	335	41
<b>2008</b>	1,445	962	353	130
<b>2009</b>	1,470	878	371	221
<b>2010</b>	1,530	820	394	316
<b>2011</b>	1,630	791	422	417
<b>2012</b>	1,791	793	496	501
<b>2013</b>	1,886	758	543	585
<b>2014</b>	1,990	722	595	674
<b>2015</b>	2,105	684	652	769
<b>2016</b>	2,228	644	714	871
<b>2017</b>	2,145	641	699	805
<b>2018</b>	2,133	626	718	789
<b>2019</b>	2,096	616	731	749
<b>2020</b>	2,032	611	737	684
<b>2021</b>	1,943	611	738	595



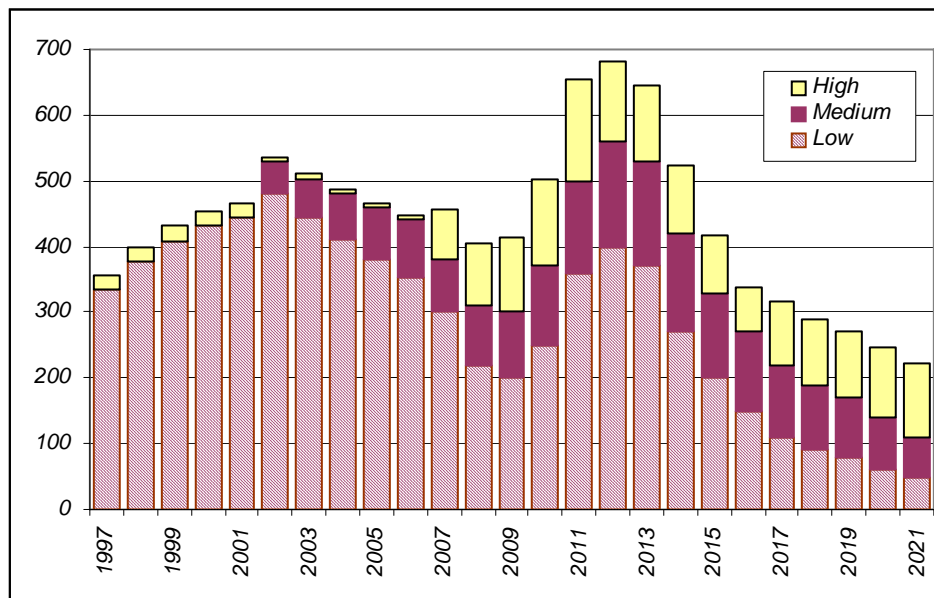
**TABLE 9 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--MILTON**

<i>Year</i>	<i>All Densities</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
<b>1997</b>	37	-3	18	22
<b>1998</b>	37	-3	18	22
<b>1999</b>	37	-3	18	22
<b>2000</b>	37	-3	18	22
<b>2001</b>	37	-3	18	22
<b>2002</b>	1,192	903	281	7
<b>2003</b>	1,408	1,096	305	7
<b>2004</b>	1,593	1,262	324	7
<b>2005</b>	1,746	1,401	338	7
<b>2006</b>	1,868	1,513	347	7
<b>2007</b>	1,998	1,577	345	76
<b>2008</b>	2,006	1,586	327	94
<b>2009</b>	1,957	1,548	297	113
<b>2010</b>	1,851	1,463	255	133
<b>2011</b>	1,687	1,332	202	153
<b>2012</b>	1,988	1,582	285	122
<b>2013</b>	1,994	1,590	289	115
<b>2014</b>	1,990	1,592	295	103
<b>2015</b>	1,976	1,585	303	88
<b>2016</b>	1,952	1,571	313	67
<b>2017</b>	2,032	1,630	305	97
<b>2018</b>	2,050	1,644	308	99
<b>2019</b>	2,069	1,657	310	102
<b>2020</b>	2,089	1,669	313	107
<b>2021</b>	2,110	1,681	316	112



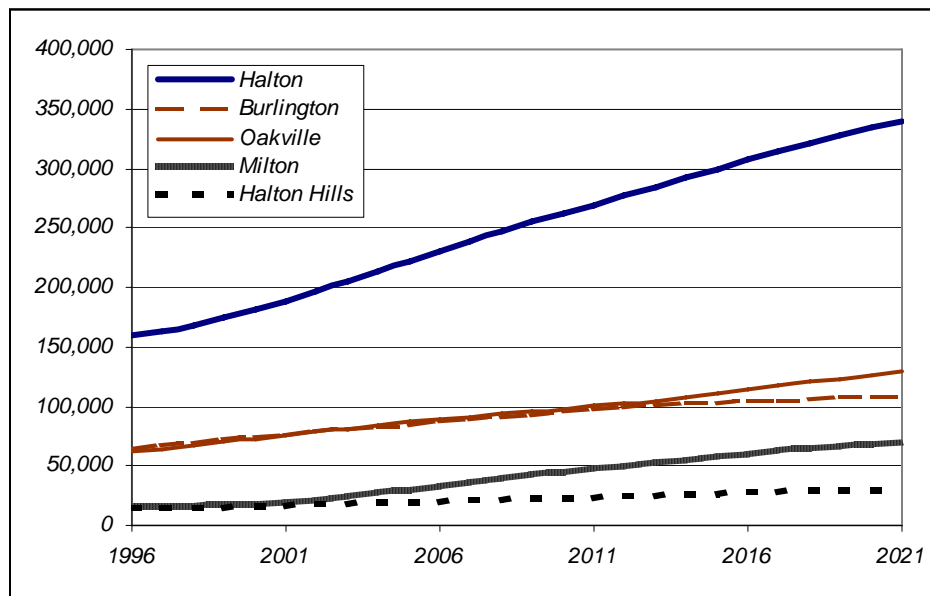
**TABLE 10 NUMBER OF NEW DWELLING UNITS BY DENSITY TYPE--HALTON HILLS**

<i>Year</i>	<i>All Densities</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
<b>1997</b>	342	334	-1	9
<b>1998</b>	384	376	-1	9
<b>1999</b>	417	409	-1	9
<b>2000</b>	440	432	-1	9
<b>2001</b>	453	445	-1	9
<b>2002</b>	547	482	47	18
<b>2003</b>	521	445	59	18
<b>2004</b>	498	411	69	18
<b>2005</b>	477	381	79	18
<b>2006</b>	459	353	88	18
<b>2007</b>	400	300	80	20
<b>2008</b>	330	220	90	20
<b>2009</b>	330	200	100	30
<b>2010</b>	420	250	120	50
<b>2011</b>	560	360	140	60
<b>2012</b>	640	400	160	80
<b>2013</b>	620	370	160	90
<b>2014</b>	530	270	150	110
<b>2015</b>	450	200	130	120
<b>2016</b>	400	150	120	130
<b>2017</b>	340	110	110	120
<b>2018</b>	300	90	100	110
<b>2019</b>	270	80	90	100
<b>2020</b>	220	60	80	80
<b>2021</b>	160	50	60	50



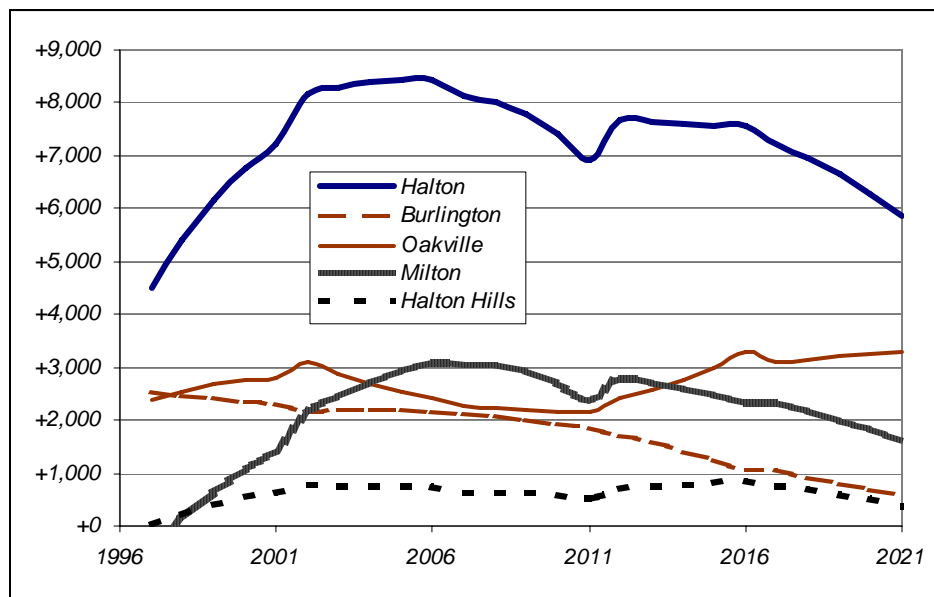
# TABLE 11 EMPLOYMENT

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
<b>1996</b>	159,000	64,000	62,200	17,600	15,200
<b>1997</b>	163,490	66,538	64,592	17,120	15,241
<b>1998</b>	168,883	69,013	67,144	17,244	15,482
<b>1999</b>	175,031	71,429	69,820	17,888	15,894
<b>2000</b>	181,786	73,790	72,584	18,968	16,443
<b>2001</b>	189,000	76,100	75,400	20,400	17,100
<b>2002</b>	197,178	78,262	78,485	22,554	17,877
<b>2003</b>	205,476	80,449	81,354	25,026	18,646
<b>2004</b>	213,854	82,645	84,042	27,762	19,406
<b>2005</b>	222,275	84,834	86,579	30,705	20,158
<b>2006</b>	230,700	87,000	89,000	33,800	20,900
<b>2007</b>	238,827	89,130	91,277	36,867	21,554
<b>2008</b>	246,854	91,209	93,502	39,930	22,213
<b>2009</b>	254,646	93,223	95,690	42,878	22,855
<b>2010</b>	262,073	95,158	97,851	45,605	23,458
<b>2011</b>	269,000	97,000	100,000	48,000	24,000
<b>2012</b>	276,663	98,707	102,410	50,813	24,733
<b>2013</b>	284,288	100,278	104,974	53,542	25,494
<b>2014</b>	291,882	101,694	107,734	56,166	26,288
<b>2015</b>	299,451	102,941	110,729	58,659	27,122
<b>2016</b>	307,000	104,000	114,000	61,000	28,000
<b>2017</b>	314,226	105,040	117,088	63,326	28,771
<b>2018</b>	321,195	105,960	120,244	65,511	29,480
<b>2019</b>	327,851	106,760	123,456	67,533	30,102
<b>2020</b>	334,138	107,440	126,712	69,370	30,617
<b>2021</b>	340,000	108,000	130,000	71,000	31,000



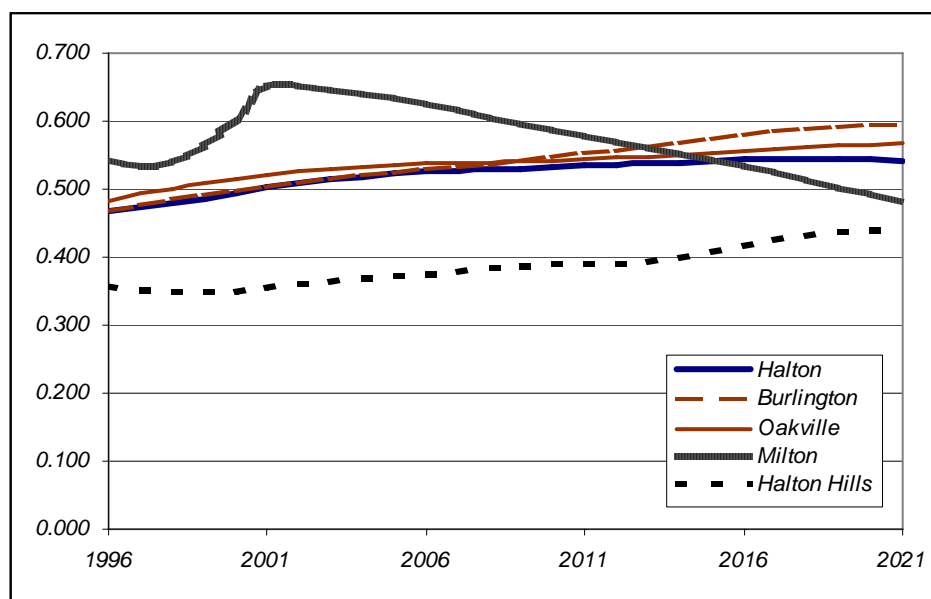
**TABLE 12 ANNUAL EMPLOYMENT CHANGES**

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
<b>1997</b>	+4,490	+2,538	+2,392	-480	+41
<b>1998</b>	+5,393	+2,475	+2,552	+124	+242
<b>1999</b>	+6,148	+2,416	+2,676	+644	+411
<b>2000</b>	+6,755	+2,361	+2,764	+1,080	+550
<b>2001</b>	+7,214	+2,310	+2,816	+1,432	+657
<b>2002</b>	+8,178	+2,162	+3,085	+2,154	+777
<b>2003</b>	+8,298	+2,187	+2,870	+2,472	+769
<b>2004</b>	+8,379	+2,196	+2,687	+2,735	+761
<b>2005</b>	+8,421	+2,189	+2,538	+2,943	+752
<b>2006</b>	+8,425	+2,166	+2,421	+3,095	+742
<b>2007</b>	+8,127	+2,130	+2,277	+3,067	+654
<b>2008</b>	+8,026	+2,079	+2,226	+3,062	+659
<b>2009</b>	+7,793	+2,014	+2,187	+2,949	+642
<b>2010</b>	+7,426	+1,935	+2,162	+2,726	+603
<b>2011</b>	+6,927	+1,842	+2,149	+2,395	+542
<b>2012</b>	+7,663	+1,707	+2,410	+2,813	+733
<b>2013</b>	+7,625	+1,570	+2,564	+2,730	+761
<b>2014</b>	+7,594	+1,417	+2,759	+2,623	+795
<b>2015</b>	+7,569	+1,246	+2,995	+2,494	+834
<b>2016</b>	+7,549	+1,059	+3,271	+2,341	+878
<b>2017</b>	+7,226	+1,040	+3,088	+2,326	+771
<b>2018</b>	+6,969	+920	+3,156	+2,185	+708
<b>2019</b>	+6,656	+800	+3,212	+2,022	+623
<b>2020</b>	+6,287	+680	+3,256	+1,837	+514
<b>2021</b>	+5,862	+560	+3,288	+1,630	+383



**TABLE 13 EMPLOYMENT TO POPULATION RATIOS**

<i>Year</i>	<i>Halton</i>	<i>Burlington</i>	<i>Oakville</i>	<i>Milton</i>	<i>Halton Hills</i>
1996	0.468	0.468	0.484	0.545	0.359
1997	0.473	0.476	0.493	0.535	0.353
1998	0.479	0.484	0.501	0.542	0.349
1999	0.487	0.492	0.509	0.566	0.349
2000	0.495	0.498	0.515	0.604	0.351
2001	0.504	0.504	0.520	0.652	0.356
2002	0.510	0.510	0.526	0.652	0.360
2003	0.515	0.515	0.530	0.648	0.365
2004	0.519	0.520	0.534	0.643	0.370
2005	0.522	0.525	0.536	0.634	0.374
2006	0.525	0.529	0.537	0.627	0.378
2007	0.526	0.532	0.538	0.617	0.380
2008	0.528	0.536	0.539	0.607	0.385
2009	0.531	0.541	0.540	0.598	0.389
2010	0.533	0.546	0.542	0.589	0.392
2011	0.534	0.552	0.544	0.580	0.391
2012	0.536	0.557	0.546	0.572	0.392
2013	0.537	0.563	0.548	0.562	0.395
2014	0.539	0.568	0.551	0.553	0.400
2015	0.541	0.574	0.554	0.544	0.408
2016	0.543	0.580	0.557	0.535	0.417
2017	0.545	0.585	0.559	0.526	0.426
2018	0.545	0.589	0.562	0.515	0.432
2019	0.545	0.592	0.564	0.504	0.438
2020	0.543	0.594	0.565	0.493	0.442
2021	0.541	0.593	0.566	0.482	0.443




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## Appendix C – Overhead Distribution Inspection

<b>Milton Hydro Distribution Inc.</b>									
OVERHEAD DISTRIBUTION SYSTEM INSPECTION									
<b>POLE I.D. #</b>		<div style="display: flex; justify-content: space-between;"> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> </div>							
<b>Loc#'s / &amp; or SW#'s</b>		<div style="display: flex; justify-content: space-between;"> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> <div><input type="text"/></div> </div>							
<b>Address/Location</b>		<input style="width: 100%;" type="text"/>							
<b>Between Pole#</b>		<input type="text"/> & <input type="text"/>		<b>Details:</b> <input style="width: 100%;" type="text"/>					
<hr/>									
<b>GUYING</b>						<b>Repair Recommendation</b>			
						Urgent		Schedule	
<input type="checkbox"/>	Needs new guy guard				yellow	<input type="checkbox"/>	green	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Re-tighten								
<input type="checkbox"/>	Strain link stick rubbing conductor								
<input type="checkbox"/>	Anchor looks to be pulled out								
<input type="checkbox"/>	Needs guy serve								
<input type="checkbox"/>	Other: <input style="width: 100%;" type="text"/>								
<hr/>									
<b>POLE</b>						<b>Repair Recommendation</b>			
						Urgent		Schedule	
<input type="checkbox"/>	wood				<input type="checkbox"/>	concrete			
<input type="checkbox"/>	Pole condition (appearance, poor/cracked)								
<input type="checkbox"/>	Top pin or Top mounting hardware, may have to be relocated								
<input type="checkbox"/>	Vehicular accident (snowplow etc.)								
<input type="checkbox"/>	Pole leaning excessively								
<input type="checkbox"/>	Other: <input style="width: 100%;" type="text"/>								
<hr/>									
<b>HARDWARE</b>		<b>PROBLEM SUSPECTED</b>				<b>Repair Recommendation</b>			
						Urgent		Schedule	
<input type="checkbox"/>	X Arm (wooden)	Cracked & Or Rotten	<input type="checkbox"/>	Repair	<input type="checkbox"/>	Replace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		# of Phases	<input type="text"/>						
<input type="checkbox"/>	Wire Conductor				Phase & Or Insulator				
<input type="checkbox"/>	Transformer				Road	<input type="text"/>	Top	<input type="text"/>	
<input type="checkbox"/>	Insulator				Centre	<input type="text"/>	Centre	<input type="text"/>	
<input type="checkbox"/>	Switch(es)	<input type="text"/> kV			Field	<input type="text"/>	Bottom	<input type="text"/>	
<input type="checkbox"/>	Arrestor blown	<input type="text"/> kV							
<input type="checkbox"/>	Connections								
<input type="checkbox"/>	Grounding loose off pole (molding if required)								
<input type="checkbox"/>	Wooden insulator pin should be replaced								
<input type="checkbox"/>	Steel insulator pin loose needs keeper nut assembly								
<input type="checkbox"/>	No animal guard (27.6 kV)								
<input type="checkbox"/>	Existing RAY-CHEM guard (27.6kV)								
<input type="checkbox"/>	Other: <input style="width: 100%;" type="text"/>								
<hr/>									
<b>Inspected By:</b> <input style="width: 100%;" type="text"/>					<b>Date:</b> <input style="width: 100%;" type="text"/>				
<b>Repaired By:</b> <input style="width: 100%;" type="text"/>					<b>Date:</b> <input style="width: 100%;" type="text"/>				
<b>WO#:</b> <input style="width: 100%;" type="text"/>									

## Appendix D – Transformer Maintenance Inspection

		Milton Hydro	
Transformer Maintenance Inspection Checklist			
Address (Location):			
Location #			
Type:	Submersible	Voltage:	16 kV
	Vault		8 kV
	Pad Mount		4.8 kV
	Pole Mount		2.4 kV
<b>Transformer Maintenance Checklist:</b>			
Yes	No	N/A	
			Danger High Voltage Sign in place
			Transformer Location Number in place
			High Voltage Cables identified & legible
			Open Point (correctly identified on drawing)
			Secondary Cables identified & legible
			Exterior of Transformer in good condition (please comment below, if necessary)
			Evidence of Oil Leak in Vault
			Drain functioning
			Water test required for contaminants
			Hinges in good condition (oil, if necessary)
			Grounding cable/connections secure/good condition
			Primary Neutral connections secure/good condition
			Primary Insulators in good condition
			Secondary Insulators in good condition
			Concrete Pad Base and Top in good condition
			Transformer square on base
			Submersible collar aligned with base
			Submersible Vault drain working
			Galvanize Submersible top and Grate ends in good condition
			Vault Room Lighting (in working condition)
			Padlock in place
			1/2" nuts installed and secure (submersible vaults)
			Door Hasp, Padlock secure (vault rooms)
			Fault Indicators in place
			Arrestor protection in operating condition
			New Hazard Identified
Comments:			
Completed by:		Date:	
Follow-up by		Date:	
303-1-FOR-Transformer Maintenance Inspection			
V2			

## Appendix E – Switch Cubicle Maintenance

		Milton Hydro																																																																																					
		Switching Cubicle Maintenance Checklist																																																																																					
Address/Location:																																																																																							
Switching Cubicle #:																																																																																							
Type:		Voltage:		27.6 kV																																																																																			
Date of Mfg.:				13.8 kV																																																																																			
Serial #:		Fuse Size:																																																																																					
Model #:																																																																																							
<b>Switching Cubicle Maintenance Checklist:</b> <table border="1"> <thead> <tr> <th>Yes</th> <th>No</th> <th>N/A</th> <th></th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td><td>Nomenclature in place</td></tr> <tr><td></td><td></td><td></td><td>Phasing targets installed</td></tr> <tr><td></td><td></td><td></td><td>Cables properly labelled</td></tr> <tr><td></td><td></td><td></td><td>Contacts visually checked</td></tr> <tr><td></td><td></td><td></td><td>Switch Alignment checked</td></tr> <tr><td></td><td></td><td></td><td>Insulators in good condition (cleaning required)?</td></tr> <tr><td></td><td></td><td></td><td>Line/Load connections in good condition</td></tr> <tr><td></td><td></td><td></td><td>Grounding &amp; Neutral cable/connections in good condition</td></tr> <tr><td></td><td></td><td></td><td>Operating handle/joints/rods/brackets in good repair</td></tr> <tr><td></td><td></td><td></td><td>Line and load conductors at open point have been phase checked</td></tr> <tr><td></td><td></td><td></td><td>Exterior of switching cubicle in good conditions (paint-comment below if required)</td></tr> <tr><td></td><td></td><td></td><td>Hinges in good condition (oil if necessary)</td></tr> <tr><td></td><td></td><td></td><td>Unit aligned with base</td></tr> <tr><td></td><td></td><td></td><td>Replace flush mount bolts/nuts on access doors if required</td></tr> <tr><td></td><td></td><td></td><td>Concrete base in good condition</td></tr> <tr><td></td><td></td><td></td><td>Hex bolt padlock secure on unit</td></tr> <tr><td></td><td></td><td></td><td>Open hatch and check for water in base</td></tr> <tr><td></td><td></td><td></td><td>New Hazard Identified (comment below)</td></tr> </tbody> </table>												Yes	No	N/A					Nomenclature in place				Phasing targets installed				Cables properly labelled				Contacts visually checked				Switch Alignment checked				Insulators in good condition (cleaning required)?				Line/Load connections in good condition				Grounding & Neutral cable/connections in good condition				Operating handle/joints/rods/brackets in good repair				Line and load conductors at open point have been phase checked				Exterior of switching cubicle in good conditions (paint-comment below if required)				Hinges in good condition (oil if necessary)				Unit aligned with base				Replace flush mount bolts/nuts on access doors if required				Concrete base in good condition				Hex bolt padlock secure on unit				Open hatch and check for water in base				New Hazard Identified (comment below)
Yes	No	N/A																																																																																					
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Comments:																																																																																							
Completed by:						Date:																																																																																	
Follow-up by						Date:																																																																																	

## Appendix F – Substation Maintenance



# Milton Hydro

## Substation Maintenance Checklist

Substation #

- ☐ 1 (MRS) (MS#7) 5 Side Road (Regulator)
- ☐ 7 (5 Sideroad West of Appleby Line)
- ☐ 3 (Wilson Dr. North of Main St. - East Side)
- ☐ 4 (Derry Rd. - West of Bronte St.)
- ☐ 5 (MRS) Bronte St (Regulator)
- ☐ 6 (Sixth Line South of 25 Sideroad)
- ☐ 9 (Second Line North of 15 Sideroad)

### Inspection Checklist:

Yes	No	N/A	
			Fencing secure
			Inspect all locks and lubricate if required
			Align gates to open/close properly
			High Voltage Signs approximately every 6 m on all sides of fenced compound
			Grounding to fence/gates is in place & gates bonded
			Remove branches/shrubs growing through or near fence
			Weedeat inside compound and around perimeter of fence
			Remove garbage from compound
			Visual/audible check for broken insulators
			Check equipment for oil leaks
			Bunker doors clear of obstical (snow) & functional for emergency exit
			Debrise & or snow removed from operating switch platforms
			Check switch handles - clear of wasp nests
			New Hazard Identified
			Fire Extinguisher Charged

Comments:

Inspected by:

Date:

Follow-up by:

Date:

## Appendix G – Infrared Thermography

**Milton Hydro** 8069 Lawson Road Milton, Ontario.  
L9T 5C4

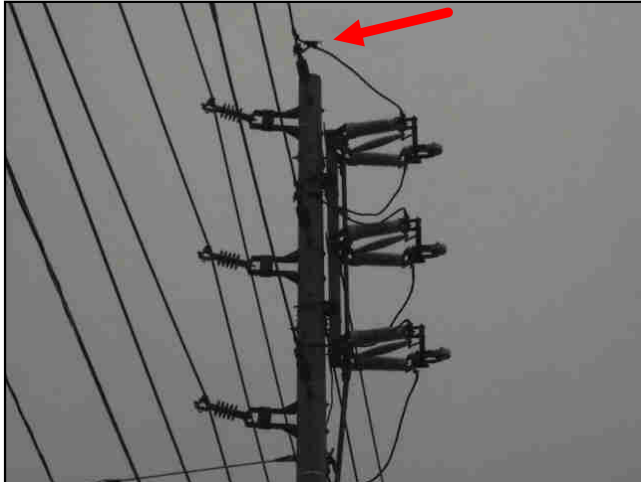
Scan Locations: **City of Milton & Surrounding Rural**

**Electrical Infrared Thermographic Inspection**



IR Reference # **101100**  
Inspection Dates: **February 16 - 19 & 22, 2010**

## Item #3



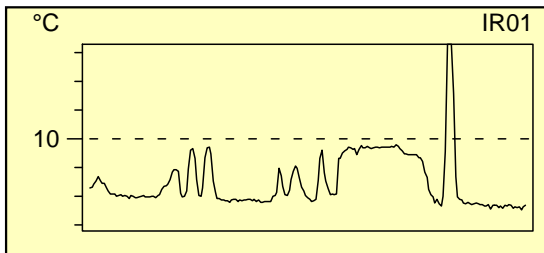
### Location

SWITCH LOCATION # **S386/S541**  
DERRY ROAD EAST,  
EAST OF THOMPSON ROAD SOUTH,  
**MILTON.**

### Description

FIELD SIDE CIRCUIT,  
UPPER PHASE AMPAC CONNECTOR  
OFF JUMPER / LEAD.

Object parameter	Value
Emissivity	0.96
Object distance	12.0 m
Ambient temperature	-0.7°C



### Observation

at 2/17/2010 3:12:00 PM

FAULT AR01...

**24.2°C**

OK AR02...

-

T.Rise...

**24.9°C**

PRIORITY:

### Notes & Recommendations

Repaired \_\_\_\_\_ by \_\_\_\_\_

# Repair Priority Recommendations

The classification of faults is presented in the following way:

$\Delta T:$   
 $\leq 5^{\circ}\text{C}$

*The beginning of a fault.* The object should be inspected again and repaired, if necessary, at the next planned maintenance stop.

$\Delta T:$   
 $5^{\circ}$  to  $30^{\circ}$

*Typical overheating.* The object should be kept under observation and repaired as soon as possible.

$\Delta T:$   
 $> 30^{\circ}\text{C}$

***Dangerous Overheating.***  
The object should be repaired immediately.

To estimate temperature rise at maximum load, Ohm's law is used.

$$P = U \cdot I = R \cdot I^2$$

P = Power (Watts), R = Resistance (Ohms)  
I = Current (Amps) U = Voltage (Volts)

Although the temperature rise is not quite linear with the power developed at the fault, this method gives an acceptable estimate of the temperature rise when the load (current) is different.

*Example...*

A temperature rise by  $8^{\circ}\text{C}$  at 20% load gives a rise of about  $50^{\circ}\text{C}$  at 50% load:

$$(50/20) \cdot (50/20) = 6,25; \quad \Rightarrow \quad 8^{\circ} \cdot 6,25 = 50^{\circ}\text{C}$$

The intent of this thermographic inspection was to survey the selected electrical equipment, locating potential problems and determine their seriousness.

At **Infrared Thermographic Analysis Inc.** we use various Industrial grade Infrared scanning systems including the *Flir Thermovision 570*, *Flir ThermoCAM P60* & *Flir P620*. These infrared scanners are used to detect defects in various electrical distribution systems.

These cameras can convert infrared (or heat) radiation into a visible image. During the survey, digital Infrared images and normal pictures were taken to depict the extent and location of the defects.

Since infrared energy is a direct and proportional function of temperature, the image is designed to depict temperature levels on the monitor. Utilizing a special feature (isotherms) on the Thermovision system, temperature differentials can be established. Temperature differences as minute as  $0.2^{\circ}\text{C}$  can be detected, measured and recorded. Various shades of grey or hues of colour represent different temperature levels. Black corresponds to a colder temperature and white indicates a hotter temperature.

The actual amount of heat emitted from a failing electrical component depends on both the ambient conditions and the actual current flow through that point. High voltage electrical currents will stress most components and are easily detected, while some incipient failures will not occur unless the apparatus is subject to very high loads.

Where a defect has been discovered, our inspector has taken a thermal image of that fault and has included it in the report which follows.

Beside each thermogram is the corresponding data pertinent to that defect. In the case of electrical inspections, the temperature rise of the hot phase to ambient air temperature is usually presented. Above the thermogram is a normal colour photograph showing the referenced location of the suspected defect.

Each problem should be inspected for physical damage in order to determine whether repair or replacement of that particular component is required.



**MILTON HYDRO  
DISTRIBUTION INC.**

# INSTRUCTION ORDER

STAYING ALERT IS STAYING ALIVE!

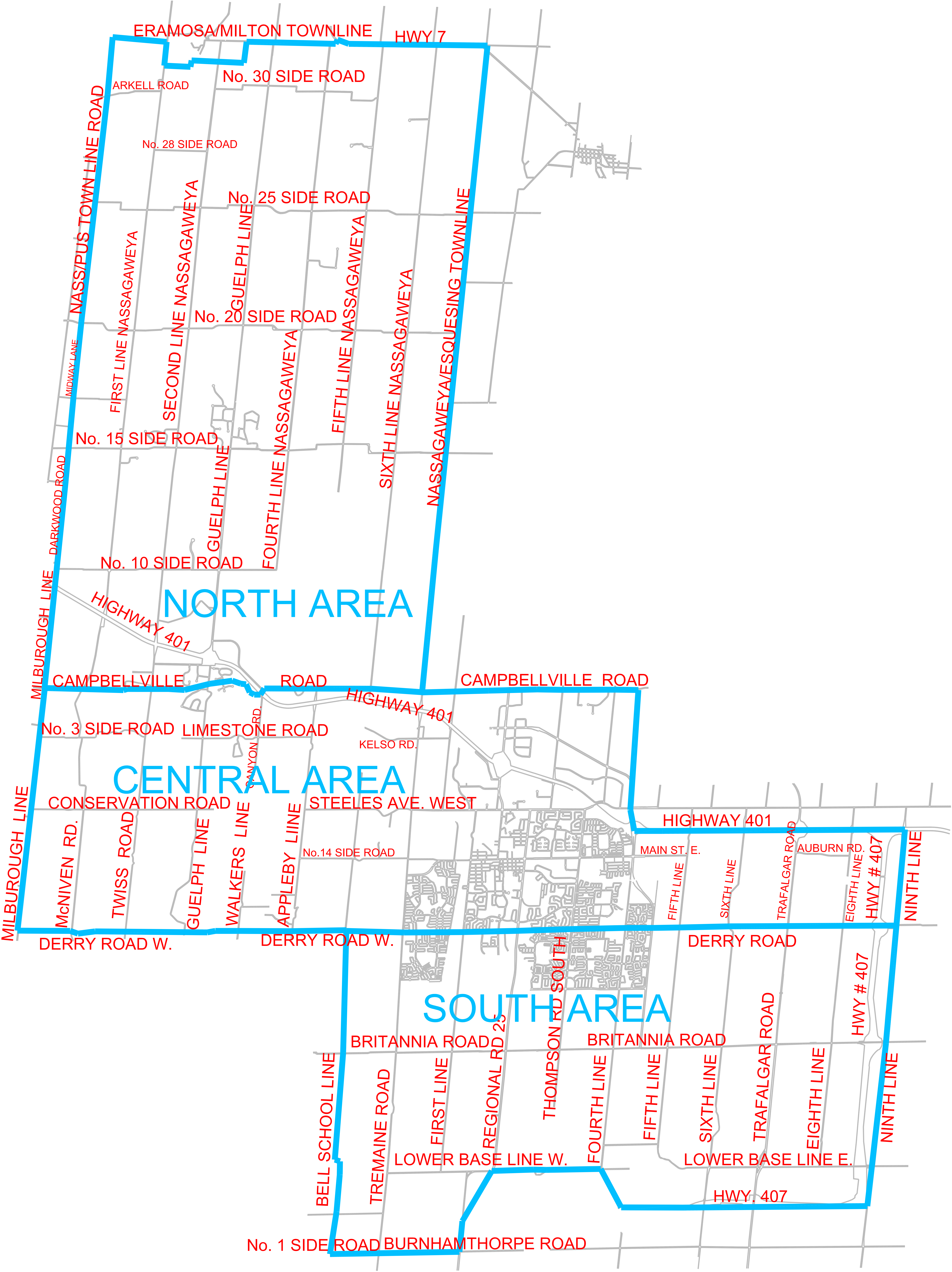
No. Nº 16807

ISSUED TO:	ISSUED BY:	DATE:	CHARGE LABOUR & MATERIAL
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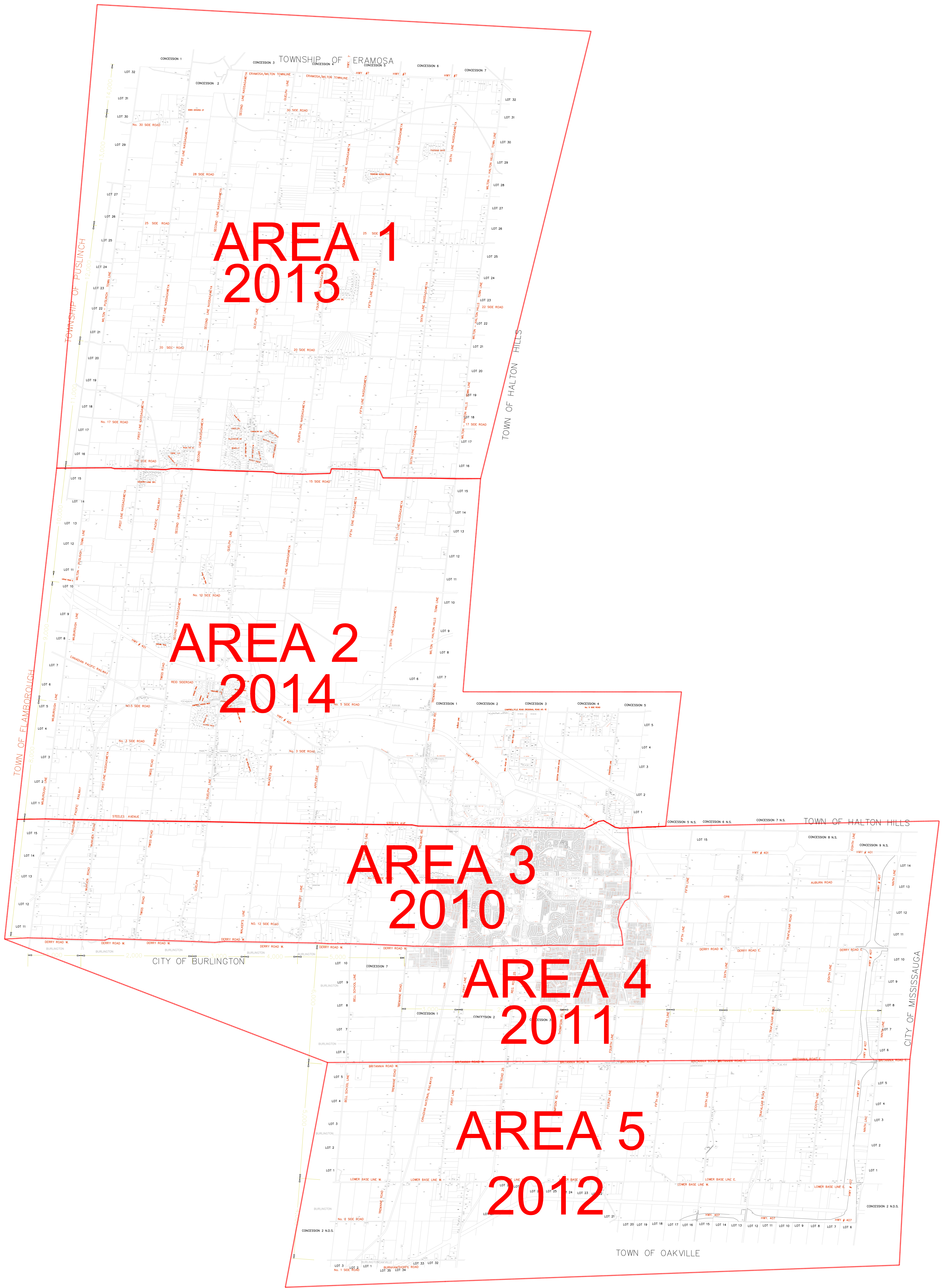


Remarks / Follow Up / Charges			CUSTOMER DATA	
			Name & Address:	
			Account No.	Phone No.
Completed By:	Date:	Map No.:	Transformer No.	Meter No.
DISTRIBUTION: (1) WHITE: - BILLING (2) YELLOW: - ENG. (3) PINK: - OPERATIONS				

Appendix H - Tree Trimming Areas



Appendix I - Pole Test Areas



# **PoleCare International Inc.**

## **NON-DESTRUCTIVE TESTING OF WOOD POLES** **Milton Hydro**

**Note:**

- The report is divided into two parts (Part 1: Poles tested for the first time & Part 2: Retest poles)
- Attached to this report are the first pages of all the tables (except Tables 2N and 2R, which are given in full). All the tables in their entirety are included in the MS Database.

**June 2009**

## **NOTICE**

**It is recommended that wood poles are inspected and tested every 5 years. The final recommendations made in this report are based on the assumption that the 5-year inspection cycle will be adhered to by the utility. In other words the conclusions and recommendations contained in the report are valid only for a 5-year period form the year in which the poles were tested.**

**It should also be noted that no engineering analysis has been done to verify the structural capacity of the poles to sustain the design wind and ice loads.**

**Neither PoleCare International Inc., nor Milton Hydro, nor any other person acting on their behalf makes any warranty, express or implied, or assumes any legal responsibility for the information presented in this report or accepts liability resulting from its use.**

## **Part 1: Poles Tested for the first Time**

## **EXECUTIVE SUMMARY**

A total of about 2469 in-service poles were inspected to assess their structural integrity. Out of the 2469 poles, 2423 poles were tested for the first time and 46 were retest poles.

The report is divided into two parts:

- Part 1: Poles tested for the first time
- Part 2: Retest poles

The residual strengths of these poles were measured by using non-destructive testing equipment called Poletest. Then selected poles were reassessed using a Resistograph that is capable of determining the extent of degradation in wood poles.

Based on a systematic analysis of the field data and engineering judgment the following conclusions are made:

### **Part 1:**

- A total of 19 poles need replacement in a period of 1 - 2 years. These poles have a varying degree of visible extensive degradation at or below ground line and low strength.
- A total of 50 poles have been identified for retesting because of varying degree of degradation.
- A total of 16 poles with excessive top feathering and/or excessive mechanical damage were identified for close inspection.
- No poles were identified with moderate or extensive rotting cross arms.
- A total of 38 poles have varying degree internal decay.
- A total of 43 poles were identified with carpenter ants infestation.
- About 784 poles were identified for remedial treatment

### **Part 2:**

- A total of 13 poles need replacement.
- A total of 28 poles have been identified for retesting because of varying degree of degradation.
- A total of 6 poles with excessive top feathering and/or excessive mechanical damage were identified for close inspection.
- No poles were identified with moderate or extensive rotting cross arms.
- A total of 31 poles have varying degree of internal decay.
- A total of 31 poles were identified with carpenter ants infestation.
- About 32 poles were identified for remedial treatment

**To:**

Milton Hydro

## **NON-DESTRUCTIVE TESTING OF WOOD POLES FOR MILTON HYDRO**

### **1. INTRODUCTION**

In the spring of 2009, as part of its ongoing pole management program, Milton Hydro tested a total of about 2469 in-service wood poles. Out of the 2469 poles, 2423 poles were tested for the first time and 46 were retest poles.

A non-destructive testing (NDT) technique was utilized as a key component of the program. The NDT equipment, POLETEST™, originally developed by Electric Power Research Institute (EPRI) and marketed by Engineering Data Management (EDM), was used. A Resistograph, capable of measuring the relative density of wood, was used to determine the extent of degradation in poles.

The following is a list of major data gathered on each pole:

- Pole strength at or closer to ground line
- Physical condition at ground line area
  - Ground line rot
  - Below ground line rot
  - Carpenter ants damage
  - Surface rot etc.
- Overall physical condition of pole (poor, fair or good)
- Equipment mounted on to poles
- Other related information

The information gathered was analyzed to identify the condition of each pole and sort out the poles that need replacement, re-testing before the recommended testing frequency of 5 years

### **2. TESTING TECHNIQUES**

The EDM non-destructive testing technique applies the principles of sonic spectral wave analysis. The sonic test signal, obtained from applying the NDT technique to a wood pole, is analyzed and compared to a machine-stored database relating the sonic signal and pole strength. The sonic signal varies depending on the type of pole species, the degree of mechanical degradation as well as other parameters that affect the material properties. By comparing the received signal to that of the stored database for the pole species, a measure of the pole strength is determined. The equipment that incorporates this technique is marketed under the name POLETEST™. The equipment is data dependent and uses a database established by EDM

The Resistograph is a special type of drill with a drill bit of approximately 2 mm in diameter and about 400 mm in length. The instrument is battery operated and self-powered to eliminate any external influence on the measurements. The instrument provides a measure of relative density of wood by measuring its resistance. The results are presented in a graphic form showing the relative density of wood across the pole cross section. The graph could be used to assess qualitatively the amount of degradation in the pole.

### 3. FIELD MEASUREMENTS AND OBSERVATIONS

**STEP 1:** The EDM Poletest was used in assessing pole strength:

- Sound the pole for weak points at various pole heights.
- Take strength reading at GL, perpendicular to line direction.
- If strength reading at GL is good then take readings at suspected weak points.
- If no strength reading or a very low reading is obtained then take readings at various orientations at GL.
- If readings can't be obtained at GL then take more readings at locations above GL.
- Take as many readings as necessary for a good assessment.
- Check pole for decay, rot, mechanical damage etc.
- Using a shovel check for any decay below GL

**STEP 2:** After completion of testing with EDM Poletest, use Resistograph to test selected poles.

### 4. PRESENTATION OF FIELD DATA

The strength and other information gathered in the field along with the analysis done are summarized in **Table 1N** (poles tested for the first time) and **Table 1R** (retested poles). The information contained in Table 1N and Table 1R is listed below:

- Name of the street in which pole is located
- Pole ID Number
- House number if appropriate
- Pole species (from information stamped on poles)
- Pole diameter (from measurements)
- Pole strength (from measurements)
- Pole mechanical condition (from observations)
- Comments
- Recommendations
- Probable remaining life

### 5. ANALYSIS AND RECOMMENDATIONS

Based on a systematic analysis procedure the following recommendations are made.

#### Part 1:

- **Poles recommended for replacement (Table 2N)**

A total of 19 poles need replacement in a period of 1-2 years (Table 2N). These poles have varying degree of extensive degradation, both visible and hidden, at or below ground line.

- **Poles recommended for re-testing (Table 3N)**

- A total of 50 poles have been identified for retesting because of varying degree of degradation.  
Even though these poles need not be replaced in the next 2 or 3 years, it is difficult to predict the rate at which the degradation will accelerate and significantly reduce their usable life. Therefore it is recommended that these poles be retested with Resistograph after a period of 2 to 3 years before making a final decision. This approach allows Milton Hydro to extend the usable life of these poles by keeping them in the system as long as it is possible. The cost saving in extending the life of these poles considerably outweighs the small cost involved to retest them.
- **Poles with carpenter ants infestation (Table 4N)**  
A total of 43 poles were identified as having various stages of carpenter ants infestation.
- **Poles recommended for remedial treatment (Table 5N)**  
A total of 784 poles were recommended for remedial treatment to extend their usable life
- **Poles with extensive feathering and mechanical damage (Table 6N)**  
Extensive pole top feathering and or mechanical damage were noticed in 16 poles. These poles need a closer inspection, by line crew.
- **Poles with internal decay (Table 7N)**  
A total of 38 poles were identified as having various stages of internal decay.
- **Individual pole records (Table 8N)**  
An electronic record for each of the 2423 poles tested is given in Table 8N.
- **Poles with two years of probable remaining life (Table 9N)**  
The poles that are recommended for retesting in 2011 or 2012, but with 2 years of probable remaining life, are shown in Table 9N.

## Part 2:

- **Poles recommended for replacement (Table 2R)**  
A total of 13 poles need replacement in a period of 1-2 years (Table 2R). These poles have varying degree of extensive degradation, both visible and hidden, at or below ground line.
- **Poles recommended for re-testing (Table 3R)**  
A total of 28 poles have been identified for retesting because of varying degree of degradation
- **Poles with carpenter ants infestation (Table 4R)**  
A total of 31 poles were identified as having various stages of carpenter ants infestation.
- **Poles recommended for remedial treatment (Table 5R)**  
A total of 32 poles were recommended for remedial treatment to extend their usable life.
- **Poles with extensive feathering and mechanical damage (Table 6R)**

Extensive pole top feathering and or mechanical damage were noticed in 6 poles. These poles need a closer inspection, by line crew.

- **Poles with internal decay (Table 7R)**

A total of 31 poles were identified as having various stages of internal decay.

- **Individual pole records (Table 8R)**

An electronic record for each of the 46 pole tested is given in Table 8R.

- **Poles with two years of probable remaining life (Table 9R)**

The poles that are recommended for retesting in 2011 or 20012, but with 2 years of probable remaining life, are shown in Table 9R.

## **6. A SPECIAL NOTE ON POLES WITH TWO YEARS OF REMAINING LIFE**

A number of poles, with 2 years of probable remaining life, have been marked for retest in 2011 and 2012. Even though these poles (Tables 9N and 9R) have sufficient strength to sustain the design loads, it is essential to maintain these decaying poles such that their usable life could be extended as much as possible. Therefore, when possible, these poles should be remedially treated in order to slow down the decaying process.

However, it is also important to inspect these poles every 2 years in order to monitor the growth of decay and to carryout the necessary preventive measure. These poles with 2 years of remaining life are shown in Table 10 (N & R). As per our analysis, these poles are currently in fair condition. However, any wind or ice storm of unusual magnitude may adversely affect them.

## **7. COMPREHENSIVE DATABASE**

- A comprehensive database containing all the information discussed in this report is provided in MS Access format.
- Also attached to this report are typical pages of all the Tables (except Tables 2N and 2R, which are included in full).

**Note:** It should be noted that a number of poles appear under different categories because these poles have multiple mechanical defects

**Because of the unpredictable nature of the external influences that would affect the remaining life of a pole it is recommended that any life prediction beyond 5 years be used with caution. It is also recommended that the poles be tested on a 5-year cycle to maintain then necessary reliability and safety.**

**In analyzing the poles the effects of external loads such as wind and ice are not considered; only the pole strength and mechanical condition of the poles are used. In other words the client requested no engineering analysis and none was done.**

# Table 1N: Summary of Pole Data

Street	Pole ID	House No	Pole Strength GL (psi)	Mechanical Condition	Comments	Recommendations	Probable Remaining Life (Yrs)	Record Number
10 Side Road	3222		7160				39	789
10 Side Road	3170		6730	Crack to GL, Pole top feathering/split/rot - Slight		RG Tested Ok	26	739
10 Side Road	3171		6690	Crack to GL, Pole top feathering/split/rot - Slight	Transformer on Pole	RG Tested Ok	24	740
10 Side Road	3172		7020	Crack to GL, Pole top feathering/split/rot - Slight	Transformer on Pole	RG Tested Ok	28	741
10 Side Road	3173		7010		Transformer on Pole		40	742
10 Side Road	3174		6970	Crack to GL, Pole top feathering/split/rot - Slight		RG Tested Ok	26	743
10 Side Road	3175		7020		Transformer on Pole		40	744
10 Side Road	3176				Visual Inspection Only			745
10 Side Road	3177		6930	Crack to GL			33	746
10 Side Road	3178		6930	Crack to GL		RG Tested Ok	31	747
10 Side Road	3179		6770	Crack to GL, Pole top feathering/split/rot - Slight		RG Tested Ok	31	748
10 Side Road	3180		6910	Crack to GL			34	749
10 Side Road	3181		6970	Crack to GL			34	750

**Table 2N: Poles for Replacement - Includes Danger Poles**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
10 Side	Road	3228		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	795
3 Side	Road	3975		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1859
5 Side	Road	3321		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive	Slack Guy Wire	RG Tested, Replace in 2009	1709
5 Side	Road	3339		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	1727
5 Side	Road	3351		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1739
Appleby	Line	2864		Carpenter ants damage - Moderate, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate, Internal Decay - Moderate	Dip, Joint Use	RG Tested, Replace in 2010	1996
Appleby	Line	2895	8037	Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Dip, Joint Use, Transformer on Pole	RG Tested, Replace in 2009	2030
Boston Church	Road	3168		Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot below GL - Extensive	BELL POLE, Joint Use	Replace in 2009	2277

**Table 2N: Poles for Replacement - Includes Danger Poles**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
Campbell Tap	Avenue	3500		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	Replace in 2009	1917
Chisholm	Drive	3159		Carpenter ants damage - Extensive, Crack to GL, Internal Decay - Extensive	Dip, Joint Use, Lights on Pole	RG Tested, Replace in 2010	1491
First	Line	2175		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Transformer on Pole	RG Tested, Replace in 2009	1202
Guelph	Line	2659	8229	Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Internal Decay - Extensive		RG Tested, Replace in 2009	24
Guelph Line Tap to 2nd Line		3508		Carpenter ants damage - Extensive, Crack to GL, Internal Decay - Extensive		RG Tested, Replace in 2009	163
Main	Street	2605	69	Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Surface Rot below GL - Extensive, Internal Decay - Extensive	Lights on Pole	Replace in 2009	122
Market	Drive	3053		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive	Guy Pole	Replace in 2009	1596
Milburough	Line	1988		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1386
Second	Line	2235		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Guy Pole	RG Tested, Replace in 2009	635

**Table 2N: Poles for Replacement - Includes Danger Poles**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
Twiss	Road	2412	8048	Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1320
Walkers	Line	4346	3581	Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive	Joint Use	Replace in 2009	1882

**Table 3N: Poles for Retesting**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
10 Side	Road	3190		Carpenter ants damage - Slight, Crack to GL, Internal Decay - Slight		RG Tested, Retest In 2011	759
10 Side	Road	3195		Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate		RG Tested, Retest In 2011	764
3 Side	Road	3966		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate	Transformer on Pole	RG Tested, Retest In 2011	61
3 Side	Road	3965		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate	Guy Pole	RG Tested, Retest In 2011	62
3 Side	Road	3964		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight	Dip, Transformer on Pole	RG Tested, Retest In 2012	63
3 Side	Road	9466		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight	Dip, Joint Use	RG Tested, Retest In 2011	1677
3 Side	Road	3908		Crack to GL, Decay pockets at GL - Slight, Pole top feathering/split/rot - Slight, Surface Rot above GL - Slight, Surface Rot below GL - Slight	Dip	RG Tested, Retest In 2011	1687
3 Side	Road	3974		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight	Dip, Joint Use	RG Tested, Retest In 2011	1860

**Table 4N: Poles Affected by Carpenter Ants**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
10 Side	Road	3190		Carpenter ants damage - Slight, Crack to GL, Internal Decay - Slight		RG Tested, Retest In 2011	759
10 Side	Road	3195		Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate		RG Tested, Retest In 2011	764
10 Side	Road	3228		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	795
3 Side	Road	3975		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1859
5 Side	Road	3607		Carpenter ants damage - Slight, Mech damage - Slight	Joint Use	RG Tested, Retest In 2012	387
5 Side	Road	3618		Carpenter ants damage - Moderate, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	406
5 Side	Road	3667		Carpenter ants damage - Slight, Internal Decay - Slight	Joint Use	RG Tested, Retest In 2012	445
5 Side	Road	3857	9041	Carpenter ants damage - Slight, Crack to GL, Mech damage - Slight, Internal Decay - Slight	Guy Pole	RG Tested, Retest In 2012	563
5 Side	Road	3321		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive	Slack Guy Wire	RG Tested, Replace in 2009	1709
5 Side	Road	3339		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	1727

**Table 5N: Poles for Remedial Treatment**

Street	Street Index	Pole ID	House Number	Mech Condition	Comments	Treatment Recommended	Record Number
10 Side	Road	3170		Crack to GL, Pole top feathering/split/rot - Slight		Boron rod	739
10 Side	Road	3171		Crack to GL, Pole top feathering/split/rot - Slight	Transformer on Pole	Boron rod	740
10 Side	Road	3172		Crack to GL, Pole top feathering/split/rot - Slight	Transformer on Pole	Boron rod	741
10 Side	Road	3174		Crack to GL, Pole top feathering/split/rot - Slight		Boron rod	743
10 Side	Road	3176			Visual Inspection Only	Boron rod	745
10 Side	Road	3179		Crack to GL, Pole top feathering/split/rot - Slight		Boron rod	748
10 Side	Road	3184		Crack to GL, Pole top feathering/split/rot - Slight	Guy Pole	Boron rod	753
10 Side	Road	3190		Carpenter ants damage - Slight, Crack to GL, Internal Decay - Slight		Borocal + Boron rod	759
10 Side	Road	3193		Crack to GL, Pole top feathering/split/rot - Slight		Boron rod	762
10 Side	Road	3195		Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate		Borocal + Boron rod	764
10 Side	Road	3198	2009	Crack to GL, Pole top feathering/split/rot - Slight		Boron rod	767

**Table 5: Page 1 of 72**

**Table 6N: Poles with Extensive Mechanical Damage and Feathering**

<b>Street</b>	<b>Street Index</b>	<b>Pole ID</b>	<b>House Number</b>	<b>Mechanical Conditions</b>	<b>Comments</b>	<b>Recommendations</b>	<b>Record Number</b>
3 Side	Road	3932		Crack to GL, Pole top feathering/split/rot - Moderate	Joint Use, Transformer on Pole	RG Tested Ok	1661
3 Side	Road	3988		Crack to GL, Pole top feathering/split/rot - Moderate	Dip, Joint Use	RG Tested Ok	1848
3 Side	Road	4287		Crack to GL, Pole top feathering/split/rot - Moderate	BELL POLE, Joint Use	RG Tested Ok	2205
3 Side	Road	4293	13	Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot below GL - Moderate	BELL POLE, Joint Use	RG Tested, Retest In 2011	2212
5 Side	Road	3610		Crack to GL, Pole top feathering/split/rot - Moderate	Dip		414
Appleby	Line	2857		Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Extensive	Climbing Inspection Required, Joint Use	RG Tested, Retest In 2011	1989
Boston Church	Road	4086		Cracks - Moderate, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Moderate		RG Tested Ok	2268
Boston Church	Road	4083		Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight	Dip, Joint Use	RG Tested Ok	2271
Boston Church	Road	3168		Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot below GL - Extensive	BELL POLE, Joint Use	Replace in 2009	2277

**Table 7N: Poles with Internal Decay**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
10 Side	Road	3190		Carpenter ants damage - Slight, Crack to GL, Internal Decay - Slight		RG Tested, Retest In 2011	759
10 Side	Road	3195		Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate		RG Tested, Retest In 2011	764
10 Side	Road	3228		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	795
3 Side	Road	3975		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1859
5 Side	Road	3618		Carpenter ants damage - Moderate, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	406
5 Side	Road	3667		Carpenter ants damage - Slight, Internal Decay - Slight	Joint Use	RG Tested, Retest In 2012	445
5 Side	Road	3857	9041	Carpenter ants damage - Slight, Crack to GL, Mech damage - Slight, Internal Decay - Slight	Guy Pole	RG Tested, Retest In 2012	563
5 Side	Road	3321		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive	Slack Guy Wire	RG Tested, Replace in 2009	1709
5 Side	Road	3339		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	1727
5 Side	Road	3351		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	1739

## Table 8N: Individual Pole Records

Test Date:	30-Apr-09	Record No.:	1	Pole ID:	9301	House No.:	8005
Street:	Guelph	St Index	Line	Private Property:	No	Pole Class:	3
Install Date	2006	Pole species:	Pine	Treatment Length:	Full	Treatment Type:	CCA
Overall Pole Condition:		Pole Diameter (in):		Pole Strength at GL (psi):		Pole Ht (ft):	55
Mechanical Condition:							
Comments:							
Probable Remaining Life (yrs):							
Other Comments:							
Recommendations:							

**Table 9(N): Poles with Two Years of Probable Remaining Life**

Record Number	Street Name	Pole ID	Comments	Mech Condition	Recommendations
764	10 Side Road	3195		Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate	RG Tested, Retest In 2011
406	5 Side Road	3618	Joint Use	Carpenter ants damage - Moderate, Internal Decay - Moderate	RG Tested, Retest In 2011
1504	Chisholm Drive	3146	Dip, Joint Use	Carpenter ants damage - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011
1099	Fifth Line	1419		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011
848	First Line	2074	Joint Use	Carpenter ants damage - Moderate, Crack to GL, Decay pockets at GL - Moderate, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate, Internal Decay - Moderate	RG Tested, Retest In 2011
886	First Line	2029		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011
1191	First Line	2162	Joint Use	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Moderate	RG Tested, Retest In 2011
285	Guelph Line	2505	Dip	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011
536	Mansewood Road	4416	Joint Use	Carpenter ants damage - Moderate, Crack to GL, Decay pockets at GL - Extensive, Internal Decay - Moderate	RG Tested, Retest In 2011
1417	Milburrough Line	1958	Guy Pole	Carpenter ants damage - Moderate, Crack to GL, Decay pockets at GL - Moderate, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate	RG Tested, Retest In 2011
609	Second Line	2208	Joint Use	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011
612	Second Line	2211	Joint Use	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011
629	Second Line	2227	Joint Use	Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate	RG Tested, Retest In 2011
917	Sixth Line	2728		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight	RG Tested, Retest In 2011
1241	Twiss Road	2321		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	RG Tested, Retest In 2011

## **Part 2: Retested Poles**

## Table 1R: Summary of Pole Data

Street	Pole ID	House No	Pole Strength GL (psi)	Mechanical Condition	Comments	Recommendations	Probable Remaining Life	Record Number
30 Side Road	1791		6490	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate		RG Tested, Retest In 2011	2	43
Bell School Line	7116		6000	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		RG Tested, Retest In 2012	2	39
Bell School Line	7119	6345	4390	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Dip, Transformer on Pole	RG Tested, Retest In 2011	2	40
Britannia Road	9004		6110	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	2	11
Britannia Road	8885		7160				42	34
Derry Road	6957		4400	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	2	41
Derry Road	7054		6870	Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight		RG Tested, Retest In 2012	20	45
Derry Road	7080		6970	Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight		RG Tested, Retest In 2012	23	46

**Table 2R: Poles for Replacement - Includes Danger Poles**

<b>Street</b>	<b>Street Index</b>	<b>Pole ID</b>	<b>House Number</b>	<b>Mechanical Conditions</b>	<b>Comments</b>	<b>Recommendations</b>	<b>Record Number</b>
Eighth	Line	8084		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	7
Fifth	Line	7371		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Moderate, Internal Decay - Extensive	Guy Pole	RG Tested, Replace in 2009	9
Fifth	Line	7368		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Internal Decay - Extensive		RG Tested, Replace in 2009	10
First	Line	8723		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive		RG Tested, Replace in 2009	17
First	Line	8724		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive		RG Tested, Replace in 2009	18
First	Line	8739		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Moderate, Surface Rot below GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	19
First	Line	7245		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive		RG Tested, Replace in 2009	20
First	Line	7240		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive		RG Tested, Replace in 2009	21

**Table 2R: Poles for Replacement - Includes Danger Poles**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
First	Line	7234		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Transformer on Pole	RG Tested, Replace in 2009	22
First	Line	7217		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight, Internal Decay - Extensive	Dip, Guy Pole	RG Tested, Replace in 2009	24
Lower Base	Line	9136		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Transformer on Pole	RG Tested, Replace in 2009	15
Lower Base	Line	9145	2681	Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	16
Sixth	Line	1646		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Slight	Joint Use	RG Tested, Replace in 2009	42

**Table 3R: Poles for Retesting**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
30 Side	Road	1791		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate		RG Tested, Retest In 2011	43
Bell School	Line	7116		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		RG Tested, Retest In 2012	39
Bell School	Line	7119	6345	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Dip, Transformer on Pole	RG Tested, Retest In 2011	40
Britannia	Road	9004		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	11
Derry	Road	6957		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	41
Derry	Road	7054		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight		RG Tested, Retest In 2012	45

**Table 4R: Poles Affected by Carpenter Ants**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
30 Side	Road	1791		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate		RG Tested, Retest In 2011	43
Bell School	Line	7116		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		RG Tested, Retest In 2012	39
Bell School	Line	7119	6345	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Dip, Transformer on Pole	RG Tested, Retest In 2011	40
Britannia	Road	9004		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	11
Derry	Road	6957		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	41
Eighth	Line	7619		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	1
Eighth	Line	7593		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		RG Tested, Retest In 2012	3
Eighth	Line	7571		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot above GL - Moderate, Internal Decay - Moderate		RG Tested, Retest In 2011	6
Eighth	Line	8084		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	7

**Table 5R: Poles for Remedial Treatment**

Street	Street Index	Pole ID	House Number	Mech Condition	Comments	Treatment Recommended	Record Number
30 Side	Road	1791		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate		Borocal + Boron rod	43
Bell School	Line	7116		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		Borocal + Boron rod	39
Bell School	Line	7119	6345	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Dip, Transformer on Pole	Borocal + Boron rod	40
Britannia	Road	9004		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	Borocal + Boron rod	11
Derry	Road	6957		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate	Joint Use	Borocal + Boron rod	41
Derry	Road	7054		Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot below GL - Slight		Pole wrap + Boron rod	45

**Table 6R: Poles with Extensive Mechanical Damage and Feathering**

Street	Street Index	Pole ID	House Number	Mechanical Conditions	Comments	Recommendations	Record Number
Derry	Road	6957		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	41
Eighth	Line	7582		Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Moderate	Guy Pole	RG Tested, Retest In 2011	5
First	Line	8739		Carpenter ants damage - Extensive, Crack to GL, Decay pockets at GL - Extensive, Pole top feathering/split/rot - Moderate, Surface Rot below GL - Extensive, Internal Decay - Extensive		RG Tested, Replace in 2009	19
First	Line	7203		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Moderate		RG Tested, Retest In 2011	29
Lower Base	Line	9145	2681	Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	16
Sixth	Line	1646		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Slight	Joint Use	RG Tested, Replace in 2009	42

**Table 7R: Poles with Internal Decay**

<b>Street</b>	<b>Street Index</b>	<b>Pole ID</b>	<b>House Number</b>	<b>Mechanical Conditions</b>	<b>Comments</b>	<b>Recommendations</b>	<b>Record Number</b>
30 Side	Road	1791		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate		RG Tested, Retest In 2011	43
Bell School	Line	7116		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		RG Tested, Retest In 2012	39
Bell School	Line	7119	6345	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Dip, Transformer on Pole	RG Tested, Retest In 2011	40
Britannia	Road	9004		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	11
Derry	Road	6957		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	41
Eighth	Line	7619		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate	Joint Use	RG Tested, Retest In 2011	1
Eighth	Line	7593		Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight		RG Tested, Retest In 2012	3
Eighth	Line	7571		Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot above GL - Moderate, Internal Decay - Moderate		RG Tested, Retest In 2011	6
Eighth	Line	8084		Carpenter ants damage - Extensive, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Extensive	Joint Use	RG Tested, Replace in 2009	7

**Table 7: Page 1 of 4**


# Table 8R: Individual Pole Records

Test Date:	19-May-09	Record No.:	1	Pole ID:	7619	House No.:	
Street:	Eighth	St Index	Line	Private Property:	No	Pole Class:	5
Install Date	Not Known	Pole species:	Pine	Treatment Length:	Full	Treatment Type:	Creo
Overall Pole Condition:	air-Pod	Pole Diameter (in):	11	Pole Strength at GL (psi):	6570	Pole Ht (ft):	35
Mechanical Condition:	Carriway and damage. Moderate. Cracks to GL. Pole top fastening/splitting. Slight. Internal Decay - Moderate						
Comments:	Total Use						
Probable Remaining Life (yrs):	2						
Other Comments:							
Recommendations:	No Test. Re-test in 2011						


**Table 9(R): Poles with Two Years of Probable Remaining Life**

<b>Record No</b>	<b>Street Name</b>	<b>Pole ID</b>	<b>Comments</b>	<b>Recommendations</b>	<b>Probable Remaining Life (Yrs)</b>	<b>Mech Condition</b>
43	30 Side	1791		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
40	Bell School	7119	Dip, Transformer	RG Tested, Retest In 2011	2	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
39	Bell School Line	7116		RG Tested, Retest In 2012	2	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight
11	Britannia Road	9004	Joint Use	RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
41	Derry	6957	Joint Use	RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Surface Rot above GL - Slight, Internal Decay - Moderate
3	Eighth Line	7593		RG Tested, Retest In 2012	2	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight
6	Eighth Line	7571		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Surface Rot above GL - Moderate, Internal Decay - Moderate
1	Eighth Line	7619	Joint Use	RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
25	First	7216		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
26	First Line	7213		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
27	First Line	7207	Guy Pole	RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
23	First Line	7232		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
29	First Line	7203		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Moderate, Internal Decay - Moderate
12	Lower Base Line	9119	Joint Use	RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
13	Lower Base Line	9122	Joint Use	RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Moderate
8	Sixth Line	7439		RG Tested, Retest In 2011	2	Carpenter ants damage - Moderate, Crack to GL, Internal Decay - Moderate
37	Tremaine Road	7151	Joint Use	RG Tested, Retest In 2012	2	Carpenter ants damage - Slight, Crack to GL, Pole top feathering/split/rot - Slight, Internal Decay - Slight


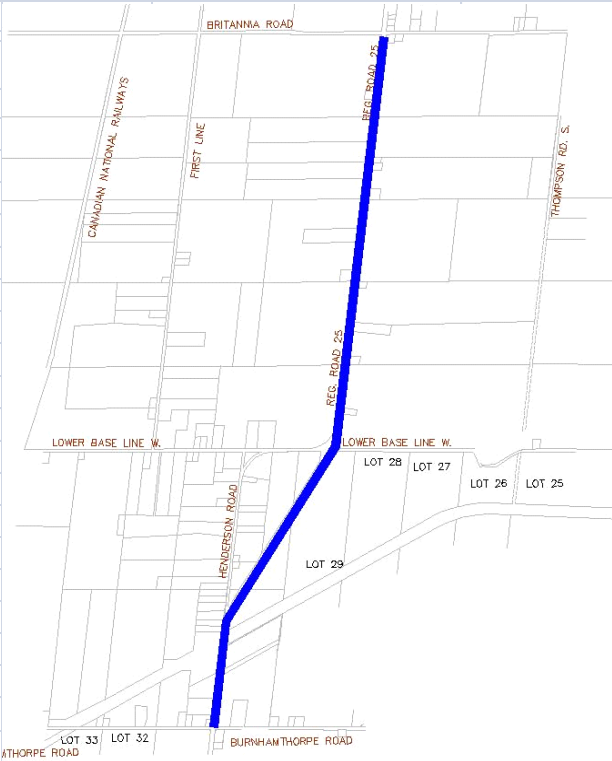
Appendix K – Instruction Order

		MILTON HYDRO DISTRIBUTION INC.		No: _____	
<h1>INSTRUCTION ORDER</h1>					
STAYING ALERT IS STAYING ALIVE					
Issued To:		Issued By:		Date:	
<div>Charge Labour &amp; Material:</div>					
Remarks/Follow Up/Changes:				CUSTOMER DATA	
				Name & Address:	
				Account No:	Phone No:
Completed By:	Date:	Map No:	Transformer No.	Meter No.	
201-10-FOR					
V2					

## Appendix L – Switch Maintenance

		Milton Hydro			
		<u>Switch Maintenance Checklist</u>			
Address/Location:					
Switch #					
Type:	Loadbreak		Voltage:	44 kV	
	Airbreak			27.6 kV	8.32 kV
	In-Line (solid)			13.8 kV	4.16 kV
	In-Line (fused)				
<b>Switch Maintenance Checklist:</b>					
Yes	No	N/A			
			Nomenclature in place		
			Contacts visually checked and cleaned		
			Switch Alignment checked		
			Insulators in good condition (switch, deadends)		
			Line/Load connections in good condition (wedgetaps, squeezons)		
			Line/Load connections clean and tight (pig tails)		
			Grounding cable/connections in good condition (switch, neutral, handle, strap)		
			Operating handle/joints/rods/brackets in good repair		
			Cross/Vertical arms in good condition and secure to pole		
			Ground Mat		
			Switch has been operated sucessfully (open, close)		
			Switch pole in good condition		
			Phasing targets installed		
			Line and load conductors at open point have been phase checked		
			New Hazard Identified		
Comments:					
Completed by:				Date:	
Follow-up by				Date:	
303-4-FOR-Switch					
V2					



# Appendix M – Capital Project Template


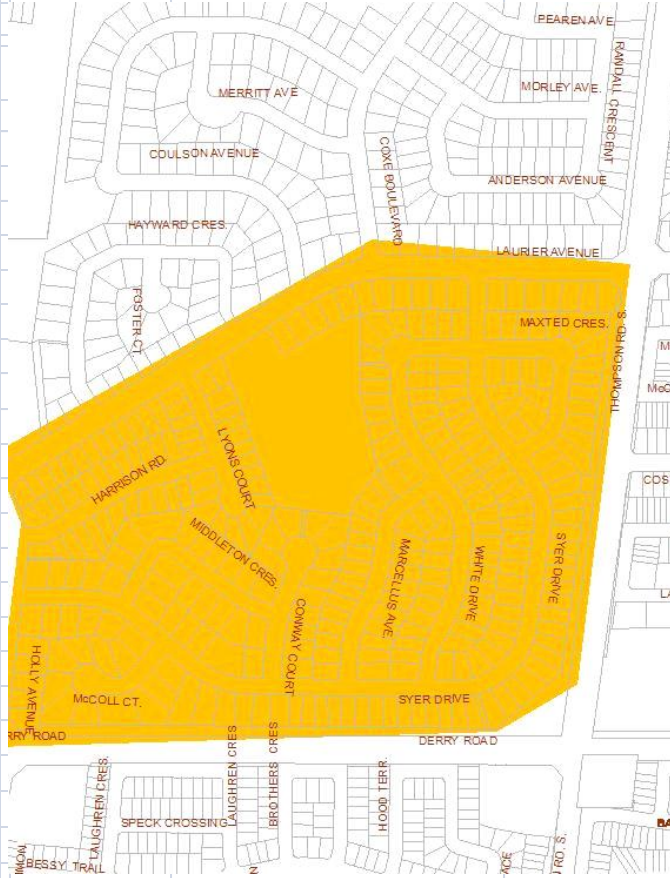
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Project Number:		Workorder Number(s) (if assigned):	0
Project Name:	0		
Project Manager:		Approval:	
Start Year:		General Category:	
Completion Year:		Reason(s):	
Description and Justification:			
Supporting Docs / Justification			
		Proj. Completion Date: Not specified	
		Cost Schedule	Estimated Costs
		2010 Q1	
		2010 Q2	
		2010 Q3	
		2010 Q4	
		2011 Q1	
		2011 Q2	
		2011 Q3	
		2011 Q4	
		2012 Q1	
		2012 Q2	
		2012 Q3	
		2012 Q4	
		2013 Q1	
		2013 Q2	
		2013 Q3	
		2013 Q4	
		2014 Q1	
		2014 Q2	
		2014 Q3	
		2014 Q4	
		Gross Cost	
		CIAC	
		Net Cost	\$ 0



## Appendix N – Project Summary Template


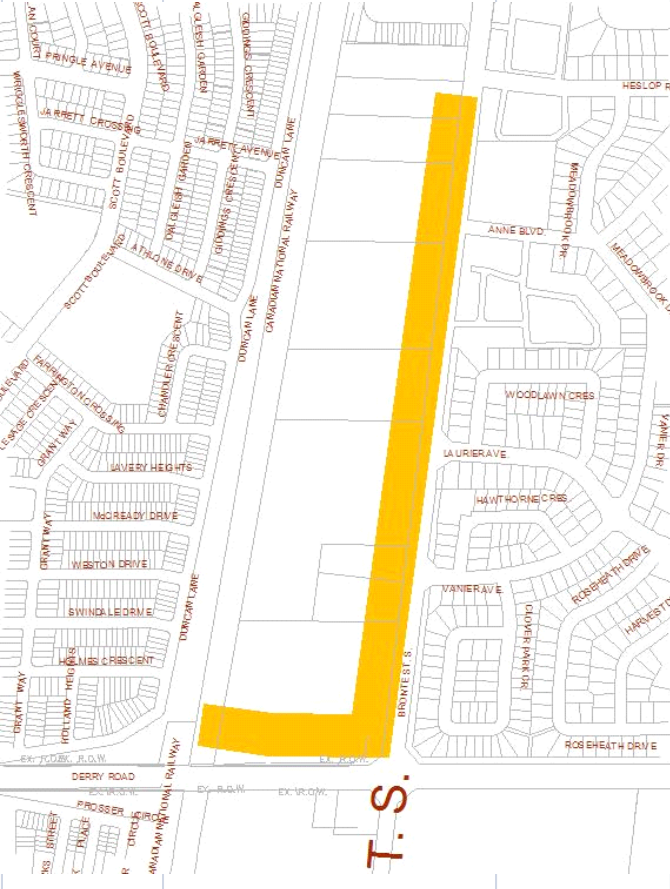
Capital Works Summary														
		S-Safety R-Reliability E-Efficiency A-Aesthetics G-Growth D-Developer L-Legal/Regulatory M-Municipal												
		Justification												
WO #	Projects Description	Priority	S	R	E	A	G	D	L	M	Reason			
	Project 1	HIGH	Y								Safety,			
	Project 2	HIGH		Y			Y				Reliability, Growth,			


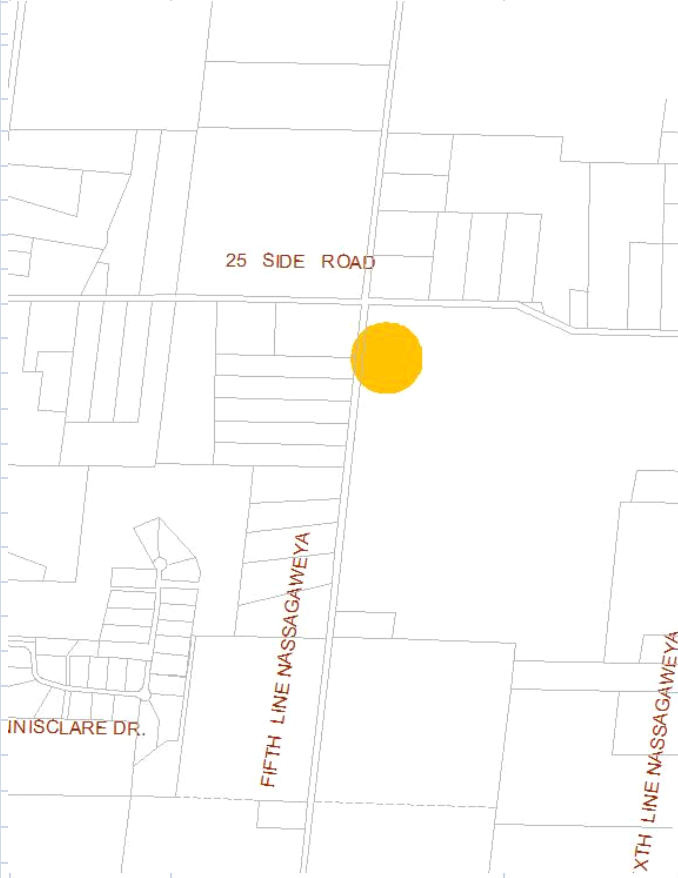
## Appendix O – Project Sheets


		<b>MHDI Asset Management Plan - Capital Project</b>	
Project Number:	09-001	Workorder Number(s) (if assigned):	09-001
Project Name:	3 Sideroad Tremaine Road to Kelso Gate Carryover		
Project Manager:	Phil Reid	Approval:	Frank Lasowski
Start Year:	0	General Category:	Asset Mgt
Completion Year:	2010	Reason(s):	Safety, Reliability, Efficiency,
Description and Justification:	<p>This project consists of the reconstruction of the three-phase 27.6kV line along 3 Sideroad, from Tremaine Rd westerly to the entrance to Kelso / Glen Eden, where a new supply point will be established to Kelso's private overhead system. It also includes the removal of a poleline on the North side of the 401, as well as a 401 crossing.</p> <p>It is intended to upgrade deteriorated plant along 3 Sideroad, and eliminate some very deteriorated plant on the north side of the 401, and remove a 401 wire crossing for Kelso's old service.</p> <p>Due to unpredictability in forecasting the number of new service connections (residential and commercial) required in Milton in 2009, a portion of this project was deferred to 2010 to ensure that it could be completed in a cost-effective manner.</p>		
Supporting Docs / Justification	Project Drawings Customer Correspondence		
		Proj. Completion Date:	31/03/2010
		Cost Schedule	Estimated Costs
		2010 Q1	\$ 75,850
		2010 Q2	\$ 75,850
		2010 Q3	
		2010 Q4	
		2011 Q1	
		2011 Q2	
		2011 Q3	
		2011 Q4	
		2012 Q1	
		2012 Q2	
		2012 Q3	
		2012 Q4	
		2013 Q1	
2013 Q2			
2013 Q3			
2013 Q4			
2014 Q1			
2014 Q2			
2014 Q3			
2014 Q4			
Gross Cost	\$ 151,700		
CIAC			
Net Cost	\$ 151,700		

		<h2 style="text-align: center;">MHD Asset Management Plan - Capital Project</h2>																																																	
Project Number:	09-003	Workorder Number(s) (if assigned):	09-003																																																
Project Name:	Timberlea SC-13 to SC-12 Install ducts, cable and trans - Planned carryover																																																		
Project Manager:	Phil Reid	Approval:	Frank Lasowski																																																
Start Year:	2009	General Category:	Asset Mgt																																																
Completion Year:	2010	Reason(s):	Reliability, Efficiency,																																																
Description and Justification:	<p>This project is a planned partial carryover item from 2009. It consists of the installation of dual voltage 8/16kV submersible transformers and the termination and connection of the 28kV cables installed in new ducts during 2009 by Aecon.</p> <p>Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's efficiency through lower losses, reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).</p>																																																		
Supporting Docs / Justification	Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security																																																		
		Proj. Completion Date: 01/09/2010	<table border="1"> <thead> <tr> <th>Cost Schedule</th> <th>Estimated Costs</th> </tr> </thead> <tbody> <tr><td>2010 Q1</td><td>\$ 120,375</td></tr> <tr><td>2010 Q2</td><td>\$ 120,375</td></tr> <tr><td>2010 Q3</td><td></td></tr> <tr><td>2010 Q4</td><td></td></tr> <tr><td>2011 Q1</td><td></td></tr> <tr><td>2011 Q2</td><td></td></tr> <tr><td>2011 Q3</td><td></td></tr> <tr><td>2011 Q4</td><td></td></tr> <tr><td>2012 Q1</td><td></td></tr> <tr><td>2012 Q2</td><td></td></tr> <tr><td>2012 Q3</td><td></td></tr> <tr><td>2012 Q4</td><td></td></tr> <tr><td>2013 Q1</td><td></td></tr> <tr><td>2013 Q2</td><td></td></tr> <tr><td>2013 Q3</td><td></td></tr> <tr><td>2013 Q4</td><td></td></tr> <tr><td>2014 Q1</td><td></td></tr> <tr><td>2014 Q2</td><td></td></tr> <tr><td>2014 Q3</td><td></td></tr> <tr><td>2014 Q4</td><td></td></tr> <tr> <td><b>Gross Cost</b></td> <td><b>\$ 240,750</b></td> </tr> <tr> <td><b>CIAC</b></td> <td></td> </tr> <tr> <td><b>Net Cost</b></td> <td><b>\$ 240,750</b></td> </tr> </tbody> </table>	Cost Schedule	Estimated Costs	2010 Q1	\$ 120,375	2010 Q2	\$ 120,375	2010 Q3		2010 Q4		2011 Q1		2011 Q2		2011 Q3		2011 Q4		2012 Q1		2012 Q2		2012 Q3		2012 Q4		2013 Q1		2013 Q2		2013 Q3		2013 Q4		2014 Q1		2014 Q2		2014 Q3		2014 Q4		<b>Gross Cost</b>	<b>\$ 240,750</b>	<b>CIAC</b>		<b>Net Cost</b>	<b>\$ 240,750</b>
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<b>Net Cost</b>	<b>\$ 240,750</b>																																																		

		<b>MHDI Asset Management Plan - Capital Project</b>	
Project Number:	09-006	Workorder Number(s) (if assigned):	09-006
Project Name:	Dorset Park Wilson and Frobisher Carryover		
Project Manager:	Phil Reid	Approval:	Frank Lasowski
Start Year:	0	General Category:	Asset Mgt
Completion Year:	2010	Reason(s):	Safety, Reliability, Efficiency, Aesthetics,
Description and Justification:	<p>This project consists of the replacement of primary cables, switchgear and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives.</p> <p>Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's efficiency through lower losses, reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).</p>		
Supporting Docs / Justification	Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security		
		Proj. Completion Date:	30/08/2010
		Cost Schedule	Estimated Costs
		2010 Q1	
		2010 Q2	
		2010 Q3	\$ 149,355
		2010 Q4	
		2011 Q1	
		2011 Q2	
		2011 Q3	
		2011 Q4	
		2012 Q1	
		2012 Q2	
		2012 Q3	
		2012 Q4	
		2013 Q1	
		2013 Q2	
		2013 Q3	
		2013 Q4	
		2014 Q1	
		2014 Q2	
		2014 Q3	
		2014 Q4	
		<b>Gross Cost</b>	<b>\$ 149,355</b>
		<b>CIAC</b>	
		<b>Net Cost</b>	<b>\$ 149,355</b>



		<b>MHDI Asset Management Plan - Capital Project</b>	
Project Number:	09-009	Workorder Number(s) (if assigned):	09-009
Project Name:	Bronte St MS-4 to Derry Carryover		
Project Manager:	Phil Reid	Approval:	Frank Lasowski
Start Year:	0	General Category:	Asset Mgt
Completion Year:	2010	Reason(s):	Safety, Reliability, Efficiency,
Description and Justification:	<p>This project is a carryover item from 2009. This project is related to Project 08-010, where distribution lines along Derry and Bronte were relocated and rebuilt. The start of that project was late due to delays forced on the Region of Halton by land transfer issues which are now settled.</p> <p>This project allows for the removal of most of the length of a deteriorated line that runs parallel to the railroad tracks from Main St to Bronte. This line is reaching the end of its useful life, 30 + years and has become difficult to access due to recent residential construction on the west side of the tracks.</p>		
Supporting Docs / Justification	<p>Project Drawings</p> <p>Region of Halton requests to relocate MHD lines on Derry and Bronte for road realignments, c/w detailed project drawings.</p>		
		Proj. Completion Date:	30/06/2010
		Cost Schedule	Estimated Costs
		2010 Q1	\$ 149,031
		2010 Q2	\$ 7,844
		2010 Q3	
		2010 Q4	
		2011 Q1	
		2011 Q2	
		2011 Q3	
		2011 Q4	
		2012 Q1	
		2012 Q2	
		2012 Q3	
		2012 Q4	
		2013 Q1	
		2013 Q2	
		2013 Q3	
		2013 Q4	
		2014 Q1	
		2014 Q2	
		2014 Q3	
		2014 Q4	
		<b>Gross Cost</b>	<b>\$ 156,875</b>
		<b>CIAC</b>	
		<b>Net Cost</b>	<b>\$ 156,875</b>

		<b>MHDI Asset Management Plan - Capital Project</b>																																																	
Project Number:	09-010	Workorder Number(s) (if assigned):	09-010																																																
Project Name:	Install reclosers at MS-6 Carryover																																																		
Project Manager:	Ron Brajovic	Approval:	Frank Lasowski																																																
Start Year:	2009	General Category:	Asset Mgt																																																
Completion Year:	2010	Reason(s):																																																	
Description and Justification:	<p>This project was deferred to 2010 for the purchase of smart reclosures that will be capable of remote operation from a control room.</p> <p>Upgrade outdated feeder protection at MS-6 that is expected to remain in MHDI's system for the foreseeable future, as it serves an area where low or no growth makes voltage conversion unnecessary.</p>																																																		
Supporting Docs / Justification	Replacement of 40 + years of aging P&C equipment. Reliability and Security																																																		
		Proj. Completion Date:	01/09/2010																																																
		<table border="1"> <thead> <tr> <th>Cost Schedule</th> <th>Estimated Costs</th> </tr> </thead> <tbody> <tr><td>2010 Q1</td><td></td></tr> <tr><td>2010 Q2</td><td>\$ 9,825</td></tr> <tr><td>2010 Q3</td><td>\$ 55,675</td></tr> <tr><td>2010 Q4</td><td></td></tr> <tr><td>2011 Q1</td><td></td></tr> <tr><td>2011 Q2</td><td></td></tr> <tr><td>2011 Q3</td><td></td></tr> <tr><td>2011 Q4</td><td></td></tr> <tr><td>2012 Q1</td><td></td></tr> <tr><td>2012 Q2</td><td></td></tr> <tr><td>2012 Q3</td><td></td></tr> <tr><td>2012 Q4</td><td></td></tr> <tr><td>2013 Q1</td><td></td></tr> <tr><td>2013 Q2</td><td></td></tr> <tr><td>2013 Q3</td><td></td></tr> <tr><td>2013 Q4</td><td></td></tr> <tr><td>2014 Q1</td><td></td></tr> <tr><td>2014 Q2</td><td></td></tr> <tr><td>2014 Q3</td><td></td></tr> <tr><td>2014 Q4</td><td></td></tr> <tr> <td><b>Gross Cost</b></td> <td><b>\$ 65,500</b></td> </tr> <tr> <td><b>CIAC</b></td> <td></td> </tr> <tr> <td><b>Net Cost</b></td> <td><b>\$ 65,500</b></td> </tr> </tbody> </table>		Cost Schedule	Estimated Costs	2010 Q1		2010 Q2	\$ 9,825	2010 Q3	\$ 55,675	2010 Q4		2011 Q1		2011 Q2		2011 Q3		2011 Q4		2012 Q1		2012 Q2		2012 Q3		2012 Q4		2013 Q1		2013 Q2		2013 Q3		2013 Q4		2014 Q1		2014 Q2		2014 Q3		2014 Q4		<b>Gross Cost</b>	<b>\$ 65,500</b>	<b>CIAC</b>		<b>Net Cost</b>	<b>\$ 65,500</b>
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<b>CIAC</b>																																																			
<b>Net Cost</b>	<b>\$ 65,500</b>																																																		

		<b>MHDI Asset Management Plan - Capital Project</b>	
Project Number:	09-027	Workorder Number(s) (if assigned):	09-027
Project Name:	Derry Road and Walkers Line for ROH		
Project Manager:	Linda LC	Approval:	Frank Lasowski
Start Year:	0	General Category:	Municipal
Completion Year:	2010	Reason(s):	0
Description and Justification:	Pole relocation due to Region of Halton Road widening. MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.		
Supporting Docs / Justification	Region of Halton Purchase Order		
		Proj. Completion Date:	Not specified
		Cost Schedule	Estimated Costs
		2010 Q1	\$ 10,389
		2010 Q2	
		2010 Q3	
		2010 Q4	
		2011 Q1	
		2011 Q2	
		2011 Q3	
		2011 Q4	
		2012 Q1	
		2012 Q2	
		2012 Q3	
		2012 Q4	
		2013 Q1	
		2013 Q2	
		2013 Q3	
		2013 Q4	
		2014 Q1	
		2014 Q2	
		2014 Q3	
		2014 Q4	
		<b>Gross Cost</b>	<b>\$ 10,389</b>
		<b>CIAC</b>	<b>\$ 3,735</b>
		<b>Net Cost</b>	<b>\$ 6,654</b>



No Image Available

		<b>MHDI Asset Management Plan - Capital Project</b>	
Project Number:	10A	Workorder Number(s) (if assigned):	10-001
Project Name:	Pole Replacement Program* 2010		
Project Manager:	Ron Brajovic	Approval:	Frank Lasowski
Start Year:	2010	General Category:	Asset Mgt
Completion Year:	2010	Reason(s):	Safety, Reliability, Legal/Regulatory,
Description and Justification:	<p>As part of its Asset Management Program, MHDI performs pole testing every year to evaluate the condition and projected life of its poles. Each year, poles are identified as requiring change-out in the near future, as they have reached or will soon reach the end of their useful lives.</p> <p>This project item provides for the changeout of these poles. For 2010, it is estimated that 35 poles will be changed.</p>		
Supporting Docs / Justification	Historical pole testing database		
		Proj. Completion Date:	31/12/2010
 <div style="display: inline-block; vertical-align: middle;"> <p>No Image Available</p> </div>		Cost Schedule	Estimated Costs
		2010 Q1	\$ 16,023
		2010 Q2	\$ 26,704
		2010 Q3	\$ 26,704
		2010 Q4	\$ 37,386
		2011 Q1	
		2011 Q2	
		2011 Q3	
		2011 Q4	
		2012 Q1	
		2012 Q2	
		2012 Q3	
		2012 Q4	
		2013 Q1	
		2013 Q2	
		2013 Q3	
		2013 Q4	
		2014 Q1	
		2014 Q2	
		2014 Q3	
2014 Q4			
		<b>Gross Cost</b>	<b>\$ 106,817</b>
		<b>CIAC</b>	
		<b>Net Cost</b>	<b>\$ 106,817</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **10B**

Workorder Number(s) (if assigned): **10-002**

Project Name: **Derry Road Twiss to McNiven rebuild to 27.6 kV**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2010**

General Category: **Asset Mgt**

Completion Year: **2010**

Reason(s): **Reliability, Efficiency,**

**Description and Justification:** This project consists of the replacement of poles, conductors, and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives.

Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).

**Supporting Docs / Justification**

Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security



Proj. Completion Date: **8/30/2010**

Cost Schedule	Estimated Costs
2010 Q1	\$ 100,007
2010 Q2	\$ 116,675
2010 Q3	\$ 116,675
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 333,358</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 333,358</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10C

Workorder Number(s) (if assigned): 10-003

Project Name: FIT Projects 2010

Project Manager: Ron Brajovic

Approval: Frank Lasowski

Start Year: 2010

General Category: Asset Mgt

Completion Year: 2010

Reason(s): Legal/Regulatory,

Description and Justification:

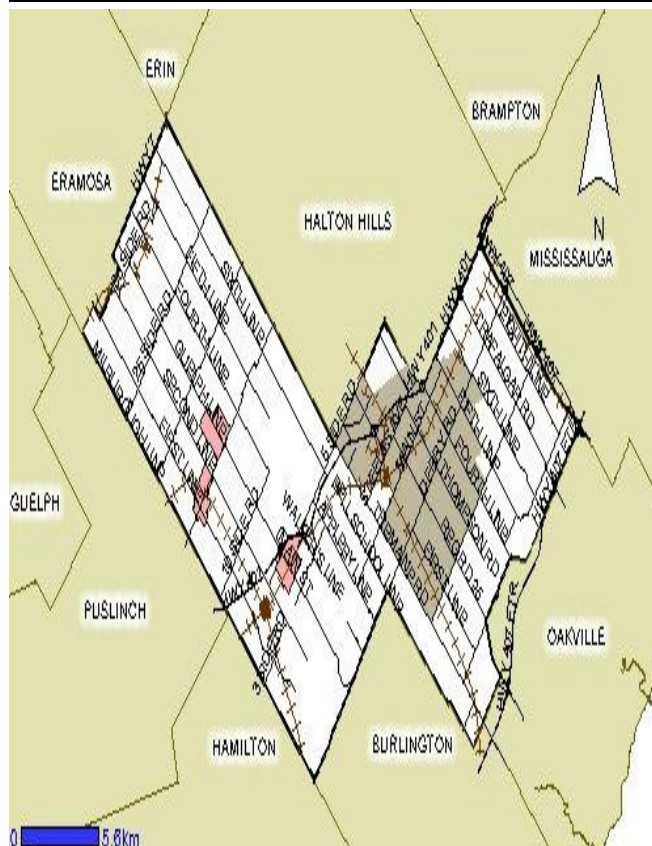
The GEA has resulted in an obligation for MHD to bear part of the costs of distribution system expansions associated with the connection of renewable energy generation (Feed-In Tariff - 'FIT' and 'microFIT' projects) with MHD distribution system.

This project item is intended to capture any such costs for 2010.

Supporting Docs / Justification

Green Energy Act, Province of Ontario  
 Various proposed and enacted regulatory changes, OEB

Proj. Completion Date: Not specified



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>100,127</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>100,127</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10E

Workorder Number(s) (if assigned): 10-004

Project Name: Pitfield townhome rebuild to 27.6 kV 950 m and 8 transformers

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2010

General Category: Asset Mgt

Completion Year: 2010

Reason(s): Reliability, Efficiency,

Description and Justification:

This project consists of the replacement of primary cables, switchgear and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives.

Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs / Justification

Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security



Proj. Completion Date: 12/15/2010

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	\$ 39,145
2010 Q3	\$ 137,008
2010 Q4	\$ 19,573
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 195,725</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 195,725</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10F

Workorder Number(s) (if assigned): 10-005

Project Name: Install three phase switches for future automation

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2010

General Category: Asset Mgt

Completion Year: 2010

Reason(s): Legal/Regulatory,

Description and Justification: Milton Hydro will continue to update and install three phase switches which will be capable of being upgraded for remote operations from a central control room. Milton Hydro installs 2 or 3 switches each year.

Supporting Docs / Justification: System reliability and outage management



Proj. Completion Date: Not specified

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	\$ 102,850
2010 Q3	
2010 Q4	\$ 102,850
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 205,700</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 205,700</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10G

Workorder Number(s) (if assigned): 10-006

Project Name: Timberlea area underground re-hab on 13.8 kV

Project Manager: Ron Brajovic

Approval: Frank Lasowski

Start Year: 2010

General Category: Asset Mgt

Completion Year: 2010

Reason(s): Reliability, Efficiency,

Description and Justification:

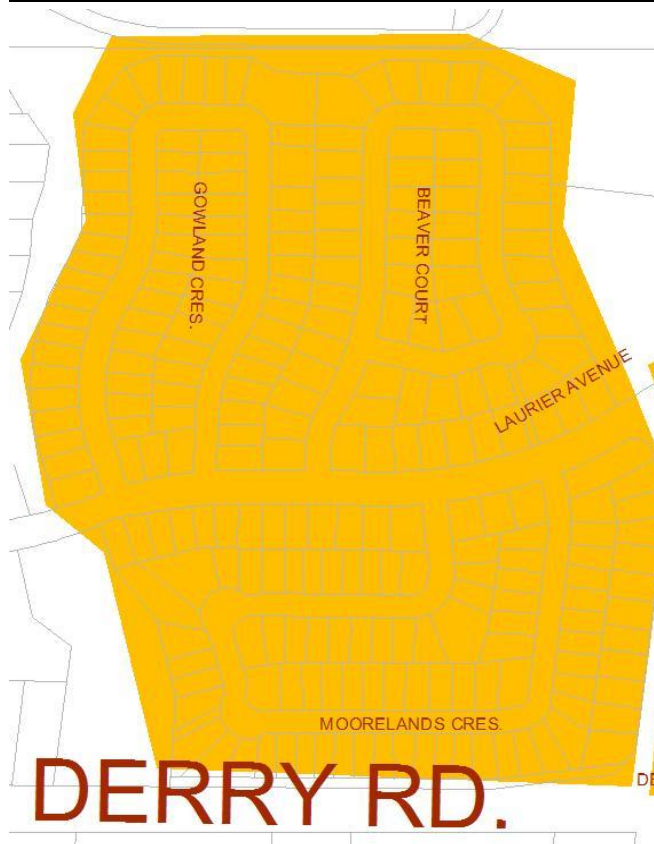
This project consists of the replacement of primary cables, switchgear and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives. This should result in improved reliability and reduced underground maintenance costs.

Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs / Justification

Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security

Proj. Completion Date: 12/15/2010



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	\$ 273,367
2010 Q4	\$ 273,367
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 546,733</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 546,733</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10K

Workorder Number(s) (if assigned): 10-007

Project Name: 551 Commercial rebuild to 27.6 kV 700 m and 12 transformers

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2010

General Category: Asset Mgt

Completion Year: 2010

Reason(s): Reliability, Efficiency,

Description and Justification:

This project consists of the replacement of primary cables, switchgear and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives. This should result in improved reliability and reduced underground maintenance costs.

Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's efficiency through lower losses, reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs / Justification

Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security

Proj. Completion Date: 9/15/2010



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	\$ 106,232
2010 Q3	\$ 84,986
2010 Q4	\$ 21,246
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 212,465</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 212,465</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10S

Workorder Number(s) (if assigned): 10-008

Project Name: Upgrade grounding at substations using copperweld

Project Manager: Ron Brajovic

Approval: Frank Lasowski

Start Year: 0

General Category: Asset Mgt

Completion Year: 2010

Reason(s): 0

Description and Justification:

In recent years, the theft of copper grounding from substations has increased dramatically. This can be attributed to the increase in value of copper as a scrap commodity, and an increase in awareness of this by potential thieves. MHDI has already been the target of such theft. This leads to both financial cost and increased risk, as the copper grounding is an essential component to the safe and reliable operation of our system.

This item provides for the replacement of traditional 'soft' copper ground wire with copperweld (copper cladding chemically bonded to a hard steel core) that will make it more difficult to steal and render it worthless to a scrapper.

Supporting Docs / Justification

System security and public safety

Proj. Completion Date: 4/15/2010



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	\$ 30,141
2010 Q2	\$ 10,047
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 40,188</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 40,188</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10T

Workorder Number(s) (if assigned): 10-009

Project Name: Eliminate heatshrink from transformers

Project Manager: Kyle Gervais

Approval: Frank Lasowski

Start Year: 0

General Category: Asset Mgt

Completion Year: 2010

Reason(s): 0

Description and Justification:

Over the last 12-15 years, MHD operations staff had been installing heat shrink on the primary bushings of distribution transformers as an attempt to reduce the number of outages related to animals (squirrels).

This heatshrink is now contributing to premature failures of some of these transformers due to entrapped moisture and our harsh winter/spring climate.

This item provides for the identification and removal of the heatshrink. It also provides for the inspection and replacement of those transformers that already exhibit damage to the primary bushings.

Supporting Docs / Justification

Equipment failure. System reliability

Proj. Completion Date: 12/15/2010



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	\$ 134,250
2010 Q2	\$ 26,850
2010 Q3	\$ 26,850
2010 Q4	\$ 80,550
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 268,500</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 268,500</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10U

Workorder Number(s) (if assigned): 10-010

Project Name: Rebuild Line, 2nd Line from 20th to 25 S.R.

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 0

General Category: Asset Mgt

Completion Year: 2010

Reason(s): 0

Description and Justification:

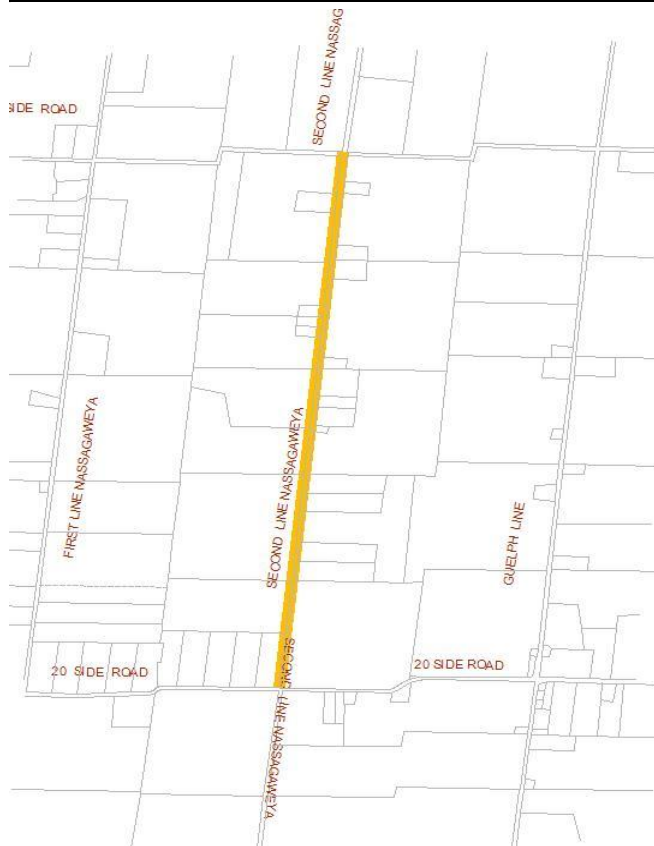
This project will replace and upgrade the distribution plant between 20 Side Road and 25 Side Road along 2nd Line.

This will replace deteriorated plant, upgrading from single phase to three phase bringing this portion of the system to modern standard in order that MHD can remove MS-9 from service as required without extensive switching and the involvement of a neighbouring utility.

Supporting Docs / Justification

system is currently single phase and requires extensive switching in order to isolate MS-9 from service. Improved reliability and system security.

Proj. Completion Date: 9/15/2010



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	\$ 176,563
2010 Q3	\$ 176,563
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 353,125</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 353,125</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **10H**

Workorder Number(s) (if assigned): **7-031**

Project Name: **James Snow Pkwy, Louis St Laurent to Britannia - Developer Built**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2010**

General Category: **Developer**

Completion Year: **2010**

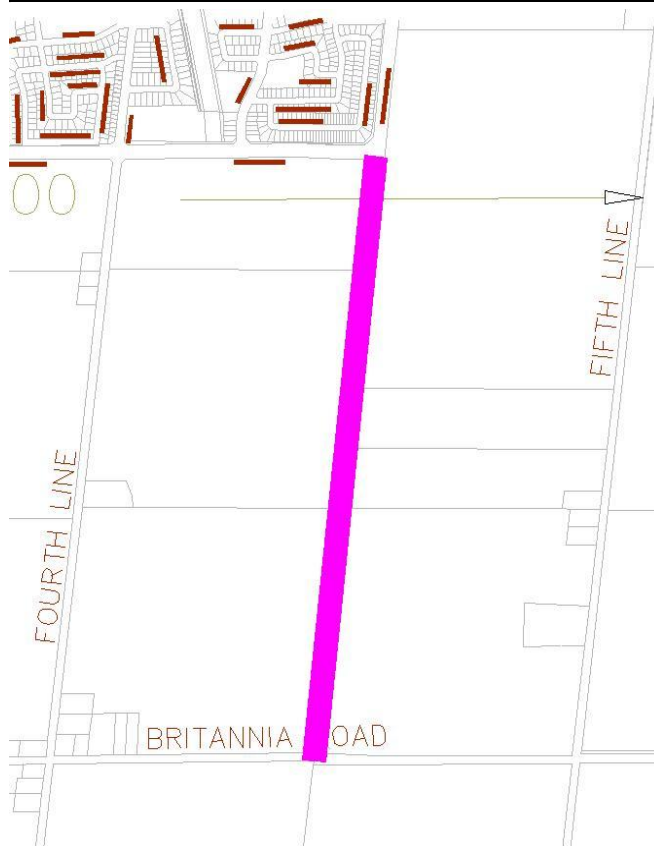
Reason(s): **Growth, Development,**

Description and  
Justification:

This expansion project is required to connect new customers (residential subdivision)  
  
 The actual distribution line is being constructed by and paid for by the developer. It is included here for visibility in the asset mgt plan.

Supporting Docs /  
Justification

As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.



Proj. Completion Date: **12/31/2010**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	\$ 330,250
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 330,250</b>
<b>CIAC</b>	<b>\$ 330,250</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:	10J
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Workorder Number(s) (if assigned):	10-013
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Project Name: Main St. west of Savoline Blvd to Tremaine Road 27.6 kV extension 1 km

Project Manager:	Phil Reid
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Approval: Frank Lasowski

Start Year:	2010
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General Category:	Developer
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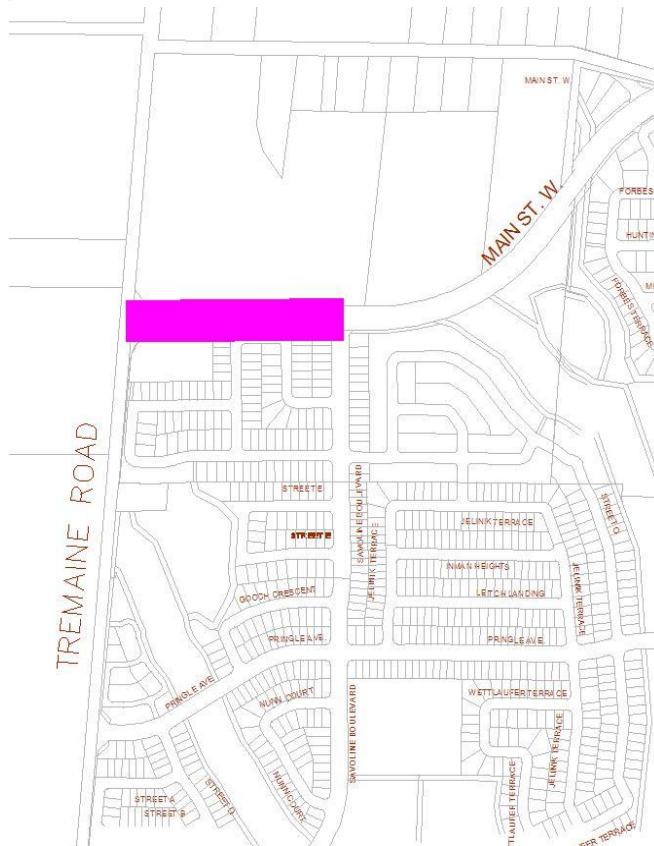
Completion Year:	2010
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Reason(s): Growth, Development, Municipal (TOM),

Description and Justification:	This expansion project is required to connect new customers (residential subdivision). The cost of this project is fully recoverable from the developer.
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Supporting Docs / Justification	As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.
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Proj. Completion Date: 2010-09-31



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	\$ 98,628
2010 Q3	\$ 120,545
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 219,173</b>
<b>CIAC</b>	<b>\$ 219,173</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 09-026

Workorder Number(s) (if assigned): 09-026

Project Name: Extend Pole Line from Derry to new fire hall (JSP)

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 0

General Category: Developer

Completion Year: 2010

Reason(s): 0

Description and Justification:

This expansion project is required to connect a new customer (new fire hall). The cost of this project is partially recoverable from the customer and the balance is MHDI decision to increase the pole height to accommodate the addition of future 27.6kV circuits.

Supporting Docs / Justification:

As per MHDI Policy, specific Connection Agreements will be signed by the customer, and suitable deposits made prior to commencement of construction.

Proj. Completion Date: 4/10/2010



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	\$ 110,426
2010 Q2	\$ 19,487
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 129,913</b>
<b>CIAC</b>	<b>\$ 86,000</b>
<b>Net Cost</b>	<b>\$ 43,913</b>



## MHDI Asset Management Plan - Capital Project

Project Number:	10L
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Workorder Number(s) (if assigned):	0
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**Project Name:** Louis St. Laurent to Regional Rd 25 27.6 kV line .5 km and creek crossing

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year:	2010
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General Category:	Municipal
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Completion Year:	2010
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Reason(s): Growth, Municipal (TOM),

Description and Justification:

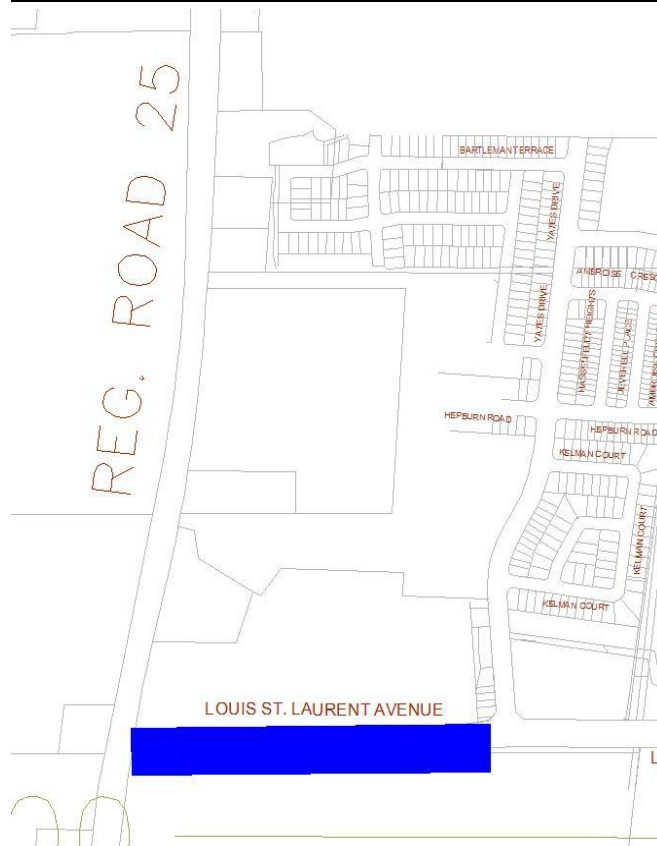
This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs /  
Justification

Public Service Works on Highway Act

Proj. Completion Date: 12/15/2010



Cost Schedule	Estimated Costs
2010 Q1	\$ 97,692
2010 Q2	\$ 195,385
2010 Q3	\$ 16,282
2010 Q4	\$ 16,282
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 325,641</b>
<b>CIAC</b>	<b>\$ 18,348</b>
<b>Net Cost</b>	<b>\$ 307,293</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10M

Workorder Number(s) (if assigned): 0

Project Name: Lower Base Line at 16 Mile Creek for TOM

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2010

General Category: Municipal

Completion Year: 2010

Reason(s): Municipal (TOM),

Description and  
Justification:

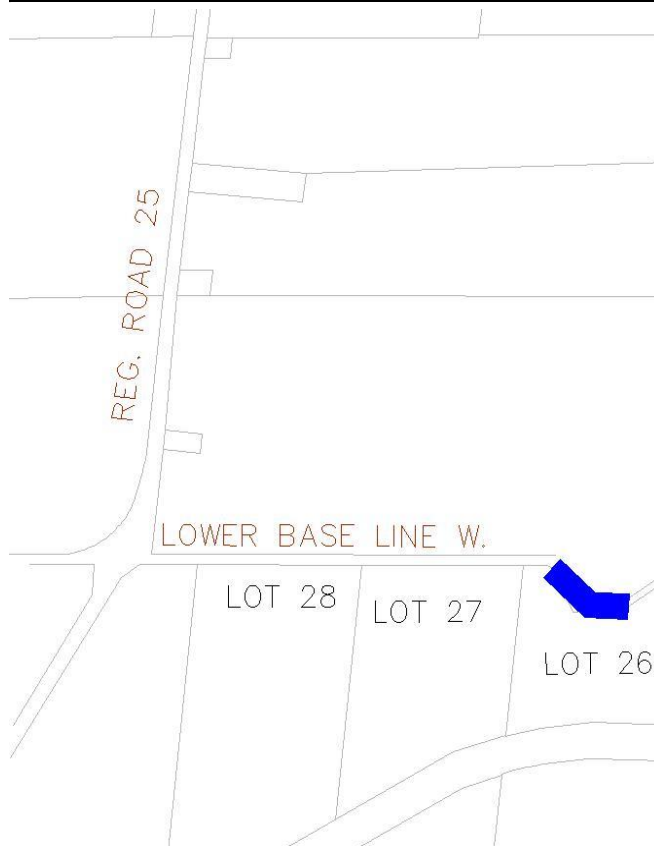
This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs /  
Justification

Public Service Works on Highway Act

Proj. Completion Date: 11/30/2010



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	\$ 33,433
2010 Q4	\$ 100,300
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 133,733</b>
<b>CIAC</b>	<b>\$ 41,250</b>
<b>Net Cost</b>	<b>\$ 92,483</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **10N**

Workorder Number(s) (if assigned): **0**

Project Name: **Reg Rd 25 Derry to Britannia Rd 27.6 kV pole relocation**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2010**

General Category: **Municipal**

Completion Year: **2010**

Reason(s): **Municipal (ROH),**

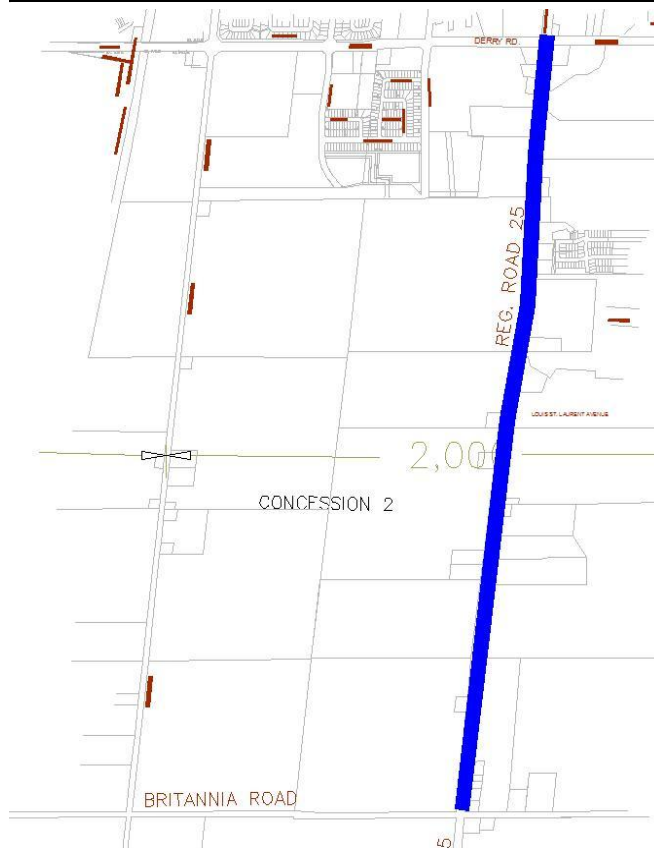
Description and  
Justification:

This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs /  
Justification

Public Service Works on Highway Act



Proj. Completion Date: **9/1/2010**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	\$ 540,374
2010 Q3	\$ 442,124
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 982,498</b>
<b>CIAC</b>	<b>\$ 257,813</b>
<b>Net Cost</b>	<b>\$ 724,685</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 09-029

Workorder Number(s) (if assigned): 09-029

Project Name: Regional Road 25 401 to 5 Sideroad

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2010

General Category: Municipal

Completion Year: 2010

Reason(s): Municipal (ROH),

Description and  
Justification:

This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs /  
Justification

Public Service Works on Highway Act

Proj. Completion Date: 6/15/2010



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	\$ 58,140
2010 Q2	\$ 116,280
2010 Q3	\$ 58,140
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 232,560</b>
<b>CIAC</b>	<b>\$ 70,469</b>
<b>Net Cost</b>	<b>\$ 162,091</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **10Q**

Workorder Number(s) (if assigned): **09-031**

Project Name: **Tremaine Rd Derry to Main**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2010**

General Category: **Municipal**

Completion Year: **2010**

Reason(s): **Municipal (ROH),**

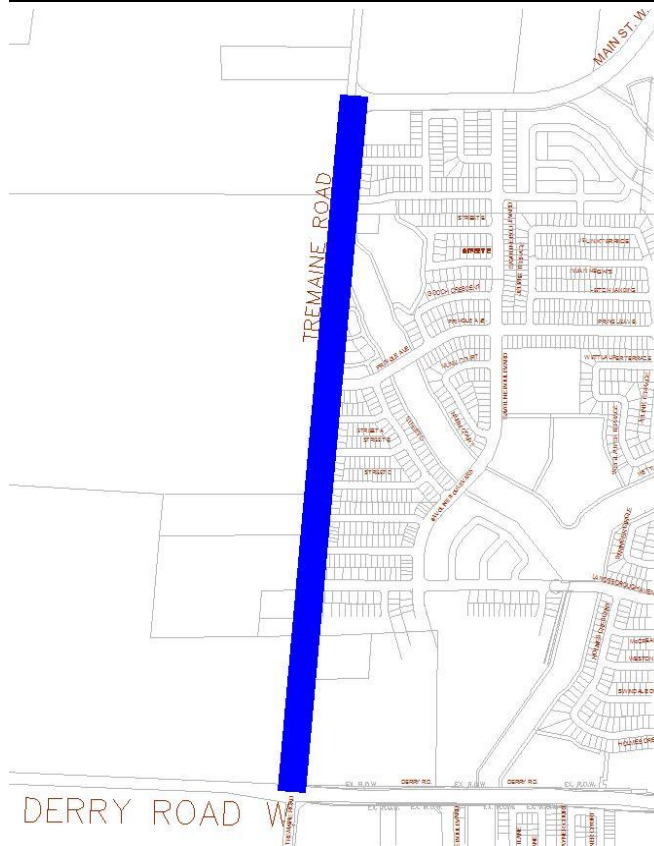
Description and Justification:

This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs / Justification

Public Service Works on Highway Act



Proj. Completion Date: **4/30/2010**

Cost Schedule	Estimated Costs
2010 Q1	\$ 146,191
2010 Q2	\$ 36,548
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 182,739</b>
<b>CIAC</b>	<b>\$ 97,588</b>
<b>Net Cost</b>	<b>\$ 85,151</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10R

Workorder Number(s) (if assigned): 10-013

Project Name: Main St Bronte to Tremaine

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2010

General Category: Municipal

Completion Year: 2010

Reason(s): Municipal (TOM),

Description and Justification:

This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI recently rebuilt most of this line therefore the Town of Milton will pay the complete costs to rebuild the new portion. MHDI will also recover a portion of the cost of the remainder of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs / Justification

Public Service Works on Highway Act

Proj. Completion Date: 5/10/2010



Cost Schedule	Estimated Costs
2010 Q1	\$ 68,703
2010 Q2	\$ 549,627
2010 Q3	\$ 68,703
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 687,034</b>
<b>CIAC</b>	<b>\$ 325,038</b>
<b>Net Cost</b>	<b>\$ 361,996</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 09-032

Workorder Number(s) (if assigned): 09-032

Project Name: Britannia Rd and 5th Line - Road realignment (traffic lights)

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 0

General Category: Municipal

Completion Year: 2010

Reason(s): 0

Description and  
Justification:

This project is required as a result of a road widening/realignment project to be performed by the municipalities (Region of Halton and Town of Milton).

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs /  
Justification

Public Service Works on Highway Act

Proj. Completion Date: 5/1/2010



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	\$ 4,910
2010 Q2	\$ 19,640
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 24,550</b>
<b>CIAC</b>	<b>\$ 8,223</b>
<b>Net Cost</b>	<b>\$ 16,328</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

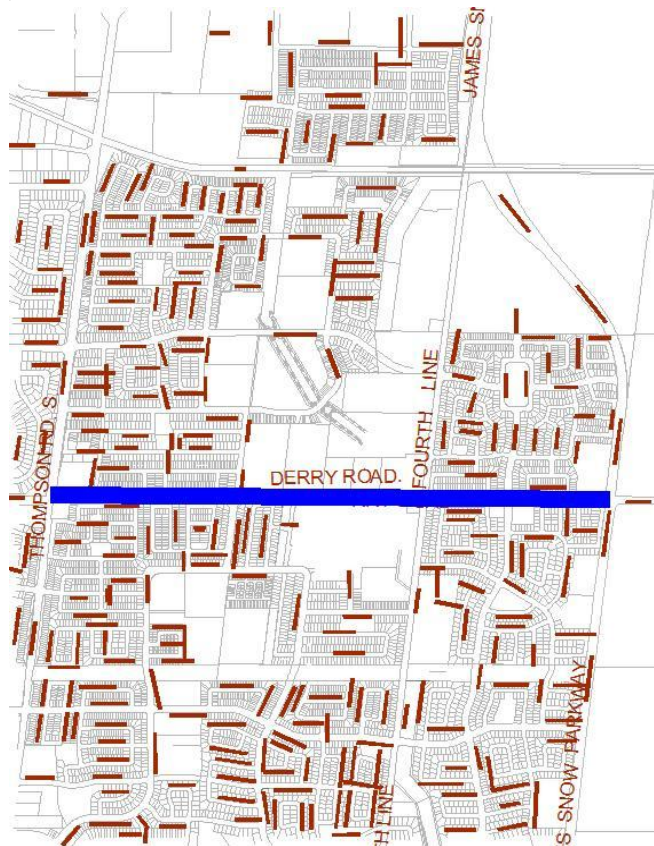
Reason(s):

Description and  
Justification:

In 2000, MHDI rebuilt this distribution line along Derry. In 2007-2008, the Town of Milton realigned portions, and added a wide sidewalk / recreation path near our line. In the process, this created some conflicts where the minimum height of some of the supporting guys is not to standard. This item is to correct this issue. Costs are recoverable from the Town of Milton

Supporting Docs /  
Justification

CSA 22.3 Part 1 (Overhead Systems)



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	\$ 14,520
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 14,520</b>
<b>CIAC</b>	<b>\$ 14,520</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10-016

Workorder Number(s) (if assigned): 10-016

Project Name: 20 Sideroad east of Townline Relocate 8.32 kV for ROH

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 0

General Category: Municipal

Completion Year: 2010

Reason(s): 0

Description and Justification: Pole relocation due to Region of Halton Road widening. This cost is recoverable from the Region of Halton

Supporting Docs / Justification: Region of Halton Purchase Order

Proj. Completion Date: Not specified



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>99,802</b>
<b>CIAC \$</b>	<b>99,802</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 10GA

Workorder Number(s) (if assigned): 0

Project Name: Timberlea area underground re-hab on 13.8 V

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2011

General Category: Asset Mgt

Completion Year: 2011

Reason(s): Reliability, Efficiency,

Description and Justification:

This project consists of the replacement of primary cables, switchgear and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives. This should result in improved reliability and reduced underground maintenance costs.

Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs / Justification

Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security

Proj. Completion Date: Not specified



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 124,005
2011 Q3	\$ 155,006
2011 Q4	\$ 31,001
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 310,013</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 310,013</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 11A

Workorder Number(s) (if assigned): 0

Project Name: Bronte Meadows underground re-hab on 13.8 kV

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2011

General Category: Asset Mgt

Completion Year: 2011

Reason(s): Reliability, Efficiency,

Description and Justification:

This project consists of the replacement of primary cables, switchgear and transformers to allow for conversion from 13.8kV to 27.6kV. It will eliminate older assets that are nearing the projected end of their useful lives.

Milton Hydro converts 13.8kV to 27.6kV voltage whenever extensive work is performed on the aging assets, such as replacement of deteriorating plant. In addition, as lines are moved as a result of road widening, Milton Hydro rebuilds to 27.6kV standards. The voltage conversion will improve MHD's efficiency through lower losses, reliability and the rebuilds enhances system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs / Justification

Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security

Proj. Completion Date: Not specified



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 133,200
2011 Q3	\$ 166,500
2011 Q4	\$ 33,300
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 333,000</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 333,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification: Rebuild of an aging main back up 8.32 kV feeder and relocation from an unregistered easement on to the ROW for purpose of access.

Supporting Docs / Justification: Replacement of 40 + years of aging infrastructure and line relocations. Reliability and Security



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	\$ 91,750
2011 Q4	\$ 91,750
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 183,500</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 183,500</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11D**

Workorder Number(s) (if assigned): **0**

Project Name: **Walkers Line/3 Sideroad rebuild to 27.6 kV and u/g rehab 4 km o/h & 1.4 km u/g**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

General Category: **Asset Mgt**

Completion Year: **2011**

Reason(s): **Safety, Reliability, Efficiency,**

Description and Justification: **Rebuild of 8.32 kV pole line t and conversion to 27.6 kV. Pole line will be relocated from a field to ROW. Includes a rural estate subdivision on MacArthur Dr. The voltage conversion will improve MHD's efficiency through lower losses, reliability and enhance system development, as the distribution system will then be operating at a single voltage (27.6kV).**

Supporting Docs / Justification: **Replacement of 40 + years of aging infrastructure and line relocation to ROW. Reliability and Security**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	\$ 335,725
2011 Q2	\$ 335,725
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 671,450</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 671,450</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

As part of its Asset Management Program, MHDI performs pole testing every year to evaluate the condition and projected life of its poles. Each year, poles are identified as requiring change-out in the near future, as they have reached or will soon reach the end of their useful lives.

Supporting Docs /  
Justification

Historical pole testing database

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs	
2010 Q1		
2010 Q2		
2010 Q3		
2010 Q4		
2011 Q1	\$	26,573
2011 Q2	\$	26,573
2011 Q3	\$	26,573
2011 Q4	\$	26,573
2012 Q1		
2012 Q2		
2012 Q3		
2012 Q4		
2013 Q1		
2013 Q2		
2013 Q3		
2013 Q4		
2014 Q1		
2014 Q2		
2014 Q3		
2014 Q4		
Gross Cost \$		106,292
CIAC		
Net Cost \$		106,292



## MHDI Asset Management Plan - Capital Project

Project Number:	11F	Workorder Number(s) (if assigned):	0
Project Name:	20 Sideroad east of 2nd Line Relocate 8.32 kV to ROW		
Project Manager:	Phil Reid	Approval:	Frank Lasowski
Start Year:	2011	General Category:	Asset Mgt
Completion Year:	2011	Reason(s):	Safety, Reliability, Efficiency,
Description and Justification:	Rebuild of an aging main back up 8.32 kV feeder and relocation from the field to the ROW for purpose of access.		
Supporting Docs / Justification	Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security		



Proj. Completion Date: Not specified

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	\$ 120,282
2011 Q2	\$ 40,094
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 160,376</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 160,376</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11G**

Workorder Number(s) (if assigned): **0**

Project Name: **Amos-Blacklock Brookville 8.32 kV u/g re-hab and conversion 1.7 km & 9 transformers**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

General Category: **Asset Mgt**

Completion Year: **2011**

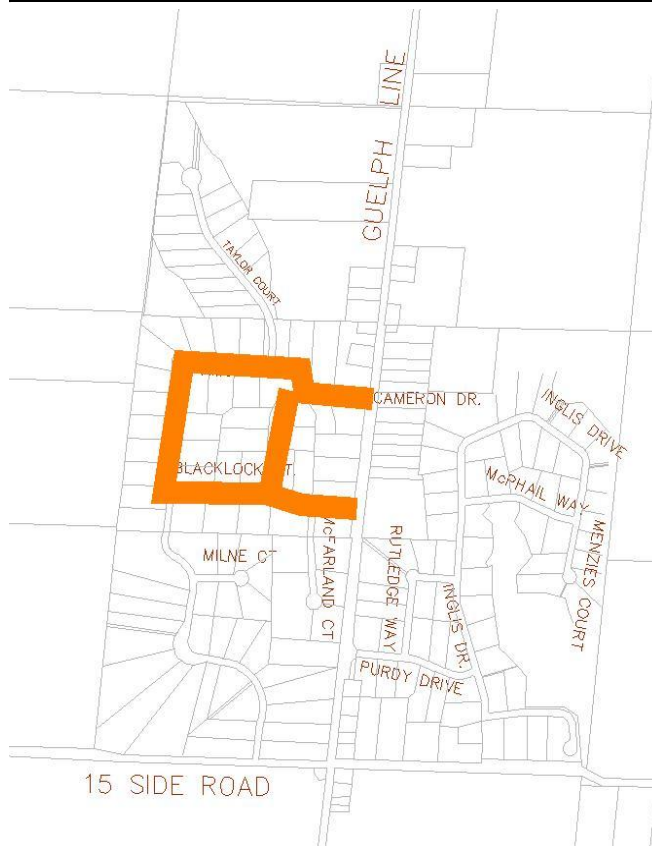
Reason(s): **Reliability, Efficiency,**

Description and  
Justification:

Rebuild of aging u/g primary (installed by Ontario Hydro) and conversion to 27.6 kV. The voltage conversion will improve MHD's efficiency through lower losses, reliability and enhance system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs /  
Justification

Replacement of 40 + years of aging infrastructure. Reliability and Security



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs	
2010 Q1		
2010 Q2		
2010 Q3		
2010 Q4		
2011 Q1		
2011 Q2		
2011 Q3	\$	102,471
2011 Q4	\$	102,471
2012 Q1		
2012 Q2		
2012 Q3		
2012 Q4		
2013 Q1		
2013 Q2		
2013 Q3		
2013 Q4		
2014 Q1		
2014 Q2		
2014 Q3		
2014 Q4		
<b>Gross Cost \$</b>		<b>204,942</b>
<b>CIAC</b>		
<b>Net Cost \$</b>		<b>204,942</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

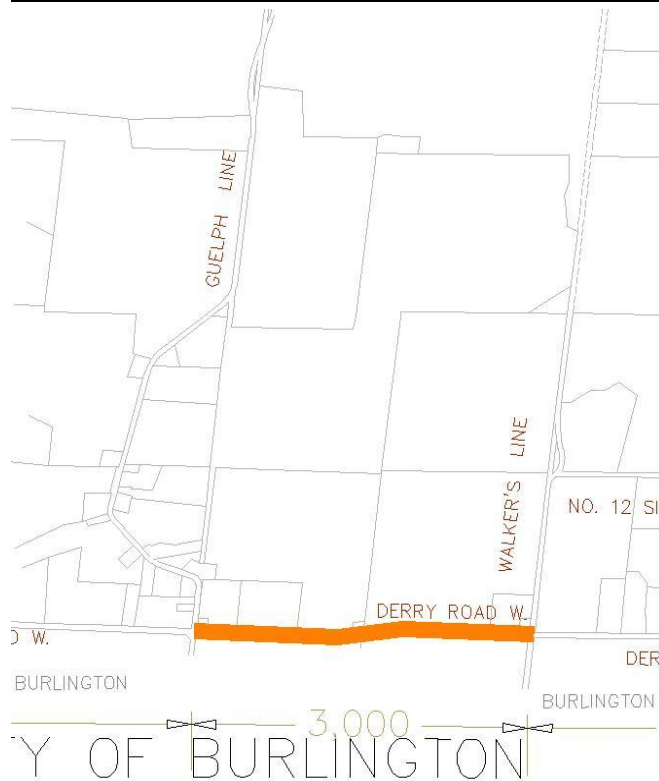
Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification: Rebuild of 13.8 kV pole and conversion to 27.6 V to facilitate the de-commissioning of MS-4. The voltage conversion will improve MHDI's efficiency through lower losses, reliability and enhance system development, as the distribution system will then be operating at a single voltage (27.6kV).

Supporting Docs / Justification: Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 272,577
2011 Q3	\$ 90,859
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 363,436</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 363,436</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification: Rebuild of 13.8 kV pole and conversion to 27.6 V to provide for de-commissioning and removal of MS-4. The voltage conversion will improve MHD's efficiency through lower losses, reliability and enhance system development, as the distribution system will

Supporting Docs / Justification: Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	\$ 61,939
2011 Q4	\$ 20,646
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 82,585</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 82,585</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11K**

Workorder Number(s) (if assigned): **0**

Project Name: **First Line south of Britannia Road 27.6 kV rebuild**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

General Category: **Asset Mgt**

Completion Year: **2011**

Reason(s): **Safety,**

Description and Justification: **Rebuild and relocation of existing aging 27.6 kV pole line.**

Supporting Docs / Justification

**Replacement of 40 + years of aging infrastructure and line relocation. Reliability and Security**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 186,472
2011 Q3	\$ 186,472
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 372,943</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 372,943</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 11L

Workorder Number(s) (if assigned): 0

Project Name: FIT Projects 2011

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2011

General Category: Asset Mgt

Completion Year: 2011

Reason(s): Legal/Regulatory,

Description and  
Justification:

The GEA has resulted in an obligation by LDCs to bear part of the costs of distribution system expansions associated with the interconnection of renewable energy generation (Feed-In Tariff - 'FIT' and 'microFIT' projects) with MHDI distribution system.

This project item is intended to capture any such costs for 2010.

Supporting Docs /  
Justification

Green Energy Act, Province of Ontario  
 Various proposed and enacted regulatory changes, OEB

Proj. Completion Date: Not specified



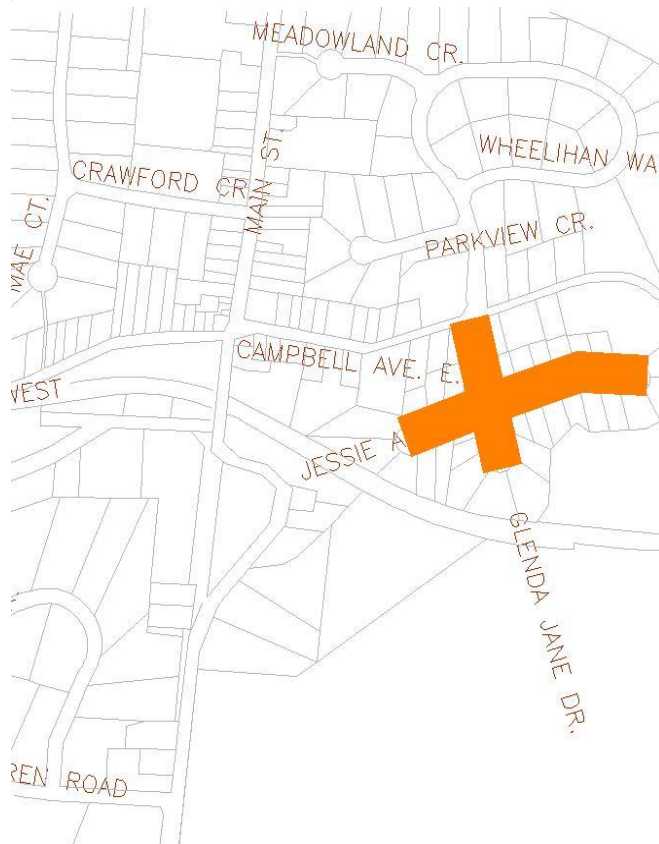
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Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>150,127</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>150,127</b>



## MHDI Asset Management Plan - Capital Project

Project Number:	11M	Workorder Number(s) (if assigned):	0
Project Name:	Glenda Jane and Jessie Ave. u/g rehab. 1.25 km and 7 transformers		
Project Manager:	Phil Reid	Approval:	Frank Lasowski
Start Year:	2011	General Category:	Asset Mgt
Completion Year:	2011	Reason(s):	Reliability, Efficiency,
Description and Justification:	Rebuild of aging u/g primary (installed by Ontario Hydro) and conversion to 27.6 kV and new loop feed. The voltage conversion will improve MHD's efficiency through lower losses, reliability and system development, as the distribution system will then be operating at a single voltage (27.6kV).		
Supporting Docs / Justification	Replacement of 40 + years of aging infrastructure. Reliability and Security		



Proj. Completion Date: Not specified

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 234,891
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 234,891</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 234,891</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11N**

Workorder Number(s) (if assigned): **0**

Project Name: **Highside u/g rehab .75 km and 6 transformers**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

General Category: **Asset Mgt**

Completion Year: **2011**

Reason(s): **Reliability, Efficiency,**

Description and Justification: **Rebuild of aging u/g primary currently supplied by 16kV and a 2.4 kV step down transformer and convert to 27.6 kV. The voltage conversion will improve MHDI's efficiency through lower losses, reliability and enhance system development, as the distribution system will then be operating at a single voltage (27.6kV).**

Supporting Docs / Justification: **Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security**

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	\$ 149,069
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 149,069</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 149,069</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: Milton Hydro will continue to update and install three phase switches which will be capable of being upgraded for remote operations from a central control room. Milton Hydro installs 2 or 3 switches each year.

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 128,188
2011 Q3	
2011 Q4	\$ 128,188
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 256,375</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 256,375</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11Q**

Workorder Number(s) (if assigned): **0**

Project Name: **Louis St. Laurent 1st Line east to mid block 27.6 kV line 0.75 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

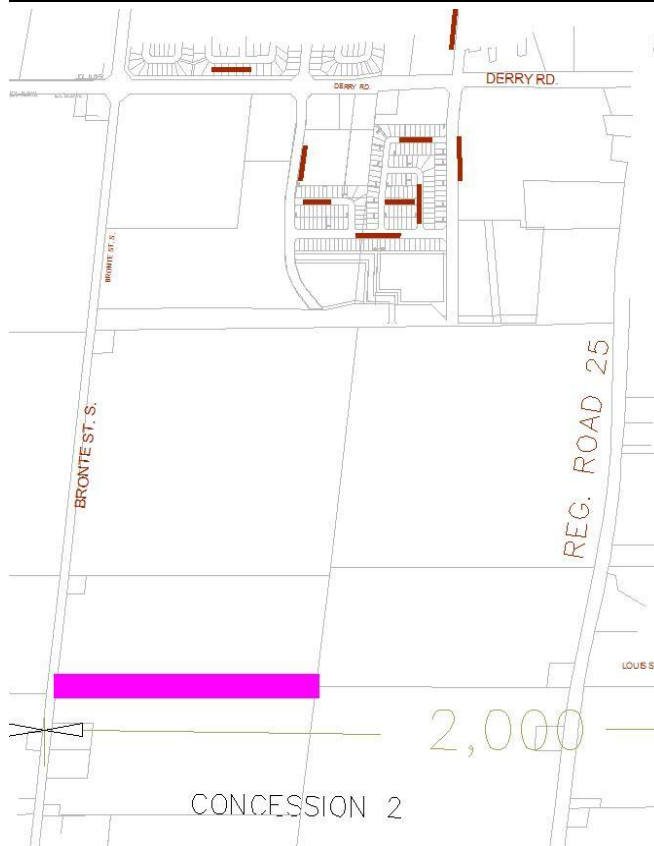
General Category: **Developer**

Completion Year: **2011**

Reason(s): **Growth, Development,**

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHDI Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	\$ 217,500
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 217,500</b>
<b>CIAC</b>	<b>\$ 217,500</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHDI Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 217,500
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 217,500</b>
<b>CIAC</b>	<b>\$ 217,500</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>250,000</b>
<b>CIAC \$</b>	<b>250,000</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11S**

Workorder Number(s) (if assigned): **0**

Project Name: **Reg Rd 25 407 to Britannia Rd 27.6 kV pole relocation**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

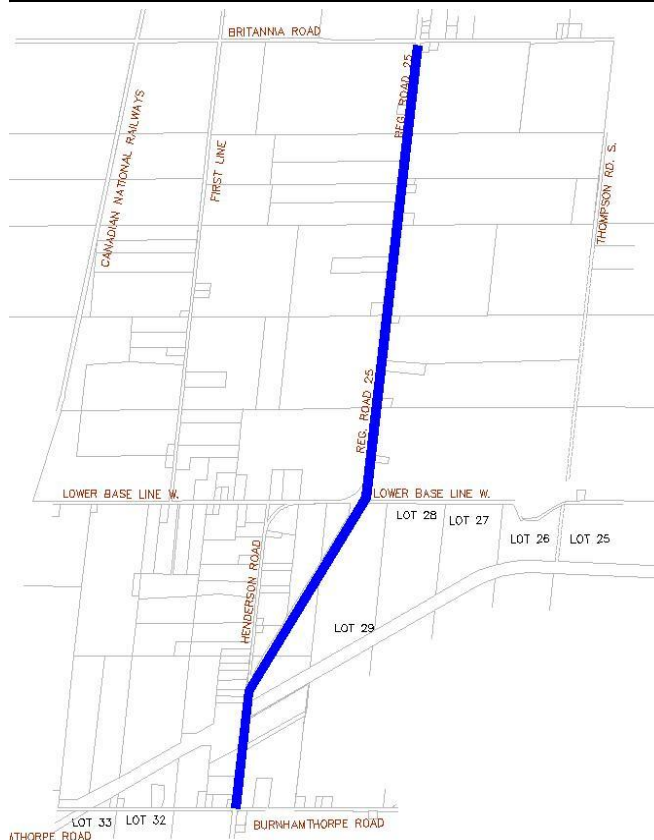
General Category: **Municipal**

Completion Year: **2011**

Reason(s): **Municipal (TOM),**

Description and Justification: **27.6 kV pole line relocation due to Region of Halton Road widening.  
 MHD will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.**

Supporting Docs / Justification: **Public Service Works on Highway Act**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	\$ 869,922
2011 Q2	\$ 289,974
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 1,159,896</b>
<b>CIAC</b>	<b>\$ 354,125</b>
<b>Net Cost</b>	<b>\$ 805,771</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11T**

Workorder Number(s) (if assigned): **0**

Project Name: **Main St. Grade separation**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

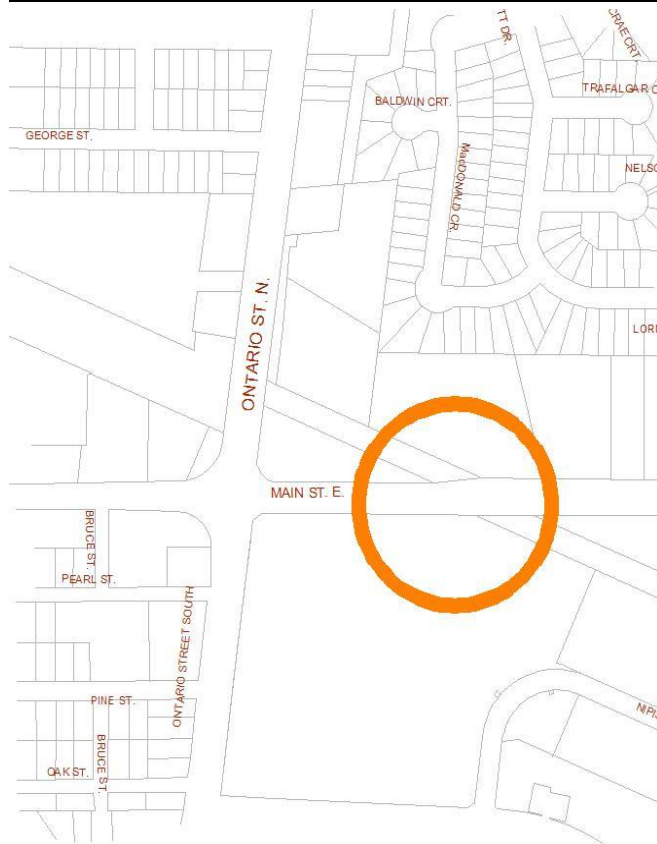
General Category: **Municipal**

Completion Year: **2011**

Reason(s): **Municipal (TOM),**

Description and Justification: 27.6 kV pole line relocation due to Town of Milton Road widening.  
 MHD will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs / Justification: **Public Service Works on Highway Act**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	\$ 490,825
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 490,825</b>
<b>CIAC</b>	<b>\$ 168,463</b>
<b>Net Cost</b>	<b>\$ 322,362</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **12E**

Workorder Number(s) (if assigned): **0**

Project Name: **Steeles Ave west of Twiss Install 27.6 kV pole line**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2011**

General Category: **Asset Mgt**

Completion Year: **2011**

Reason(s): **Reliability, Efficiency,**

Description and Justification: **Rebuild of an aging 13.8 kV pole line and new build and conversion to 27.6 kV.**

Supporting Docs / Justification: **Replacement of 40 + years of aging infrastructure and line relocation. Reliability and Security**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	\$ 98,441
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 98,441</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 98,441</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: Continuation of 13.8 kV u/g primary cable rehab and conversion to 27.6 kV to facilitate the de-commissioning of MS-4.

Supporting Docs / Justification: Replacement of 30 + years of aging infrastructure. Reliability and Security

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	\$ 66,800
2012 Q3	\$ 83,500
2012 Q4	\$ 16,700
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 167,000</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 167,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **12A**

Workorder Number(s) (if assigned): **0**

Project Name: **Bronte Meadows underground re-hab on 13.8 kV**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2012**

General Category: **Asset Mgt**

Completion Year: **2012**

Reason(s): **Reliability, Efficiency,**

Description and Justification: Continuation of 13.8 kV u/g primary cable rehab and conversion to 27.6 kV to facilitate the de-commissioning of MS-4.

Supporting Docs / Justification: Replacement of 30 + years of aging infrastructure. Reliability and Security

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	\$ 240,000
2012 Q3	\$ 300,000
2012 Q4	\$ 60,000
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 600,000</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 600,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

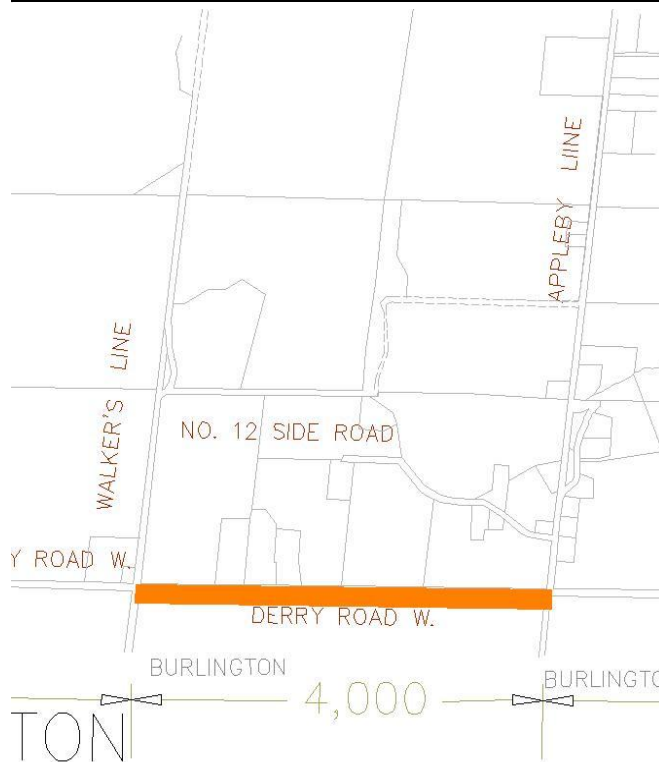
Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification: Rebuild of 13.8 kV pole and conversion to 27.6 kV to facilitate the de-commissioning of MS-4.

Supporting Docs / Justification: Replacement of 30 + years of aging infrastructure. Reliability and Security



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	\$ 440,250
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 440,250</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 440,250</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

The GEA has resulted in an obligation by LDCs to bear part of the costs of distribution system expansions associated with the interconnection of renewable energy generation (Feed-In Tariff - 'FIT' and 'microFIT' projects) with MHDI distribution system.

This project item is intended to capture any such costs for 2010.

Supporting Docs /  
Justification

Green Energy Act, Province of Ontario  
 Various proposed and enacted regulatory changes, OEB

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>150,127</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>150,127</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: Milton Hydro will continue to update and install three phase switches which will be capable of being upgraded for remote operations from a central control room. Milton Hydro installs 2 or 3 switches each year.

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	\$ 128,188
2012 Q3	
2012 Q4	\$ 128,188
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 256,375</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 256,375</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

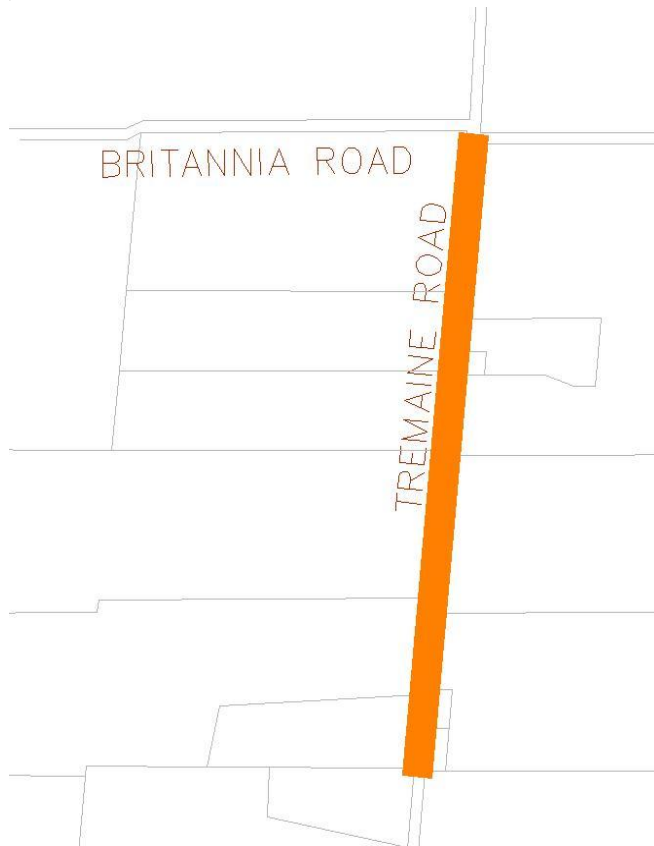
General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	\$ 240,000
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 240,000</b>
<b>CIAC</b>	<b>\$ 240,000</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: As part of its Asset Management Program, MHDI performs pole testing every year to evaluate the condition and projected life of its poles. Each year, some poles are identified as requiring change-out in the near future, as they have reached or will soon reach the end of their useful lives.

This project item provides for the changeout of these poles.

Supporting Docs / Justification:



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	\$ 26,573
2012 Q2	\$ 26,573
2012 Q3	\$ 26,573
2012 Q4	\$ 26,573
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 106,292</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 106,292</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **12H**

Workorder Number(s) (if assigned): **0**

Project Name: **TmTS Tremaine Road south of Lower Baseline to Burnhamthorpe**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2012**

General Category: **Asset Mgt**

Completion Year: **2012**

Reason(s): **Growth, Legal/Regulatory,**

Description and Justification:

Installation of 27.6 kV lines for breaker positions for the new Tremaine TS

Supporting Docs / Justification

Future load growth



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	\$ 243,294
2012 Q3	\$ 243,294
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 486,588</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 486,588</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	\$ 50,000
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 50,000</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 50,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

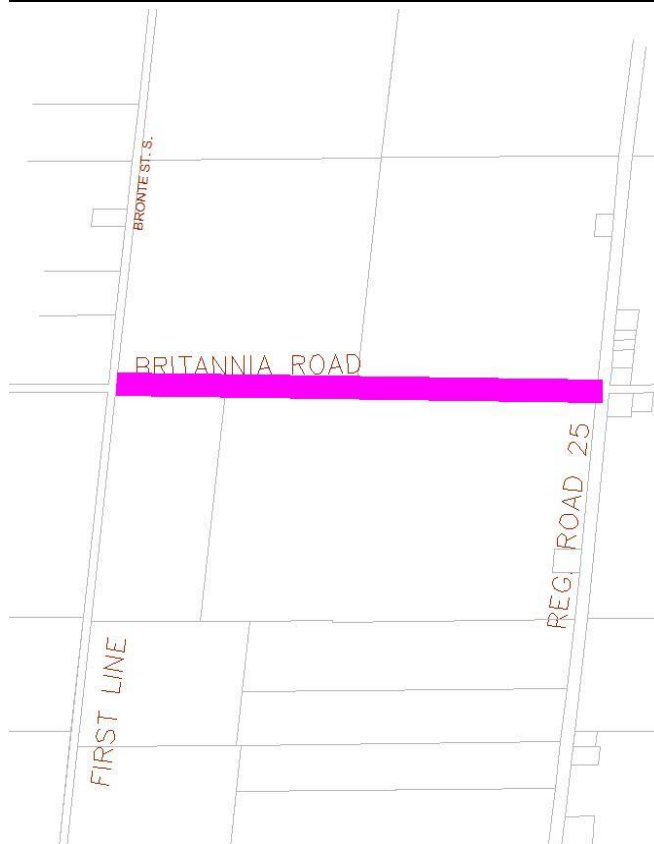
Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	\$ 356,825
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 356,825</b>
<b>CIAC</b>	<b>\$ 356,825</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **12L**

Workorder Number(s) (if assigned): **0**

Project Name: **Britannia Rd east of Tremaine Rd to 1st Line 27.6 kV extension 1.4 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2012**

General Category: **Developer**

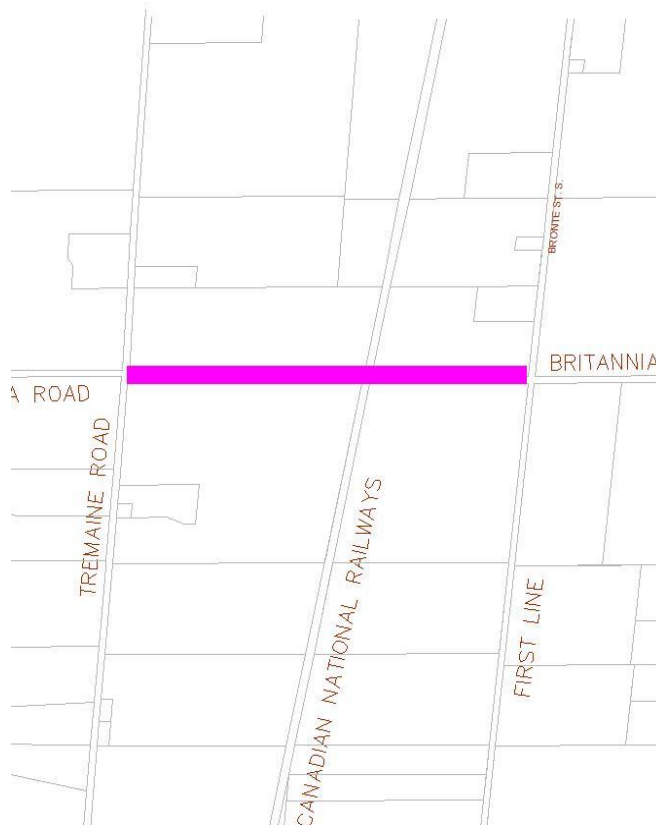
Completion Year: **2012**

Reason(s): **Reliability, Efficiency, Growth, Development,**

Description and Justification: **This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.**

Supporting Docs / Justification: **As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.**

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	\$ 356,825
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 356,825</b>
<b>CIAC</b>	<b>\$ 356,825</b>
<b>Net Cost</b>	<b>\$ 0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: Municipal projects/relocations.

MHDI will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs / Justification

Public Service Works on Highway Act

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 1,250,000</b>
<b>CIAC</b>	<b>\$ 325,000</b>
<b>Net Cost</b>	<b>\$ 925,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14A**

Workorder Number(s) (if assigned): **0**

Project Name: **Convert 13.8 to 27.6 kV Mill to Pine to Ontario St**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2012**

General Category: **Asset Mgt**

Completion Year: **2012**

Reason(s): **Reliability, Efficiency,**

Description and Justification: **Conversion of 13.8 to 27.6 kV Mill to Pine to Ontario St. to provide backup supply after the de-commissioning of MS-4**

Supporting Docs / Justification: **Reliability and security of supply**

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	\$ 325,625
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 325,625</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 325,625</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14B**

Workorder Number(s) (if assigned): **0**

Project Name: **Recover 13.8 kV stations**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2012**

General Category: **Asset Mgt**

Completion Year: **2012**

Reason(s): **Safety, Reliability, Efficiency,**

Description and Justification: **Removal of MS-3 and MS-4 13.8 kV stations**

Supporting Docs / Justification: **De-commissioned**

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	\$ 50,000
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 50,000</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 50,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

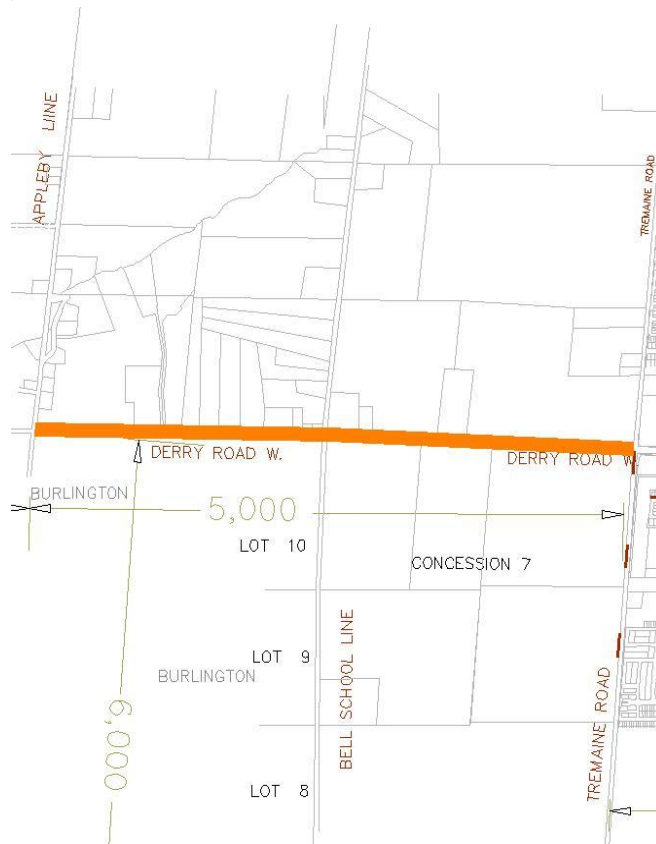
Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification:

Supporting Docs / Justification:



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	\$ 384,750
2012 Q2	\$ 384,750
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 769,500</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 769,500</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **11C**

Workorder Number(s) (if assigned): **0**

Project Name: **Twiss Road north of Derry Rebuild to 27.6 kV**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2012**

General Category: **Asset Mgt**

Completion Year: **2012**

Reason(s): **Safety, Reliability, Efficiency,**

Description and Justification: **Rebuild of 13.8 kV pole for conversion to 27.6 V to accommodate de-commissioning of MS-3 and MS-4**

Supporting Docs / Justification

**Replacement of 30 + years of aging infrastructure and line relocations. Reliability and Security**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	\$ 215,584
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 215,584</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 215,584</b>



## MHDI Asset Management Plan - Capital Project

Project Number:  Workorder Number(s) (if assigned):

Project Name:

Project Manager:  Approval:

Start Year:  General Category:

Completion Year:  Reason(s):

Description and Justification:

Supporting Docs / Justification

0



Proj. Completion Date:

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>201,541</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>201,541</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **13B**

Workorder Number(s) (if assigned): **0**

Project Name: **Britannia Road Regional Road 25 to Thompson Relocate 27.6 kV 1.4 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2013**

General Category: **Asset Mgt**

Completion Year: **2013**

Reason(s):

Description and Justification: **27.6 kV pole line relocation due to Town of Milton Road widening.**

Supporting Docs / Justification: **Highway Traffic Act  
Municipal correspondence  
Project Drawings and Specifications**

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>321,450</b>
<b>CIAC \$</b>	<b>75,000</b>
<b>Net Cost \$</b>	<b>246,450</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

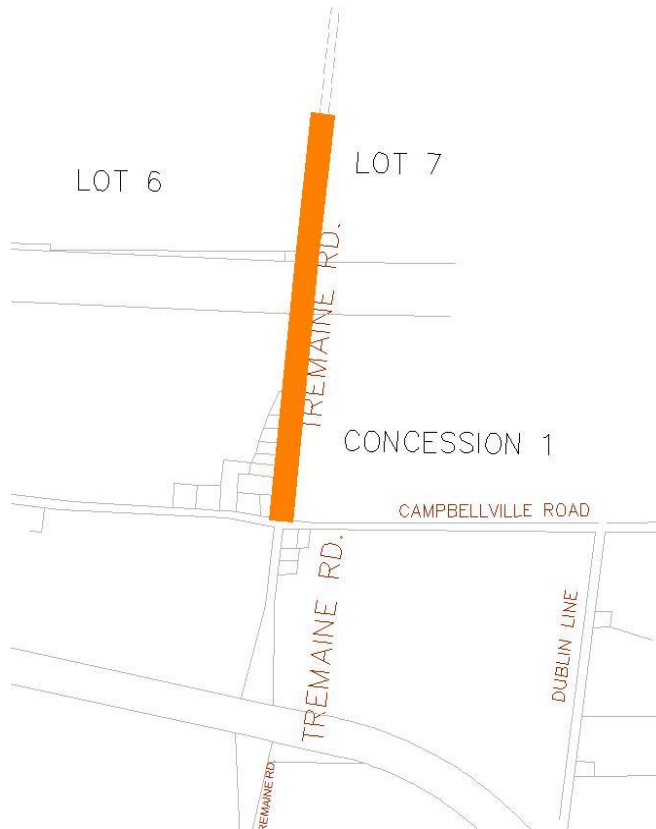
Reason(s):

Description and  
Justification:

Replace aging poles and voltage conversion

Supporting Docs /  
Justification

Proj. Completion Date:



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>85,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>85,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

As part of its Asset Management Program, MHDI performs pole testing every year to evaluate the condition and projected life of its poles. Each year, poles are identified as requiring change-out in the near future, as they have reached or will soon reach the end of their useful lives.

Supporting Docs /  
Justification

Historical pole testing database

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>106,292</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>106,292</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

The GEA has resulted in an obligation by LDCs to bear part of the costs of distribution system expansions associated with the interconnection of renewable energy generation (Feed-In Tariff - 'FIT' and 'microFIT' projects) with MHDI distribution system.

This project item is intended to capture any such costs for 2010.

Supporting Docs /  
Justification

Green Energy Act, Province of Ontario  
 Various proposed and enacted regulatory changes, OEB

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>150,127</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>150,127</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

Milton Hydro will continue to update and install three phase switches which will be capable of being upgraded for remote operations from a central control room. Milton Hydro installs 2 or 3 switches each year.

Supporting Docs /  
Justification

System reliability and outage management

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>256,375</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>256,375</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **13J**

Workorder Number(s) (if assigned): **0**

Project Name: **Louis St. Laurent 1st Line west 27.6 kV line 1.5 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2013**

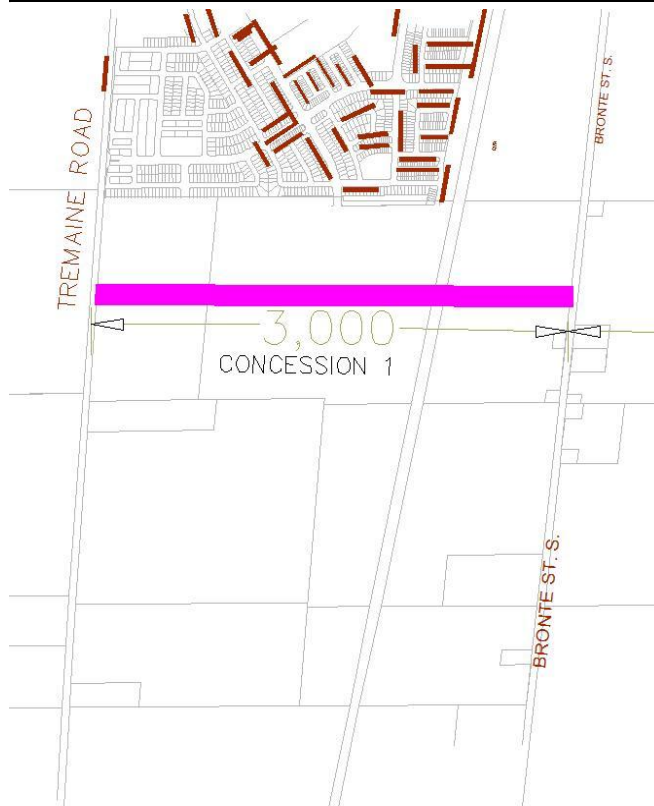
General Category: **Developer**

Completion Year: **2013**

Reason(s): **Growth, Development,**

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHDI Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>352,438</b>
<b>CIAC \$</b>	<b>352,438</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:	13K	Workorder Number(s) (if assigned):	0
Project Name:	Tremaine Rd south of Derry HOTE 27.6 kV extension 0.6 km		
Project Manager:	Phil Reid	Approval:	Frank Lasowski
Start Year:	2013	General Category:	Developer
Completion Year:	2013	Reason(s):	Development,

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHDI Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.



Proj. Completion Date: Not specified

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>119,500</b>
<b>CIAC \$</b>	<b>119,500</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>300,000</b>
<b>CIAC \$</b>	<b>300,000</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and

Justification: Municipal projects/relocations.  
 MHD will recover a portion of the cost of this project in accordance with provisions of the Highway Traffic Act.

Supporting Docs /  
Justification

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 1,250,000</b>
<b>CIAC</b>	<b>\$ 325,000</b>
<b>Net Cost</b>	<b>\$ 925,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number: 14C

Workorder Number(s) (if assigned): 0

Project Name: Pole Replacement Program\* 2014

Project Manager: Phil Reid

Approval: Frank Lasowski

Start Year: 2014

General Category: Asset Mgt

Completion Year: 2014

Reason(s): Safety, Reliability, Legal/Regulatory,

Description and Justification:

As part of its Asset Management Program, MHD performs pole testing every year to evaluate the condition and projected life of its poles. Each year, poles are identified as requiring change-out in the near future, as they have reached or will soon reach the end of their useful lives.

Supporting Docs / Justification

Historical pole testing database

Proj. Completion Date: Not specified



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>106,292</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>106,292</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 3,500,000</b>
<b>CIAC</b>	
<b>Net Cost</b>	<b>\$ 3,500,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

Milton Hydro will continue to update and install three phase switches which will be capable of being upgraded for remote operations from a central control room. Milton Hydro installs 2 or 3 switches each year.

Supporting Docs /  
Justification

System reliability and outage management

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>256,375</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>256,375</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14G**

Workorder Number(s) (if assigned): **0**

Project Name: **Rehabilitation Projects - Forecast**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

General Category: **Asset Mgt**

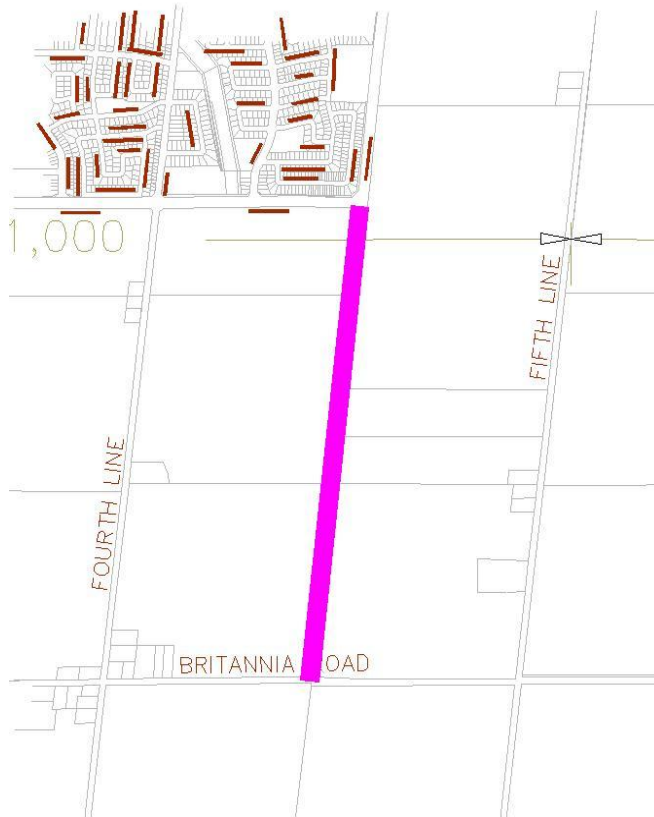
Completion Year: **2014**

Reason(s): **Safety, Reliability,**

Description and Justification: **Rebuild aging infrastructure - review of service quality indicators**

Supporting Docs / Justification: **Replacement of 30 and 40+ years of aging infrastructure and line relocations. Reliability and Security**

Proj. Completion Date: **Not specified**



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>750,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>750,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

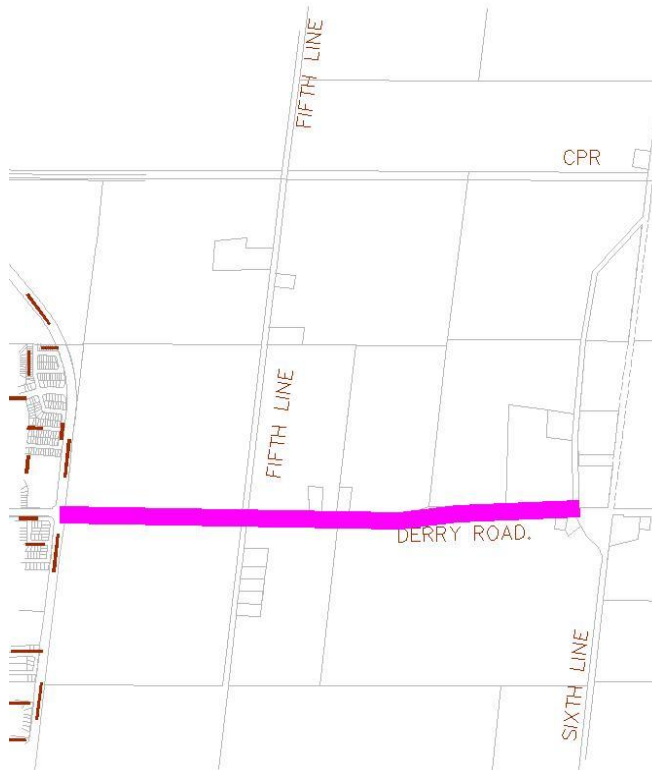
Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>250,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>250,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14T**

Workorder Number(s) (if assigned): **0**

Project Name: **Lower Base Line Henderson Road 27.6 kV rebuild**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

General Category: **Asset Mgt**

Completion Year: **2014**

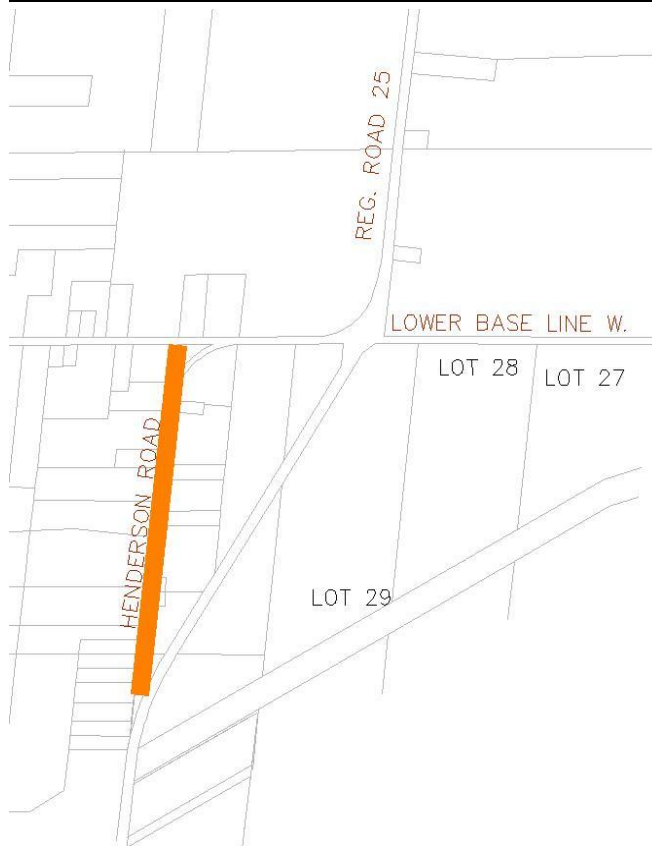
Reason(s): **Safety, Reliability,**

Description and  
Justification:

Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs /  
Justification

Future load growth



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>394,136</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>394,136</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14W**

Workorder Number(s) (if assigned): **0**

Project Name: **Trafalgar TS Lower Baseline 6th to 5th 27.6 kV pole line 1.7 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

General Category: **Asset Mgt**

Completion Year: **2014**

Reason(s): **Growth,**

Description and Justification:

Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs / Justification

Future load growth



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>391,225</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>391,225</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14X**

Workorder Number(s) (if assigned): **0**

Project Name: **Trafalgar TS 5th Line Lower Baseline to Britannia install 27.6 kV 2.5 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

General Category: **Asset Mgt**

Completion Year: **2014**

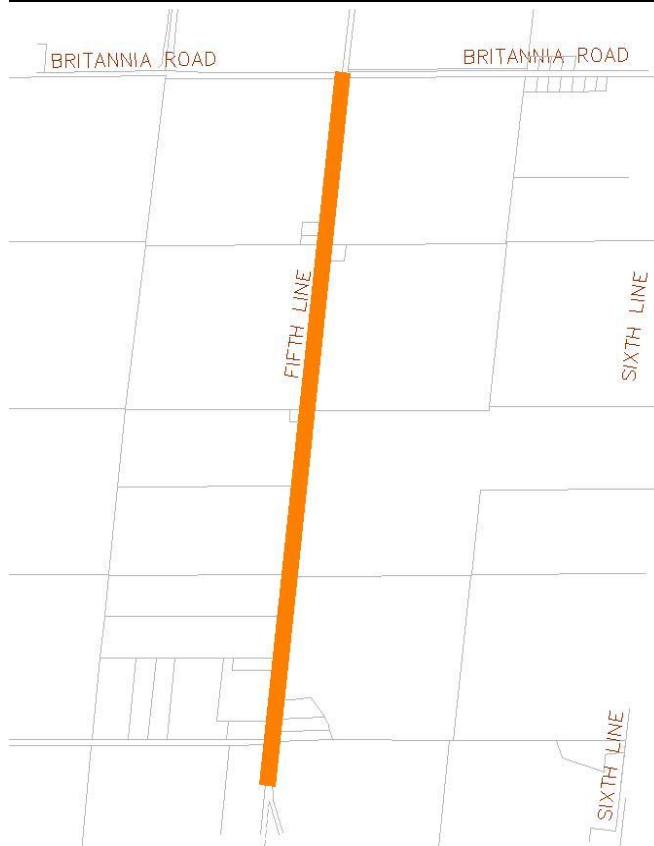
Reason(s): **Growth,**

Description and Justification:

Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs / Justification:

Future load growth



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>500,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>500,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14Y**

Workorder Number(s) (if assigned): **0**

Project Name: **Trafalgar TS Lower Baseline Trafalgar Road to 6th 27.6 kV pole line 1.3 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

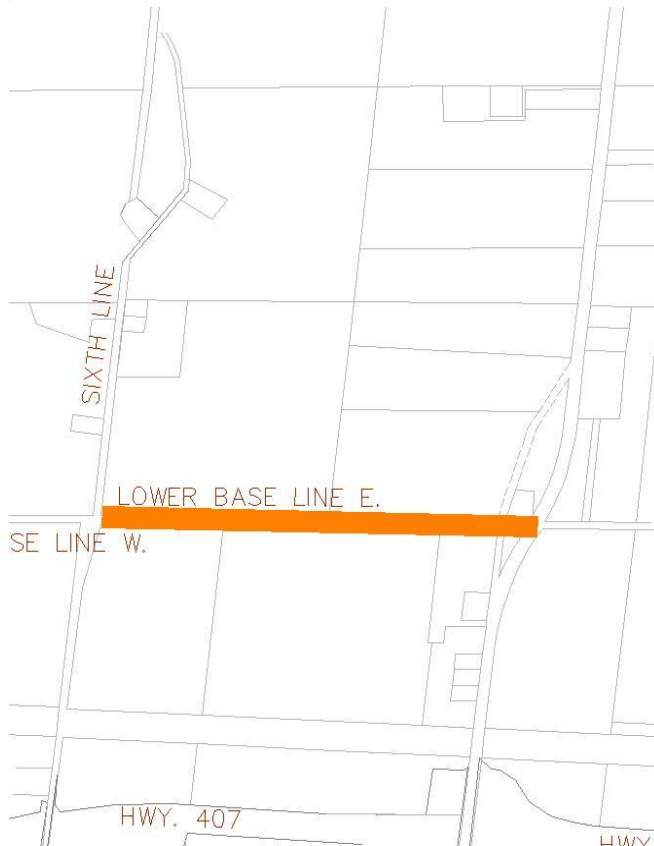
General Category: **Asset Mgt**

Completion Year: **2014**

Reason(s): **Growth,**

Description and Justification: **Installation of 27.6 kV lines for breaker positions at Trafalgar TS**

Supporting Docs / Justification: **Future load growth**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>259,750</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>259,750</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14Z**

Workorder Number(s) (if assigned): **0**

Project Name: **Trafalgar TS 6th Line to Britannia Install 27.6 kV 1.5 km plus 2 phases**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

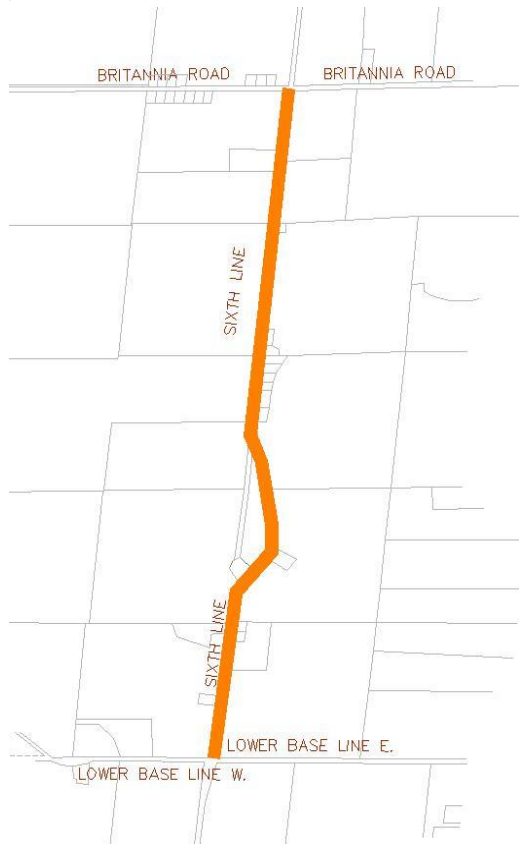
General Category: **Asset Mgt**

Completion Year: **2014**

Reason(s): **Growth,**

Description and Justification:  
 Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs / Justification: **Future load growth**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>450,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>450,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHDI Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>54,875</b>
<b>CIAC \$</b>	<b>54,875</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>240,000</b>
<b>CIAC \$</b>	<b>240,000</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.

Supporting Docs / Justification: As per MHD Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>300,000</b>
<b>CIAC \$</b>	<b>300,000</b>
<b>Net Cost \$</b>	<b>0</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14J**

Workorder Number(s) (if assigned): **0**

Project Name: **Britannia Road Thompson to JSP. Relocate 27.6 kV 1.8 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

General Category: **Municipal**

Completion Year: **2014**

Reason(s): **Municipal (ROH),**

Description and Justification: Relocation of existing 27.6 kV pole line due to Town of Milton road widening

Supporting Docs / Justification: **Public Service Works on Highway Act**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>413,650</b>
<b>CIAC \$</b>	<b>100,000</b>
<b>Net Cost \$</b>	<b>313,650</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14K**

Workorder Number(s) (if assigned): **0**

Project Name: **Regional 25 Britannia to Palermo TS rebuild for road widening 4.5 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2014**

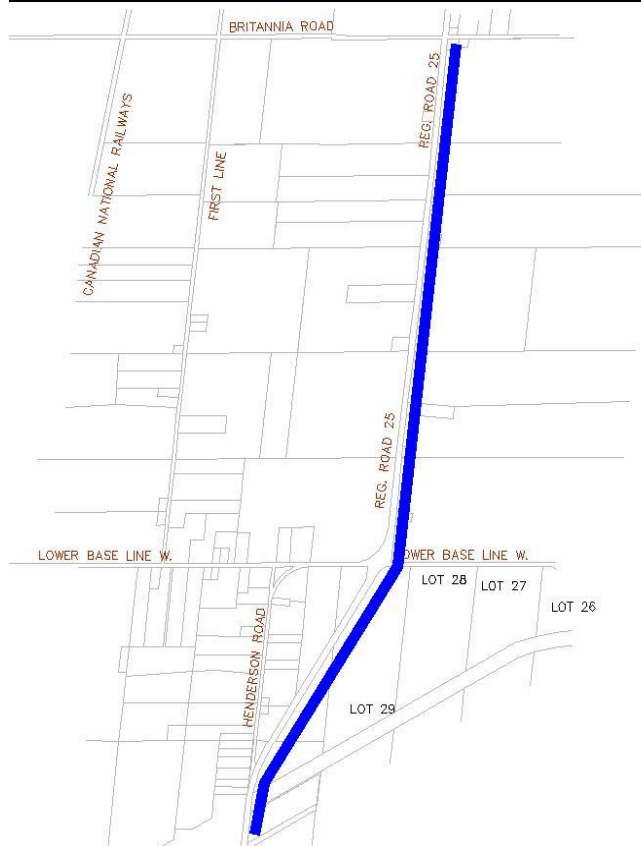
General Category: **Municipal**

Completion Year: **2014**

Reason(s): **Growth, Municipal (TOM),**

Description and Justification: Relocation of existing 27.6 kV pole line due to Region of Halton road widening

Supporting Docs / Justification: Public Service Works on Highway Act



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost</b>	<b>\$ 1,035,375</b>
<b>CIAC</b>	<b>\$ 250,000</b>
<b>Net Cost</b>	<b>\$ 785,375</b>



## MHDI Asset Management Plan - Capital Project

Project Number: **14U**

Workorder Number(s) (if assigned): **0**

Project Name: **Trafalgar TS Derry Road Trafalgar to 8th Line 27.6 kV line 0.8 km**

Project Manager: **Phil Reid**

Approval: **Frank Lasowski**

Start Year: **2015**

General Category: **Asset Mgt**

Completion Year: **2015**

Reason(s): **Aesthetics,**

Description and Justification: **Installation of 27.6 kV lines for breaker positions at Trafalgar TS**

Supporting Docs / Justification: **Future load growth**



Proj. Completion Date: **Not specified**

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>159,750</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>159,750</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs /  
Justification

Future load growth

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>289,353</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>289,353</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>150,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>150,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>338,759</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>338,759</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>267,987</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>267,987</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs /  
Justification

Future load growth

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>500,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>500,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

Installation of 27.6 kV lines for breaker positions at Trafalgar TS

Supporting Docs /  
Justification

Future load growth

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>249,063</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>249,063</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and  
Justification:

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Supporting Docs /  
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Future load growth

Proj. Completion Date:



No Image  
Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>280,000</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>280,000</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification:

Supporting Docs / Justification:

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>200,500</b>
<b>CIAC</b>	
<b>Net Cost \$</b>	<b>200,500</b>



## MHDI Asset Management Plan - Capital Project

Project Number:

Workorder Number(s) (if assigned):

Project Name:

Project Manager:

Approval:

Start Year:

General Category:

Completion Year:

Reason(s):

Description and Justification: This expansion project is required to connect new customers (residential subdivision) The cost of this project is fully recoverable from the developer.


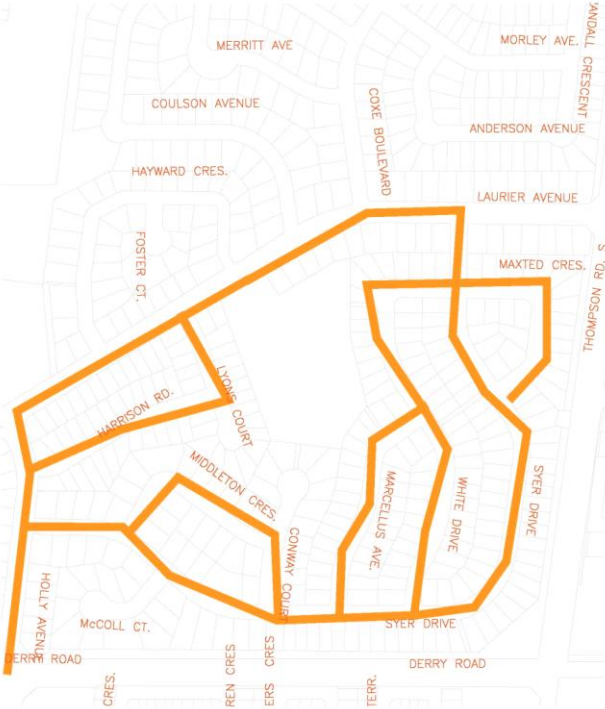
Supporting Docs / Justification: As per MHDI Policy, specific Subdivision Agreements will be signed and executed and suitable customer deposits made prior to commencement of construction.

Proj. Completion Date:



No Image Available

Cost Schedule	Estimated Costs
2010 Q1	
2010 Q2	
2010 Q3	
2010 Q4	
2011 Q1	
2011 Q2	
2011 Q3	
2011 Q4	
2012 Q1	
2012 Q2	
2012 Q3	
2012 Q4	
2013 Q1	
2013 Q2	
2013 Q3	
2013 Q4	
2014 Q1	
2014 Q2	
2014 Q3	
2014 Q4	
<b>Gross Cost \$</b>	<b>95,000</b>
<b>CIAC \$</b>	<b>95,000</b>
<b>Net Cost \$</b>	<b>0</b>

 <h2 style="display: inline;">Milton Hydro 5-Year Asset Management Plan</h2>																																													
Project Number:	09-003																																												
Project Name:	Timberlea SC-13 to SC-12 Install ducts, cable and trans (CARRYOVER)																																												
Project Manager:	Phil Reid																																												
Approval:	Kevin Kilfoil																																												
Start Year:	2009																																												
General Category:	Asset Mgt																																												
Completion Year:	2010																																												
Reason(s):	Reliability, Efficiency,																																												
Description and Justification:	<p>This project is a partial carryover item from 2009.</p> <p>It was intended to form the Year 6 Project from Milton Hydro's 10-year Urban13.8kV to 27.6kV voltage conversion program.</p> <p>Due to unpredictability in forecasting the number of new service connections required in Milton in 2009, a portion of this project was deferred to 2010 to ensure that it could be completed in a cost-effective manner</p>																																												
Supporting Documents	<p>Report: Urban 13.8 to 27.6kV Voltage Conversion Program</p>																																												
<p>Estimated completion date:</p> <p>01/09/2010</p>																																													
<p>CIAC(estimate):</p>																																													
																																													
<table border="1"> <thead> <tr> <th>Expenditure Timing</th> <th>Estimated Costs</th> </tr> </thead> <tbody> <tr> <td>2010 Q1</td> <td>\$ 24,075</td> </tr> <tr> <td>2010 Q2</td> <td>\$ 72,225</td> </tr> <tr> <td>2010 Q3</td> <td>\$ 144,450</td> </tr> <tr> <td>2010 Q4</td> <td></td> </tr> <tr> <td>2011 Q1</td> <td></td> </tr> <tr> <td>2011 Q2</td> <td></td> </tr> <tr> <td>2011 Q3</td> <td></td> </tr> <tr> <td>2011 Q4</td> <td></td> </tr> <tr> <td>2012 Q1</td> <td></td> </tr> <tr> <td>2012 Q2</td> <td></td> </tr> <tr> <td>2012 Q3</td> <td></td> </tr> <tr> <td>2012 Q4</td> <td></td> </tr> <tr> <td>2013 Q1</td> <td></td> </tr> <tr> <td>2013 Q2</td> <td></td> </tr> <tr> <td>2013 Q3</td> <td></td> </tr> <tr> <td>2013 Q4</td> <td></td> </tr> <tr> <td>2014 Q1</td> <td></td> </tr> <tr> <td>2014 Q2</td> <td></td> </tr> <tr> <td>2014 Q3</td> <td></td> </tr> <tr> <td>2014 Q4</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$ 240,750</b></td> </tr> </tbody> </table>		Expenditure Timing	Estimated Costs	2010 Q1	\$ 24,075	2010 Q2	\$ 72,225	2010 Q3	\$ 144,450	2010 Q4		2011 Q1		2011 Q2		2011 Q3		2011 Q4		2012 Q1		2012 Q2		2012 Q3		2012 Q4		2013 Q1		2013 Q2		2013 Q3		2013 Q4		2014 Q1		2014 Q2		2014 Q3		2014 Q4		<b>TOTAL</b>	<b>\$ 240,750</b>
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## EXHIBIT 3 – OVERVIEW OF OPERATING REVENUE

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## APPENDIX A – CUSTOMER CLASS MONTHLY DATA USED FOR REGRESSION ANALYSIS

## APPENDIX B – REVENUE REQUIREMENT MODEL

## OVERVIEW OF OPERATION REVENUE

This Exhibit provides the supporting evidence for Milton Hydro's 2011 Test Year revenue requirement of \$15,061,832, its other revenue of \$1,453,649 and base distribution revenue of \$13,608,183. Further discussion and Milton Hydro's Rate Design Model are provided in Exhibit 8- Rate Design. Milton Hydro's operating revenue for 2005 Actual, 2006 Board Approved, 2006 Actual to 2009 Actual, the 2010 Bridge Year and the 2011 Test Year is presented in this Exhibit. This Exhibit also provides a detailed variance analysis of the material changes in operating distribution revenues for each year.

Revenues have been calculated using the appropriate OEB-approved Schedule of Rates and Charges for the applicable year. Total revenue includes OEB-approved specific service charges, retail service revenues, rent from electric property, late payment charges, interest and other miscellaneous revenues. A summary of operating revenues is presented in Table 1 below and discussed in greater detail further in this Exhibit. Attached to this Exhibit as Appendix B is a copy of Milton Hydro's Revenue Requirement Model.

### **Throughput Revenue:**

Information related to Milton Hydro's throughput revenue includes details such as weather normalized load forecast methodology, normalized volume and customer counts. A summary of the variances on the actual and forecast information is provided in Table 2 below and discussed further in this Exhibit.

### **Other Distribution Revenue:**

Other distribution revenues include late payment charges, specific service charges, Standard Supply Service charge (2010 Bridge Year and 2011 Test Year), rent from electric property, retail service revenues, miscellaneous service revenue and interest. Details of these operating revenues are presented in Table 29.

## SUMMARY OF OPERATING REVENUE

The following Table 1 summarizes Milton Hydro's total base distribution revenue requirement calculated on Milton Hydro's forecasts, other distribution revenue and total service revenue

requirement. The 2010 Bridge Year distribution revenue is based on Milton Hydro's 2010 OEB-approved rates and Milton Hydro's forecast for customer counts and usage. The proposed distribution revenue for the 2011 Test Year has been calculated based on 2011 proposed distribution rates and 2011 forecast customer count and customer class usage. Distribution revenue does not include commodity related revenue.

**Table 1 -  
Summary of Operating Revenue**

Description	2005 Actual	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
<b>Distribution Revenues</b>								
Residential	5,607,073	4,878,872	5,742,957	6,054,708	6,369,003	7,107,078	7,405,513	8,699,058
GS<50	1,427,294	1,296,659	1,391,451	1,485,866	1,499,471	1,571,156	1,547,223	1,797,243
GS>50	1,222,599	1,178,807	1,244,966	1,361,454	1,362,045	1,422,348	1,377,958	1,756,842
GS>1000 to 4999 kW	697,278	654,162	718,876	838,133	792,168	813,840	641,970	631,279
Large User	435,068	451,811	456,112	456,235	435,139	425,847	384,330	539,603
Sentinel	4,185	3,131	4,200	3,885	3,656	3,343	2,758	9,966
Street Light	17,363	15,913	20,262	20,406	23,318	27,022	16,939	127,633
Unmetered Scattered Load	43,957	27,963	28,786	33,257	34,623	36,584	38,325	46,559
<b>Base Distribution Revenue</b>	<b>9,454,817</b>	<b>8,507,318</b>	<b>9,607,611</b>	<b>10,253,944</b>	<b>10,519,423</b>	<b>11,407,217</b>	<b>11,415,015</b>	<b>13,608,183</b>
<b>Other Distribution Revenue</b>								
Late Payment Charges	112,250	107,805	102,626	102,130	131,969	142,104	149,209	156,670
Specific Service Charges	21,976	67,143	27,331	30,846	31,096	34,410	35,723	36,869
Interest Income	193,732		183,677	253,261	131,495	38,119	(63,979)	45,000
Other Distribution Revenue	685,632	300,797	777,123	895,563	1,052,484	1,303,685	1,152,454	1,215,110
<b>Other Revenue</b>	<b>1,013,590</b>	<b>475,744</b>	<b>1,090,757</b>	<b>1,281,799</b>	<b>1,347,044</b>	<b>1,518,318</b>	<b>1,273,407</b>	<b>1,453,649</b>
<b>Total Revenue Net of TX Allowance</b>	<b>10,468,407</b>	<b>8,983,063</b>	<b>10,698,367</b>	<b>11,535,744</b>	<b>11,866,467</b>	<b>12,925,535</b>	<b>12,688,422</b>	<b>15,061,832</b>
<b>Variance from 2006 Board Approved</b>			19.1%	28.4%	32.1%	43.9%	41.2%	67.7%
<b>Variance from Prior Year</b>			2.2%	7.8%	2.9%	8.9%	-1.8%	18.7%
Note: This revenue analysis is net of transformer allowances credited to eligible customers.								

## THROUGHPUT REVENUE

### Distribution Revenue and Variance Analysis:

Milton Hydro's distribution revenue and variances for the years 2005 to 2009 are based on actual quantities and the applicable OEB-approved rates for each year. The 2010 Bridge Year distribution revenue and other revenue are based on 2010 OEB-approved rates and forecast quantities. The 2011 Test Year revenues are based on Milton Hydro's proposed 2011 Test Year rates as discussed in Exhibit 8 below and forecast quantities.

Milton Hydro has provided a summary of its distribution revenue and variances in the following Table 2.

**Table 2 -  
Summary of Distribution Revenue & Variances**

Description	2005 Actual	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	Variance from 2005 Actual	2007 Actual	Variance from 2006 Actual	2008 Actual	Variance from 2007 Actual	2009 Actual	Variance from 2008 Actual	2010 Bridge Year	Variance from 2009 Actual	2011 Test Year	Variance from 2010 Bridge Year
<b>Distribution Revenues</b>															
Residential	5,607,073	4,878,872	5,742,957	864,084	135,884	6,054,708	311,751	6,369,003	314,295	7,107,078	738,075	7,405,513	298,435	8,699,058	1,293,545
GS<50	1,427,294	1,296,659	1,391,451	94,792	(35,843)	1,485,866	94,415	1,499,471	13,606	1,571,156	71,685	1,547,223	(23,933)	1,797,243	250,020
GS>50	1,318,265	1,226,910	1,285,548	58,638	(32,717)	1,418,386	132,838	1,407,959	(10,427)	1,464,112	56,153	1,418,576	(45,536)	1,798,191	379,615
GS>1000 to 4999 kW	781,095	790,260	849,539	59,279	68,444	971,919	122,380	930,431	(41,488)	955,601	25,170	760,043	(195,557)	742,337	(17,706)
Large User	545,688	563,746	568,576	4,830	22,888	568,787	211	548,176	(20,611)	518,622	(29,554)	475,855	(42,766)	539,603	63,748
Sentinel	4,185	3,131	4,200	1,070	15	3,885	(315)	3,656	(229)	3,343	(313)	2,758	(585)	9,966	7,208
Street Light	17,363	15,913	20,262	4,350	2,899	20,406	144	23,318	2,912	27,022	3,704	16,939	(10,083)	127,633	110,694
Unmetered Scattered Load	43,957	27,963	28,786	822	(15,171)	33,257	4,471	34,623	1,366	36,584	1,961	38,325	1,742	46,559	8,234
<b>Gross Distribution Revenue</b>	<b>9,744,920</b>	<b>8,803,454</b>	<b>9,891,320</b>	<b>1,087,866</b>	<b>146,400</b>	<b>10,557,214</b>	<b>665,895</b>	<b>10,816,637</b>	<b>259,422</b>	<b>11,683,517</b>	<b>866,881</b>	<b>11,665,232</b>	<b>(18,285)</b>	<b>13,760,590</b>	<b>2,095,358</b>
<b>Less Transformer Allowance</b>															
GS<50	(42,717)	(48,103)	(40,582)	7,521	2,135	(56,932)	(16,350)	(45,914)	11,018	(41,764)	4,149	(40,618)	1,146	(41,349)	(731)
GS>1000 - GS <5000	(136,766)	(136,098)	(130,663)	5,435	6,103	(133,786)	(3,124)	(138,263)	(4,477)	(141,760)	(3,497)	(118,073)	23,687	(111,058)	7,016
GS >5000	(110,620)	(111,934)	(112,464)	(530)	(1,844)	(112,551)	(87)	(113,036)	(485)	(92,775)	20,261	(91,525)	1,250	-	91,525
<b>Total Transformer Allowance</b>	<b>(290,103)</b>	<b>(296,135)</b>	<b>(283,709)</b>	<b>12,426</b>	<b>6,394</b>	<b>(303,270)</b>	<b>(19,561)</b>	<b>(297,213)</b>	<b>6,057</b>	<b>(276,300)</b>	<b>20,913</b>	<b>(250,217)</b>	<b>26,083</b>	<b>(152,407)</b>	<b>97,810</b>
<b>Total Base Dist. Revenue Req'm't</b>	<b>9,454,817</b>	<b>8,507,318</b>	<b>9,607,611</b>	<b>1,100,292</b>	<b>152,793</b>	<b>10,253,944</b>	<b>646,334</b>	<b>10,519,423</b>	<b>265,479</b>	<b>11,407,217</b>	<b>887,794</b>	<b>11,415,015</b>	<b>7,798</b>	<b>13,608,183</b>	<b>2,193,168</b>
<b>Variance from 2006 Board Approved</b>			12.9%			20.5%		23.7%		34.1%		34.2%		60.0%	
<b>Variance from Prior Year</b>			1.6%			6.7%		2.6%		8.4%		0.1%		19.2%	

#### Comparison 2006 Actual to 2005 Actual and 2006 Board Approved:

The 2006 Actual revenues are higher than the 2006 Board Approved revenues by 12.9% due to the 2006 board Approved revenue being calculated on a three year average of 2002, 2003 and 2004 usage per customer and the 2004 year end customer count. Milton Hydro has been growing at an average rate of 1,500 customers per year or 9% per year over the two years 2004 to 2006. The 2006 Actual revenues are slightly higher than the 2005 Actual revenues by 1.6% such that despite the continued growth in 2006, 2005 was a much warmer summer with 172 more cooling degree days during the months of June, July, August and September.

#### Comparison 2007 Actual to 2006 Actual and 2006 Board Approved:

The 2007 Actual revenues are higher than the 2006 Actual revenues by 6.7% and the 2006 Board Approved revenues by 20.5%, in both cases, due primarily to customer growth of 8.5% and a small Incentive Regulation Mechanism ("IRM") rate increase adjustment of 0.9%.

#### Comparison 2008 Actual to 2007 Actual and 2006 Board Approved:

The 2008 Actual revenues are higher than the 2007 Actual revenues by 2.6% and the 2006 Board Approved revenues by 23.7% which, in both cases, is due primarily to customer growth of 12.1% and a small IRM rate increase adjustment of 0.4%. The 2008 revenue is also impacted

1 by the decline in the economy, which began in 2008 resulting in reduced load of Milton Hydro's  
2 Large User customer class.

3 **Comparison 2009 Actual to 2008 Actual and 2006 Board Approved:**

4 The 2009 Actual revenues are higher than the 2008 Actual revenues by 8.4% and the 2006  
5 Board Approved revenues by 34.1% which, in both cases, which despite the reduced Large  
6 Users revenues, is due primarily to higher than average customer growth of 9.1% and a small  
7 IRM rate increase adjustment of 0.4%.

8 **Comparison 2010 Bridge Year to 2009 Actual and 2006 Board Approved:**

9 The 2010 Bridge Year revenues are slightly higher than the 2009 Actual revenues by 1.1% and  
10 the 2006 Board Approved revenues by 35.5% due, in part to continued customer growth albeit  
11 slower than the previous two years but enough to offset an IRM rate decrease adjustment of  
12 1.3%.

13 **Comparison 2011 Test Year to 2010 Bridge Year:**

14 The 2011 Test Year revenues are higher than the 2010 Bridge Year revenues by 14.8% and the  
15 2006 Board Approved revenues by 55.5%. The 2011 Test Year revenues reflect the rebasing  
16 increase and load and customer growth as developed in the forecasting model.

17 **WEATHER NORMALIZED LOAD & CUSTOMER/CONNECTION FORECAST**

18 The purpose of this evidence is to present the process used by Milton Hydro to prepare the  
19 weather normalized load and customer/connection forecast to be used to design the proposed  
20 distribution rates for the 2011 Test Year. In summary, Milton Hydro reviewed the various  
21 processes used by the 2009 and 2010 cost of service applicants and has elected to use a Load  
22 Forecast Model based on a Weather Normalization Multivariate Regression Analysis similar to  
23 the one used by Toronto Hydro Electric System Ltd in its 2008, 2009 and 2010 distribution rate  
24 application. A similar method was approved by the OEB in the following 2010 cost of service  
25 applications:

26 Burlington Hydro Inc. (EB-2009-0259)

1 Cambridge & North Dumfries Hydro Inc. (EB-2009-0260)

2 Kitchener-Wilmont Hydro Inc. (EB-2009-0267)

3 Milton Hydro has not prepared a weather normalized load forecast using the normalized  
4 average use per customer ("NAC") Model. Milton Hydro has determined that the data prepared  
5 by Hydro One for the Cost Allocation Informational Filing is no longer a valid representation of  
6 Milton Hydro's normalized load as the data used by Hydro One is based on 2004 data and is  
7 seven years out of date as a predictor for the 2011 Test Year. Furthermore, in the Decision on  
8 Burlington Hydro's Application EB-2009-0259 the OEB stated "The Board does not find that it is  
9 appropriate to revert to the NAC methodology. The Board has remarked on the limitation of that  
10 methodology in prior proceedings and noted the improvement that regression analysis can  
11 provide."

12 In determining its weather normalized forecasting methodology, Milton Hydro considered two  
13 approaches. The first was to prepare the weather normalized load forecast using the regression  
14 analysis based on wholesale electricity purchases for the period 1996 to 2009 as a predictor for  
15 the 2010 Bridge Year and the 2011 Test Year forecast. This approach has been commonly  
16 used by distributors in support of 2009 and 2010 Applications. The second approach was to  
17 use the regression analysis for each individual customer class based on monthly class  
18 consumption to predict the 2010 Bridge Year and the 2011 Test Year weather normalized load  
19 forecast. This approach has previously been supported by intervenors as the preferred  
20 approach to forecasting customer class usage. Milton Hydro bills all customers monthly and  
21 has calculated, through proration as necessary, each customer's billing quantities on a calendar  
22 month basis as discussed below at Page 10.

23 Milton Hydro elected to prepare its weather normalized load forecast by customer class and  
24 monthly customer class data based on the favourable statistical results from the individual  
25 customer class regression analysis. Milton Hydro ran two scenarios by customer class. The  
26 first scenario was based on eight regression variables, Heating Degree Days ("HDD"), Cooling  
27 Degree Days ("CDD"), Ontario Real GDP Monthly %, Number of Days in the Month, Spring/Fall  
28 Flag, Blackout Flag, Number of Peak Hours and Number of Customers. The results are set out  
29 in Table 3 below. Milton Hydro has highlighted the regression variables that resulted in either a  
30 negative coefficient, which indicates a non-intuitive relationship, or a *t Stat* of less than the

absolute value of two which means the regression variable does not have a statistical significance. The statistical results in Table 3 below also indicate that the Large User customer class is not weather sensitive and as such Milton Hydro did not include this customer class in further customer class weather normalized load forecast regression analysis. The statistical results also indicate that the General Service 1,000 – 4,999 kW customer class may be marginally weather sensitive however the R Squared value is only 53.47%. Milton Hydro continued to further evaluate the weather sensitivity of this customer class in the next run of regression analysis. The load forecast for the Large User customer class is discussed further in this Exhibit at Page 16.

**Table 3 -  
Weather Normalized Load Forecast Statistical Analysis Results – Run 1**

Regression Statistics	Residential		General Service <50 kW		General Service >50-999 kW		General Service 1000-4999 kW		Large Users	
Multiple R	0.9794		0.9676		0.9577		0.7312		0.7572	
R Square	0.9592		0.9362		0.9172		0.5347		0.5733	
Adjusted R Square	0.9559		0.9310		0.9105		0.4971		0.5389	
Standard Error	687767.7372		155347.3504		377127.3901		715654.6332		957300.7997	
Observations	108		108		108		108		108	
	Coefficients	t Stat	Coefficients	t Stat	Coefficients	t Stat	Coefficients	t Stat	Coefficients	t Stat
Intercept	-16604398.96	-4.135	-2192899.47	-3.123	1327686.73	0.600	20326399.45	6.436	-2969724.14	-0.697
Heating Degree Days	6480.39	14.403	2049.02	20.278	1239.50	5.087	973.90	2.114	123.63	0.200
Cooling Degree Days	32292.74	12.006	5643.46	9.422	7298.96	5.047	10549.68	3.862	1482.66	0.406
Ontario Real GDP Monthly %	31947.42	1.157	-14083.80	-2.446	-72800.67	-3.452	-142076.43	-7.947	29766.72	1.438
Number of Days in Month	582535.94	6.564	105462.87	5.268	180726.44	3.716	70145.96	0.761	-133800.45	-1.085
Spring Fall Flag	-1471054.98	-7.865	-180816.86	-4.302	-208709.03	-2.052	471032.45	2.443	468515.34	1.818
Blackout Flag	-1992612.67	-2.797	-159462.38	-0.989	-1274354.67	-3.262	1219897.24	1.642	-337674.62	-0.336
Number of Peak Hours	-4093.21	-0.929	282.89	0.284	7893.66	3.265	5910.88	1.289	13494.65	2.199
Number of Customers	556.73	13.252	2866.72	12.303	55911.81	11.275	335761.12	4.307	2497997.59	6.252

As both a non-intuitive negative coefficient on some variables, such as the Ontario Real GDP and a *t Stat* of less than the absolute value of two were issues of concern for OEB Staff and intervenors during the 2010 cost of service proceedings, Milton Hydro has removed the unfavourable regression variables from each customer class and re-ran the weather normalized load forecast regression analysis. The results of the weather normalized load forecast statistical analysis for Run 2 are set out in the following Table 4. Milton Hydro would note that when the unfavourable regression variables were removed from the General Service 1,000 – 4,999 kW customer class the regression variables for HDD and CDD became even less weather sensitive and the R Squared value dropped to 21.26% and therefore not well predicted. The General Service 1,000 – 4,999 kW customer class was removed from the weather normalized load

forecast statistical analysis Run 2. The load forecast for this customer class is discussed further in this Exhibit at Page 16.

**Table 4 -  
Weather Normalized Load Forecast Statistical Analysis Results – Run 2**

<b>Regression Statistics</b>	<b>Residential</b>		<b>General Service &lt;50 kW</b>		<b>General Service &gt;50-999 kW</b>		<b>General Service 1000-4999 kW</b>	
Multiple R	0.9789		0.9651		0.9525		0.4611	
R Square	0.9583		0.9314		0.9072		0.2126	
Adjusted R Square	0.9558		0.9281		0.9007		0.1820	
Standard Error	688620.4152		158617.3259		397181.0855		912692.2792	
Observations	108		108		108		108.0000	
	<b>Coefficients</b>	<b>t Stat</b>	<b>Coefficients</b>	<b>t Stat</b>	<b>Coefficients</b>	<b>t Stat</b>	<b>Coefficients</b>	<b>t Stat</b>
Intercept	-13674699.12	-5.394	-2985100.24	-4.954	-4437009.69	-2.901	11652957.35	14.959
Heating Degree Days	6561.24	14.718	2021.14	19.706	1183.11	4.621	1065.29	1.817
Cooling Degree Days	32753.92	12.376	5433.81	8.983	6894.83	4.542	11815.11	3.478
Number of Days in Month	552440.31	6.564	106799.88	5.517	185838.75	3.630	-	-
Spring Fall Flag	-1455910.14	-7.841	-187113.33	-4.381	-225753.20	-2.110	509405.35	2.111
Blackout Flag	-1927044.88	-2.727	-	-	-1270475.12	-3.087	-	-
Number of Peak Hours	-	-	-	-	7806.66	3.067	-	-
Number of Customers	603.31	40.322	2346.81	25.686	39365.36	29.404	-181294.11	-3.201

## Regression Variables:

## Weather Trends:

The Heating Degree Days (“HDD”) and Cooling Degree Days (“CDD”) were obtained from the Environment Canada website for the Toronto Lester B. Pearson International Airport for a forty year period. Milton Hydro has averaged the monthly HDD and CDD data for the 2010 Bridge Year and the 2011 Test Year for five different periods of years and summarized the data in Table 5 below. The historical weather data indicates a warming trend over the forty year period as HDD days are reducing and CDD are increasing. Based on the evidence of this trend, Milton Hydro has used the ten year average of HDD and CDD from June 2010 to December 2011, in the regression analysis for the weather sensitive customer classes identified above. The months of January 2010 to May 2010 are actual HDD and CDD. In accordance with the Filing Guidelines Milton Hydro has summarized the results of its customer class weather normalized load forecast using the various HDD and CDD averages and the impact on Milton Hydro’s revenue deficiency in Table 6.

Table 5 -

Summary of Heating Degree Days and Cooling Degree Days

Year	Ten Year Average		Fourteen Year Average		Twenty Year Average		Thirty Year Average		Forty Year Average	
	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD	HDD	CDD
<b>2010</b>										
Jan	708.2	0.0	712.8	0.0	710.7	0.0	726.4	0.0	744.5	0.0
Feb	631.3	0.0	618.3	0.0	629.9	0.0	639.6	0.0	655.0	0.0
Mar	541.5	0.0	550.3	0.0	547.7	0.0	559.5	0.0	567.0	0.0
Apr	318.3	1.3	324.0	1.0	326.0	1.8	331.8	1.3	343.0	1.1
May	163.0	11.1	161.0	12.0	163.4	12.1	165.2	12.0	170.8	11.2
Jun	30.5	70.0	30.4	70.7	32.2	65.1	41.7	55.5	45.4	50.5
Jul	3.0	118.7	3.8	117.6	4.8	111.5	5.5	109.4	7.5	102.5
Aug	5.9	112.1	6.4	103.7	8.5	96.5	11.9	89.9	14.9	83.7
Sep	53.4	38.4	55.9	36.9	71.1	31.8	81.2	28.2	88.3	25.7
Oct	245.2	4.3	248.8	3.3	249.4	2.8	265.1	2.1	271.2	1.8
Nov	402.6	0.0	411.8	0.0	414.7	0.0	426.3	0.0	431.0	0.0
Dec	619.2	0.0	604.6	0.0	599.2	0.0	620.9	0.0	633.0	0.0
Total	3722.2	355.9	3728.0	345.2	3757.6	321.7	3875.3	298.4	3971.7	276.5
<b>2011</b>										
Jan	705.2	0.0	709.5	0.0	717.1	0.0	726.8	0.0	740.7	0.0
Feb	633.2	0.0	611.8	0.0	631.2	0.0	636.0	0.0	654.2	0.0
Mar	553.8	0.0	534.3	0.0	548.1	0.0	557.6	0.0	565.5	0.0
Apr	316.2	1.5	311.0	1.0	326.8	1.0	331.0	1.4	343.1	1.2
May	165.4	9.8	154.0	14.6	161.6	12.6	166.0	11.9	170.3	11.4
Jun	30.1	72.9	31.1	73.0	32.3	65.8	39.5	56.6	44.9	50.8
Jul	2.7	123.3	3.4	121.8	4.8	112.4	5.6	110.3	7.5	102.8
Aug	5.3	114.1	6.7	104.9	8.8	97.6	12.3	89.4	14.9	84.0
Sep	48.8	38.7	54.7	37.6	69.5	32.3	80.3	28.5	88.2	25.9
Oct	248.5	4.6	247.1	3.5	248.4	2.8	262.6	2.2	271.8	1.8
Nov	399.7	0.0	404.6	0.0	415.3	0.0	424.6	0.0	431.3	0.0
Dec	603.1	0.0	606.9	0.0	599.8	0.0	616.2	0.0	630.9	0.0
Total	3711.8	364.9	3675.1	356.4	3763.7	324.5	3858.4	300.4	3963.3	277.9

Table 6 -  
Customer Class Consumption & Revenue Deficiency for HDD & CDD Trends

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW	Revenue Deficiency
	kWh			\$\$\$
2001 Actual	134,047,710	59,298,833	145,138,639	
2002 Actual	150,212,623	60,711,850	147,962,301	
2003 Actual	158,175,327	61,255,640	148,063,380	
2004 Actual	169,087,408	61,650,512	155,978,135	
2005 Actual	192,683,717	65,492,217	164,259,880	
2006 Actual	195,292,370	64,355,939	165,309,885	
2007 Actual	211,418,658	68,462,631	172,334,963	
2008 Actual	218,391,097	71,310,393	180,947,735	
2009 Actual	230,401,041	73,618,223	184,558,255	
2010 Bridge Year 10 year HDD/CDD	249,747,033	73,958,013	183,863,313	
2011 Test Year 10 Year HDD/CDD	258,520,606	75,044,767	187,300,109	1,690,053
2011 Test Year 14 Year HDD/CDD	257,999,379	74,942,869	187,197,660	2,093,564
2011 Test Year 20 Year HDD/CDD	257,537,109	75,206,514	187,082,807	2,100,125
2011 Test Year 30 Year HDD/CDD	257,367,331	75,266,645	187,028,317	2,101,710
2011 Test Year 40 Year HDD/CDD	257,320,332	75,356,691	186,997,646	2,101,104

#### Economic Trends:

As indicated above, the customer class specific regression analysis produced a negative coefficient and a *t Stat* less than the absolute value of two for the Ontario Real GDP. This indicates that the Ontario Real GDP variable would have a non-intuitive coefficient or would not be statistically significant. As a result, Milton Hydro eliminated this variable in the forecasting equation for the weather sensitive rate classes. Milton Hydro has accounted for economic trends or impacts by using actual monthly customer class consumption data for the weather sensitive customer classes in the weather normalized load forecast. Economic changes cause different customers to react in different ways therefore the actual customer class consumption data used in the regression analysis will already reflect any changes in customer behaviour and changes in consumption that the customer would have made to adjust to the changing economic conditions.

#### Number of Days in the Month:

Customer's monthly consumption will vary depending on the number of days in a month and this data provides the regression variables to predict these impacts.

**Spring/Fall Flag:**

The Regression Model includes a flag for the change in seasons from winter to spring and summer to fall for each class specific regression analysis as consumption typically declines in the spring and fall.

**Blackout Flag:**

A blackout flag, August 2003, has been included in the regression analysis where the coefficient and t stat were statistically significant.

**Number of Peak Hours:**

The number of peak hours is only statistically significant for the General Service >50 – 999 kW customer class and as such has only been included in the regression analysis for this customer class. The number of peak hours was calculated from the calendar.

**Number of Customers:**

Milton Hydro has determined that a required regression variable is the number of customers as supported by the positive coefficients and *t Stats* greater than the absolute value of two. As discussed throughout this Application Milton Hydro is realizing high customer growth which directly impacts the consumption forecast.

**WEATHER NORMALIZED LOAD FORECAST METHODOLOGY**

**Approach to Weather Normalization Load Forecast:**

Milton Hydro's weather normalized load forecast is calculated for each customer class using actual historical customer class consumption and reflecting the impacts of the applicable regression variables on each customer class. The Load Forecast Model used is the same as the methodology approved by the OEB in previous rate Decisions using the regression analysis but is being run by customer class and monthly customer class historical usage as opposed to forecasting the power purchased kWh, then down-lifting to calculate kWh billed and then

1 allocating across customer classes. Milton Hydro submits that its approach to calculating a  
2 weather normalized load forecast by customer class more accurately reflects the impacts of the  
3 regression variables and specifically weather conditions on each specific customer class. A  
4 weather normalized load forecast by customer class based on actual customer class  
5 consumption eliminates the guesswork out of how much consumption is actually weather  
6 sensitive as the actual historical usage will already include any impacts of changes in weather  
7 on customer consumption and behaviour. As indicated in Table 3 above, the Large User  
8 customer class is not weather sensitive. Milton Hydro has also determined that the General  
9 Service 1,000 – 4,999 kW customer class has limited weather sensitivity based on the *t Stat* for  
10 the HDD being less than the absolute value of two and the low R Squared value of 21.26%, as  
11 indicated in Table 4 above. Milton Hydro discusses the calculation of the load forecast for the  
12 General Service 1,000 – 4,999 kW, Large Users, Street Lights, Sentinel Lights and  
13 Unmetered/Scattered Load customer classes further in this Exhibit at Page 16.

14 Milton Hydro's weather normalized customer load forecast is developed in two steps. First,  
15 Milton Hydro bills all customers monthly and has accurate customer consumption, by bill, for the  
16 period January 2001 to December 2009. Although the billing period may not be coincident with  
17 a calendar month, Milton Hydro was able to prorate each customer's consumption across each  
18 month and total by class. Milton Hydro submits that while proration may not be perfect,  
19 prorating each customer's consumption for a one month period will provide a more accurate  
20 customer class total consumption within a calendar month, certainly more accurately than billing  
21 bi-monthly or quarterly. In the fall of 2003 Milton Hydro began to install Smart Meters in new  
22 residential subdivisions, however there were not enough customers on smart meters before  
23 2008 and 2009 to obtain exact monthly consumptions over this period. Milton Hydro used the  
24 calendar month customer class data calculated in step one to prepare the weather normalized  
25 load forecast in step two.

26 Second, a separate weather normalized load forecast regression analysis is used for each of  
27 the weather sensitive customer classes. As discussed above the Residential, General Service  
28 <50 kW and the General Service >50 – 999 kW customer classes have both positive  
29 coefficients and *t Stats* greater than two for the HDD and the CDD regression variables which  
30 indicates that these customer classes are weather sensitive. The calendar month customer  
31 class consumption, for the years 2001 to 2009, is used in the Load Forecast Model to run the  
32 regression analysis.

Milton Hydro has reduced the 2011 weather normalized load forecast by one quarter of the four year CDM target allocated to Milton Hydro by the OEB. This equates to 8.5 million kWh of Milton Hydro's four year CDM target of 34 million. As the Minister of Energy & Infrastructure's Directive, Paragraph 3 (b) states that "the distributor must deliver a mix of CDM Programs to all consumer types in the distributor's service area...", Milton Hydro has allocated the 8.5 million kWh across the Residential, General Service <50 kW, General Service >50 – 999 kW, General Service 1,000 – 4,999 kW and the Large User customer classes based on the ratio of the 2010 Bridge Year kWh for each customer class to the total kWh of all five customer classes. The allocation of the CDM target reduction is provided in Table 7 below and the customer class reduction is included in the 2011 weather normalized load forecast set out in Table 8 and Table 16.

**Table 7 -  
Allocation of CDM Target Based on 2010 Bridge Year kWh**

Term	ME&I CDM kWh Target	Residential	General Service < 50 kW	General Service > 50 to 999 kW	General Service > 1000 to 4999 kW	Large Users	Total
		kWh					
4 years	34,000,000	249,747,033	73,958,013	183,863,313	104,583,289	69,292,234	681,443,881
1 year	8,500,000						
Ratio to Total kWh		36.6%	10.9%	27.0%	15.3%	10.2%	
Forecast Reduction		3,115,223	922,516	2,293,422	1,304,521	864,318	8,500,000

The results of the weather normalized load forecast for the weather sensitive customer classes has been adjusted for the CDM targets assigned to Milton Hydro. The following Table 8 sets out the actual and forecasted kWh consumption for the weather sensitive customer classes adjusted for the CDM targets.

**Table 8 -**

**Actual and Forecasted Customer Class kWh**

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW
2001 Actual	134,047,710	59,298,833	145,138,639
2002 Actual	150,212,623	60,711,850	147,962,301
2003 Actual	158,175,327	61,255,640	148,063,380
2004 Actual	169,087,408	61,650,512	155,978,135
2005 Actual	192,683,717	65,492,217	164,259,880
2006 Actual	195,292,370	64,355,939	165,309,885
2007 Actual	211,418,658	68,462,631	172,334,963
2008 Actual	218,391,097	71,310,393	180,947,735
2009 Actual	230,401,041	73,618,223	184,558,255
2010 Bridge Year	249,747,033	73,958,013	183,863,313
2011 Test Year	258,520,606	75,044,767	187,300,109

**CUSTOMER / CONNECTION FORECAST METHODOLOGY**

Milton Hydro forecasted the number of customers and connections based on the historical data provided in Table 9 below.

**Table 9 -**

**Historical # Customer / Connection Data**

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW	General Service > 1000 to 4999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
1999 Actual	9,299	1,720	181	12	1	2,240	328	-
2000 Actual	9,409	1,710	185	12	1	2,244	328	-
2001 Actual	9,693	1,700	192	10	1	2,283	329	110
2002 Actual	12,314	1,713	218	10	2	2,348	301	114
2003 Actual	13,821	1,760	212	10	2	2,408	311	122
2004 Actual	15,760	1,803	229	10	2	2,466	309	137
2005 Actual	17,611	1,990	244	11	2	2,529	298	139
2006 Actual	18,720	1,998	245	13	2	2,579	295	142
2007 Actual	20,305	2,048	273	14	2	2,634	290	169
2008 Actual	22,755	2,136	274	14	2	2,709	288	176
2009 Actual	24,832	2,203	275	12	2	2,774	279	183

In order to forecast the growth in the number of customers and connections Milton Hydro calculated the growth rate for each customer class and from the growth rate Milton Hydro

calculated the geomean average. The geomean average is applied to the 2009 actual customer and connection counts to forecast the 2010 Bridge Year customer and connection counts and then applied to the 2010 Bridge Year customer and connection counts to forecast the 2011 Test Year customer and connection counts. The geomean analysis was not used to forecast the number of Residential customers. In discussion with developers, Milton Hydro has been advised that due to the economic downturn, new subdivision construction will not proceed until the developments are 80% sold. As discussed in Exhibit 2 – Rate Base, Milton Hydro has estimated that new subdivision and the subdivisions that began in 2009 and are currently under construction will account for an additional 1,500 residential homes in each of the 2010 Bridge Year and the 2011 Test Year. Also the geomean analysis was not used to forecast the General Service 1,000 – 4,999 kW and Larger User customer class count. In July 2010 Milton Hydro reclassified one customer from the General Service 1,000 – 4,999 kW customer class to the General Service >50 – 999 kW customer class. As the number of customers in the General Service 1,000 – 4,999 kW customer class is only 12 Milton Hydro reduced the count to 11 for the 2010 Bridge Year and the 2011 Test Year to better reflect the expected forecast. Furthermore, Milton Hydro does not expect to have any new Large Use customers. The following Table 10 sets out the growth rate for each customer class and the geomean analysis.

**Table 10 -  
Customer Class Growth Rate and Geomean Analysis**

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW	General Service > 1000 to 4999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
1999 Actual	-	-	-	-	-	-	-	-
2000 Actual	1.0118	0.9942	1.0221	1.0000	1.0000	1.0018	1.0000	0.0000
2001 Actual	1.0302	0.9942	1.0378	0.8333	1.0000	1.0174	1.0030	0.0000
2002 Actual	1.2704	1.0076	1.1354	1.0000	2.0000	1.0285	0.9149	1.0364
2003 Actual	1.1224	1.0274	0.9725	1.0000	1.0000	1.0256	1.0332	1.0702
2004 Actual	1.1403	1.0244	1.0802	1.0000	1.0000	1.0241	0.9936	1.1230
2005 Actual	1.1174	1.1037	1.0655	1.1000	1.0000	1.0255	0.9644	1.0146
2006 Actual	1.0630	1.0040	1.0041	1.1818	1.0000	1.0198	0.9899	1.0216
2007 Actual	1.0847	1.0252	1.1143	1.0769	1.0000	1.0213	0.9831	1.1871
2008 Actual	1.1207	1.0425	1.0037	1.0000	1.0000	1.0285	0.9931	1.0467
2009 Actual	1.0913	1.0316	1.0036	0.8810	1.0000	1.0240	0.9688	1.0372
<b>Geometric mean</b>	<b>1.1032</b>	<b>1.0251</b>	<b>1.0427</b>	<b>1.0027</b>	<b>1.0718</b>	<b>1.0216</b>	<b>0.9840</b>	<b>1.0657</b>
<b>Growth Rate Used</b>	<b>1500 per yr</b>	<b>1.0251</b>	<b>1.0427</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0216</b>	<b>0.9840</b>	<b>1.0657</b>

The following Table 11 sets out the actual historical number of customers and the forecasted 2010 Bridge Year and the 2011 Test Year customer counts using growth rate from Table 10 above.

**Table 11**  
**Historical # Customers & Forecast # Customers**

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW	General Service > 1000 to 4999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
1999 Actual	9,299	1,720	181	12	1	2,240	328	-
2000 Actual	9,409	1,710	185	12	1	2,244	328	-
2001 Actual	9,693	1,700	192	10	1	2,283	329	110
2002 Actual	12,314	1,713	218	10	2	2,348	301	114
2003 Actual	13,821	1,760	212	10	2	2,408	311	122
2004 Actual	15,760	1,803	229	10	2	2,466	309	137
2005 Actual	17,611	1,990	244	11	2	2,529	298	139
2006 Actual	18,720	1,998	245	13	2	2,579	295	142
2007 Actual	20,305	2,048	273	14	2	2,634	290	169
2008 Actual	22,755	2,136	274	14	2	2,709	288	176
2009 Actual	24,832	2,203	275	12	2	2,774	279	183
2010 Bridge Year	26,332	2,258	287	11	2	2,834	275	195
2011 Test Year	27,832	2,315	299	11	2	2,895	270	208

## NON-WEATHER SENSITIVE LOAD FORECAST METHODOLOGY

### Approach to Non-Weather Sensitive Load Forecast:

Milton Hydro has determined that the General Service 1,000 – 4,999 kW, Large Users, Street Lights, Sentinel Lights and the Unmetered/Scattered Load customer classes are not weather sensitive which is consistent with Milton Hydro's Cost Allocation Informational Filing. While the Hydro One weather normalized load forecast data indicated that the General Service 1,000 – 4,999 kW was slightly weather sensitive, a 0.3% change in kWh consumption due to weather, Milton Hydro determined that based on the poor predictive results from the customer class regression analysis that the load forecast for this customer class should be calculated as non-weather sensitive. Milton Hydro has calculated the load forecast for each customer class for the 2010 Bridge Year and the 2011 Test Year using the historical customer class consumption, customer count for each customer class and the forecasted customer counts as explained below.

The actual average customer kWh consumption, by customer class is calculated by dividing the annual actual customer class kWh consumption by the actual number of customers in that customer class. The Table 12 below sets out the actual class kWh consumption, Table 13 above sets out the actual average number of customers in each customer class and Table 15 below sets out the average per customer kWh consumption for each customer class.

**Table 12 -**

**Actual kWh Consumption by Customer Class**

Year	General Service 1,000-4,999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
2001 Actual	136,434,027	46,895,462	2,910,384	193,936	594,871
2002 Actual	142,026,097	59,872,906	3,070,173	193,936	714,434
2003 Actual	140,546,077	73,457,084	3,488,004	192,008	818,065
2004 Actual	114,675,485	83,457,793	3,650,549	191,280	939,449
2005 Actual	119,553,703	89,641,173	3,961,622	184,461	1,010,917
2006 Actual	116,022,864	90,399,608	4,232,885	180,812	1,034,741
2007 Actual	122,900,958	91,791,513	4,566,123	178,317	1,077,755
2008 Actual	124,956,584	83,253,315	4,960,009	176,576	1,176,774
2009 Actual	117,357,757	60,254,116	5,438,382	172,687	1,259,845

**Table 13 -**

**Actual Average kWh Consumption per Customer by Customer Class**

Year	General Service 1,000-4,999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
2001 Actual	13,643,403	46,895,462	1,275	589	5,408
2002 Actual	14,202,610	29,936,453	1,308	644	6,267
2003 Actual	14,054,608	36,728,542	1,449	617	6,705
2004 Actual	11,467,548	41,728,896	1,480	619	6,857
2005 Actual	10,868,518	44,820,587	1,566	619	7,273
2006 Actual	8,924,836	45,199,804	1,641	613	7,287
2007 Actual	8,778,640	45,895,757	1,734	615	6,394
2008 Actual	8,925,470	41,626,658	1,831	613	6,670
2009 Actual	9,514,979	30,127,058	1,960	619	6,884

The year over year change in per customer kWh consumption for each customer class is calculated in order to determine the geomean average of the change in the per customer kWh consumption. The following Table 14 sets out the geometric mean of the change in per

customer kWh consumption by customer class and the growth rate used to forecast the 2010 Bridge Year and the 2011 Test Year per customer kWh consumption.

Milton Hydro used the growth rate calculated in the geomean analysis to forecast the load for the General Service 1,000 – 4,999 kW, Street Lights and Unmetered / Scattered Load customer classes. The growth rate calculated in the geomean analysis for the Sentinel Light customer class was change to a growth rate of 1.0 as Milton Hydro Telecom Inc. is not installing any more sentinel lights.

Milton Hydro has also changed the growth rate for the Large User customer class from that calculated in the geomean analysis. The Large User customer class experienced a significant decrease in consumption due to the nature of their business and the economic downturn in 2009. The calculations for the Large User customer class based solely on the geomean analysis indicated a continued decline in consumption. Milton Hydro has reviewed the actual usage for the two Large User customers for first five months of 2010. The actual consumption has increased by approximately 15% over the five months and based on this Milton Hydro has changed the growth rate for the Large User customer class to 1.15% to reflect a more realistic consumption forecast for this class.

**Table 14 -  
Customer Class Growth Rate and Geomean Analysis**

Year	General Service 1,000-4,999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
2002 Actual	1.0410	0.6384	1.0257	1.0930	1.1589
2003 Actual	0.9896	1.2269	1.1078	0.9582	1.0700
2004 Actual	0.8159	1.1361	1.0220	1.0027	1.0226
2005 Actual	0.9478	1.0741	1.0582	0.9999	1.0606
2006 Actual	0.8212	1.0085	1.0478	0.9902	1.0019
2007 Actual	0.9836	1.0154	1.0562	1.0032	0.8774
2008 Actual	1.0167	0.9070	1.0562	0.9971	1.0432
2009 Actual	1.0660	0.7237	1.0708	1.0095	1.0322
<b>Geometric Mean</b>	<b>0.9560</b>	<b>0.9462</b>	<b>1.0553</b>	<b>1.0061</b>	<b>1.0306</b>
<b>Growth Rate Used</b>	<b>0.9560</b>	<b>1.1500</b>	<b>1.0553</b>	<b>1.0000</b>	<b>1.0306</b>

Milton Hydro has applied the growth rate from Table 14 above to the 2009 actual average kWh consumption per customer to calculate the forecast average kWh consumption per customer for

the 2010 Bridge Year and similarly the 2011 Test Year average kWh consumption per customer is based on the 2010 Bridge Year average kWh consumption per customer. The following Table 15 sets out the actual and forecast average consumption per customer.

**Table 15 -  
Actual & Forecast Average kWh Consumption per Customer**

Year	General Service 1,000-4,999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
2001 Actual	13,643,403	46,895,462	1,275	589	5,408
2002 Actual	14,202,610	29,936,453	1,308	644	6,267
2003 Actual	14,054,608	36,728,542	1,449	617	6,705
2004 Actual	11,467,548	41,728,896	1,480	619	6,857
2005 Actual	10,868,518	44,820,587	1,566	619	7,273
2006 Actual	8,924,836	45,199,804	1,641	613	7,287
2007 Actual	8,778,640	45,895,757	1,734	615	6,394
2008 Actual	8,925,470	41,626,658	1,831	613	6,670
2009 Actual	9,514,979	30,127,058	1,960	619	6,884
2010 Bridge Year	9,095,854	34,646,117	2,069	619	7,095
2011 Test Year	8,695,191	39,843,034	2,183	619	7,313

The total customer class kWh consumption forecast for the 2010 Bridge Year and 2011 Test Year is determined by multiplying the respective per customer kWh consumption from Table 15 above by the number of forecasted customers for each customer class found in Table 11 above and then adjusted for the Allocation of CDM Target found in Table 7 above. The following Table 16 sets out the actual and forecasted kWh consumption for each class adjusted for the CDM targets.

**Table 16 -**

**Actual & Forecast Customer Class kWh Consumption**

Year	General Service 1,000-4,999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights	Unmetered Loads
2001 Actual	136,434,027	46,895,462	2,910,384	193,936	594,871
2002 Actual	142,026,097	59,872,906	3,070,173	193,936	714,434
2003 Actual	140,546,077	73,457,084	3,488,004	192,008	818,065
2004 Actual	114,675,485	83,457,793	3,650,549	191,280	939,449
2005 Actual	119,553,703	89,641,173	3,961,622	184,461	1,010,917
2006 Actual	116,022,864	90,399,608	4,232,885	180,812	1,034,741
2007 Actual	122,900,958	91,791,513	4,566,123	178,317	1,077,755
2008 Actual	124,956,584	83,253,315	4,960,009	176,576	1,176,774
2009 Actual	117,357,757	60,254,116	5,438,382	172,687	1,259,845
2010 Bridge Year	104,583,289	69,292,234	5,863,007	169,915	1,383,738
2011 Test Year	94,342,584	78,821,751	6,320,787	167,188	1,519,815

## KILOWATT DEMAND FORECAST METHODOLOGY

### Approach to Kilowatt Demand Forecast

Milton Hydro has five customer classes that are billed on kW demand for variable distribution charges. These customer classes are the General Service >50 – 999 kW, General Service 1,000 – 4,999 kW, Large Users, Street Lights and Sentinel Lights. The kW forecast for these customer classes is based on the conversion of the customer class forecast for kWh consumption to kW demand. Milton Hydro reviewed the historical ratio of kW demand to kWh consumption and applied the average of the ratios to the forecasted customer class kWh consumption data for the 2010 Bridge Year and the 2011 Test Year to forecast the respective kW demand. The Table 17 below sets out the historical demand by customer class followed by Table 18 which sets out the ratio of kW demand to consumption and the average used to forecast the kW for the 2010 Bridge Year and the 2011 Test Year.

**Table 17 -**

**Actual kW Demand by Customer Class**

Year	General Service > 50 to 999 kW	General Service > 1000 to 4999 kW	Large User > 4999 kW	Streetlights	Sentinel Lights
2001 Actual	413,565	255,515	105,657	8,091	535
2002 Actual	415,618	286,432	125,800	9,249	539
2003 Actual	409,870	271,068	164,458	9,813	533
2004 Actual	420,450	230,160	186,557	10,170	531
2005 Actual	441,283	247,851	184,313	11,151	512
2006 Actual	436,353	241,018	187,387	11,810	507
2007 Actual	456,775	258,605	187,646	12,738	498
2008 Actual	475,950	266,355	187,387	13,799	495
2009 Actual	494,157	260,952	154,282	15,174	479

**Table 18 -**

**Ratio of kW Demand to kWh Consumption**

Year	General Service >50 - 999 kW	General Service >1,000 - 4,999 kW	Large User	Street Lights	Sentinel Lights
2001 Actual	0.285%	0.187%	0.225%	0.278%	0.276%
2002 Actual	0.281%	0.202%	0.210%	0.301%	0.278%
2003 Actual	0.277%	0.193%	0.224%	0.281%	0.278%
2004 Actual	0.270%	0.201%	0.224%	0.279%	0.278%
2005 Actual	0.269%	0.207%	0.206%	0.281%	0.278%
2006 Actual	0.264%	0.208%	0.207%	0.279%	0.280%
2007 Actual	0.265%	0.210%	0.204%	0.279%	0.279%
2008 Actual	0.263%	0.213%	0.225%	0.278%	0.280%
2009 Actual	0.268%	0.222%	0.256%	0.279%	0.278%
<b>Average</b>	<b>0.271%</b>	<b>0.205%</b>	<b>0.220%</b>	<b>0.282%</b>	<b>0.278%</b>

The 2010 Bridge Year and the 2011 Test Year forecasted kW demand is calculated as the kWh consumption found in Table 16 above, Table 8 for the General Service >50 – 999 kW customer class, multiplied by the average ratio of kW demand to kWh consumption as set out in Table 18 above. The following Table 19 sets out the actual and forecast kW for the 2010 Bridge Year and the 2011 Test Year.

**Table 19 -**

**Actual & Forecast kW Demand**

Year	General Service >50 - 999 kW	General Service >1,000 - 4,999 kW	Large User	Street Lights	Sentinel Lights
2001 Actual	413,565	255,515	105,657	8,091	535
2002 Actual	415,618	286,432	125,800	9,249	539
2003 Actual	409,870	271,068	164,458	9,813	533
2004 Actual	420,450	230,160	186,557	10,170	531
2005 Actual	441,283	247,851	184,313	11,151	512
2006 Actual	436,353	241,018	187,387	11,810	507
2007 Actual	456,775	258,605	187,646	12,738	498
2008 Actual	475,950	266,355	187,387	13,799	495
2009 Actual	494,157	260,952	154,282	15,174	479
2010 Bridge Year	498,609	214,222	152,542	16,520	473
2011 Test Year	507,929	193,246	173,521	17,810	465

**VOLUME VARIANCES**

**Volume Variance Analysis:**

In accordance with the Filing Guidelines, Milton Hydro has provided the following Tables 20 to 27 setting out the variance analysis for kWh consumption, kW demand and customer count for each customer class as applicable. Milton Hydro submits that the variances for the 2010 Bridge Year and the 2011 Test Year are representative of historical year variances and growth trend.

**Table 20 -**

**Residential – kWh Consumption & Customer Count**

Year	kWh Consumption	kWh Change	% Change	Customer Count	Growth	% Change
2001 Actual	134,047,710			9,693		
2002 Actual	150,212,623	16,164,912	12.1%	12,314	2,621	27.0%
2003 Actual	158,175,327	7,962,704	5.3%	13,821	1,507	12.2%
2004 Actual	169,087,408	10,912,081	6.9%	15,760	1,939	14.0%
2005 Actual	192,683,717	23,596,309	14.0%	17,611	1,851	11.7%
2006 Actual	195,292,370	2,608,653	1.4%	18,720	1,109	6.3%
2007 Actual	211,418,658	16,126,288	8.3%	20,305	1,585	8.5%
2008 Actual	218,391,097	6,972,439	3.3%	22,755	2,450	12.1%
2009 Actual	230,401,041	12,009,944	5.5%	24,832	2,077	9.1%
2010 Bridge Year	249,747,033	19,345,992	8.4%	26,332	1,500	6.0%
2011 Test Year	258,520,606	8,773,573	3.5%	27,832	1,500	5.7%

**Table 21 -**

**General Service <50 kW – kWh Consumption & Customer Count**

Year	kWh Consumption	kWh Change	% Change	Customer Count	Growth	% Change
2001 Actual	59,298,833			1,700		
2002 Actual	60,711,850	1,413,016	2.4%	1,713	13	0.8%
2003 Actual	61,255,640	543,790	0.9%	1,760	47	2.7%
2004 Actual	61,650,512	394,872	0.6%	1,803	43	2.4%
2005 Actual	65,492,217	3,841,705	6.2%	1,990	187	10.4%
2006 Actual	64,355,939	-1,136,279	-1.7%	1,998	8	0.4%
2007 Actual	68,462,631	4,106,692	6.4%	2,048	50	2.5%
2008 Actual	71,310,393	2,847,762	4.2%	2,136	87	4.3%
2009 Actual	73,618,223	2,307,830	3.2%	2,203	67	3.2%
2010 Bridge Year	73,958,013	339,790	0.5%	2,258	55	2.5%
2011 Test Year	75,044,767	1,086,754	1.5%	2,315	57	2.5%

**Table 22**

**General Service >50 - 999 kW – kWh Consumption, kW Demand & Customer Count**

Year	kWh Consumption	kWh Change	% Change	kW Demand	kW Change	% Change	Customer Count	Growth	% Change
2001 Actual	145,138,639			413,565			192		
2002 Actual	147,962,301	2,823,662	1.9%	415,618	2,053	0.5%	218	26	13.5%
2003 Actual	148,063,380	101,079	0.1%	409,870	-5,748	-1.4%	212	-6	-2.8%
2004 Actual	155,978,135	7,914,755	5.3%	420,450	10,580	2.6%	229	17	8.0%
2005 Actual	164,259,880	8,281,745	5.3%	441,283	20,833	5.0%	244	15	6.6%
2006 Actual	165,309,885	1,050,005	0.6%	436,353	-4,930	-1.1%	245	1	0.4%
2007 Actual	172,334,963	7,025,077	4.2%	456,775	20,421	4.7%	273	28	11.4%
2008 Actual	180,947,735	8,612,772	5.0%	475,950	19,175	4.2%	274	1	0.4%
2009 Actual	184,558,255	3,610,520	2.0%	494,157	18,207	3.8%	275	1	0.4%
2010 Bridge Year	183,863,313	-694,942	-0.4%	498,609	4,452	0.9%	287	12	4.3%
2011 Test Year	187,300,109	3,436,796	1.9%	507,929	9,320	1.9%	299	12	4.3%

**Table 23 -**

**General Service 1,000 – 4,999 kW – kWh Consumption, kW Demand & Customer Count**

Year	kWh Consumption	kWh Change	% Change	kW Demand	kW Change	% Change	Customer Count	Growth	% Change
2001 Actual	136,434,027			255,515			10		
2002 Actual	142,026,097	5,592,070	4.1%	286,432	30,917	12.1%	10	0	0.0%
2003 Actual	140,546,077	-1,480,020	-1.0%	271,068	-15,364	-5.4%	10	0	0.0%
2004 Actual	114,675,485	-25,870,592	-18.4%	230,160	-40,908	-15.1%	10	0	0.0%
2005 Actual	119,553,703	4,878,218	4.3%	247,851	17,691	7.7%	11	1	10.0%
2006 Actual	116,022,864	-3,530,838	-3.0%	241,018	-6,833	-2.8%	13	2	18.2%
2007 Actual	122,900,958	6,878,093	5.9%	258,605	17,586	7.3%	14	1	7.7%
2008 Actual	124,956,584	2,055,626	1.7%	266,355	7,750	3.0%	14	0	0.0%
2009 Actual	117,357,757	-7,598,827	-6.1%	260,952	-5,402	-2.0%	12	-2	-11.9%
2010 Bridge Year	104,583,289	-12,774,468	-10.9%	214,222	-46,730	-17.9%	11	-1	-6.8%
2011 Test Year	94,342,584	-10,240,705	-9.8%	193,246	-20,976	-9.8%	11	0	0.0%

**Table 24 -**

**Large User – kWh Consumption, kW Demand & Customer Count**

Year	kWh Consumption	kWh Change	% Change	kW Demand	kW Change	% Change	Customer Count	Growth	% Change
2001 Actual	46,895,462			105,657			1		
2002 Actual	59,872,906	12,977,444	27.7%	125,800	20,143	19.1%	2	1	100.0%
2003 Actual	73,457,084	13,584,179	22.7%	164,458	38,658	30.7%	2	0	0.0%
2004 Actual	83,457,793	10,000,709	13.6%	186,557	22,099	13.4%	2	0	0.0%
2005 Actual	89,641,173	6,183,380	7.4%	184,313	-2,244	-1.2%	2	0	0.0%
2006 Actual	90,399,608	758,435	0.8%	187,387	3,074	1.7%	2	0	0.0%
2007 Actual	91,791,513	1,391,905	1.5%	187,646	258	0.1%	2	0	0.0%
2008 Actual	83,253,315	-8,538,198	-9.3%	187,387	-259	-0.1%	2	0	0.0%
2009 Actual	60,254,116	-22,999,199	-27.6%	154,282	-33,105	-17.7%	2	0	0.0%
2010 Bridge Year	69,292,234	9,038,117	15.0%	152,542	-1,739	-1.1%	2	0	0.0%
2011 Test Year	78,821,751	9,529,517	13.8%	173,521	20,979	13.8%	2	0	0.0%

Table 25 -

Street Lights – kWh Consumption, kW Demand & Customer Count

Year	kWh Consumption	kWh Change	% Change	kW Demand	kW Change	% Change	Customer Count	Growth	% Change
2001 Actual	2,910,384			8,091			2,283	approx	
2002 Actual	3,070,173	159,789	5.5%	9,249	1,158	14.3%	2,348	65	2.8%
2003 Actual	3,488,004	417,831	13.6%	9,813	564	6.1%	2,408	60	2.6%
2004 Actual	3,650,549	162,545	4.7%	10,170	357	3.6%	2,466	58	2.4%
2005 Actual	3,961,622	311,073	8.5%	11,151	981	9.6%	2,529	63	2.6%
2006 Actual	4,232,885	271,263	6.8%	11,810	659	5.9%	2,579	50	2.0%
2007 Actual	4,566,123	333,238	7.9%	12,738	927	7.8%	2,634	55	2.1%
2008 Actual	4,960,009	393,885	8.6%	13,799	1,062	8.3%	2,709	75	2.8%
2009 Actual	5,438,382	478,374	9.6%	15,174	1,375	10.0%	2,774	65	2.4%
2010 Bridge Year	5,863,007	424,625	7.8%	16,520	1,346	8.9%	2,834	60	2.2%
2011 Test Year	6,320,787	457,779	7.8%	17,810	1,290	7.8%	2,895	61	2.2%

Table 26 -

Sentinel Lights – kWh Consumption, kW Demand & Customer Count

Year	kWh Consumption	kWh Change	% Change	kW Demand	kW Change	% Change	Customer Count	Growth	% Change
2001 Actual	193,936 est.			535			329		
2002 Actual	193,936	0	0.0%	539	4	0.7%	301	-28	-8.5%
2003 Actual	192,008	-1,928	-1.0%	533	-6	-1.1%	311	10	3.3%
2004 Actual	191,280	-728	-0.4%	531	-2	-0.4%	309	-2	-0.6%
2005 Actual	184,461	-6,819	-3.6%	512	-19	-3.6%	298	-11	-3.6%
2006 Actual	180,812	-3,649	-2.0%	507	-5	-1.0%	295	-3	-1.0%
2007 Actual	178,317	-2,495	-1.4%	498	-9	-1.7%	290	-5	-1.7%
2008 Actual	176,576	-1,742	-1.0%	495	-3	-0.7%	288	-2	-0.7%
2009 Actual	172,687	-3,889	-2.2%	479	-15	-3.1%	279	-9	-3.1%
2010 Bridge Year	169,915	-2,772	-1.6%	473	-7	-1.4%	275	-4	-1.6%
2011 Test Year	167,188	-2,727	-1.6%	465	-8	-1.6%	270	-4	-1.6%

**Table 27 -**

**Unmetered / Scattered Loads – kWh Consumption & Customer Count**

Year	kWh Consumption	kWh Change	% Change	Customer Count	Growth	% Change
2001 Actual	594,871			110		
2002 Actual	714,434	119,563	20.1%	114	4	3.6%
2003 Actual	818,065	103,631	14.5%	122	8	7.0%
2004 Actual	939,449	121,384	14.8%	137	15	12.3%
2005 Actual	1,010,917	71,468	7.6%	139	2	1.5%
2006 Actual	1,034,741	23,824	2.4%	142	3	2.2%
2007 Actual	1,077,755	43,014	4.2%	169	27	18.7%
2008 Actual	1,176,774	99,019	9.2%	176	8	4.7%
2009 Actual	1,259,845	83,071	7.1%	183	7	3.7%
2010 Bridge Year	1,383,738	123,893	9.8%	195	12	6.6%
2011 Test Year	1,519,815	136,077	9.8%	208	13	6.6%

## SUMMARY

### Summary of Forecast Data

The following Table 28 provides a summary of the 2001 Actual to 2009 Actual customer class data used for both the customer class weather normalized load forecast and the non-weather sensitive load forecast for the 2010 Bridge Year and the 2011 Test Year. Milton Hydro has provided a working Excel version of its Load Forecast Model by customer class which provides the specific monthly data and regression variables used to support Milton Hydro's weather normalized customer class forecast for the Residential, General Service <50 kW and General Service >50 – 999 kW customer classes for the 2010 Bridge Year and the 2011 Test Year. The Load Forecast Model also provides the calculations for the 2010 Bridge Year and the 2011 Test Year forecasts for the non-weather sensitive General Service 1,000 – 4,999 kW, Large User, Street Lights, Sentinel Lights and Unmetered/Scattered Load customer classes. Milton Hydro has attached as Appendix A the monthly customer class data used in the regression analysis.

**Table 28 -**

**Summary of Actual and Forecast Data by Customer Class**

Description	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year Weather Normal	2011 Test Year Weather Normal
<b>Billed kWh</b>	525,513,862	564,764,319	585,995,585	589,630,611	636,787,690	636,829,104	672,730,918	685,172,482	673,060,306	688,860,542	702,037,607
<b>By Class</b>											
<b>Residential</b>											
Customers	9,693	12,314	13,821	15,760	17,611	18,720	20,305	22,755	24,832	26,332	27,832
kWh	134,047,710	150,212,623	158,175,327	169,087,408	192,683,717	195,292,370	211,418,658	218,391,097	230,401,041	249,747,033	258,520,606
<b>General Service &lt; 50 kW</b>											
Customers	1,700	1,713	1,760	1,803	1,990	1,998	2,048	2,136	2,203	2,258	2,315
kWh	59,298,833	60,711,850	61,255,640	61,650,512	65,492,217	64,355,939	68,462,631	71,310,393	73,618,223	73,958,013	75,044,767
<b>General Service &gt; 50 to 999 kW</b>											
Customers	192	218	212	229	244	245	273	274	275	287	299
kWh	145,138,639	147,962,301	148,063,380	155,978,135	164,259,880	165,309,885	172,334,963	180,947,735	184,558,255	183,863,313	187,300,109
kW	413,565	415,618	409,870	420,450	441,283	436,353	456,775	475,950	494,157	498,609	507,929
<b>General Service &gt; 1000 to 4999 kW</b>											
Customers	10	10	10	10	11	13	14	14	12	11	11
kWh	136,434,027	142,026,097	140,546,077	114,675,485	119,553,703	116,022,864	122,900,958	124,956,584	117,357,757	104,583,289	94,342,584
kW	255,515	286,432	271,068	230,160	247,851	241,018	258,605	266,355	260,952	214,222	193,246
<b>Large User &gt; 4999 kW</b>											
Customers	1	2	2	2	2	2	2	2	2	2	2
kWh	46,895,462	59,872,906	73,457,084	83,457,793	89,641,173	90,399,608	91,791,513	83,253,315	60,254,116	69,292,234	78,821,751
kW	105,657	125,800	164,458	186,557	184,313	187,387	187,646	187,387	154,282	152,542	173,521
<b>Streetlights</b>											
Connections	2,283	2,348	2,408	2,466	2,529	2,579	2,634	2,709	2,774	2,834	2,895
kWh	2,910,384	3,070,173	3,488,004	3,650,549	3,961,622	4,232,885	4,566,123	4,960,009	5,438,382	5,863,007	6,320,787
kW	8,091	9,249	9,813	10,170	11,151	11,810	12,738	13,799	15,174	16,520	17,810
<b>Sentinel Lights</b>											
Connections	329	301	311	309	298	295	290	288	279	275	270
kWh	193,936	193,936	192,008	191,280	184,461	180,812	178,317	176,576	172,687	169,915	167,188
kW	535	539	533	531	512	507	498	495	479	473	465
<b>Unmetered Loads</b>											
Connections	110	114	122	137	139	142	169	176	183	195	208
kWh	594,871	714,434	818,065	939,449	1,010,917	1,034,741	1,077,755	1,176,774	1,259,845	1,383,738	1,519,815
<b>Total of Above</b>											
Customer/Connections	14,318	17,020	18,646	20,716	22,824	23,994	25,735	28,354	30,560	32,194	33,832
kWh	525,513,862	564,764,319	585,995,585	589,630,611	636,787,690	636,829,104	672,730,918	685,172,482	673,060,306	688,860,542	702,037,607
kW from applicable classes	783,363	837,638	855,742	847,868	885,111	877,076	916,261	943,985	925,045	882,366	892,971

**CONCLUSION**

Milton Hydro has prepared its customer counts and load forecasts by customer class and actual monthly customer kWh consumptions for both the weather normalized load forecast and the non-weather sensitive load forecasts. Milton Hydro submits that actual customer class kWh consumption incorporates each customer's actual actions and reactions to the effects of weather trends and changes in economic conditions. Milton Hydro further submits that the use of actual customer class specific kWh consumption in the weather normalized load forecast regression analysis and the non-weather sensitive load forecasts enhances the accuracy of the predicted 2010 Bridge Year and the 2011 Test Year load forecasts.

## OTHER DISTRIBUTION REVENUE

The following Table 29 summarizes Milton Hydro's other revenue that is included in Milton Hydro's total revenue requirement.

**Table 29 -  
Other Distribution Revenues**

Description	2005 Actual	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
4082 - Retail Service Revenue	21,567	22,734	26,466	29,851	29,724	33,508	34,638	35,784
4084 - Service Transaction Requests (STR) Revenues	410	54	865	995	1,372	902	1,085	1,085
4090 - Electric Services Incidental to Energy Sales	0	44,355	0	0	0	0		
4210 - Rent from Electric Property - Pole Attachments	91,865	110,798	128,415	129,004	129,004	132,641	134,582	135,213
4215 - Other Utility Operating Income - SSS Admin	0	0	0	0	0	0	73,779	75,804
4225 - Late Payment Charges	112,250	107,805	102,626	102,130	131,969	142,104	149,209	156,670
4235 - Miscellaneous Service Revenues	195,401	189,999	242,943	329,003	427,129	442,630	379,347	403,492
4355 - Gain on Disposition of Utility and Other Property				2,827		476	1,000	1,000
4375 - Revenue from Non Utility Operations				277,681	217,146	1,177,754	469,714	469,714
4380 - Expenses from Non Utility Operations				(278,582)	(167,724)	(1,041,134)	(438,714)	(438,714)
4390 - Miscellaneous Non-Operating Income	398,366		405,766	435,629	446,929	591,317	563,746	600,101
4405 - Interest and Dividend Income	193,732		183,677	253,261	131,495	38,119	(63,979)	45,000
<b>Base Distribution Revenue</b>	<b>1,013,590</b>	<b>475,744</b>	<b>1,090,757</b>	<b>1,281,799</b>	<b>1,347,044</b>	<b>1,518,318</b>	<b>1,304,407</b>	<b>1,485,149</b>
<b>Revenue Offsets</b>								
Less: 4375 Revenue from Non Utility Operations							(469,714)	(469,714)
Less: 4380 Expenses from Non Utility Operations							438,714	438,714
Less: 4355 Gain on Disposition of Utility & Other Property							0	(500)
<b>Total Revenue Offsets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(31,000)</b>	<b>(31,500)</b>
<b>Total Other Revenue with Offsets</b>	<b>1,013,590</b>	<b>475,744</b>	<b>1,090,757</b>	<b>1,281,799</b>	<b>1,347,044</b>	<b>1,518,318</b>	<b>1,273,407</b>	<b>1,453,649</b>
<b>Other Distribution Revenue</b>								
Late Payment Charges	112,250	107,805	102,626	102,130	131,969	142,104	149,209	156,670
Specific Service Charges	21,976	67,143	27,331	30,846	31,096	34,410	35,723	36,869
Interest Income	193,732		183,677	253,261	131,495	38,119	(63,979)	45,000
Other Distribution Revenue	685,632	300,797	777,123	895,563	1,052,484	1,303,685	1,152,454	1,215,110
<b>Other Revenue</b>	<b>1,013,590</b>	<b>475,744</b>	<b>1,090,757</b>	<b>1,281,799</b>	<b>1,347,044</b>	<b>1,518,318</b>	<b>1,273,407</b>	<b>1,453,649</b>

### Variance analysis on other distribution revenue:

The Materiality threshold used to analyze Other Distribution Revenue is \$55,000, consistent with the threshold used throughout this application. Milton Hydro has provided explanations for those variances which exceed the materiality threshold. The following Table 30 sets out Milton Hydro's other distribution revenue by USoA classification and year over year variance.

**Table 30 -**  
**Variance Analysis - Other Operating Revenue**

USoA Account #	Description	2005 Actual	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	Variance from 2005 Actual	2007 Actual	Variance from 2006 Actual	2008 Actual	Variance from 2007 Actual	2009 Actual	Variance from 2008 Actual	2010 Bridge	Variance from 2009 Actual	2011 Test	Variance from 2010 Bridge
Revenues from Other Distribution Services																
4082	Retailer One Time Charges			200	200	200	200	0	100	-100	200	100	200	0	200	0
4082	Distributor Consolidated Billing Services	7,438	7,797	9,223	1,426	1,784	10,289	1,067	10,104	-186	11,463	1,359	11,500	37	11,500	0
4082	Retailer Consolidated Billing Services	-17	-34	-19	15	-2	-79	-60	-91	-12	0	91	0	0	0	0
4082	Monthly Fixed Charges	1,720	1,920	1,660	-260	-60	2,160	500	2,620	460	2,740	120	2,877	137	3,021	144
4082	Monthly Variable Charges	12,426	13,051	15,402	2,351	2,977	17,280	1,878	16,991	-289	19,105	2,114	20,060	955	21,063	1,003
4084	Request Fees	145	22	396	374	251	348	-48	444	96	270	-174	350	80	350	0
4084	Processing Fees	265	33	469	437	205	647	178	928	281	632	-296	735	103	735	0
4090	Misc. Electric Services		44,355		-44,355	0		0		0		0		0		0
Other Operating Revenues																
4210	Pole Rental Fees	91,865	110,798	128,415	17,616	36,549	129,004	590	129,004	0	132,641	3,637	134,582	1,941	135,213	631
4215	Other Utility Operating Income (SSS Admin)						included in USoA 4080 for these years									
4225	Late Payment Charges	112,250	107,805	102,626	-5,179	-9,625	102,130	-496	131,969	29,840	142,104	10,135	149,209	7,105	156,670	7,461
4235	Collection Charge	43,434	27,287	92,127	64,840	48,693	115,189	23,062	155,160	39,971	177,130	21,970	194,843	17,713	214,327	19,484
4235	Reconnection Charge	3,020	1,547	7,200	5,654	4,180	14,055	6,855	13,555	-500	10,645	-2,910	11,177	532	12,231	1,054
4235	Occupancy Charge	143,375	143,075	136,130	-6,945	-7,245	181,122	44,992	234,390	53,268	239,880	5,490	162,127	-77,753	165,734	3,607
4235	Lawyer's Certificates	1,177	1,412	1,570	157	393	1,737	168	1,704	-33	1,115	-590	1,200	86	1,200	0
4235	TOU Metering Charge	14	1,119	0	-1,119	-14		0		0		0		0		0
4235	Credit Check Fee	135	10,410	0	-10,410	-135		0		0		0		0		0
4235	Off Cycle Meter Read	1,390	910	2,030	1,120	640	2,860	830	3,600	740	3,690	90		-3,690		0
4235	Interval Meter Read	2,856	4,239	3,886	-353	1,030	14,040	10,154	18,720	4,680	10,170	-8,550	10,000	-170	10,000	0
Other Income/(Deductions)																
4355	Fixed Asset Disposal		11,260		-11,260	0	2,827	2,827		-2,827	476	476		-476	500	500
4375	OPA Programs - Refrigerator Roundup			0	0	0	12,173	12,173	46,369	34,196	29,226	-17,143		-29,226		0
4375	OPA Programs - Summer Savings			0	0	0	13,928	13,928	38,819	24,891	408	-38,411		-408		0
4375	OPA Programs - Power Savings Blitz			0	0	0		0	24,804	24,804	918,379	893,576		-918,379		0
4375	OPA Programs - Community Initiative			0	0	0		0	16,000	16,000	16,000	0		-16,000		0
4375	OPA Programs - Peak Saver			0	0	0	232,855	232,855	43,961	-188,894		-43,961		0		0
4375	OPA Programs - ERIP			0	0	0	18,725	18,725	47,193	28,468	213,741	166,548		-213,741		0
4380	OPA Programs - Printing/Advertising			0	0	0	-9,264	-9,264	-11,570	-2,306	-4,452	7,118		4,452		0
4380	OPA Programs - Materials			0	0	0		0		0	-871,446	-871,446		871,446		0
4380	OPA Programs - Promotion Items			0	0	0		0	-14,451	-14,451	-6,422	8,030		6,422		0
4380	OPA Programs - Consulting Fees			0	0	0	-197,656	-197,656	-141,704	55,952	-158,814	-17,110		158,814		0
4380	OPA Programs - Rebates			0	0	0	-71,662	-71,662		71,662		0		0		0
4390	Region Water & Sewer Fees	334,448	231,929	371,894	139,966	37,447	351,351	-20,543	405,540	54,189	474,798	69,258	528,628	53,830	564,418	35,790
4390	Purchase Discounts	1,440	-95	429	524	-1,011	1,524	1,095	1,574	50	109	-1,465	1,000	891	1,000	0
4390	Sale of Scrap Material	22,721	1,325	23,651	22,326	930	11,836	-11,815	22,743	10,907	20,374	-2,370	20,000	-374	20,000	0
4390	Miscellaneous Revenue	31,609	3,739	1,334	-2,405	-30,275	4,440	3,106	2,259	-2,181	83,071	80,812	2,000	-81,071	2,000	0
4390	Hydro One Meter Exit Fee			0	0	0	48,519	48,519		-48,519		0		0		0
4390	Settlement Software Fee			0	0	0	9,234	9,234		-9,234		0		0		0
4390	NSF Charges	4,140		4,626	4,626	486	4,875	249	5,865	990	7,428	1,563	8,170	743	8,735	565
4390	Fee to Milton Telecom re: Sentinel Light billing	4,008	4,010	3,816	-194	-192	3,819	3	3,828	9	3,828	0	3,828	0	3,828	0
4390	Rental Fee of Space @ 55 thompson		3,290		-3,290	0		0	5,000	5,000	1,500	-3,500		-1,500		0
4390	Statement of Account Charge			15	15	15	30	15	120	90	210	90	120	-90	120	0
Investment Income																
4405	Short term Investment Income				0	0		0		0		0		0		0
4405	Bank Deposit Interest	138,310	164,641	237,078	72,437	98,768	268,178	31,100	153,166	-115,012	28,888	-124,278	45,000	16,112	45,000	0
4405	Interest on PILS Overpayment				0	0		0		0	6,658	6,658	0	-6,658	0	0
4405	Interest on RSVA Accounts	55,421	-20,243	-53,401	-33,158	-108,823	-14,917	38,484	-21,671	-6,754	2,573	24,244	0	-2,573	0	0
<b>Total</b>		<b>1,013,590</b>	<b>875,600</b>	<b>1,090,757</b>	<b>215,157</b>	<b>77,166</b>	<b>1,281,799</b>	<b>191,042</b>	<b>1,347,044</b>	<b>65,245</b>	<b>1,518,318</b>	<b>171,274</b>	<b>1,381,385</b>	<b>- 210,712</b>	<b>1,453,649</b>	<b>72,264</b>

**Collection Charges – USoA 4235:**

A collection charge shall apply in cases where it is necessary for Milton Hydro to make a trip to the Customer's premises to collect payment for an overdue account, disconnect service, install a load limiter, or reconnect service.

**2006 Actual over 2006 Board Approved: \$64,840**

The 2006 Board Approved collection charge revenue is based on the per visit charge applicable in 2004. Milton Hydro applied for an increase in the per visit charge for collections in its 2006 EDR Application, consistent with the pricing methodology as outlined in the 2006 Distribution Rate Handbook, accounting for the increase in the collection charges revenue as set out in Table 31 below..

**Table 31 -  
Collection Charges**

Description	2004 Actual	2006 Actual
Collection Charge	\$9.00	\$30.00
Disconnect/Reconnect at meter - during regular hours	\$20.00	\$65.00
Disconnect/Reconnect at meter - After regular hours	\$50.00	\$185.00

**Region Water & Sewer Fees – USoA 4390:**

Milton Hydro continues to be committed to offering other services such as water billing and customer care to the Regional Municipality of Halton in a manner that generates commercial returns and at the same time creates values for its customers. On March 25, 2006, Regional Council approved a five year contract with Burlington Hydro, Oakville Hydro, Milton Hydro and Halton Hills Hydro for Water and Wastewater Billing. This contract includes meter reading, billing, customer service and collections. The contract is effective June 1, 2006 to May 31, 2011. Milton Hydro is currently earning a return of not less than Milton Hydro's regulated rate of return with 100% of the return being a revenue offset to Milton Hydro's distribution revenue requirement.

1     **2006 Actual over 2006 Board Approved: \$139,966**

2     The increase in 2006 Actual over 2006 Board Approved is due to the negotiation of new rates  
3     and an increase in the number of customers being billed water and waste water. The number of  
4     customers increased from 12,225 in 2004, the base year for Milton Hydro's EDR Application, to  
5     15,205 in 2006.

6     **2007 Actual over 2006 Actual: (\$20,543)**

7     In September 2006 Milton Hydro moved from reading residential water meters monthly to bi-  
8     monthly thereby reducing the costs and therefore charges to the Region; commercial water  
9     meters continued to be read and billed on a monthly basis. This decrease is partially offset by a  
10    6% increase in the billing rate effective June 1<sup>st</sup> and an increase in the number of customers  
11    billed for water and waste water.

12    **2008 Actual over 2007: \$54,189**

13    This variance is primarily due to a 3% increase in the billing rate effective June 1<sup>st</sup> and an  
14    increase in the number of customers being billed for water and wastewater. The number of  
15    customers increased from 16,699 in 2007 to 19,179 in 2008.

16    **2009 Actual over 2008 Actual: \$69,258**

17    This variance is primarily due to a 2.5% rate increase approved for the period June 1, 2009 to  
18    May 30, 2010 and an increase in the number of customers being billed for water and  
19    wastewater. The number of customers increased from 19,179 in 2008 to 21,219 in 2009.

20    **2010 Bridge Year over 2009 Actual: \$53,830**

21    This variance is primarily due to a 2.5% rate increase approved for the period June 1, 2010 to  
22    May 30, 2011 and an increase in the number of customers being billed for water and  
23    wastewater. The number of customers increased from 21,129 in 2009 to a forecast of 22,179 in  
24    2010.

**Miscellaneous Revenue – USoA 4390:**

**2009 Actual over 2008 Actual: \$80,812**

Included in this variance is a \$73,000 adjustment resulting from Milton Hydro's most recent actuarial evaluation of the employees' future benefits conducted for 2009 and the 2010 Bridge Year.

**Occupancy Charge – USoA 4235:**

**2010 Bridge Year over 2009 Actual: (\$77,753)**

Milton Hydro has calculated occupancy charges for the 2010 Bridge Year based on a lower number of new connections expected during the year as a result of the decline in construction.

**Bank Deposit Interest – USoA 4405:**

Milton Hydro's interest earned on cash in the bank is dependent on both the bank balance and the prevailing monthly interest rates. Prime interest rates were running at approximately 6% in 2006 and 2007 declining annually to a low of 2% in 2009. Milton Hydro earns an interest rate of prime less 1.75%. Milton Hydro's average cash balances have declined by 28.3% from 2007 and 2009.

**2006 Actual over 2006 Board Approved: \$72,437**

The 2006 EDR Application was based on 2004 interest rates, which were lower than 2006 interest rates while the average cash balance for 2006 was slightly lower than 2004.

**2006 Actual over 2005 Actual: \$98,768**

The 2006 bank interest rates and Milton Hydro's average cash balances were higher in 2006 than in 2005.

**2008 Actual over 2007 Actual: (\$115,012)**

Interest rates dropped by approximately 50% in 2008 and Milton Hydro's average cash balance decreased by 13.2 % from 2007.

1    **2009 Actual over 2008 Actual: (\$124,278)**

2    Interest rates dropped by approximately 30% in 2009 and Milton Hydro's average cash balance  
3    decreased by a further 17.3%

4    **2010 Bridge Year & 2011 Test Year:**

5    Milton Hydro has forecasted an increase in bank deposit interest rates with the expectation of  
6    an improvement in the economy as well as an improvement in average cash balances as Milton  
7    Hydro draws on Infrastructure Ontario funding for capital projects.

1 APPENDIX A – CUSTOMER CLASS MONTHLY DATA USED FOR  
2 REGRESSION ANALYSIS

3

4

**Residential forecast**

	Heating	Cooling	Number of			Blackout	Number of	Predicted	Variances (kWh)	% Variance
	Degree	Degree	Days in	Spring	Customers			Consumption		
	Days	Days	Month	Fall Flag	Flag					
Jan-01	13,559,985	684.9	0	31	0	0	9432	13,635,397	75,412	0.56%
Feb-01	11,570,341	587.6	0	28	0	0	9456	11,353,787	-216,553	-1.87%
Mar-01	11,767,073	566.6	0	31	1	0	9479	11,431,567	-335,506	-2.85%
Apr-01	9,467,932	293.8	1.4	30	1	0	9503	9,149,267	-318,665	-3.37%
May-01	9,054,899	111.5	12.2	31	1	0	9526	8,873,561	-181,338	-2.00%
Jun-01	10,533,345	29.8	79.7	30	0	0	9550	11,466,128	932,782	8.86%
Jul-01	12,294,008	9.3	100.9	31	0	0	9574	12,592,741	298,733	2.43%
Aug-01	12,291,090	0	160	31	0	0	9597	14,481,810	2,190,720	17.82%
Sep-01	9,841,248	73.6	35.7	30	1	0	9621	8,899,420	-941,828	-9.57%
Oct-01	9,870,092	232.5	2	31	1	0	9645	9,405,036	-465,056	-4.71%
Nov-01	10,513,336	325.8	0	30	1	0	9669	9,413,689	-1,099,646	-10.46%
Dec-01	13,284,361	505	0	31	0	0	9693	12,612,287	-672,074	-5.06%
Jan-02	13,570,722	572.2	0	31	0	0	10566	13,579,894	9,172	0.07%
Feb-02	11,777,054	540.2	0	28	0	0	10709	11,798,888	21,833	0.19%
Mar-02	12,387,378	545.6	0	31	1	0	10833	12,110,540	-276,838	-2.23%
Apr-02	10,652,335	329.5	8.3	30	1	0	10939	10,476,025	-176,309	-1.66%
May-02	10,201,800	227.5	7.8	31	1	0	11076	10,425,496	223,696	2.19%
Jun-02	12,086,655	36.2	70	30	0	0	11216	12,195,560	108,904	0.90%
Jul-02	15,095,632	0	192.4	31	0	0	11358	16,605,234	1,509,602	10.00%
Aug-02	14,227,259	0.2	142.7	31	0	0	11557	15,098,735	871,477	6.13%
Sep-02	11,663,149	21.8	87.6	30	1	0	11737	11,535,963	-127,186	-1.09%
Oct-02	11,188,550	292.2	10	31	1	0	11912	11,426,437	237,887	2.13%
Nov-02	12,346,859	445	0	30	1	0	12101	11,663,040	-683,819	-5.54%
Dec-02	15,015,230	619.4	0	31	0	0	12314	14,944,176	-71,054	-0.47%
Jan-03	15,689,034	814.5	0	31	0	0	12373	16,259,868	570,834	3.64%
Feb-03	14,159,370	699	0	28	0	0	12490	13,915,312	-244,058	-1.72%
Mar-03	13,797,747	581.1	0	31	1	0	12596	13,407,104	-390,642	-2.83%
Apr-03	11,326,229	372.5	2.4	30	1	0	12698	11,626,138	299,908	2.65%
May-03	10,631,873	177.9	0	31	1	0	12803	10,886,500	254,627	2.39%
Jun-03	12,256,744	43.4	52.9	30	0	0	12906	12,702,307	445,564	3.64%
Jul-03	14,385,857	0.2	118.3	31	0	0	13037	15,192,443	806,585	5.61%
Aug-03	13,709,551	2	128	31	0	1	13227	13,709,551	0	0.00%
Sep-03	11,457,418	54.9	24	30	1	0	13430	10,691,399	-766,019	-6.69%
Oct-03	11,830,330	276	0	31	1	0	13593	12,006,775	176,444	1.49%
Nov-03	13,103,901	398.5	0	30	1	0	13744	12,349,186	-754,715	-5.76%
Dec-03	15,827,272	561.5	0	31	0	0	13821	15,473,473	-353,799	-2.24%
Jan-04	17,352,661	849.1	0	31	0	0	14184	17,579,487	226,826	1.31%
Feb-04	14,963,758	631.7	0	29	0	0	14379	15,165,840	202,082	1.35%
Mar-04	14,244,179	487.3	0	31	1	0	14549	13,969,931	-274,249	-1.93%
Apr-04	12,062,988	331.5	0	30	1	0	14661	12,462,821	399,833	3.31%
May-04	11,794,686	158.9	8.6	31	1	0	14764	12,226,617	431,931	3.66%
Jun-04	12,506,805	44.2	31.6	30	0	0	14902	13,214,111	707,306	5.66%
Jul-04	14,457,017	3.6	86.4	31	0	0	15063	15,392,213	935,196	6.47%
Aug-04	14,307,418	12.8	59.6	31	0	0	15238	14,680,351	372,933	2.61%
Sep-04	13,074,323	30	41.2	30	1	0	15414	12,288,365	-785,958	-6.01%
Oct-04	12,823,427	226.3	1.5	31	1	0	15557	12,914,719	91,291	0.71%
Nov-04	13,928,336	379.1	0	30	1	0	15671	13,384,482	-543,854	-3.90%
Dec-04	17,571,810	643.4	0	31	0	0	15760	17,180,662	-391,148	-2.23%
Jan-05	18,287,531	770	0	31	0	0	15812	18,042,687	-244,844	-1.34%
Feb-05	15,452,137	616.4	0	28	0	0	15870	15,412,552	-39,585	-0.26%
Mar-05	15,431,773	608.6	0	31	1	0	15932	15,600,191	168,418	1.09%
Apr-05	12,663,393	306.8	0	30	1	0	15991	13,103,165	439,772	3.47%
May-05	13,044,362	189.4	0.8	31	1	0	16068	12,957,974	-86,388	-0.66%
Jun-05	17,268,265	8.9	146.3	30	0	0	16180	17,510,408	242,142	1.40%
Jul-05	20,643,026	0	188.7	31	0	0	16360	19,501,816	-1,141,211	-5.53%
Aug-05	18,148,307	0.2	140.7	31	0	0	16609	18,081,165	-67,142	-0.37%
Sep-05	14,342,559	22.6	52.1	30	1	0	16896	13,490,939	-851,620	-5.94%
Oct-05	13,743,822	220.2	7.6	31	1	0	17222	14,079,010	335,188	2.44%
Nov-05	15,095,859	388.4	0	30	1	0	17464	14,527,242	-568,618	-3.77%
Dec-05	18,562,682	665.3	0	31	0	0	17611	18,441,085	-121,597	-0.66%
Jan-06	17,845,800	551.8	0	31	0	0	17672	17,733,187	-112,613	-0.63%
Feb-06	15,977,493	604.3	0	28	0	0	17753	16,469,199	491,707	3.08%
Mar-06	16,038,244	516.6	0	31	1	0	17810	16,129,579	91,335	0.57%
Apr-06	13,146,425	293.3	0	30	1	0	17875	14,151,230	1,004,805	7.64%
May-06	14,003,693	136.9	26	31	1	0	17932	14,563,484	559,790	4.00%
Jun-06	16,834,933	19.5	73.6	30	0	0	17986	16,288,330	-546,603	-3.25%
Jul-06	20,824,969	0	167.3	31	0	0	18045	19,817,464	-1,007,505	-4.84%
Aug-06	18,242,563	4.2	101.6	31	0	0	18108	17,731,097	-511,465	-2.80%
Sep-06	13,882,201	80.9	12.9	30	1	0	18231	13,394,928	-487,273	-3.51%
Oct-06	14,701,041	288.3	1.1	31	1	0	18385	15,014,583	313,542	2.13%
Nov-06	15,690,213	382.2	0	30	1	0	18536	15,133,313	-556,899	-3.55%
Dec-06	18,104,795	500.5	0	31	0	0	18720	18,028,868	-75,927	-0.42%
Jan-07	19,243,244	647.1	0	31	0	0	18763	19,016,687	-226,556	-1.18%
Feb-07	17,989,063	740.1	0	28	0	0	18887	18,044,372	55,309	0.31%
Mar-07	17,400,438	546.7	0	31	1	0	19003	17,046,824	-353,614	-2.03%

Apr-07	14,750,766	356.4	0	30	1	0	19117	15,314,558	563,792	3.82%
May-07	14,934,490	136.4	22.4	31	1	0	19234	15,227,802	293,312	1.96%
Jun-07	18,193,673	16.5	99.2	30	0	0	19358	17,934,892	-258,781	-1.42%
Jul-07	20,228,592	3.2	106.1	31	0	0	19459	18,687,005	-1,541,587	-7.62%
Aug-07	20,056,608	5.2	141	31	0	0	19595	19,925,289	-131,318	-0.65%
Sep-07	16,398,681	36.9	47.5	30	1	0	19757	15,160,175	-1,238,506	-7.55%
Oct-07	15,325,162	137.7	19.8	31	1	0	19946	15,580,731	255,569	1.67%
Nov-07	16,856,253	462.5	0	30	1	0	20128	16,620,655	-235,598	-1.40%
Dec-07	20,041,688	630.7	0	31	0	0	20305	19,839,392	-202,297	-1.01%
Jan-08	20,133,800	623.5	0	31	0	0	20335	19,810,250	-323,550	-1.61%
Feb-08	18,482,170	674.7	0	29	0	0	20403	19,082,330	600,160	3.25%
Mar-08	18,089,903	610.2	0	31	1	0	20470	18,348,523	258,620	1.43%
Apr-08	14,687,697	253.9	0	30	1	0	20627	15,553,034	865,337	5.89%
May-08	15,027,102	193.5	2.5	31	1	0	20882	15,944,906	917,804	6.11%
Jun-08	17,992,021	22.7	71.5	30	0	0	21141	18,143,995	151,974	0.84%
Jul-08	21,095,569	1	111	31	0	0	21416	20,013,747	-1,081,822	-5.13%
Aug-08	19,789,684	12.7	64	31	0	0	21698	18,721,214	-1,068,471	-5.40%
Sep-08	16,686,956	59	26.7	30	1	0	21994	15,973,508	-713,448	-4.28%
Oct-08	16,192,902	278.6	0	31	1	0	22314	17,285,326	1,092,425	6.75%
Nov-08	18,160,499	451.6	0	30	1	0	22569	18,021,824	-138,675	-0.76%
Dec-08	22,052,794	654.6	0	31	0	0	22755	21,474,322	-578,472	-2.62%
Jan-09	22,632,406	830.2	0	31	0	0	22866	22,693,443	61,037	0.27%
Feb-09	19,103,813	606.4	0	28	0	0	23049	19,678,123	574,310	3.01%
Mar-09	18,844,585	533.8	0	31	1	0	23271	19,537,124	692,539	3.68%
Apr-09	16,233,605	305.8	1.2	30	1	0	23525	17,681,268	1,447,664	8.92%
May-09	15,818,096	158.8	6.9	31	1	0	23761	17,598,286	1,780,190	11.25%
Jun-09	17,492,787	49.3	34.2	30	0	0	23942	18,786,682	1,293,895	7.40%
Jul-09	20,395,611	6.2	43.7	31	0	0	24098	19,461,612	-933,999	-4.58%
Aug-09	22,198,301	9.8	91	31	0	0	24266	21,135,850	-1,062,452	-4.79%
Sep-09	18,108,209	55.2	20.9	30	1	0	24462	17,247,579	-860,630	-4.75%
Oct-09	17,950,626	287.8	0	31	1	0	24642	18,750,202	799,576	4.45%
Nov-09	18,518,465	361.2	0	30	1	0	24736	18,736,068	217,603	1.18%
Dec-09	23,104,537	631.3	0	31	0	0	24832	22,574,526	-530,011	-2.29%
Jan-10		720.0	0	31	0	0	24,957	23,231,922	23,231,922	
Feb-10		598.3	0	28	0	0	25,082	20,851,513	20,851,513	
Mar-10		422.8	0	31	1	0	25,207	19,976,841	19,976,841	
Apr-10		225.1	0	30	1	0	25,332	18,202,658	18,202,658	
May-10		107.9	45.7	31	1	0	25,457	19,558,390	19,558,390	
Jun-10		30.5	70.0	30	0	0	25,582	20,825,682	20,825,682	
Jul-10		3.0	118.7	31	0	0	25,707	22,866,647	22,866,647	
Aug-10		5.9	112.1	31	0	0	25,832	22,746,222	22,746,222	
Sep-10		53.4	38.4	30	1	0	25,957	18,710,523	18,710,523	
Oct-10		245.2	4.3	31	1	0	26,082	19,481,158	19,481,158	
Nov-10		402.6	0.0	30	1	0	26,207	19,895,373	19,895,373	
Dec-10		619.2	0.0	31	0	0	26,332	23,400,105	23,400,105	
Jan-11		705.2	0.0	31	0	0	26,457	24,039,470	24,039,470	
Feb-11		633.2	0.0	28	0	0	26,582	21,985,279	21,985,279	
Mar-11		553.8	0.0	31	1	0	26,707	21,741,339	21,741,339	
Apr-11		316.2	1.5	30	1	0	26,832	19,753,124	19,753,124	
May-11		165.4	9.8	31	1	0	26,957	19,665,610	19,665,610	
Jun-11		30.1	72.9	30	0	0	27,082	21,822,719	21,822,719	
Jul-11		2.7	123.3	31	0	0	27,207	23,922,745	23,922,745	
Aug-11		5.3	114.1	31	0	0	27,332	23,711,721	23,711,721	
Sep-11		48.8	38.7	30	1	0	27,457	19,595,687	19,595,687	
Oct-11		248.5	4.6	31	1	0	27,582	20,417,690	20,417,690	
Nov-11		399.7	0.0	30	1	0	27,707	20,781,072	20,781,072	
Dec-11		603.1	0.0	31	0	0	27,832	24,199,373	24,199,373	

10 Yr Avg Weather Normal

2,171,092,812

2001	134,047,710		133,314,691	(733,019)	-0.5%
2002	150,212,623		151,859,987	1,647,364	1.1%
2003	158,175,327		158,220,056	44,729	0.0%
2004	169,087,408		170,459,597	1,372,189	0.8%
2005	192,683,717		190,748,232	(1,935,485)	-1.0%
2006	195,292,370		194,455,262	(837,108)	-0.4%
2007	211,418,658		208,398,382	(3,020,276)	-1.4%
2008	218,391,097		218,372,980	(18,117)	0.0%
2009	230,401,041		233,880,764	3,479,723	1.5%
2010			249,747,033		
2011			261,635,829		
		Reduction for ME&I CDM Target	(3,115,223)	258,520,606	

Total to 2009 1,659,709,950

1,659,709,950

0

2,171,092,812

0

Check totals above should be zero

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.978929496
R Square	0.958302958
Adjusted R Square	0.955825906
Standard Error	688620.4152
Observations	108

ANOVA					
	df	SS	MS	F	Significance F
Regression	6	1.10072E+15	1.83454E+14	386.8723581	2.57034E-67
Residual	101	4.7894E+13	4.74198E+11		
Total	107	1.14862E+15			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-13674699.12	2535090.193	-5.394166709	4.55041E-07	-18703636	-8645762.247	-18703636	-8645762.247
Heating Degree Days	6561.235596	445.7941001	14.71808531	7.1057E-27	5676.900042	7445.57115	5676.900042	7445.57115
Cooling Degree Days	32753.92138	2646.573984	12.37597043	5.83256E-22	27503.83065	38004.0121	27503.83065	38004.0121
Number of Days in Month	552440.3095	84155.79012	6.564495547	2.28173E-09	385497.864	719382.7549	385497.864	719382.7549
Spring Fall Flag	-1455910.143	185674.4598	-7.841197679	4.73473E-12	-1824238.316	-1087581.971	-1824238.316	-1087581.971
Blackout Flag	-1927044.879	706541.913	-2.727431796	0.007528008	-3328633.939	-525455.8186	-3328633.939	-525455.8186
Number of Customers	603.3129677	14.96230933	40.32218251	4.44673E-64	573.6317716	632.9941638	573.6317716	632.9941638

## General Service &lt; 50 kV

	Heating	Cooling	Number of		Spring Fall Flag	Number of Customers	Predicted	Variances (kWh)	% Variance
	Degree	Degree	Days in	Consumption					
	Used	Days	Month						
Jan-01	5,521,433	684.9	0	31	0	1,709	5,721,059	199,626	3.62%
Feb-01	5,321,433	587.6	0	28	0	1,708	5,202,042	-119,391	-2.24%
Mar-01	5,471,433	566.6	0	31	1	1,707	5,290,926	-180,507	-3.30%
Apr-01	4,695,572	293.8	1.4	30	1	1,707	4,638,408	-57,164	-1.22%
May-01	4,576,930	111.5	12.2	31	1	1,706	4,433,482	-143,448	-3.13%
Jun-01	4,665,007	29.8	79.7	30	0	1,705	4,713,495	48,488	1.04%
Jul-01	5,115,619	9.3	100.9	31	0	1,704	4,892,103	-223,516	-4.37%
Aug-01	5,093,902	0	160	31	0	1,703	5,192,491	98,589	1.94%
Sep-01	4,503,908	73.6	35.7	30	1	1,702	4,369,957	-133,951	-2.97%
Oct-01	4,524,107	232.5	2	31	1	1,702	4,612,844	88,737	1.96%
Nov-01	4,659,981	325.8	0	30	1	1,701	4,681,798	21,817	0.47%
Dec-01	5,149,508	505	0	31	0	1,700	5,335,949	186,441	3.62%
Jan-02	5,469,141	572.2	0	31	0	1,701	5,474,303	5,162	0.09%
Feb-02	4,983,545	540.2	0	28	0	1,702	5,091,762	108,216	2.17%
Mar-02	5,315,791	545.6	0	31	1	1,703	5,238,499	-77,292	-1.45%
Apr-02	4,758,966	329.5	8.3	30	1	1,704	4,742,570	-16,396	-0.34%
May-02	4,528,042	227.5	7.8	31	1	1,705	4,643,036	114,995	2.54%
Jun-02	4,807,595	36.2	70	30	0	1,706	4,677,231	-130,364	-2.71%
Jul-02	5,397,853	0	192.4	31	0	1,708	5,378,507	-19,345	-0.36%
Aug-02	5,262,496	0.2	142.7	31	0	1,709	5,111,396	-151,100	-2.87%
Sep-02	4,744,805	21.8	87.6	30	1	1,710	4,564,283	-180,523	-3.80%
Oct-02	4,705,098	292.2	10	31	1	1,711	4,798,483	93,385	1.98%
Nov-02	5,029,101	445	0	30	1	1,712	4,948,724	-80,376	-1.60%
Dec-02	5,709,418	619.4	0	31	0	1,713	5,597,676	-111,743	-1.96%
Jan-03	5,976,895	814.5	0	31	0	1,717	6,001,078	24,183	0.40%
Feb-03	5,598,208	699	0	28	0	1,721	5,456,335	-141,873	-2.53%
Mar-03	5,611,630	581.1	0	31	1	1,725	5,360,448	-251,182	-4.48%
Apr-03	4,744,479	372.5	2.4	30	1	1,729	4,854,220	109,740	2.31%
May-03	4,528,529	177.9	0	31	1	1,732	4,563,825	35,296	0.78%
Jun-03	4,703,098	43.4	52.9	30	0	1,736	4,668,925	-34,173	-0.73%
Jul-03	5,168,773	0.2	118.3	31	0	1,740	5,052,985	-115,788	-2.24%
Aug-03	4,949,874	2	128	31	0	1,744	5,118,553	168,680	3.41%
Sep-03	4,546,584	54.9	24	30	1	1,748	4,375,685	-170,899	-3.76%
Oct-03	4,697,342	276	0	31	1	1,752	4,808,212	110,870	2.36%
Nov-03	5,070,244	398.5	0	30	1	1,756	4,958,287	-111,958	-2.21%
Dec-03	5,659,985	561.5	0	31	0	1,760	5,590,952	-69,033	-1.22%
Jan-04	6,122,581	849.1	0	31	0	1,764	6,180,548	57,967	0.95%
Feb-04	5,760,953	631.7	0	29	0	1,767	5,535,886	-225,067	-3.91%
Mar-04	5,515,352	487.3	0	31	1	1,771	5,278,870	-236,482	-4.29%
Apr-04	4,790,087	331.5	0	30	1	1,774	4,865,544	75,457	1.58%
May-04	4,681,666	158.9	8.6	31	1	1,778	4,678,609	-3,056	-0.07%
Jun-04	4,630,445	44.2	31.6	30	0	1,781	4,660,477	30,032	0.65%
Jul-04	4,946,387	3.6	86.4	31	0	1,785	4,991,409	45,022	0.91%
Aug-04	4,942,648	12.8	59.6	31	0	1,789	4,872,812	-69,837	-1.41%
Sep-04	4,725,736	30	41.2	30	1	1,792	4,522,132	-203,605	-4.31%
Oct-04	4,763,751	226.3	1.5	31	1	1,796	4,818,427	54,676	1.15%
Nov-04	5,004,536	379.1	0	30	1	1,799	5,020,793	16,257	0.32%
Dec-04	5,766,371	643.4	0	31	0	1,803	5,857,396	91,025	1.58%
Jan-05	6,183,057	770	0	31	0	1,818	6,148,212	-34,845	-0.56%
Feb-05	5,588,169	616.4	0	28	0	1,833	5,552,594	-35,576	-0.64%
Mar-05	5,764,326	608.6	0	31	1	1,848	5,705,634	-58,692	-1.02%
Apr-05	4,898,503	306.8	0	30	1	1,863	5,024,667	126,164	2.58%
May-05	4,926,310	189.4	0.8	31	1	1,879	4,934,640	8,330	0.17%
Jun-05	5,290,586	8.9	146.3	30	0	1,894	5,477,164	186,579	3.53%
Jul-05	5,849,229	0	188.7	31	0	1,910	5,833,077	-16,152	-0.28%
Aug-05	5,546,695	0.2	140.7	31	0	1,926	5,609,668	62,973	1.14%
Sep-05	5,040,697	22.6	52.1	30	1	1,942	4,916,908	-123,788	-2.46%
Oct-05	5,022,879	220.2	7.6	31	1	1,958	5,218,904	196,025	3.90%
Nov-05	5,348,478	388.4	0	30	1	1,974	5,448,698	100,219	1.87%
Dec-05	6,033,288	665.3	0	31	0	1,990	6,340,512	307,224	5.09%
Jan-06	5,948,336	551.8	0	31	0	1,991	6,112,675	164,339	2.76%
Feb-06	5,516,608	604.3	0	28	0	1,991	5,899,947	383,339	6.95%
Mar-06	5,663,960	516.6	0	31	1	1,992	5,857,542	193,582	3.42%
Apr-06	4,828,533	293.3	0	30	1	1,993	5,300,985	472,452	9.78%
May-06	5,084,316	136.9	26	31	1	1,993	5,234,521	150,206	2.95%
Jun-06	5,286,635	19.5	73.6	30	0	1,994	5,337,767	51,132	0.97%
Jul-06	5,671,478	0	167.3	31	0	1,995	5,915,868	244,390	4.31%
Aug-06	5,446,040	4.2	101.6	31	0	1,995	5,568,920	122,881	2.26%
Sep-06	4,754,882	80.9	12.9	30	1	1,996	4,949,615	194,733	4.10%
Oct-06	5,064,665	288.3	1.1	31	1	1,997	5,413,047	348,381	6.88%
Nov-06	5,303,099	382.2	0	30	1	1,997	5,491,621	188,522	3.55%
Dec-06	5,787,387	500.5	0	31	0	1,998	6,026,203	238,816	4.13%
Jan-07	6,199,450	647.1	0	31	0	2,002	6,332,253	132,803	2.14%
Feb-07	6,183,800	740.1	0	28	0	2,006	6,209,590	25,790	0.42%
Mar-07	6,121,759	546.7	0	31	1	2,010	5,961,779	-159,979	-2.61%

Apr-07	5,331,514	356.4	0	30	1	2,015	5,480,168	148,654	2.79%
May-07	5,257,700	136.4	22.4	31	1	2,019	5,273,867	16,166	0.31%
Jun-07	5,481,160	16.5	99.2	30	0	2,023	5,539,015	57,855	1.06%
Jul-07	5,681,534	3.2	106.1	31	0	2,027	5,666,300	-15,234	-0.27%
Aug-07	5,675,274	5.2	141	31	0	2,031	5,869,876	194,602	3.43%
Sep-07	5,210,071	36.9	47.5	30	1	2,036	5,141,885	-68,186	-1.31%
Oct-07	5,239,873	137.7	19.8	31	1	2,040	5,311,834	71,961	1.37%
Nov-07	5,677,229	462.5	0	30	1	2,044	5,763,866	86,637	1.53%
Dec-07	6,403,268	630.7	0	31	0	2,048	6,407,711	4,443	0.07%
Jan-08	6,647,299	623.5	0	31	0	2,056	6,409,876	-237,423	-3.57%
Feb-08	6,365,802	674.7	0	29	0	2,063	6,316,534	-49,268	-0.77%
Mar-08	6,460,775	610.2	0	31	1	2,070	6,229,490	-231,285	-3.58%
Apr-08	5,561,689	253.9	0	30	1	2,077	5,419,451	-142,238	-2.56%
May-08	5,422,341	193.5	2.5	31	1	2,084	5,434,709	12,369	0.23%
Jun-08	5,537,561	22.7	71.5	30	0	2,092	5,561,755	24,194	0.44%
Jul-08	5,950,633	1	111	31	0	2,099	5,856,401	-94,232	-1.58%
Aug-08	5,760,191	12.7	64	31	0	2,106	5,641,788	-118,404	-2.06%
Sep-08	5,318,216	59	26.7	30	1	2,113	5,255,960	-62,256	-1.17%
Oct-08	5,490,847	278.6	0	31	1	2,121	5,678,767	187,920	3.42%
Nov-08	5,989,831	451.6	0	30	1	2,128	5,938,932	-50,899	-0.85%
Dec-08	6,805,208	654.6	0	31	0	2,136	6,660,504	-144,703	-2.13%
Jan-09	7,079,298	830.2	0	31	0	2,141	7,028,417	-50,881	-0.72%
Feb-09	6,307,871	606.4	0	28	0	2,147	6,268,721	-39,151	-0.62%
Mar-09	6,443,897	533.8	0	31	1	2,152	6,268,340	-175,556	-2.72%
Apr-09	5,610,063	305.8	1.2	30	1	2,158	5,720,343	110,280	1.97%
May-09	5,596,845	158.8	6.9	31	1	2,163	5,574,144	-22,701	-0.41%
Jun-09	5,647,174	49.3	34.2	30	0	2,169	5,594,656	-52,518	-0.93%
Jul-09	5,997,708	6.2	43.7	31	0	2,175	5,679,170	-318,537	-5.31%
Aug-09	6,177,211	9.8	91	31	0	2,180	5,956,705	-220,507	-3.57%
Sep-09	5,634,245	55.2	20.9	30	1	2,186	5,386,914	-247,332	-4.39%
Oct-09	5,829,665	287.8	0	31	1	2,192	5,863,571	33,906	0.58%
Nov-09	6,096,451	361.2	0	30	1	2,197	5,918,465	-177,987	-2.92%
Dec-09	7,197,794	631.3	0	31	0	2,203	6,771,664	-426,130	-5.92%
Jan-10		720.0	0	31	0	2,207	6,960,326	6,960,326	
Feb-10		598.3	0	28	0	2,212	6,404,710	6,404,710	
Mar-10		422.8	0	31	1	2,216	6,194,043	6,194,043	
Apr-10		225.1	0	30	1	2,221	5,698,420	5,698,420	
May-10		107.9	45.7	31	1	2,225	5,827,424	5,827,424	
Jun-10		30.5	70.0	30	0	2,230	5,894,153	5,894,153	
Jul-10		3.0	118.7	31	0	2,235	6,220,503	6,220,503	
Aug-10		5.9	112.1	31	0	2,239	6,201,428	6,201,428	
Sep-10		53.4	38.4	30	1	2,244	5,613,802	5,613,802	
Oct-10		245.2	4.3	31	1	2,248	5,933,917	5,933,917	
Nov-10		402.6	0.0	30	1	2,253	6,132,526	6,132,526	
Dec-10		619.2	0.0	31	0	2,258	6,876,761	6,876,761	
Jan-11		705.2	0.0	31	0	2,262	7,059,869	7,059,869	
Feb-11		633.2	0.0	28	0	2,267	6,605,133	6,605,133	
Mar-11		553.8	0.0	31	1	2,272	6,589,149	6,589,149	
Apr-11		316.2	1.5	30	1	2,276	6,021,175	6,021,175	
May-11		165.4	9.8	31	1	2,281	5,879,807	5,879,807	
Jun-11		30.1	72.9	30	0	2,286	6,040,562	6,040,562	
Jul-11		2.7	123.3	31	0	2,291	6,377,140	6,377,140	
Aug-11		5.3	114.1	31	0	2,295	6,343,234	6,343,234	
Sep-11		48.8	38.7	30	1	2,300	5,738,902	5,738,902	
Oct-11		248.5	4.6	31	1	2,305	6,075,259	6,075,259	
Nov-11		399.7	0.0	30	1	2,310	6,260,054	6,260,054	
Dec-11		603.1	0.0	31	0	2,315	6,976,999	6,976,999	

10 Yr Avg Weather Normal

736,081,533

2001	59,298,833					59,084,554	(214,279)	-0.4%
2002	60,711,850					60,266,469	(445,381)	-0.7%
2003	61,255,640					60,809,504	(446,136)	-0.7%
2004	61,650,512					61,282,902	(367,610)	-0.6%
2005	65,492,217					66,210,678	718,461	1.1%
2006	64,355,939					67,108,711	2,752,773	4.3%
2007	68,462,631					68,958,143	495,513	0.7%
2008	71,310,393					70,404,167	(906,226)	-1.3%
2009	73,618,223					72,031,110	(1,587,113)	-2.2%
2010						73,958,013		
2011						75,967,283		
2011						Reduction for ME&I CDM Target	(922,516)	75,044,767
Total to 2009	586,156,238					586,156,238	0	

736,081,533

0

Check totals above should be zero

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.965109752
R Square	0.931436834
Adjusted R Square	0.928075894
Standard Error	158617.3259
Observations	108

ANOVA					
	df	SS	MS	F	Significance F
Regression	5	3.48629E+13	6.97259E+12	277.1358509	1.11884E-57
Residual	102	2.56626E+12	25159456081		
Total	107	3.74292E+13			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-2985100.243	602533.8767	-4.954244664	2.89068E-06	-4180223.298	-1789977.188	-4180223.298	-1789977.188
Heating Degree Days	2021.139642	102.5650584	19.70592787	1.4795E-36	1817.702341	2224.576944	1817.702341	2224.576944
Cooling Degree Days	5433.814889	604.8736642	8.98338812	1.44101E-14	4234.050877	6633.578901	4234.050877	6633.578901
Number of Days in Month	106799.8758	19358.05092	5.517077946	2.6229E-07	68403.27464	145196.477	68403.27464	145196.477
Spring Fall Flag	-187113.3336	42713.29699	-4.380681118	2.87457E-05	-271834.9534	-102391.7139	-271834.9534	-102391.7139
Number of Customers	2346.810116	91.36376017	25.68644407	2.46637E-46	2165.590535	2528.029696	2165.590535	2528.029696

# General Service > 50 - 999 kW

		Heating	Cooling	Number of								
	Used	Degree	Degree	Days in	Spring	Blackout	Number of	Number of	Predicted	Variances		
		Days	Days	Month	Fall Flag	Flag	Peak Hours	Customers	Consumption	(kWh)	% Variance	
Jan-01	11,838,142	684.9	0	31	0	0	352	186	12,186,723	348,582	2.94%	
Feb-01	11,886,530	587.6	0	28	0	0	320	186	11,286,610	-599,920	-5.05%	
Mar-01	12,505,705	566.6	0	31	1	0	352	187	11,866,367	-639,338	-5.11%	
Apr-01	11,170,578	293.8	1.4	30	1	0	320	187	11,138,590	-31,988	-0.29%	
May-01	11,983,306	111.5	12.2	31	1	0	352	188	11,457,693	-525,614	-4.39%	
Jun-01	12,392,962	29.8	79.7	30	0	0	336	188	11,766,928	-626,034	-5.05%	
Jul-01	12,522,301	9.3	100.9	31	0	0	336	189	12,098,056	-424,245	-3.39%	
Aug-01	12,620,310	0	160	31	0	0	352	190	12,639,577	19,267	0.15%	
Sep-01	11,885,727	73.6	35.7	30	1	0	304	190	11,105,893	-779,833	-6.56%	
Oct-01	12,101,407	232.5	2	31	1	0	352	191	11,645,866	-455,542	-3.76%	
Nov-01	11,966,814	325.8	0	30	1	0	352	191	11,581,217	-385,598	-3.22%	
Dec-01	12,264,855	505	0	31	0	0	304	192	11,855,144	-409,711	-3.34%	
Jan-02	12,529,613	572.2	0	31	0	0	352	194	12,386,786	-142,827	-1.14%	
Feb-02	11,736,498	540.2	0	28	0	0	320	196	11,622,555	-113,943	-0.97%	
Mar-02	12,358,365	545.6	0	31	1	0	320	198	12,043,217	-315,148	-2.55%	
Apr-02	11,282,326	329.5	8.3	30	1	0	352	200	11,993,007	710,681	6.30%	
May-02	11,924,263	227.5	7.8	31	1	0	352	202	12,137,302	213,039	1.79%	
Jun-02	12,261,487	36.2	70	30	0	0	320	205	12,212,907	-48,579	-0.40%	
Jul-02	13,146,859	0	192.4	31	0	0	352	207	13,537,155	390,297	2.97%	
Aug-02	13,236,976	0.2	142.7	31	0	0	336	209	13,159,347	-77,630	-0.59%	
Sep-02	12,380,750	21.8	87.6	30	1	0	320	211	12,351,272	-29,478	-0.24%	
Oct-02	12,427,084	292.2	10	31	1	0	352	213	12,662,060	234,976	1.89%	
Nov-02	12,406,110	445	0	30	1	0	336	216	12,555,098	148,988	1.20%	
Dec-02	12,271,970	619.4	0	31	0	0	320	218	13,135,962	863,992	7.04%	
Jan-03	13,541,693	814.5	0	31	0	0	352	217	13,596,601	54,908	0.41%	
Feb-03	12,379,073	699	0	28	0	0	320	217	12,632,422	-253,349	-2.05%	
Mar-03	12,561,198	581.1	0	31	1	0	336	216	12,933,008	371,810	2.96%	
Apr-03	11,760,625	372.5	2.4	30	1	0	336	216	12,496,749	736,124	6.26%	
May-03	11,578,377	177.9	0	31	1	0	336	215	12,416,431	838,055	7.24%	
Jun-03	11,981,908	43.4	52.9	30	0	0	336	215	12,641,875	659,966	5.51%	
Jul-03	12,817,686	0.2	118.3	31	0	0	352	214	13,330,212	512,526	4.00%	
Aug-03	11,859,382	2	128	31	0	1	320	214	11,859,382	0	0.00%	
Sep-03	12,033,103	54.9	24	30	1	0	336	213	12,171,626	138,523	1.15%	
Oct-03	12,474,758	276	0	31	1	0	352	213	12,556,397	81,639	0.65%	
Nov-03	12,313,794	398.5	0	30	1	0	320	212	12,244,388	-69,406	-0.56%	
Dec-03	12,761,784	561.5	0	31	0	0	336	212	12,959,047	197,263	1.55%	
Jan-04	13,863,513	849.1	0	31	0	0	336	213	13,353,126	-510,387	-3.68%	
Feb-04	12,891,275	631.7	0	29	0	0	320	215	12,652,500	-238,775	-1.85%	
Mar-04	13,308,532	487.3	0	31	1	0	368	216	13,057,753	-250,779	-1.88%	
Apr-04	12,295,333	331.5	0	30	1	0	336	218	12,492,326	196,993	1.60%	
May-04	12,340,126	158.9	8.6	31	1	0	320	219	12,461,070	120,945	0.98%	
Jun-04	12,823,937	44.2	31.6	30	0	0	352	220	12,830,500	6,563	0.05%	
Jul-04	12,991,007	3.6	86.4	31	0	0	336	222	13,278,792	287,785	2.22%	
Aug-04	13,137,344	12.8	59.6	31	0	0	336	223	13,161,189	23,845	0.18%	
Sep-04	13,290,380	30	41.2	30	1	0	336	225	12,699,365	-591,016	-4.45%	
Oct-04	12,778,185	226.3	1.5	31	1	0	320	226	12,773,340	-4,845	-0.04%	
Nov-04	13,141,919	379.1	0	30	1	0	352	228	13,066,390	-75,528	-0.57%	
Dec-04	13,116,584	643.4	0	31	0	0	336	229	13,725,155	608,571	4.64%	
Jan-05	14,305,779	770	0	31	0	0	320	230	13,794,945	-510,834	-3.57%	
Feb-05	12,799,292	616.4	0	28	0	0	320	231	13,103,371	304,079	2.38%	
Mar-05	13,685,935	608.6	0	31	1	0	352	233	13,724,328	38,392	0.28%	
Apr-05	12,470,527	306.8	0	30	1	0	336	234	13,107,634	637,107	5.11%	
May-05	12,828,995	189.4	0.8	31	1	0	336	235	13,209,276	380,281	2.96%	
Jun-05	14,420,639	8.9	146.3	30	0	0	352	236	14,211,188	-209,451	-1.45%	
Jul-05	14,310,581	0	188.7	31	0	0	320	238	14,477,105	166,524	1.16%	
Aug-05	14,522,664	0.2	140.7	31	0	0	352	239	14,445,730	-76,934	-0.53%	
Sep-05	13,779,214	22.6	52.1	30	1	0	336	240	13,377,266	-401,948	-2.92%	
Oct-05	13,452,154	220.2	7.6	31	1	0	320	241	13,412,779	-39,375	-0.29%	
Nov-05	13,745,574	388.4	0	30	1	0	352	243	13,674,984	-70,590	-0.51%	
Dec-05	13,938,525	665.3	0	31	0	0	320	244	14,213,766	275,241	1.97%	
Jan-06	14,466,188	551.8	0	31	0	0	336	244	14,210,537	-255,651	-1.77%	
Feb-06	13,583,211	604.3	0	28	0	0	320	244	13,590,255	7,044	0.05%	
Mar-06	14,311,793	516.6	0	31	1	0	368	244	14,199,441	-112,352	-0.79%	
Apr-06	12,560,526	293.3	0	30	1	0	304	244	13,249,631	689,105	5.49%	
May-06	13,472,684	136.9	26	31	1	0	352	244	13,808,258	335,574	2.49%	
Jun-06	14,114,358	19.5	73.6	30	0	0	352	244	14,042,061	-72,298	-0.51%	
Jul-06	14,425,541	0	167.3	31	0	0	320	245	14,603,093	177,552	1.23%	
Aug-06	14,403,653	4.2	101.6	31	0	0	352	245	14,408,105	4,451	0.03%	
Sep-06	13,195,442	80.9	12.9	30	1	0	320	245	13,227,345	31,903	0.24%	
Oct-06	13,499,793	288.3	1.1	31	1	0	336	245	13,710,139	210,345	1.56%	
Nov-06	13,609,012	382.2	0	30	1	0	352	245	13,754,377	145,366	1.07%	
Dec-06	13,667,683	500.5	0	31	0	0	304	245	13,936,184	268,501	1.96%	
Jan-07	14,499,149	647.1	0	31	0	0	352	247	14,568,715	69,566	0.48%	
Feb-07	13,786,102	740.1	0	28	0	0	320	249	13,959,260	173,158	1.26%	
Mar-07	14,669,988	546.7	0	31	1	0	352	252	14,401,291	-268,697	-1.83%	

Apr-07	13,658,497	356.4	0	30	1	0	320	254	13,828,444	169,947	1.24%
May-07	14,251,536	136.4	22.4	31	1	0	352	256	14,250,642	-894	-0.01%
Jun-07	14,814,543	16.5	99.2	30	0	0	336	259	14,647,274	-167,270	-1.13%
Jul-07	14,647,680	3.2	106.1	31	0	0	336	261	14,957,549	309,869	2.12%
Aug-07	15,082,402	5.2	141	31	0	0	352	263	15,415,574	333,172	2.21%
Sep-07	13,794,793	36.9	47.5	30	1	0	304	266	14,115,440	320,647	2.32%
Oct-07	14,221,681	137.7	19.8	31	1	0	352	268	14,699,583	477,902	3.36%
Nov-07	14,348,083	462.5	0	30	1	0	352	271	14,858,421	510,338	3.56%
Dec-07	14,560,509	630.7	0	31	0	0	304	273	15,192,455	631,946	4.34%
Jan-08	15,500,611	623.5	0	31	0	0	352	273	15,559,620	59,009	0.38%
Feb-08	14,665,320	674.7	0	29	0	0	320	273	15,001,981	336,660	2.30%
Mar-08	15,470,225	610.2	0	31	1	0	304	273	14,949,965	-520,259	-3.36%
Apr-08	14,493,027	253.9	0	30	1	0	352	273	14,720,583	227,556	1.57%
May-08	14,379,604	193.5	2.5	31	1	0	336	273	14,730,571	350,968	2.44%
Jun-08	14,950,843	22.7	71.5	30	0	0	336	273	15,047,434	96,591	0.65%
Jul-08	15,930,422	1	111	31	0	0	352	274	15,608,133	-322,290	-2.02%
Aug-08	15,111,455	12.7	64	31	0	0	320	274	15,051,387	-60,068	-0.40%
Sep-08	14,909,315	59	26.7	30	1	0	336	274	14,565,585	-343,729	-2.31%
Oct-08	14,902,218	278.6	0	31	1	0	352	274	14,955,333	53,115	0.36%
Nov-08	14,939,535	451.6	0	30	1	0	304	274	14,602,737	-336,798	-2.25%
Dec-08	15,695,160	654.6	0	31	0	0	336	274	15,507,599	-187,561	-1.20%
Jan-09	16,116,630	830.2	0	31	0	0	336	274	15,718,627	-398,002	-2.47%
Feb-09	14,637,378	606.4	0	28	0	0	304	274	14,649,795	12,417	0.08%
Mar-09	15,472,444	533.8	0	31	1	0	352	274	15,273,661	-198,784	-1.28%
Apr-09	14,249,969	305.8	1.2	30	1	0	320	274	14,579,812	329,843	2.31%
May-09	14,657,746	158.8	6.9	31	1	0	320	274	14,634,314	-23,432	-0.16%
Jun-09	15,145,976	49.3	34.2	30	0	0	352	274	14,986,000	-159,977	-1.06%
Jul-09	15,431,248	6.2	43.7	31	0	0	352	275	15,189,628	-241,619	-1.57%
Aug-09	15,967,682	9.8	91	31	0	0	320	275	15,273,482	-694,200	-4.35%
Sep-09	15,426,670	55.2	20.9	30	1	0	336	275	14,560,465	-866,205	-5.61%
Oct-09	15,448,824	287.8	0	31	1	0	336	275	14,880,676	-568,147	-3.68%
Nov-09	15,454,893	361.2	0	30	1	0	320	275	14,660,056	-794,837	-5.14%
Dec-09	16,548,795	631.3	0	31	0	0	352	275	15,644,304	-904,490	-5.47%
Jan-10		720.0	0	31	0	0	320	275	15,499,433	15,499,433	
Feb-10		598.3	0	28	0	0	304	276	14,712,391	14,712,391	
Mar-10		422.8	0	31	1	0	368	277	15,375,510	15,375,510	
Apr-10		225.1	0	30	1	0	320	278	14,620,417	14,620,417	
May-10		107.9	45.7	31	1	0	320	279	15,022,055	15,022,055	
Jun-10		30.5	70.0	30	0	0	352	280	15,427,188	15,427,188	
Jul-10		3.0	118.7	31	0	0	336	281	15,830,396	15,830,396	
Aug-10		5.9	112.1	31	0	0	336	282	15,827,972	15,827,972	
Sep-10		53.4	38.4	30	1	0	336	283	15,003,682	15,003,682	
Oct-10		245.2	4.3	31	1	0	320	284	15,096,050	15,096,050	
Nov-10		402.6	0.0	30	1	0	336	285	15,230,918	15,230,918	
Dec-10		619.2	0.0	31	0	0	368	287	16,217,300	16,217,300	
Jan-11		705.2	0.0	31	0	0	320	287	15,944,271	15,944,271	
Feb-11		633.2	0.0	28	0	0	304	288	15,216,052	15,216,052	
Mar-11		553.8	0.0	31	1	0	368	289	15,992,903	15,992,903	
Apr-11		316.2	1.5	30	1	0	320	290	15,200,663	15,200,663	
May-11		165.4	9.8	31	1	0	336	291	15,430,051	15,430,051	
Jun-11		30.1	72.9	30	0	0	352	292	15,909,053	15,909,053	
Jul-11		2.7	123.3	31	0	0	320	293	16,199,778	16,199,778	
Aug-11		5.3	114.1	31	0	0	352	294	16,428,137	16,428,137	
Sep-11		48.8	38.7	30	1	0	336	295	15,462,830	15,462,830	
Oct-11		248.5	4.6	31	1	0	320	296	15,564,454	15,564,454	
Nov-11		399.7	0.0	30	1	0	368	297	15,939,661	15,939,661	
Dec-11		603.1	0.0	31	0	0	320	299	16,305,677	16,305,677	

10 Yr Average Weather Normal

1,838,010,016

2001	145,138,639								140,628,665	(4,509,974)	-3.11%
2002	147,962,301								149,796,668	1,834,367	1.24%
2003	148,063,380								151,838,138	3,774,758	2.55%
2004	155,978,135								155,551,508	(426,627)	-0.27%
2005	164,259,880								164,752,372	492,492	0.30%
2006	165,309,885								166,739,426	1,429,541	0.86%
2007	172,334,963								174,894,646	2,559,684	1.49%
2008	180,947,735								180,300,928	(646,807)	-0.36%
2009	184,558,255								180,050,820	(4,507,435)	-2.44%
2010									183,863,313		
2011									189,593,531		
2011											
Reduction for ME&I CDM Target									(2,293,422)	187,300,109	
Total to 2009	1,464,553,172								1,464,553,172	0	

1,838,010,016

0

Check totals above should be zero

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.952467997
R Square	0.907195286
Adjusted R Square	0.900698956
Standard Error	397181.0855
Observations	108

ANOVA					
	df	SS	MS	F	Significance F
Regression	7	1.54208E+14	2.20298E+13	139.6473528	1.09155E-48
Residual	100	1.57753E+13	1.57753E+11		
Total	107	1.69984E+14			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-4437009.69	1529477.22	-2.900997564	0.004574734	-7471448.853	-1402570.527	-7471448.853	-1402570.527
Heating Degree Days	1183.107023	256.0178132	4.621190254	1.1405E-05	675.174987	1691.039059	675.174987	1691.039059
Cooling Degree Days	6894.826575	1518.009373	4.542018446	1.55927E-05	3883.139293	9906.513858	3883.139293	9906.513858
Number of Days in Month	185838.746	51201.08821	3.629585864	0.000449465	84257.24795	287420.2441	84257.24795	287420.2441
Spring Fall Flag	-225753.2037	106979.8556	-2.11024031	0.037332874	-437998.1847	-13508.22268	-437998.1847	-13508.22268
Blackout Flag	-1270475.116	411499.9641	-3.087424609	0.002612955	-2086879.303	-454070.9286	-2086879.303	-454070.9286
Number of Peak Hours	7806.655375	2545.758165	3.066534552	0.002785494	2755.943815	12857.36693	2755.943815	12857.36693
Number of Customers	39365.36238	1338.754848	29.40445926	5.0847E-51	36709.31096	42021.4138	36709.31096	42021.4138

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## APPENDIX B – REVENUE REQUIREMENT MODEL

2

## Revenue Requirement Rebasing Model

**Name of Applicant:** MILTON HYDRO DISTRIBUTION INC.

**License Number** ED-2003-0014

**File Number**

**Contact:**           **Name:** Cameron McKenzie  
                             **E-mail:** [cameronmckenzie@miltonhydro.com](mailto:cameronmckenzie@miltonhydro.com)  
                             **905-876-4611 ext 246**

**Date of Application:** August 26, 2010

**MILTON HYDRO DISTRIBUTION INC.**

**Fixed Asset Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2005**

		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	69,883			69,883				0	69,883
CEC	1806	Land Rights				0				0	0
1	1808	Buildings and Fixtures				0				0	0
	1810	Leasehold Improvements				0				0	0
	1815	Transformer Station Equipment - Normally Primary above 50 kV				0				0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,172,718	38,656		1,211,374	304,818
	1825	Storage Battery Equipment				0				0	0
1	1830	Poles, Towers and Fixtures	8,996,636	2,376,033		11,372,669	4,807,700	406,641		5,214,341	6,158,329
1	1835	Overhead Conductors and Devices	13,961,414	998,887		14,960,302	7,519,735	481,591		8,001,327	6,958,975
1	1840	Underground Conduit	8,160,720	1,708,255		9,868,975	2,335,527	383,127		2,718,654	7,150,321
1	1845	Underground Conductors and Devices	9,316,314	1,412,011		10,728,325	2,633,679	411,469		3,045,148	7,683,176
1	1850	Line Transformers	20,191,196	1,255,304		21,446,501	7,998,168	802,305		8,800,473	12,646,028
1	1855	Services	3,357,036	1,474,251		4,831,286	1,302,027	193,232		1,495,259	3,336,028
1	1860	Meters	3,758,825	1,138,597		4,897,423	1,311,915	184,236		1,496,151	3,401,271
	1865	Other Installations on Customer's Premises				0				0	0
N/A	1905	Land				0				0	0
CEC	1906	Land Rights				0				0	0
1	1908	Buildings and Fixtures				0				0	0
	1910	Leasehold Improvements				0				0	0
8	1915	Office Furniture and Equipment	559,582			559,582	536,243	4,770		541,013	18,570
45	1920	Computer Equipment - Hardware	1,252,016	25,007		1,277,024	1,117,217	50,507		1,167,725	109,299
12	1925	Computer Software	175,459	58,596		234,055	102,094	60,120		162,213	71,842
10	1930	Transportation Equipment	1,488,267			1,488,267	1,155,671	80,087		1,235,758	252,509
10	1935	Stores Equipment	165,286			165,286	121,379	5,506		126,885	38,401
8	1940	Tools, Shop and Garage Equipment	357,882			357,882	332,252	4,473		336,725	21,157
8	1945	Measurement and Testing Equipment	17,752	3,713		21,465	1,786	2,149		3,935	17,530
	1950	Power Operated Equipment				0				0	0
10	1955	Communication Equipment	132,600	19,270		151,870	110,624	5,257		115,881	35,989
	1960	Miscellaneous Equipment				0				0	0
	1970	Load Management Controls - Customer Premises				0				0	0
	1975	Load Management Controls - Utility Premises				0				0	0
	1980	System Supervisory Equipment	41,545			41,545	36,005	2,770		38,775	2,770
	1985	Sentinel Lighting Rentals				0				0	0
	1990	Other Tangible Property				0				0	0
1	1995	Contributions and Grants	-13,398,296	-5,414,558		(18,812,855)	-1,282,244	-735,958		(2,018,202)	(16,794,652)
	2005	Property under Capital Lease				0				0	0
		<b>Total before Work in Process</b>	<b>60,120,310</b>	<b>5,055,367</b>	<b>0</b>	<b>65,175,678</b>	<b>31,312,494</b>	<b>2,380,939</b>	<b>0</b>	<b>33,693,433</b>	<b>31,482,245</b>
WIP		Work in Process	129,043.57	14,587.34	129,043.57	14,587	0	0	0	0	14,587
		<b>Total after Work in Process</b>	<b>60,249,354</b>	<b>5,069,955</b>	<b>129,044</b>	<b>65,190,265</b>	<b>31,312,494</b>	<b>2,380,939</b>	<b>0</b>	<b>33,693,433</b>	<b>31,496,832</b>

65,190,265

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	80,087
Stores	5,506
Tools	4,473
Measurement	2,149
	<u>2,288,724</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2005**

CCA Class	OEB	Description	A Opening Balance	B Less Fully Depreciated	C = A-B Net for Depreciation	D Additions	E=C + D Total for Depreciation	F Years	G = E/F Depreciation
N/A	1805	Land	69,883		69,883		69,883	N/A	0
CEC	1806	Land Rights							
1	1808	Buildings and Fixtures							
	1810	Leasehold Improvements							
	1815	Transformer Station Equipment - Normally Primary above 50 kV							
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	356,511	1,159,680		1,159,680	30	38,656
	1825	Storage Battery Equipment			0		0		
1	1830	Poles, Towers and Fixtures	8,996,636	1,206,644	7,789,992	2,376,033	10,166,025	25	406,641
1	1835	Overhead Conductors and Devices	13,961,414	2,920,518	11,040,897	998,887	12,039,784	25	481,591
1	1840	Underground Conduit	8,160,720	290,794	7,869,926	1,708,255	9,578,181	25	383,127
1	1845	Underground Conductors and Devices	9,316,314	441,593	8,874,721	1,412,011	10,286,731	25	411,469
1	1850	Line Transformers	20,191,196	1,388,868	18,802,328	1,255,304	20,057,632	25	802,305
1	1855	Services	3,357,036	0	3,357,036	1,474,251	4,831,286	25	193,232
1	1860	Meters	3,758,825	110,849	3,467,386	1,138,597	4,605,984	25/15	184,236
	1865	Other Installations on Customer's Premises							
N/A	1905	Land							
CEC	1906	Land Rights							
1	1908	Buildings and Fixtures							
	1910	Leasehold Improvements							
8	1915	Office Furniture and Equipment	559,582	511,882	47,700		47,700	10	4,770
45	1920	Computer Equipment - Hardware	1,252,016	1,024,487	227,529	25,007	252,536	5	50,507
12	1925	Computer Software	175,459	83,757	91,703	58,596	150,299	3	60,120
10	1930	Transportation Equipment	1,488,267	967,702	520,566		520,566	7	80,087
10	1935	Stores Equipment	165,286	110,226	55,060		55,060	10	5,506
8	1940	Tools, Shop and Garage Equipment	357,882	313,152	44,730		44,730	10	4,473
8	1945	Measurement and Testing Equipment	17,752	0	17,752	3,713	21,465	10	2,149
	1950	Power Operated Equipment							
10	1955	Communication Equipment	132,600	99,298	33,302	19,270	52,572	10	5,257
	1960	Miscellaneous Equipment							
	1970	Load Management Controls - Customer Premises							
	1975	Load Management Controls - Utility Premises							
	1980	System Supervisory Equipment	41,545	0	41,545		41,545	15	2,770
	1985	Sentinel Lighting Rentals							
	1990	Other Tangible Property							
1	1995	Contributions and Grants	-13,398,296	-1,282,244	(12,116,052)	-5,414,558	-17,530,610	25	-735,958
	2005	Property under Capital Lease							0
	WIP		129,044		129,044	(114,456)	14,588	N/A	0
		<b>Total</b>	<b>60,249,354</b>	<b>8,544,038</b>	<b>51,524,726</b>	<b>4,940,911</b>	<b>56,465,638</b>		<b>2,380,939</b>

Less: Fully Allocated Depreciation

Transportation

80,087

Stores

5,506

Tools

4,473

Measurment

2,149

Net Depreciation

2,288,724

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2006

		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	69,883			69,883				0	69,883
CEC	1806	Land Rights				0				0	0
1	1808	Buildings and Fixtures				0				0	0
	1810	Leasehold Improvements				0				0	0
	1815	Transformer Station Equipment - Normally Primary above 50 kV				0				0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,211,374	38,656		1,250,030	266,162
	1825	Storage Battery Equipment				0				0	0
1	1830	Poles, Towers and Fixtures	11,372,669	1,677,114		13,049,784	5,214,341	469,930		5,684,271	7,365,513
1	1835	Overhead Conductors and Devices	14,960,302	424,991		15,385,293	8,001,327	492,670		8,493,997	6,891,296
1	1840	Underground Conduit	9,868,975	2,827,766		12,696,741	2,718,654	496,224		3,214,878	9,481,863
1	1845	Underground Conductors and Devices	10,728,325	973,284		11,701,609	3,045,148	450,399		3,495,547	8,206,062
1	1850	Line Transformers	21,446,501	2,063,040		23,509,541	8,800,473	845,691		9,646,163	13,863,377
1	1855	Services	4,831,286	876,534		5,707,821	1,495,259	228,299		1,723,557	3,984,263
1	1860	Meters	4,897,423	584,182		5,481,605	1,496,151	207,616		1,703,767	3,777,837
	1865	Other Installations on Customer's Premises				0				0	0
N/A	1905	Land				0				0	0
CEC	1906	Land Rights				0				0	0
1	1908	Buildings and Fixtures				0				0	0
	1910	Leasehold Improvements				0				0	0
8	1915	Office Furniture and Equipment	559,582			559,582	541,013	4,534		545,547	14,036
45	1920	Computer Equipment - Hardware	1,277,024	39,147		1,316,171	1,167,725	46,747		1,214,472	101,699
12	1925	Computer Software	234,055	49,128		283,184	162,213	55,931		218,145	65,039
10	1930	Transportation Equipment	1,488,267			1,488,267	1,235,758	80,087		1,315,845	172,422
10	1935	Stores Equipment	165,286			165,286	126,885	5,394		132,279	33,007
8	1940	Tools, Shop and Garage Equipment	357,882	10,635		368,518	336,725	5,581		342,307	26,211
8	1945	Measurement and Testing Equipment	21,465			21,465	3,935	2,146		6,081	15,384
	1950	Power Operated Equipment				0				0	0
10	1955	Communication Equipment	151,870	16,528		168,398	115,881	6,908		122,789	45,609
	1960	Miscellaneous Equipment				0				0	0
	1970	Load Management Controls - Customer Premises				0				0	0
	1975	Load Management Controls - Utility Premises				0				0	0
	1980	System Supervisory Equipment	41,545			41,545	38,775	2,770		41,545	0
	1985	Sentinel Lighting Rentals				0				0	0
	1990	Other Tangible Property				0				0	0
1	1995	Contributions and Grants	-18,812,855	-5,710,890		(24,523,745)	-2,018,202	-964,375		(2,982,578)	(21,541,167)
	2005	Property under Capital Lease				0				0	0
		Total before Work in Process	65,175,678	3,831,460	0	69,007,137	33,693,433	2,475,207	0	36,168,641	32,838,497
WIP		Work in Process	14,587.34	0.00	14,587.34	0	0	0	0	0	0
		Total after Work in Process	65,190,265	3,831,460	14,587	69,007,137	33,693,433	2,475,207	0	36,168,641	32,838,497

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	80,087
Stores	5,394
Tools	5,581
Measurement	2,146
	<u>2,381,999</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2006**

CCA Class	OEB	Description	A Opening Balance	B Less Fully Depreciated	C = A-B Net for Depreciation	D Additions	E=C + D Total for Depreciation	F Years	G = E/F Depreciation
N/A	1805	Land	69,883		69,883		69,883	N/A	0
CEC	1806	Land Rights					0		0
1	1808	Buildings and Fixtures					0		0
	1810	Leasehold Improvements					0		0
	1815	Transformer Station Equipment - Normally Primary above 50 kV					0		0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	356,512	1,159,680		1,159,680	30	38,656
	1825	Storage Battery Equipment		0			0		
1	1830	Poles, Towers and Fixtures	11,372,669	1,301,539	10,071,131	1,677,114	11,748,245	25	469,930
1	1835	Overhead Conductors and Devices	14,960,302	3,068,547	11,891,755	424,991	12,316,746	25	492,670
1	1840	Underground Conduit	9,868,975	291,143	9,577,832	2,827,766	12,405,598	25	496,224
1	1845	Underground Conductors and Devices	10,728,325	441,639	10,286,686	973,284	11,259,970	25	450,399
1	1850	Line Transformers	21,446,501	2,367,278	19,079,223	2,063,040	21,142,263	25	845,691
1	1855	Services	4,831,286	0	4,831,286	876,534	5,707,821	25	228,299
1	1860	Meters	4,897,423	110,849	4,786,573	584,182	5,370,755	25/15	207,616
	1865	Other Installations on Customer's Premises			0		0		
N/A	1905	Land			0		0		
CEC	1906	Land Rights			0		0		
1	1908	Buildings and Fixtures			0		0		
	1910	Leasehold Improvements			0		0		
8	1915	Office Furniture and Equipment	559,582	514,242	45,340		45,340	10	4,534
45	1920	Computer Equipment - Hardware	1,277,024	1,082,435	194,588	39,147	233,735	5	46,747
12	1925	Computer Software	234,055	143,355	90,700	49,128	139,829	3	55,931
10	1930	Transportation Equipment	1,488,267	967,702	520,566		520,566	7	80,087
10	1935	Stores Equipment	165,286	111,346	53,940		53,940	10	5,394
8	1940	Tools, Shop and Garage Equipment	357,882	312,703	45,179	10,635	55,815	10	5,581
	1945	Measurement and Testing Equipment	21,465	5	21,460		21,460	10	2,146
	1950	Power Operated Equipment		0	0		0		
10	1955	Communication Equipment	151,870	99,317	52,553	16,528	69,081	10	6,908
	1960	Miscellaneous Equipment			0		0		
	1970	Load Management Controls - Customer Premises			0		0		
	1975	Load Management Controls - Utility Premises			0		0		
	1980	System Supervisory Equipment	41,545		41,545		41,545	15	2,770
	1985	Sentinel Lighting Rentals			0		0		
	1990	Other Tangible Property			0		0		
1	1995	Contributions and Grants	-18,812,855		-18,812,855	-5,710,890	-24,523,745	25	-964,375
	2005	Property under Capital Lease					0		0
	WIP		14,587	14,587	0		0	N/A	0
		<b>Total</b>	<b>65,190,265</b>	<b>11,183,198</b>	<b>54,007,067</b>	<b>3,831,460</b>	<b>57,838,527</b>		<b>2,475,207</b>

Less: Fully Allocated Depreciation

Transportation	80,087
Stores	5,394
Tools	5,581
Measurement	2,146
Net Depreciation	<u>2,381,999</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Fixed Asset Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2007**

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	0			0	0			0	0
0	1810	Leasehold Improvements	0			0	0			0	0
0	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,250,030	38,656		1,288,686	227,506
0	1825	Storage Battery Equipment	0			0	0			0	0
1	1830	Poles, Towers and Fixtures	13,049,784	2,247,693		15,297,477	5,684,271	532,754		6,217,025	9,080,452
1	1835	Overhead Conductors and Devices	15,385,293	732,401		16,117,694	8,493,997	515,019		9,009,016	7,108,678
1	1840	Underground Conduit	12,696,741	10,613		12,707,354	3,214,878	496,646		3,711,524	8,995,830
1	1845	Underground Conductors and Devices	11,701,609	513,137		12,214,746	3,495,547	470,926		3,966,473	8,248,272
1	1850	Line Transformers	23,509,541	1,913,348		25,422,889	9,646,163	922,233		10,568,397	14,854,492
1	1855	Services	5,707,821	1,262,664		6,970,484	1,723,557	278,811		2,002,368	4,968,116
1	1860	Meters	5,481,605	-323,370	543,627	4,614,608	1,703,767	290,562	424,382	1,569,947	3,044,660
0	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
0	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	559,582	10,965		570,548	545,547	5,626		551,173	19,375
45	1920	Computer Equipment - Hardware	1,316,171	41,240		1,357,410	1,214,472	37,472		1,251,943	105,467
12	1925	Computer Software	283,184	53,561		336,744	218,145	46,413		264,558	72,186
10	1930	Transportation Equipment	1,488,267	4,980		1,493,247	1,315,845	67,735	54,617	1,328,964	164,283
10	1935	Stores Equipment	165,286			165,286	132,279	5,506		137,785	27,501
8	1940	Tools, Shop and Garage Equipment	368,518	9,331		377,849	342,307	6,296		348,603	29,246
8	1945	Measurement and Testing Equipment	21,465			21,465	6,081	2,146		8,227	13,238
0	1950	Power Operated Equipment	0			0	0			0	0
10	1955	Communication Equipment	168,398	3,351		171,749	122,789	7,122		129,911	41,838
0	1960	Miscellaneous Equipment	0			0	0			0	0
0	1970	Load Management Controls - Customer Premises	0			0	0			0	0
0	1975	Load Management Controls - Utility Premises	0			0	0			0	0
0	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
0	1985	Sentinel Lighting Rentals	0			0	0			0	0
0	1990	Other Tangible Property	0			0	0			0	0
1	1995	Contributions and Grants	-24,523,745	-1,445,373		(25,969,118)	-2,982,578	-1,022,725		(4,005,303)	(21,963,815)
0	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	69,007,137	5,034,541	543,627	73,498,052	36,168,641	2,701,199	478,999	38,390,841	35,107,210
WIP	-	Work in Process	0.00			0	0	0	0	0	0
		Total after Work in Process	69,007,137	5,034,541	543,627	73,498,052	36,168,641	2,701,199	478,999	38,390,841	35,107,210

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	67,735
Stores	5,506
Tools	6,296
Measurement	2,146
Net Depreciation	<u>2,619,516</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2007**

			A	B	C = A-B	D	D1	E=C + D+D1	F	G = E/F
CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters & 2004 - 2006 Smart Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	356,512	1,159,680			1,159,680	30	38,656
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	13,049,784	1,978,627	11,071,157	2,247,693		13,318,850	25	532,754
1	1835	Overhead Conductors and Devices	15,385,293	3,242,212	12,143,081	732,401		12,875,482	25	515,019
1	1840	Underground Conduit	12,696,741	291,194	12,405,547	10,613		12,416,160	25	496,646
1	1845	Underground Conductors and Devices	11,701,609	441,587	11,260,022	513,137		11,773,159	25	470,926
1	1850	Line Transformers	23,509,541	2,367,061	21,142,480	1,913,348		23,055,828	25	922,233
1	1855	Services	5,707,821	214	5,707,607	1,262,664		6,970,270	25	278,811
1	1860	Meters	5,481,605	118,536	5,363,068	1,742,014	-2,065,384	5,039,698	25/15	290,562
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	0		0			0		
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
	1910	Leasehold Improvements	0		0			0		
8	1915	Office Furniture and Equipment	559,582	514,285	45,297	10,965		56,262	10	5,626
45	1920	Computer Equipment - Hardware	1,316,171	1,170,051	146,119	41,240		187,359	5	37,472
12	1925	Computer Software	283,184	220,711	62,473	53,561		116,034	3	46,413
10	1930	Transportation Equipment	1,488,267	1,407,975	80,292	4,980		85,272	5/8	67,735
10	1935	Stores Equipment	165,286	110,226	55,060			55,060	10	5,506
8	1940	Tools, Shop and Garage Equipment	368,518	314,884	53,633	9,331		62,965	10	6,296
	1945	Measurement and Testing Equipment	21,465	5	21,460			21,460	10	2,146
	1950	Power Operated Equipment	0	0	0			0		
10	1955	Communication Equipment	168,398	67,864	67,865	3,351		71,215	10	7,122
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0		0			0		
1	1995	Contributions and Grants	-24,523,745		-24,523,745	-1,445,373		-25,969,118	25	-1,022,725
	2005	Property under Capital Lease						0		0
	WIP							0	N/A	0
		<b>Total</b>	<b>69,007,137</b>	<b>12,643,490</b>	<b>56,330,978</b>	<b>7,099,925</b>	<b>(2,065,384)</b>	<b>61,365,520</b>		<b>2,701,199</b>

Less: Fully Allocated Depreciation	
Transportation	67,735
Stores	5,506
Tools	6,296
Measurement	2,146
Net Depreciation	<u>2,619,516</u>

**MILTON HYDRO DISTRIBUTION INC.**

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

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	0			0	0			0	0
0	1810	Leasehold Improvements	0			0	0			0	0
0	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,288,686	23,011		1,311,697	204,495
0	1825	Storage Battery Equipment	0			0	0			0	0
1	1830	Poles, Towers and Fixtures	15,297,477	1,921,395		17,218,872	6,217,025	607,599		6,824,623	10,394,249
1	1835	Overhead Conductors and Devices	16,117,694	1,250,938		17,368,632	9,009,016	562,583		9,571,599	7,797,033
1	1840	Underground Conduit	12,707,354	2,287,044		14,994,398	3,711,524	588,134		4,299,659	10,694,739
1	1845	Underground Conductors and Devices	12,214,746	1,085,307		13,300,053	3,966,473	514,333		4,480,807	8,819,246
1	1850	Line Transformers	25,422,889	2,407,991		27,830,880	10,568,397	1,018,546		11,586,943	16,243,938
1	1855	Services	6,970,484	1,497,756		8,468,241	2,002,368	338,738		2,341,107	6,127,134
1	1860	Meters	4,614,608	583,720	340,259	4,858,069	1,569,947	259,329	159,289	1,669,987	3,188,082
0	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
0	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	570,548	21,081		591,629	551,173	7,740		558,913	32,716
45	1920	Computer Equipment - Hardware	1,357,410	55,380		1,412,790	1,251,943	39,983		1,291,926	120,864
12	1925	Computer Software	336,744	16,356	16,614	336,487	264,558	32,334		296,892	39,595
10	1930	Transportation Equipment	1,493,247	17,763		1,511,010	1,328,964	53,311		1,382,274	128,735
10	1935	Stores Equipment	165,286			165,286	137,785	5,394		143,179	22,107
8	1940	Tools, Shop and Garage Equipment	377,849	3,811		381,660	348,603	6,279		354,883	26,778
8	1945	Measurement and Testing Equipment	21,465	4,559		26,024	8,227	2,601		10,828	15,196
0	1950	Power Operated Equipment	0			0	0			0	0
10	1955	Communication Equipment	171,749	1,120		172,869	129,911	7,055		136,966	35,903
0	1960	Miscellaneous Equipment	0			0	0			0	0
0	1970	Load Management Controls - Customer Premises	0			0	0			0	0
0	1975	Load Management Controls - Utility Premises	0			0	0			0	0
0	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
0	1985	Sentinel Lighting Rentals	0			0	0			0	0
0	1990	Other Tangible Property	0			0	0			0	0
1	1995	Contributions and Grants	-25,969,118	-5,810,973		(31,780,091)	-4,005,303	-1,255,187		(5,260,489)	(26,519,601)
0	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	73,498,052	5,343,250	356,872	78,484,429	38,390,841	2,811,784	159,289	41,043,336	37,441,093
WIP		Work in Process	0.00	1,186,929.98		1,186,930	0			0	1,186,930
		Total after Work in Process	73,498,052	6,530,180	356,872	79,671,359	38,390,841	2,811,784	159,289	41,043,336	38,628,023

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation

Transportation	53,311
Stores	5,394
Tools	6,279
Measurement	2,601
<b>Net Depreciation</b>	<b>2,744,199</b>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2008**

			A	B	C = A-B	D	D1	E=C + D+D1	F	G = E/F
CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334			690,334	30	23,011
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	15,297,477	2,028,903	13,268,574	1,921,395		15,189,969	25	607,599
1	1835	Overhead Conductors and Devices	16,117,694	3,304,060	12,813,634	1,250,938		14,064,572	25	562,583
1	1840	Underground Conduit	12,707,354	291,040	12,416,314	2,287,044		14,703,358	25	588,134
1	1845	Underground Conductors and Devices	12,214,746	441,716	11,773,030	1,085,307		12,858,337	25	514,333
1	1850	Line Transformers	25,422,889	2,367,230	23,055,659	2,407,991		25,463,650	25	1,018,546
1	1855	Services	6,970,484		6,970,484	1,497,756		8,468,461	25	338,738
1	1860	Meters	4,614,608	353,670	4,260,938	583,720	-180,970	4,663,688	25/15	259,329
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	0		0			0		
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
	1910	Leasehold Improvements	0		0			0		
8	1915	Office Furniture and Equipment	570,548	514,225	56,323	21,081		77,405	10	7,740
45	1920	Computer Equipment - Hardware	1,357,410	1,212,877	144,534	55,380		199,913	5	39,983
12	1925	Computer Software	336,744	272,267	64,478	16,356		80,834	3	32,334
10	1930	Transportation Equipment	1,493,247	1,164,490	328,757	17,763		346,520	5/8	53,311
10	1935	Stores Equipment	165,286	111,346	53,940			53,940	10	5,394
8	1940	Tools, Shop and Garage Equipment	377,849	318,867	58,982	3,811		62,793	10	6,279
	1945	Measurement and Testing Equipment	21,465	17	21,448	4,559		26,007	10	2,601
	1950	Power Operated Equipment	0	0	0			0		
10	1955	Communication Equipment	171,749	102,319	69,430	1,120		70,550	10	7,055
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0		0			0		
1	1995	Contributions and Grants	-25,969,118		-25,969,118	-5,810,973		-31,780,091	25	-1,255,187
	2005	Property under Capital Lease						0		0
	WIP					1,186,930		1,186,930	N/A	0
		<b>Total</b>	<b>73,498,052</b>	<b>13,350,429</b>	<b>60,147,623</b>	<b>6,530,180</b>	<b>(180,970)</b>	<b>66,497,052</b>		<b>2,811,784</b>

Less: Fully Allocated Depreciation

Transportation	53,311
Stores	5,394
Tools	6,279
Measurement	2,601
Net Depreciation	<u>2,744,199</u>

**MILTON HYDRO DISTRIBUTION INC.**

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

		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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	0			0	0			0	0
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,311,697	23,011		1,334,708	181,484
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	17,218,872	1,051,652		18,270,524	6,824,623	639,370		7,463,993	10,806,531
47	1835	Overhead Conductors and Devices	17,368,632	559,278		17,927,909	9,571,599	578,199		10,149,797	7,778,112
47	1840	Underground Conduit	14,994,398	1,842,374		16,836,772	4,299,659	661,834		4,961,493	11,875,279
47	1845	Underground Conductors and Devices	13,300,053	660,686		13,960,739	4,480,807	541,156		5,021,963	8,938,776
47	1850	Line Transformers	27,830,880	2,011,194	1,353	29,840,722	11,586,943	1,101,121	610	12,687,454	17,153,268
47	1855	Services	8,468,241	1,331,206		9,799,447	2,341,107	392,101		2,733,208	7,066,239
47	1860	Meters	4,858,069	371,712	13,895	5,215,886	1,669,987	283,557	11,580	1,941,964	3,273,922
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0	2,218,530		2,218,530	0			0	2,218,530
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0			0	0			0	0
13	1910	Leasehold Improvements	0	280,817		280,817	0	56,165		56,165	224,652
8	1915	Office Furniture and Equipment	591,629	28,376		620,005	558,913	8,408		567,321	52,684
10	1920	Computer Equipment - Hardware	1,412,790	55,731		1,468,521	1,291,926	43,301		1,335,227	133,294
12	1925	Computer Software	336,487	45,335		381,822	296,892	32,879		329,771	52,051
10	1930	Transportation Equipment	1,511,010	342,202	30,408	1,822,804	1,382,274	89,698	30,408	1,441,565	381,239
8	1935	Stores Equipment	165,286	14,240		179,526	143,179	6,818		149,997	29,529
8	1940	Tools, Shop and Garage Equipment	381,660	4,837		386,497	354,883	5,563		360,446	26,052
8	1945	Measurement and Testing Equipment	26,024	5,697		31,721	10,828	3,169		13,997	17,724
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	172,869	29,290		202,159	136,966	9,854		146,820	55,339
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	-31,780,091	-3,674,345		(35,454,436)	-5,260,489	-1,402,125		(6,662,615)	(28,791,821)
0	2005	Property under Capital Lease	0			0	0			0	0
		<b>Total before Work in Process</b>	<b>78,484,429</b>	<b>7,178,812</b>	<b>45,656</b>	<b>85,617,586</b>	<b>41,043,336</b>	<b>3,074,080</b>	<b>42,598</b>	<b>44,074,818</b>	<b>41,542,768</b>
WIP		Work in Process	1,186,929.98	1,374,900.71	1,186,929.98	1,374,901	0			0	1,374,901
		<b>Total after Work in Process</b>	<b>79,671,359</b>	<b>8,553,713</b>	<b>1,232,586</b>	<b>86,992,486</b>	<b>41,043,336</b>	<b>3,074,080</b>	<b>42,598</b>	<b>44,074,818</b>	<b>42,917,668</b>

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	89,698
Stores	6,818
Tools	5,563
Measurement	3,169
Net Depreciation	<u>2,968,831</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2009**

			A	B	C = A-B	D	D1	E=C + D+D1	F	G = E/F
CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	0
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334			690,334	30	23,011
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	17,218,872	2,286,294	14,932,578	1,051,652		15,984,230	25	639,370
1	1835	Overhead Conductors and Devices	17,368,632	3,472,942	13,895,689	559,278		14,454,967	25	578,199
1	1840	Underground Conduit	14,994,398	290,916	14,703,482	1,842,374		16,545,856	25	661,834
1	1845	Underground Conductors and Devices	13,300,053	431,848	12,868,205	660,686		13,528,891	25	541,156
1	1850	Line Transformers	27,830,880	2,314,044	25,516,836	2,011,194		27,528,030	25	1,101,121
1	1855	Services	8,468,241	0	8,468,241	1,331,206		9,799,447	25	392,101
1	1860	Meters	4,858,069	345,983	4,512,086	371,712	-2,315	4,881,484	25/15	283,557
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	0		0	2,218,530		2,218,530	N/A	
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
	1910	Leasehold Improvements	0		0	280,817		280,817	5	56,165
8	1915	Office Furniture and Equipment	591,629	535,923	55,706	28,376		84,082	10	8,408
45	1920	Computer Equipment - Hardware	1,412,790	1,252,017	160,773	55,731		216,504	5	43,301
12	1925	Computer Software	336,487	299,623	36,864	45,335		82,199	3	32,879
10	1930	Transportation Equipment	1,511,010	1,270,173	240,837	342,202		583,039	5/8	89,698
10	1935	Stores Equipment	165,286	111,343	53,943	14,240		68,184	10	6,818
8	1940	Tools, Shop and Garage Equipment	381,660	330,867	50,794	4,837		55,631	10	5,563
	1945	Measurement and Testing Equipment	26,024	31	25,993	5,697		31,690	10	3,169
	1950	Power Operated Equipment	0	0				0		
10	1955	Communication Equipment	172,869	103,616	69,252	29,290		98,543	10	9,855
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0		0			0		
1	1995	Contributions and Grants	-31,780,091	-401,317	-31,378,773	-3,674,345		-35,053,119	25	-1,402,125
	2005	Property under Capital Lease						0		
	WIP		1,186,930	1,186,930	-0	1,374,901		1,374,901	N/A	0
		<b>Total</b>	<b>79,671,359</b>	<b>14,698,635</b>	<b>64,972,724</b>	<b>8,553,713</b>	<b>(2,315)</b>	<b>73,524,122</b>		<b>3,074,080</b>

Less: Fully Allocated Depreciation

Transportation	89,698
Stores	6,818
Tools	5,563
Measurement	3,169
Net Depreciation	<u>2,968,831</u>

**MILTON HYDRO DISTRIBUTION INC.**

**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	69,883			69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	0			0	0			0	0
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,334,708	23,011		1,357,719	158,472
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	18,270,524	2,929,158		21,199,682	7,463,993	747,009		8,211,002	12,988,679
47	1835	Overhead Conductors and Devices	17,927,909	1,438,086		19,365,995	10,149,797	620,817		10,770,615	8,595,381
47	1840	Underground Conduit	16,836,772	1,635,529		18,472,301	4,961,493	727,009		5,688,501	12,783,800
47	1845	Underground Conductors and Devices	13,960,739	1,020,051		14,980,790	5,021,963	581,687		5,603,649	9,377,141
47	1850	Line Transformers	29,840,722	2,743,025		32,583,747	12,687,454	1,202,311		13,889,765	18,693,982
47	1855	Services	9,799,447	898,261		10,697,708	2,733,208	428,050		3,161,258	7,536,450
47	1860	Meters	5,215,886	4,115,660	6,938	9,324,608	1,941,964	953,562	3,891	2,891,634	6,432,974
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	2,218,530	700,000		2,918,530	0			0	2,918,530
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0			0	0			0	0
13	1910	Leasehold Improvements	280,817	180,000		460,817	56,165	92,163		148,328	312,489
8	1915	Office Furniture and Equipment	620,005	25,000		645,005	567,321	10,912		578,233	66,772
10	1920	Computer Equipment - Hardware	1,468,521	181,752		1,650,273	1,335,227	74,651		1,409,878	240,395
12	1925	Computer Software	381,822	61,470		443,292	329,771	41,054		370,825	72,467
10	1930	Transportation Equipment	1,822,804	285,000		2,107,804	1,441,565	125,321		1,566,886	540,918
8	1935	Stores Equipment	179,526	10,000		189,526	149,997	7,818		157,815	31,711
8	1940	Tools, Shop and Garage Equipment	386,497	23,250		409,747	360,446	7,767		368,212	41,535
8	1945	Measurement and Testing Equipment	31,721			31,721	13,997	3,172		17,169	14,552
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	202,159	12,583		214,742	146,820	11,115		157,935	56,807
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	0	70,000		70,000	0	4,662		4,662	65,338
47	1995	Contributions and Grants	-35,454,436	-4,070,264		(39,524,700)	-6,662,615	-1,564,950		(8,227,565)	(31,297,135)
	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	85,617,586	12,258,561	6,938	97,869,208	44,074,818	4,097,140	3,891	48,168,066	49,701,142
WIP		Work in Process	1,374,900.71	1,200,000.00	1,374,900.71	1,200,000	0			0	1,200,000
		Total after Work in Process	86,992,486	13,458,561	1,381,839	99,069,208	44,074,818	4,097,140	3,891	48,168,066	50,901,142

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	125,321
Stores	7,818
Tools	7,767
Measurement	3,172
<b>Net Depreciation</b>	<b>3,953,062</b>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2010**

			A	B	C = A-B	D	D1	E = C + D+D1	F	G = E/F
CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	0
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334			690,334	30	23,011
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	18,270,524	2,524,446	15,746,077	2,929,158		18,675,235	25	747,009
1	1835	Overhead Conductors and Devices	17,927,909	3,845,568	14,082,342	1,438,086		15,520,428	25	620,817
1	1840	Underground Conduit	16,836,772	297,087	16,539,685	1,635,529		18,175,214	25	727,009
1	1845	Underground Conductors and Devices	13,960,739	438,623	13,522,116	1,020,051		14,542,167	25	581,687
1	1850	Line Transformers	29,840,722	2,525,981	27,314,742	2,743,025		30,057,767	25	1,202,311
1	1855	Services	9,799,447		9,799,447	898,261		10,697,708	25	428,050
1	1860	Meters	5,215,886	345,983	4,869,903	4,115,560	-3,047	8,982,416	25/15	953,562
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	2,218,530		2,218,530	700,000		2,918,530	N/A	
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
	1910	Leasehold Improvements	280,817		280,815	180,000		460,815	5	92,163
8	1915	Office Furniture and Equipment	620,005	535,885	84,120	25,000		109,120	10	10,912
45	1920	Computer Equipment - Hardware	1,468,521	1,277,018	191,503	181,752		373,255	5	74,651
12	1925	Computer Software	381,822	320,130	61,692	61,470		123,162	3	41,054
10	1930	Transportation Equipment	1,822,804	1,293,218	529,587	285,000		814,587	5/8	125,321
10	1935	Stores Equipment	179,526	111,346	68,180	10,000		78,180	10	7,818
8	1940	Tools, Shop and Garage Equipment	386,497	332,080	54,417	23,250		77,667	10	7,767
	1945	Measurement and Testing Equipment	31,721	1	31,720			31,720	10	3,172
	1950	Power Operated Equipment	0	0	0			0		
10	1955	Communication Equipment	202,159	103,592	98,567	12,583		111,150	10	11,115
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0			70,000		70,000	15	4,662
1	1995	Contributions and Grants	-35,454,436	-400,950	-35,053,486	-4,070,264		-39,123,750	25	-1,564,950
	2005	Property under Capital Lease						0		
	WIP		1,374,901	1,374,901	-0	1,200,000		1,200,000	N/A	0
		<b>Total</b>	<b>86,992,486</b>	<b>15,792,312</b>	<b>71,200,173</b>	<b>13,458,461</b>	<b>(3,047)</b>	<b>84,655,587</b>		<b>4,097,140</b>

Less: Fully Allocated Depreciation

Transportation	125,321
Stores	7,818
Tools	7,767
Measurement	3,172
Net Depreciation	<u>3,953,062</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Fixed Asset Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2011**

		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	69,883	0		69,883	0			0	69,883
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	0			0	0			0	0
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192			1,516,192	1,357,719	23,011		1,380,730	135,461
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	21,199,682	2,410,336		23,610,018	8,211,002	785,662		8,996,664	14,613,354
47	1835	Overhead Conductors and Devices	19,365,995	1,485,384		20,851,379	10,770,615	635,578		11,406,193	9,445,187
47	1840	Underground Conduit	18,472,301	2,189,940		20,662,241	5,688,501	769,380		6,457,881	14,204,360
47	1845	Underground Conductors and Devices	14,980,790	1,147,536		16,128,326	5,603,649	602,593		6,206,242	9,922,084
47	1850	Line Transformers	32,583,747	2,399,153		34,982,900	13,889,765	1,217,616		15,107,381	19,875,519
47	1855	Services	10,697,708	1,033,560		11,731,268	3,161,258	448,700		3,609,958	8,121,310
47	1860	Meters	9,324,608	289,170		9,613,778	2,891,634	488,630		3,380,265	6,233,513
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	2,918,530			2,918,530	0			0	2,918,530
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	0	150,000		150,000	0	1,500		1,500	148,500
13	1910	Leasehold Improvements	460,817			460,817	148,328	92,163		240,491	220,326
8	1915	Office Furniture and Equipment	645,005	5,000		650,005	578,233	10,624		588,857	61,148
10	1920	Computer Equipment - Hardware	1,650,273	201,000		1,851,273	1,409,878	86,920		1,496,798	354,475
12	1925	Computer Software	443,292	210,000		653,292	370,825	70,602		441,426	211,865
10	1930	Transportation Equipment	2,107,804	210,000		2,317,804	1,566,886	138,446		1,705,332	612,472
8	1935	Stores Equipment	189,526	10,000		199,526	157,815	8,318		166,133	33,393
8	1940	Tools, Shop and Garage Equipment	409,747	2,500		412,247	368,212	6,950		375,162	37,085
8	1945	Measurement and Testing Equipment	31,721			31,721	17,169	3,172		20,341	11,380
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	214,742	200,000		414,742	157,935	19,578		177,513	237,229
8	1960	Miscellaneous Equipment	0			0	0			0	0
47	1970	Load Management Controls - Customer Premises	0			0	0			0	0
47	1975	Load Management Controls - Utility Premises	0			0	0			0	0
47	1980	System Supervisory Equipment	41,545			41,545	41,545			41,545	0
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	70,000			70,000	4,662	4,667		9,329	60,671
47	1995	Contributions and Grants	-39,524,700	-3,794,938		(43,319,638)	-8,227,565	-1,640,853		(9,868,418)	(33,451,220)
	2005	Property under Capital Lease	0			0	0			0	0
		Total before Work in Process	97,869,208	8,148,641	0	106,017,849	48,168,066	3,773,257	0	51,941,323	54,076,526
WIP		Work in Process	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000	0			0	1,200,000
		Total after Work in Process	99,069,208	9,348,641	1,200,000	107,217,849	48,168,066	3,773,257	0	51,941,323	55,276,526

10	1930	Transportation
10	1935	Stores
8	1940	Tools
8	1945	Measurement & Testing Equipment

Less: Fully Allocated Depreciation	
Transportation	138,446
Stores	8,318
Tools	6,950
Measurement	3,172
<b>Net Depreciation</b>	<b>3,616,371</b>

**MILTON HYDRO DISTRIBUTION INC.**

**Depreciation Expense Continuity Schedule (Distribution & Operations)**  
**As at December 31, 2011**

CCA Class	OEB	Description	A Opening Balance	B Less Fully Depreciated	C = A-B Net for Depreciation	D Additions	E=C+ (.5* D) Total for Depreciation	F Years	G = E/F Depreciation
N/A	1805	Land	69,883		69,883		69,883	N/A	0
CEC	1806	Land Rights	0				0		
1	1808	Buildings and Fixtures	0				0		
	1810	Leasehold Improvements	0				0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0				0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334		690,334	30	23,011
	1825	Storage Battery Equipment	0	0			0		
1	1830	Poles, Towers and Fixtures	21,199,682	2,763,307	18,436,375	2,410,336	19,641,543	25	785,662
1	1835	Overhead Conductors and Devices	19,365,995	4,219,230	15,146,765	1,485,384	15,889,457	25	635,578
1	1840	Underground Conduit	18,472,301	332,775	18,139,526	2,189,940	19,234,496	25	769,380
1	1845	Underground Conductors and Devices	14,980,790	489,736	14,491,054	1,147,536	15,064,822	25	602,593
1	1850	Line Transformers	32,583,747	3,342,917	29,240,831	2,399,153	30,440,407	25	1,217,616
1	1855	Services	10,697,708		10,697,708	1,033,560	11,214,488	25	448,700
1	1860	Meters	9,324,608	421,861	8,902,746	289,170	9,047,331	25/15	488,630
	1865	Other Installations on Customer's Premises	0		0		0		
N/A	1905	Land	2,918,530		2,918,530		2,918,530	N/A	
CEC	1906	Land Rights	0		0		0		
1	1908	Buildings and Fixtures	0		0	150,000	75,000	50	1,500
	1910	Leasehold Improvements	460,817		460,817		460,817	5	92,163
8	1915	Office Furniture and Equipment	645,005	541,266	103,740	5,000	106,240	10	10,624
45	1920	Computer Equipment - Hardware	1,650,273	1,316,165	334,108	201,000	434,608	5	86,920
12	1925	Computer Software	443,292	336,487	106,805	210,000	211,805	3	70,602
10	1930	Transportation Equipment	2,107,804	1,293,218	814,586	210,000	919,586	5/8	138,446
10	1935	Stores Equipment	189,526	111,346	78,180	10,000	83,180	10	8,318
8	1940	Tools, Shop and Garage Equipment	409,747	341,497	68,250	2,500	69,500	10	6,950
	1945	Measurement and Testing Equipment	31,721	0	31,721		31,721	10	3,172
	1950	Power Operated Equipment	0	0	0		0		
10	1955	Communication Equipment	214,742	118,962	95,780	200,000	195,780	10	19,578
	1960	Miscellaneous Equipment	0		0		0		
	1970	Load Management Controls - Customer Premises	0		0		0		
	1975	Load Management Controls - Utility Premises	0		0		0		
	1980	System Supervisory Equipment	41,545	41,545	0		0	15	
	1985	Sentinel Lighting Rentals	0		0		0		
	1990	Other Tangible Property	70,000		70,000		70,000	15	4,667
1	1995	Contributions and Grants	-39,524,700	-400,950	-39,123,750	-3,794,938	-41,021,219	25	-1,640,853
	2005	Property under Capital Lease					0		
	WIP		1,200,000	1,200,000	0	1,200,000	1,200,000	N/A	0
		<b>Total</b>	<b>99,069,208</b>	<b>17,295,220</b>	<b>81,773,988</b>	<b>9,348,641</b>	<b>87,048,309</b>		<b>3,773,257</b>

Less: Fully Allocated Depreciation

Transportation	138,446
Stores	8,318
Tools	6,950
Measurement	3,172
Net Depreciation	<u>3,616,371</u>

**MILTON HYDRO DISTRIBUTION INC.**

**Summary OEB Adjusted Trial Balance**

OEB No	OEB Account Name	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
<b>Current Assets</b>								
1005	Cash	6,046,888.92	3,382,615.58	2,786,709.48	2,686,383.57	(265,662.74)	3,632,155	4,110,035
1010	Cash Advances and Working Funds	1,065.00	1,065.00	1,065.00	1,065.00	1,065.00	1,065	1,065
1020	Interest Special Deposits							
1030	Dividend Special Deposits							
1040	Other Special Deposits							
1060	Term Deposits							
1070	Current Investments							
1100	Customer Accounts Receivable	4,381,189.70	4,759,088.23	4,731,721.98	4,045,448.45	5,603,959.59	3,566,427	4,945,283
1102	Accounts Receivable - Services	24,393.07	174.19	1,148.04	40.63	5,506.04	5,506	5,506
1104	Accounts Receivable - Recoverable Work	21,547.54	17,099.65	117,942.10	44,230.03	35,424.70	35,425	35,425
1105	Accounts Receivable - Merchandise, Jobbing, etc.							
1110	Other Accounts Receivable	1,370,044.86	1,367,899.99	2,624,012.74	1,254,665.74	1,289,955.23	1,289,955	1,289,955
1120	Accrued Utility Revenues	6,172,004.39	5,000,471.99	5,645,908.31	6,210,363.01	6,880,102.50	5,330,530	5,330,530
1130	Accumulated Provision for Uncollectable Accounts -- Credit	(28,775.29)	(26,772.15)	(22,381.96)	(136,753.70)	(41,171.10)	(41,171)	(41,171)
1140	Interest and Dividends Receivable							
1150	Rents Receivable							
1170	Notes Receivable							
1180	Prepayments	229,946.87	169,775.53	268,024.17	192,105.32	373,944.46	373,945	373,945
1190	Miscellaneous Current and Accrued Assets							
1200	Accounts Receivable from Associated Companies	10,545.27	156,196.83	12,447.03	2,636.46	10,995.97	0	0
1210	Notes Receivable from Associated Companies							
<b>Inventory</b>								
1305	Fuel Stock							
1330	Plant Materials and Operating Supplies	1,791,685.33	2,045,575.32	1,998,833.14	709,142.95	919,065.25	1,000,000	1,000,000
1340	Merchandise							
1350	Other Material and Supplies							
<b>Non-Current Assets</b>								
1405	Long Term Investments in Non-Associated Companies							
1408	Long Term Receivable - Street Lighting Transfer							
1410	Other Special or Collateral Funds							
1415	Sinking Funds							
1425	Unamortized Debt Expense							
1445	Unamortized Discount on Long-Term Debt--Debit							
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses							
1460	Other Non-Current Assets							
1465	O.M.E.R.S. Past Service Costs							
1470	Past Service Costs - Employee Future Benefits							
1475	Past Service Costs -Other Pension Plans							
1480	Portfolio Investments - Associated Companies							
1485	Investment in Subsidiary Companies - Significant Influence							
1490	Investment in Subsidiary Companies							
<b>Other Assets and Deferred Charges</b>								
1505	Unrecovered Plant and Regulatory Study Costs							
1508	Other Regulatory Assets	99,443.70	170,296.42	91,758.41	(111,170.99)	306,273.86	308,300	309,122
1510	Preliminary Survey and Investigation Charges							
1515	Emission Allowance Inventory							
1516	Emission Allowance Withheld							
1518	RCVA Retail							
1525	Miscellaneous Deferred Debits	18,388.02					587,397	587,397
1530	Deferred Losses from Disposition of Utility Plant							
1540	Deferred Losses from Disposition of Utility Plant							
1545	Development Charge Deposits/ Receivables							
1548	RCVA - Service Transaction Request (STR)							
1550	LV Charges - Variance		(16,999.88)	(13,548.14)	2,182.54	(105,869.18)	(108,864.00)	(109,179.00)
1555	Smart Meters Recovery		(19,552.98)	1,684,298.41	1,766,564.70	1,544,211.49	761,980	(598,979)
1556	Smart Meters OM & A			95,227.25	378,645.44	716,466.65	1,041,165	0
1562	Deferred PILs	(383,460.50)	(125,089.66)	48,870.00	48,870.00	48,870.00	48,870.00	48,870.00
1563	Deferred PILs - Contra	383,460.50	125,089.66	(48,870.00)	(48,870.00)	(48,870.00)	(48,870.00)	(48,870.00)
1565	C & DM Costs	(62,852.38)	(103,551.76)	20,340.78	20,340.78	20,340.78	20,468.00	20,571.00
1566	C & DM Costs Contra	62,852.38	103,551.76	(20,340.78)	(20,340.78)	(20,340.78)	(20,468.00)	(20,571.00)
1570	Qualifying Transition Costs	259,608.88						
1571	Pre Market CoP Variance	504,817.63						
1572	Extraordinary Event Losses							
1574	Deferred Rate Impact Amounts							
1580	RSVA - Wholesale Market Services	1,161,736.34	(309,796.51)	(1,212,118.13)	(1,693,469.48)	(1,934,485.80)	(221,158.00)	(221,806.00)
1582	RSVA - One-Time	83,293.92	38,979.10	40,628.25	42,014.02	42,408.37	42,408.37	42,511.00
1584	RSVA - Network Charges	(53,813.87)	141,423.31	185,098.67	(14,980.68)	90,667.36	106,749.00	107,058.00
1586	RSVA - Connection Charges	(771,262.69)	(166,740.32)	(19,638.45)	(121,283.25)	(112,218.61)	10,204.00	10,234.00
1588	RSVA - Commodity (Power)	(2,175,262.65)	(419,608.65)	(771,805.54)	(401,982.00)	(206,142.68)	201,527.00	202,109.00
1590	Recovery of Regulatory Assets (25% of 2002 bal.)	(366,093.98)	(490,127.68)	(60,129.47)	89,070.63	162,819.84	(2,475.00)	(2,476.00)
1592	PILs and Tax Variance for 2006 & Subsequent Years							
1595	Disposition and Recovery of Regulatory Balances						(697,107)	0
<b>Fixed Assets</b>								
1805	Land	69,883	69,883	69,883	69,883	69,883	69,883	69,883
1806	Land Rights	0	0	0	0	0	0	0
1808	Buildings and Fixtures	0	0	0	0	0	0	0
1810	Leasehold Improvements	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Primary above 50 kV	0	0	0	0	0	0	0
1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	1,516,192	1,516,192	1,516,192	1,516,192	1,516,192	1,516,192
1825	Storage Battery Equipment	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	11,372,669	13,049,784	15,297,477	17,218,872	18,270,524	21,199,682	23,610,018
1835	Overhead Conductors and Devices	14,960,302	15,385,293	16,117,694	17,368,632	17,927,909	19,365,995	20,851,379
1840	Underground Conduit	9,868,975	12,696,741	12,707,354	14,994,398	16,836,772	18,472,301	20,662,241
1845	Underground Conductors and Devices	10,728,325	11,701,609	12,214,746	13,300,053	13,960,738	14,980,790	16,128,326
1850	Line Transformers	21,446,501	23,509,541	25,422,889	27,830,880	29,840,722	32,583,747	34,962,900
1855	Services	4,831,286	5,707,821	6,570,484	8,468,241	9,799,447	10,697,708	11,731,268
1860	Meters	4,897,423	5,481,605	4,614,608	4,858,069	5,215,886	9,324,608	9,613,778
1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0
1905	Land	0	0	0	0	2,218,530	2,918,530	2,918,530
1906	Land Rights	0	0	0	0	0	0	0
1908	Buildings and Fixtures	0	0	0	0	0	0	150,000
1910	Leasehold Improvements	0	0	0	0	280,817	460,817	460,817
1915	Office Furniture and Equipment	559,582	559,582	570,548	591,629	620,005	645,005	650,005
1920	Computer Equipment - Hardware	1,277,024	1,316,171	1,357,410	1,412,790	1,468,521	1,650,273	1,851,273
1925	Computer Software	234,055	283,184	336,744	336,487	381,822	443,292	653,292
1930	Transportation Equipment	1,488,267	1,488,267	1,493,247	1,511,010	1,822,804	2,107,804	2,317,804
1935	Stoves Equipment	165,286	165,286	165,286	165,286	165,286	189,526	199,526
1940	Tools, Shop and Garage Equipment	357,882	368,518	377,849	381,660	386,497	409,747	412,247
1945	Measurement and Testing Equipment	21,465	21,465	21,465	26,024	31,721	31,721	31,721
1950	Power Operated Equipment	0	0	0	0	0	0	0
1955	Communication Equipment	151,870	168,398	171,749	172,869	202,159	214,742	414,742
1960	Miscellaneous Equipment	0	0	0	0	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0
1980	System Supervisory Equipment	41,545	41,545	41,545	41,545	41,545	41,545	41,545
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0
1990	Other Tangible Property	0	0	0	0	0	70,000	70,000
1995	Contributions and Grants	(18,812,855)	(24,523,745)	(25,969,118)	(31,780,091)	(35,454,436)	(39,524,700)	(43,319,638)
<b>Other Capital Assets</b>								

**MILTON HYDRO DISTRIBUTION INC.**

**Summary OEB Adjusted Trial Balance**

OEB No	OEB Account Name	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
2005	Property Under Capital Leases							
2010	Electric Plant Purchased or Sold							
2020	Experimental Electric Plant Unclassified							
2030	Electric Plant and Equipment Leased to Others							
2040	Electric Plant Held for Future Use							
2050	Completed Construction Not Classified--Electric							
2055	Construction Work in Progress--Electric	14,587.34			1,186,929.98	1,374,900.71	1,200,000	1,200,000
2060	Electric Plant Acquisition Adjustment							
2065	Other Electric Plant Adjustment							
2070	Other Utility Plant							
2075	Non-Utility Property Owned or Under Capital Lease							
<b>Accumulated Amortization</b>								
2105	Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(33,693.433)	(36,168.641)	(38,390.841)	(41,043.336)	-44,074.818	(48,168.066)	(51,941.323)
2120	Accumulated Amortization of Electric Utility Plant - Intangibles							
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment							
2160	Accumulated Amortization of Other Utility Plant							
2180	Accumulated Amortization of Non-Utility Property							
<b>Current Liabilities</b>								
2205	Accounts Payable	(9,918,786.85)	(6,763,941.28)	(9,529,144.70)	(7,979,414.54)	(10,411,601.60)	(9,316.638)	(9,316.638)
2208	Customer Credit Balances	(153,700.53)	(277,034.16)	(269,351.73)	(588,787.06)	(735,687.63)	(800,000)	(800,000)
2210	Current Portion of Customer Deposits	(115,000.00)	(184,000.00)	(191,000.00)	(206,600.00)	(379,500.00)	(150,000)	(150,000)
2215	Dividends Declared							
2220	Miscellaneous Current and Accrued Liabilities	(152,765.96)	(151,684.80)	(168,974.32)	(128,650.92)	(176,241.56)	(200,000)	(200,000)
2225	Notes and Loans Payable							
2240	Accounts Payable to Associated Companies							
2242	Notes Payable to Associated Companies							
2250	Debt Retirement Charges (DRC) Payable							
2252	Transmission Charges Payable							
2254	Electric Safety Authority Fees Payable							
2256	Independent Market Operator Fees and Penalties Payable							
2260	Current Portion of Long Term Debt							
2262	Ontario Hydro Debt - Current Portion							
2264	Pensions and Employee Benefits - Current Portion							
2268	Accrued Interest on Long Term Debt							
2270	Matured Long Term Debt							
2272	Matured Interest on Long Term Debt							
2285	Obligations Under Capital Leases--Current							
2290	Commodity Taxes	(444,560.17)	(122,315.19)	(52,531.43)	(90,595.08)	(3,959.47)	(3,959.47)	(3,959.47)
2292	Payroll Deductions / Expenses Payable			(3,047.53)	(269.41)	(146.03)	(146.03)	(146.03)
2294	Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	(168,664.33)	344,999.55	(403,000.55)	428,000.45	(143,469.96)		
2296	Future Income Taxes - Current							
<b>Non-Current Liabilities</b>								
2305	Accumulated Provision for Injuries and Damages							
2306	Employee Future Benefits	(159,061.40)	(217,162.44)	(225,533.00)	(233,934.00)	(155,482.00)	(269,302)	(269,302)
2308	Other Pensions - Past Service Liability							
2310	Vested Sick Leave Liability	(45,578.70)	(46,946.70)	(21,319.20)	(21,955.50)	-	(161,701)	(161,701)
2315	Accumulated Provision for Rate Refunds							
2320	Other Miscellaneous Non-Current Liabilities					(1,298,915.00)		
2325	Obligations Under Capital Lease--Non-Current							
2330	Development Charge Fund							
2335	Long Term Customer Deposits	(2,114,272.90)	(2,988,853.76)	(2,989,555.60)	(3,549,804.46)	(3,559,158.07)	(3,223,375)	(3,223,375)
2340	Collateral Funds Liability							
2345	Unamortized Premium on Long Term Debt							
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion							
2350	Future Income Tax - Non-Current	1,092,500.00	988,000.00	1,207,000.00	1,204,000.00	1,412,101.00	348,100	348,100
<b>Other Liabilities and Deferred Credits</b>								
2405	Other Regulatory Liabilities	(89,340.00)	273,169.00	218,017.00	162,865.00	66,481.00	0	
2410	Deferred Gains From Disposition of Utility Plant							
2415	Unamortized Gain on Reacquired Debt							
2425	Other Deferred Credits							
2435	Accrued Rate-Payer Benefit							
<b>Long Term Debt</b>								
2505	Debentures Outstanding - Long Term Portion							
2510	Debenture Advances							
2515	Required Bonds							
2520	Other Long Term Debt	(14,934,210.00)	(14,934,210.00)	(14,934,210.00)	(14,934,210.00)	(14,934,210.00)	(14,934,210)	(14,934,210)
2525	Term Bank Loans - Long Term Portion						(10,165,057)	(12,854,118)
2530	Ontario Hydro Debt Outstanding - Long Term Portion							
2550	Advances from Associated Companies							
<b>Shareholders' Equity</b>								
3005	Common Shares Issued	(17,008,908.66)	(17,008,908.66)	(17,008,908.66)	(17,008,908.66)	(17,008,908.66)	(17,008,909)	(17,008,909)
3008	Preference Shares Issued							
3010	Contributed Surplus							
3020	Donations Received							
3022	Development Charges Transferred to Equity							
3026	Capital Stock Held in Treasury							
3030	Miscellaneous Paid-In Capital							
3035	Installments Received on Capital Stock							
3040	Appropriated Retained Earnings							
3045	Unappropriated Retained Earnings	(4,235,704.37)	(6,065,873.46)	(8,000,671.26)	(9,870,852.14)	(10,682,936.40)	(13,121,287)	(15,454,908)
3046	Balance Transferred From Income							
3047	Appropriations of Retained Earnings - Current Period							
3048	Dividends Payable-Preference Shares							
3049	Dividends Payable-Common Shares	-	450,000.00	950,000.00	1,215,000.00	2,215,000.00	3,215,000	4,215,000
3055	Adjustment to Retained Earnings							
3065	Unappropriated Undistributed Subsidiary Earnings							

**MILTON HYDRO DISTRIBUTION INC.**

**Summary OEB Adjusted Trial Balance**

OEB No	OEB Account Name	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
<b>Sales of Electricity</b>								
4006	Residential Energy Sales	(9,234,354.98)	(10,373,988.48)	(10,815,744.09)	(10,415,480.38)	(12,723,906.25)	(13,305,646)	(13,572,387)
4010	Commercial Energy Sales							
4015	Industrial Energy Sales							
4020	Energy Sales to Large Users	(5,666,759.61)	(4,894,474.27)	(4,987,722.08)	(4,961,906.23)	(3,624,395.45)	(6,026,415)	(6,147,228)
4025	Street Lighting Energy Sales	(210,974.97)	(180,340.92)	(183,227.15)	(158,921.87)	(219,126.10)	(236,358)	(241,096)
4030	Sentinel Energy Sales	(11,294.90)	(8,247.57)	(8,372.80)	(7,743.88)	(8,781.94)	(11,034)	(11,255)
4035	General Energy Sales	(16,181,903.61)	(13,934,020.70)	(14,640,223.50)	(15,124,110.63)	(16,599,518.72)	(18,980,262)	(19,360,763)
4040	Other Energy Sales to Public Authorities							
4045	Energy Sales to Railroads and Railways							
4050	Revenue Adjustment	(1,195,792.07)	1,034,507.16	(414,670.30)	(380,787.74)	(675,385.41)	(363,091)	(370,370)
4055	Energy Sales for Resale	(7,592,724.38)	(7,304,358.32)	(7,265,894.94)	(8,294,321.30)	(8,038,043.48)	(9,567,548)	(9,759,351)
4060	Interdepartmental Energy Sales							
4062	WMS	(4,100,141.39)	(4,084,149.06)	(4,296,889.59)	(4,372,414.06)	(4,428,788.22)	(4,625,479)	(4,717,454)
4064	Billed WMS-One Time							
4066	NW	(3,442,225.39)	(3,410,420.46)	(3,581,136.57)	(3,174,067.08)	(3,225,296.74)	(4,093,167)	(4,184,623)
4068	CS	(3,085,961.76)	(2,880,616.32)	(2,928,353.85)	(2,921,906.78)	(2,968,993.62)	(3,264,878)	(3,339,030)
4075	LV Charges		(100,934.78)	(179,779.60)	(186,250.29)	(185,331.96)	(193,987)	(139,074)
<b>Revenues From Services - Distribution</b>								
4080	Distribution Services Revenue	(9,454,816.53)	(9,607,610.50)	(10,253,944.13)	(10,519,423.10)	(11,407,217.20)	(13,536,171)	(13,608,183)
4082	RS Rev	(21,566.60)	(26,466.00)	(29,850.80)	(29,723.80)	(33,508.00)	(34,638)	(35,784)
4084	Serv Tx Requests	(409.50)	(864.75)	(995.00)	(1,372.25)	(902.00)	(1,085)	(1,085)
4090	Electric Services Incidental to Energy Sales							
<b>Other Operating Revenues</b>								
4205	Interdepartmental Rents							
4210	Rent from Electric Property	(91,865.35)	(128,414.58)	(129,004.32)	(129,004.32)	(132,641.22)	(134,582)	(135,213)
4215	Other Utility Operating Income (SSS Administration Charge)						(73,779)	(75,804)
4220	Other Electric Revenues							
4225	Late Payment Charges	(112,250.35)	(102,625.60)	(102,129.73)	(131,969.49)	(142,104.08)	(149,209)	(156,670)
4230	Sales of Water and Water Power							
4235	Miscellaneous Service Revenues	(195,400.50)	(242,942.82)	(329,003.30)	(427,129.00)	(442,629.50)	(379,347)	(403,492)
4240	Provision for Rate Refunds							
4245	Government Assistance Directly Credited to Income							
<b>Other Income/ Deductions</b>								
4305	Regulatory Debits							
4310	Regulatory Credits							
4315	Revenues from Electric Plant Leased to Others							
4320	Expenses of Electric Plant Leased to Others							
4325	Revenues from Merchandise, Jobbing, Etc.							
4330	Costs and Expenses of Merchandising, Jobbing, Etc.							
4335	Profits and Losses from Financial Instrument Hedges							
4340	Profits and Losses from Financial Instrument Investments							
4345	Gains from Disposition of Future Use Utility Plant							
4350	Losses from Disposition of Future Use Utility Plant							
4355	Gain on Disposition of Utility and Other Property			(2,827.00)		(476.19)	(1,000)	(1,000)
4360	Loss on Disposition of Utility and Other Property							
4365	Gains from Disposition of Allowances for Emission							
4370	Losses from Disposition of Allowances for Emission							
4375	Revenues from Non-Utility Operations		(277,680.82)	(217,145.62)	(1,177,754.06)	(469,714)	(469,714)	(469,714)
4380	Expenses of Non-Utility Operations		278,582.04	167,724.30	1,041,133.64	438,714	438,714	438,714
4385	Expenses of Non-Utility Operations							
4390	Miscellaneous Non-Operating Income	(398,366.41)	(405,765.97)	(435,629.47)	(446,929.17)	(591,317.37)	(563,746)	(600,101)
4395	Rate-Payer Benefit Including Interest							
4398	Foreign Exchange Gains and Losses, Including Amortization							
<b>Investment Income</b>								
4405	Interest and Dividend Income	(193,731.56)	(183,676.96)	(253,261.00)	(131,494.94)	(38,119.04)	63,979	(45,000)
4415	Equity in Earnings of Subsidiary Companies							
<b>Other Power Supply Expenses</b>								
4705	Power Purchased	40,093,794.42	35,660,923.10	38,315,854.86	39,343,272.03	41,888,993.31	48,490,353	49,462,450
4708	WMS	4,100,141.39	4,084,149.06	4,296,889.59	4,372,414.06	4,428,788.20	3,700,383	3,773,963
4710	Cost of Power Adjustments					164.04		
4712	Charges One Time							
4714	NW	3,442,225.39	3,410,420.46	3,581,136.57	3,174,067.08	3,225,296.74	4,093,167	4,184,623
4715	System Control and Load Dispatching							
4716	NCN	3,085,961.76	2,880,616.32	2,928,353.85	2,921,906.78	2,968,993.62	3,264,878	3,339,030
4720	Other Expenses							
4725	Competition Transition Expense							
4730	Rural Rate Assistance Expense						925,096	943,491
4750	LV Charges		100,934.78	179,779.60	186,250.29	185,331.96	193,987	139,074
<b>Distribution Expenses - Operation</b>								
5005	Operation Supervision and Engineering						23,400	43,173
5010	Load Dispatching							
5012	Station Buildings and Fixtures Expense							
5014	Transformer Station Equipment - Operation Labour							
5015	Transformer Station Equipment - Operation Supplies and Expenses							
5016	Distribution Station Equipment - Operation Labour	3,576.02	4,187.41	8,677.30	20,880.74	21,798.62	4,684	21,035
5017	Distribution Station Equipment - Operation Supplies and Expenses	46,715.10	67,033.60	42,089.16	64,840.51	63,351.34	59,522	66,880
5020	Overhead Distribution Lines and Feeders - Operation Labour	24,271.04				9,322.50	11,310	11,580
5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses							
5030	Overhead Subtransmission Feeders - Operation							
5035	Overhead Distribution Transformers - Operation							
5040	Underground Distribution Lines and Feeders - Operation Labour	2,234.31	1,333.41	2,164.54	878.94	1,272.76	1,213	1,440
5045	Underground Distribution Lines and Feeders - Operation Supplies and Expenses	118,567.29	135,049.55	190,902.10	273,044.77	309,975.51	356,458	356,458
5050	Underground Subtransmission Feeders - Operation							
5055	Underground Distribution Transformers - Operation	43,078.28				372.48	606	1,200
5060	Street Lighting and Signal System Expense							
5065	Meter Expense	97,715.21	61,042.65	102,155.14	139,205.96	89,320.51	135,972	178,657
5070	Customer Premises - Operation Labour	171,833.63	185,040.32	182,383.06	180,811.13	202,122.83	194,772	191,386
5075	Customer Premises - Materials and Expenses	874.78	(34,962.06)	(384.22)	3,356.27	(11,923.61)	5,000	5,000
5085	Miscellaneous Distribution Expense							
5090	Underground Distribution Lines and Feeders - Rental Paid							
5095	Overhead Distribution Lines and Feeders - Rental Paid							
5096	Other Rent		14,650.00					
<b>Distribution Expenses - Maintenance</b>								
5105	Maintenance Supervision and Engineering						23,400	43,173
5110	Maintenance of Structures							
5112	Maintenance of Transformer Station Equipment							
5114	Maint Dist Stn Equip							
5120	Maintenance of Poles, Towers and Fixtures	160,761.96	105,608.76	60,890.64	63,965.27	146,420.19	179,434	154,340
5125	Maintenance of Overhead Conductors and Devices	291,959.65	224,629.38	297,742.75	269,802.76	266,289.93	244,420	336,813
5130	Maintenance of Overhead Services							
5135	Overhead Distribution Lines and Feeders - Right of Way	242,036.31	175,905.95	243,050.38	193,506.78	199,596.82	202,923	171,940
5145	Maintenance of Underground Conduit							
5150	Maintenance of Underground Conductors and Devices	5,581.38	7,991.18	16,021.48	6,403.93	22,341.33	75,456	133,829
5155	Maintenance of Underground Services							
5160	Maintenance of Line Transformers	244,855.42	316,529.63	291,110.08	346,232.32	356,795.31	356,412	394,835
5165	Maintenance of Street Lighting and Signal Systems							
5170	Sentinel Lights - Labour							
5172	Sentinel Lights - Materials and Expenses							
5175	Maintenance of Meters	110.60				105.21	291,868	

MILTON HYDRO DISTRIBUTION INC.

Summary OEB Adjusted Trial Balance

OEB No	OEB Account Name	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
5178	Customer Installations Expenses - Leased Property							
5195	Maintenance of Other Installations on Customer Premises							
	<b>Other Expenses</b>							
5205	Purchase of Transmission and System Services							
5210	Transmission Charges							
5215	Transmission Charges Recovered							
	<b>Billing and Collecting</b>							
5305	Supervision							
5310	Meter Reading Expense	255,898.56	260,281.99	260,471.93	252,832.19	223,591.98	230,030	316,859
5315	Customer Billing	627,005.99	697,502.97	768,350.63	883,669.08	882,995.80	1,002,467	1,083,885
5320	Collecting	135,589.22	149,653.18	171,694.55	233,755.79	308,233.14	347,462	367,944
5325	Collecting - Cash Over and Short	14.76	281.75	190.53	(168.09)	101.92		
5330	Collection Charges							
5335	Bad Debt Expense	36,456.14	19,789.56	20,339.35	141,597.78	79,374.78	50,000	50,000
5340	Miscellaneous Customer Accounts Expenses							
	<b>Community Relations</b>							
5405	Supervision							
5410	Community Relations - Sundry	-	-	21,902.62	11,036.83	8,470.13	19,483	10,679
5415	Energy Conservation	172,405.40	68,775.00	127,779.18	3,310.00			
5420	Community Safety Program							
5425	Miscellaneous Customer Service and Informational Expenses							
	<b>Sales Expenses</b>							
5505	Supervision							
5510	Demonstrating and Selling Expense							
5515	Advertising Expense							
5520	Miscellaneous Sales Expense							
	<b>Administrative and General Expenses</b>							
5605	Executive Salaries and Expenses	22,280.74	23,264.15	26,127.93	46,178.03	28,140.88	28,316	28,792
5610	Management Salaries and Expenses	368,032.91	392,387.14	430,172.34	475,916.54	469,029.82	631,236	652,924
5615	General Administrative Salaries and Expenses	363,773.60	370,443.56	358,423.01	436,946.10	551,005.63	579,239	703,920
5620	Office Supplies and Expenses	90,818.25	98,538.90	107,033.22	125,476.29	133,640.50	139,386	138,897
5625	Administrative Expense Transferred-Credit	(17,982.00)	(22,656.00)	(19,632.00)	(19,632.00)	(16,560.00)	(16,560)	(16,560)
5630	Outside Services Employed	108,647.85	176,743.90	181,021.12	192,070.46	172,228.20	213,307	178,400
5635	Property Insurance	54,652.46	44,076.53	59,025.45	63,313.44	56,763.18	59,727	62,512
5640	Injuries and Damages							
5645	Employee Pensions and Benefits	12,157.00	66,007.00	16,514.60	15,349.56	14,502.35	0	0
5650	Franchise Requirements							
5655	Regulatory Expenses	800.00	49,710.28	71,236.72	74,084.25	77,544.48	85,551	144,406
5660	General Advertising Expenses	2,494.95	2,682.87	8,426.96	16,424.28	2,523.53	3,225	3,194
5665	Miscellaneous Expenses	155,015.61	108,220.74	139,878.47	206,286.01	322,189.46	242,660	205,672
5670	Rent	208,298.24	219,231.96	252,303.00	252,303.00	227,348.65	344,414	349,055
5675	Maintenance of General Plant	155,740.17	128,769.36	139,043.74	142,714.71	147,523.57	121,958	122,661
5680	Electrical Safety Authority Fees							
5685	Independent Market Operator Fees and Penalties							
5695	OM&A Contra Account							
	<b>Amortization Expense</b>							
5705	Amortization Expense - Property, Plant and Equipment	2,288,724	2,381,999	2,619,516	2,744,199	2,968,831	3,953,062	3,616,371
5710	Amortization of Limited Term Electric Plant							
5715	Amortization of Intangibles and Other Electric Plant							
5720	Amortization of Electric Plant Acquisition Adjustments							
5725	Miscellaneous Amortization							
5730	Amortization of Unrecovered Plant and Regulatory Study Costs							
5735	Amortization of Deferred Development Costs							
5740	Amortization of Deferred Charges							
	<b>Interest Expense</b>							
6005	Interest on Long Term Debt	1,082,730.23	1,082,730.23	1,082,730.23	1,082,730.23	1,082,730.23	1,334,871	1,441,864
6010	Amortization of Debt Discount and Expense							
6015	Amortization of Premium on Debt-Credit							
6020	Amortization of Loss on Reacquired Debt							
6025	Amortization of Gain on Reacquired Debt-Credit							
6030	Interest on Debt to Associated Companies							
6035	Other Interest Expense	60,559.83	95,872.38	102,021.46	69,272.41	24,490.80	60,000	56,250
6040	Allowance for Borrowed Funds Used During Construction-Credit							
6042	Allowance for Other Funds Used During Construction							
6045	Interest Expense on Capital Lease Obligations							
	<b>Taxes</b>							
6105	Taxes Other Than Income Taxes	97,300.00	101,000.00	70,000.50	71,000.00	75,000.00	30,495	0
6110	Income Taxes	1,358,453.00	879,723.12	1,433,189.60	811,047.00	1,036,250.00	879,778	624,945
6115	Provision for Future Income Taxes	(455,800.00)	104,500.00	(219,000.00)	3,000.00	(65,927)		
	<b>Other Deductions</b>							
6205	Donations							
6210	Life Insurance							
6215	Penalties							
6225	Other Deductions							
	<b>Extraordinary Items</b>							
6305	Extraordinary Income							
6310	Extraordinary Deductions							
6315	Income Taxes, Extraordinary Items							
	<b>Other Accounts</b>							
<b>TOTALS</b>		(0)	0	0	(0)	0	(0)	0

**MILTON HYDRO DISTRIBUTION INC.  
2005 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1050-Current Assets</b>	
1005-Cash	6,046,889
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	4,381,190
1102-Accounts Receivable - Services	24,393
1104-Accounts Receivable - Recoverable Work	21,548
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	1,370,045
1120-Accrued Utility Revenues	6,172,004
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(28,775)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	229,947
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	10,545
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>18,228,850</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	1,791,685
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>1,791,685</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2005 BALANCE SHEET**

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	99,444
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	18,388
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	0
1555-Smart Meters Recovery	0
1556-Smart Meters OM & A	0
1562-Deferred PILs	(383,461)
1563-Deferred PILs - Contra	383,461
1565-C & DM Costs	(62,852)
1566-C & DM Costs Contra	62,852
1570-Qualifying Transition Costs	259,609
1571-Pre Market CofP Variance	504,818
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	1,161,736
1582-RSVA - One-Time	83,294
1584-RSVA - Network Charges	(53,814)
1586-RSVA - Connection Charges	(771,263)
1588-RSVA - Commodity (Power)	(2,175,263)
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(366,094)
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>(1,239,145)</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	11,372,669
1835-Overhead Conductors and Devices	14,960,302
1840-Underground Conduit	9,868,975
1845-Underground Conductors and Devices	10,728,325
1850-Line Transformers	21,446,501
1855-Services	4,831,286
1860-Meters	4,897,423
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>79,691,556</b>

**MILTON HYDRO DISTRIBUTION INC.  
2005 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	0
1906-Land Rights	0
1908-Buildings and Fixtures	0
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	559,582
1920-Computer Equipment - Hardware	1,277,024
1925-Computer Software	234,055
1930-Transportation Equipment	1,488,267
1935-Stores Equipment	165,286
1940-Tools, Shop and Garage Equipment	357,882
1945-Measurement and Testing Equipment	21,465
1950-Power Operated Equipment	0
1955-Communication Equipment	151,870
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	(18,812,855)
<b>1500-General Plant Total</b>	<b>(14,515,878)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	14,587
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>14,587</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(33,693,433)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(33,693,433)</b>

<b>Total Assets</b>	<b>50,278,223</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2005 BALANCE SHEET**

Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	9,918,787
2208-Customer Credit Balances	153,701
2210-Current Portion of Customer Deposits	115,000
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	152,766
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	444,560
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	168,664
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>10,953,478</b>
<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	159,061
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	45,579
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	2,114,273
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(1,092,500)
2405-Other Regulatory Liabilities	89,340
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>1,315,753</b>

**MILTON HYDRO DISTRIBUTION INC.  
2005 BALANCE SHEET**

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	0
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>14,934,210</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Development Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	4,235,704
3046-Balance Transferred From Income	1,830,169
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	0
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>23,074,782</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>50,278,223</b>
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<b>Balance Sheet Total</b>	<b>0</b>
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**MILTON HYDRO DISTRIBUTION INC.**  
**2005 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(9,234,355)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(5,666,760)
4025-Street Lighting Energy Sales	(210,975)
4030-Sentinel Energy Sales	(11,285)
4035-General Energy Sales	(16,181,904)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(1,195,792)
4055-Energy Sales for Resale	(7,592,724)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,100,141)
4064-Billed WMS-One Time	0
4066-NW	(3,442,225)
4068-CS	(3,085,962)
4075-LV Charges	0
<b>3000-Sales of Electricity Total</b>	<b>(50,722,123)</b>
<b>3050-Revenues From Services - Distribution</b>	
4080-Distribution Services Revenue	(9,454,817)
4082-RS Rev	(21,567)
4084-Serv Tx Requests	(410)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distribution Total</b>	<b>(9,476,793)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(91,865)
4215-Other Utility Operating Income (SSS Administration Charge)	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(112,250)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(195,401)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(399,516)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	0
4380-Expenses of Non-Utility Operations	0
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(398,366)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(398,366)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(193,732)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(193,732)</b>

MILTON HYDRO DISTRIBUTION INC.	
2005 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	40,093,794
4708-WMS	4,100,141
4710-Cost of Power Adjustments	0
4712-Charges One Time	0
4714-NW	3,442,225
4715-System Control and Load Dispatching	0
4716-NCN	3,085,962
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	0
<b>3350-Power Supply Expenses Total</b>	<b>50,722,123</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	3,576
5017-Distribution Station Equipment - Operation Supplies and Expenses	46,715
5020-Overhead Distribution Lines and Feeders - Operation Labour	24,271
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	2,234
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	118,567
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	43,078
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	97,715
5070-Customer Premises - Operation Labour	171,834
5075-Customer Premises - Materials and Expenses	875
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>508,866</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Str Equip	0
5120-Maintenance of Poles, Towers and Fixtures	160,762
5125-Maintenance of Overhead Conductors and Devices	291,960
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	242,036
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	5,581
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	244,855
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	111
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>945,305</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	255,899
5315-Customer Billing	627,006
5320-Collecting	135,589
5325-Collecting - Cash Over and Short	15
5330-Collection Charges	0
5335-Bad Debt Expense	36,456
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,054,965</b>

**MILTON HYDRO DISTRIBUTION INC.**  
**2005 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	172,405
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>172,405</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	22,281
5610-Management Salaries and Expenses	368,033
5615-General Administrative Salaries and Expenses	363,774
5620-Office Supplies and Expenses	90,818
5625-Administrative Expense Transferred-Credit	(17,982)
5630-Outside Services Employed	108,648
5635-Property Insurance	54,652
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	12,157
5650-Franchise Requirements	0
5655-Regulatory Expenses	800
5660-General Advertising Expenses	2,495
5665-Miscellaneous Expenses	155,016
5670-Rent	208,298
5675-Maintenance of General Plant	155,740
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>1,524,730</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	2,288,724
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>2,288,724</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,082,730
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	60,560
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,143,290</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	97,300
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>97,300</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	1,358,453
6115-Provision for Future Income Taxes	(455,800)
<b>4000-Income Taxes Total</b>	<b>902,653</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(1,830,169)</b>

**MILTON HYDRO DISTRIBUTION INC.  
2006 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	3,382,616
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	4,759,088
1102-Accounts Receivable - Services	174
1104-Accounts Receivable - Recoverable Work	17,100
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	1,367,900
1120-Accrued Utility Revenues	5,000,472
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(26,772)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	169,776
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	156,197
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>14,827,615</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	2,045,575
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>2,045,575</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2006 BALANCE SHEET**

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	170,296
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	(17,000)
1555-Smart Meters Recovery	(19,553)
1556-Smart Meters OM & A	0
1562-Deferred PILs	(125,090)
1563-Deferred PILs - Contra	125,090
1565-C & DM Costs	(103,552)
1566-C & DM Costs Contra	103,552
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(309,797)
1582-RSVA - One-Time	38,979
1584-RSVA - Network Charges	141,423
1586-RSVA - Connection Charges	(166,740)
1588-RSVA - Commodity (Power)	(419,609)
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(490,128)
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>(1,072,127)</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	13,049,784
1835-Overhead Conductors and Devices	15,385,293
1840-Underground Conduit	12,696,741
1845-Underground Conductors and Devices	11,701,609
1850-Line Transformers	23,509,541
1855-Services	5,707,821
1860-Meters	5,481,605
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>89,118,467</b>

**MILTON HYDRO DISTRIBUTION INC.  
2006 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	0
1906-Land Rights	0
1908-Buildings and Fixtures	0
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	559,582
1920-Computer Equipment - Hardware	1,316,171
1925-Computer Software	283,184
1930-Transportation Equipment	1,488,267
1935-Stores Equipment	165,286
1940-Tools, Shop and Garage Equipment	368,518
1945-Measurement and Testing Equipment	21,465
1950-Power Operated Equipment	0
1955-Communication Equipment	168,398
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	(24,523,745)
<b>1500-General Plant Total</b>	<b>(20,111,329)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(36,168,641)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(36,168,641)</b>

<b>Total Assets</b>	<b>48,639,560</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2006 BALANCE SHEET**

Account Description	Total
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<b>1650-Current Liabilities</b>	
2205-Accounts Payable	6,763,941
2208-Customer Credit Balances	277,034
2210-Current Portion of Customer Deposits	184,000
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	151,685
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	122,315
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	(345,000)
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>7,153,976</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	217,162
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	46,947
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	2,988,854
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(988,000)
2405-Other Regulatory Liabilities	(273,169)
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>1,991,794</b>

**MILTON HYDRO DISTRIBUTION INC.  
2006 BALANCE SHEET**

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	0
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>14,934,210</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Development Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	6,065,873
3046-Balance Transferred From Income	1,934,798
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	(450,000)
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>24,559,580</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>48,639,560</b>
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<b>Balance Sheet Total</b>	<b>0</b>
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MILTON HYDRO DISTRIBUTION INC.	
2006 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(10,373,988)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(4,894,474)
4025-Street Lighting Energy Sales	(180,341)
4030-Sentinel Energy Sales	(8,248)
4035-General Energy Sales	(13,934,021)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	1,034,507
4055-Energy Sales for Resale	(7,304,358)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,084,149)
4064-Billed WMS-One Time	0
4066-NW	(3,410,420)
4068-CS	(2,880,616)
4075-LV Charges	(100,935)
<b>3000-Sales of Electricity Total</b>	<b>(46,137,044)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(9,607,611)
4082-RS Rev	(26,466)
4084-Serv Tx Requests	(865)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(9,634,941)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(128,415)
4215-Other Utility Operating Income (SSS Administration Charge)	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(102,626)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(242,943)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(473,983)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	0
4380-Expenses of Non-Utility Operations	0
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(405,766)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(405,766)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(183,677)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(183,677)</b>

MILTON HYDRO DISTRIBUTION INC.	
2006 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	35,660,923
4708-WMS	4,084,149
4710-Cost of Power Adjustments	0
4712-Charges One Time	0
4714-NW	3,410,420
4715-System Control and Load Dispatching	0
4716-NCN	2,880,616
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	100,935
<b>3350-Power Supply Expenses Total</b>	<b>46,137,044</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	4,187
5017-Distribution Station Equipment - Operation Supplies and Expenses	67,034
5020-Overhead Distribution Lines and Feeders - Operation Labour	0
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	1,333
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	135,050
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	61,043
5070-Customer Premises - Operation Labour	185,040
5075-Customer Premises - Materials and Expenses	(34,962)
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	14,650
<b>3500-Distribution Expenses - Operation Total</b>	<b>433,375</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	0
5120-Maintenance of Poles, Towers and Fixtures	105,609
5125-Maintenance of Overhead Conductors and Devices	224,629
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	175,906
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	7,991
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	316,530
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	0
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>830,665</b>

MILTON HYDRO DISTRIBUTION INC. 2006 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	260,282
5315-Customer Billing	697,503
5320-Collecting	149,653
5325-Collecting - Cash Over and Short	282
5330-Collection Charges	0
5335-Bad Debt Expense	19,790
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,127,509</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	68,775
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>68,775</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	23,264
5610-Management Salaries and Expenses	392,387
5615-General Administrative Salaries and Expenses	370,444
5620-Office Supplies and Expenses	98,539
5625-Administrative Expense Transferred-Credit	(22,656)
5630-Outside Services Employed	176,744
5635-Property Insurance	44,077
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	66,007
5650-Franchise Requirements	0
5655-Regulatory Expenses	49,710
5660-General Advertising Expenses	2,683
5665-Miscellaneous Expenses	108,221
5670-Rent	219,232
5675-Maintenance of General Plant	128,769
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>1,657,420</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	2,381,999
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>2,381,999</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,082,730
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	95,872
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,178,603</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	101,000
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>101,000</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	879,723
6115-Provision for Future Income Taxes	104,500
<b>4000-Income Taxes Total</b>	<b>984,223</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(1,934,798)</b>

**MILTON HYDRO DISTRIBUTION INC.  
2007 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1050-Current Assets</b>	
1005-Cash	2,786,709
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	4,731,722
1102-Accounts Receivable - Services	1,148
1104-Accounts Receivable - Recoverable Work	117,942
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	2,624,013
1120-Accrued Utility Revenues	5,645,908
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(22,382)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	268,024
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	12,447
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>16,166,597</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	1,998,833
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>1,998,833</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2007 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	91,758
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	(13,548)
1555-Smart Meters Recovery	1,684,298
1556-Smart Meters OM & A	95,227
1562-Deferred PILs	48,870
1563-Deferred PILs - Contra	(48,870)
1565-C & DM Costs	20,341
1566-C & DM Costs Contra	(20,341)
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(1,212,118)
1582-RSVA - One-Time	40,628
1584-RSVA - Network Charges	185,099
1586-RSVA - Connection Charges	(19,638)
1588-RSVA - Commodity (Power)	(771,806)
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(60,129)
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>19,771</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	15,297,477
1835-Overhead Conductors and Devices	16,117,694
1840-Underground Conduit	12,707,354
1845-Underground Conductors and Devices	12,214,746
1850-Line Transformers	25,422,889
1855-Services	6,970,484
1860-Meters	4,614,608
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>94,931,326</b>

**MILTON HYDRO DISTRIBUTION INC.  
2007 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	0
1906-Land Rights	0
1908-Buildings and Fixtures	0
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	570,548
1920-Computer Equipment - Hardware	1,357,410
1925-Computer Software	336,744
1930-Transportation Equipment	1,493,247
1935-Stores Equipment	165,286
1940-Tools, Shop and Garage Equipment	377,849
1945-Measurement and Testing Equipment	21,465
1950-Power Operated Equipment	0
1955-Communication Equipment	171,749
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	(25,969,118)
<b>1500-General Plant Total</b>	<b>(21,433,275)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(38,390,841)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(38,390,841)</b>

<b>Total Assets</b>	<b>53,292,412</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2007 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	9,529,145
2208-Customer Credit Balances	269,352
2210-Current Portion of Customer Deposits	191,000
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	168,974
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	52,531
2292-Payroll Deductions / Expenses Payable	3,048
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	403,001
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>10,617,050</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	225,533
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	21,319
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	2,989,556
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(1,207,000)
2405-Other Regulatory Liabilities	(218,017)
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>1,811,391</b>

**MILTON HYDRO DISTRIBUTION INC.  
2007 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	0
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>14,934,210</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Devolpment Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	8,000,671
3046-Balance Transferred From Income	1,870,180
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	(950,000)
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>25,929,760</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>53,292,411</b>
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<b>Balance Sheet Total</b>	<b>0</b>
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MILTON HYDRO DISTRIBUTION INC. 2007 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(10,815,744)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(4,987,722)
4025-Street Lighting Energy Sales	(183,227)
4030-Sentinel Energy Sales	(8,373)
4035-General Energy Sales	(14,640,224)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(414,670)
4055-Energy Sales for Resale	(7,265,895)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,296,890)
4064-Billed WMS-One Time	0
4066-NW	(3,581,137)
4068-CS	(2,928,354)
4075-LV Charges	(179,780)
<b>3000-Sales of Electricity Total</b>	<b>(49,302,014)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(10,253,944)
4082-RS Rev	(29,851)
4084-Serv Tx Requests	(995)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(10,284,790)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(129,004)
4215-Other Utility Operating Income (SSS Administration Charge)	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(102,130)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(329,003)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(560,137)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	(2,827)
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(277,681)
4380-Expenses of Non-Utility Operations	278,582
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(435,629)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(437,555)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(253,261)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(253,261)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	38,315,855
4708-WMS	4,296,890
4710-Cost of Power Adjustments	0

**MILTON HYDRO DISTRIBUTION INC.**  
**2007 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
4712-Charges One Time	0
4714-NW	3,581,137
4715-System Control and Load Dispatching	0
4716-NCN	2,928,354
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	179,780
<b>3350-Power Supply Expenses Total</b>	<b>49,302,014</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	8,677
5017-Distribution Station Equipment - Operation Supplies and Expenses	42,089
5020-Overhead Distribution Lines and Feeders - Operation Labour	0
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	2,165
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	190,902
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	102,155
5070-Customer Premises - Operation Labour	182,383
5075-Customer Premises - Materials and Expenses	(384)
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>527,987</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	0
5120-Maintenance of Poles, Towers and Fixtures	60,891
5125-Maintenance of Overhead Conductors and Devices	297,743
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	243,050
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	16,021
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	291,110
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	0
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>908,815</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	260,472
5315-Customer Billing	768,351
5320-Collecting	171,695
5325-Collecting - Cash Over and Short	191
5330-Collection Charges	0
5335-Bad Debt Expense	20,339
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,221,047</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	21,903

MILTON HYDRO DISTRIBUTION INC. 2007 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
5415-Energy Conservation	127,779
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>149,682</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	26,128
5610-Management Salaries and Expenses	430,172
5615-General Administrative Salaries and Expenses	358,423
5620-Office Supplies and Expenses	107,033
5625-Administrative Expense Transferred-Credit	(19,632)
5630-Outside Services Employed	181,021
5635-Property Insurance	59,025
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	16,515
5650-Franchise Requirements	0
5655-Regulatory Expenses	71,237
5660-General Advertising Expenses	8,427
5665-Miscellaneous Expenses	139,878
5670-Rent	252,303
5675-Maintenance of General Plant	139,044
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>1,769,575</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	2,619,516
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>2,619,516</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,082,730
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	102,021
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,184,752</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	70,001
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>70,001</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	1,433,190
6115-Provision for Future Income Taxes	(219,000)
<b>4000-Income Taxes Total</b>	<b>1,214,190</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(1,870,180)</b>

**MILTON HYDRO DISTRIBUTION INC.  
2008 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1050-Current Assets</b>	
1005-Cash	2,686,384
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	4,045,448
1102-Accounts Receivable - Services	41
1104-Accounts Receivable - Recoverable Work	44,230
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	1,254,666
1120-Accrued Utility Revenues	6,210,363
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(136,754)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	192,105
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	2,636
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>14,300,185</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	709,143
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>709,143</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2008 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	(111,171)
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	2,183
1555-Smart Meters Recovery	1,766,565
1556-Smart Meters OM & A	378,645
1562-Deferred PILs	48,870
1563-Deferred PILs - Contra	(48,870)
1565-C & DM Costs	20,341
1566-C & DM Costs Contra	(20,341)
1570-Qualifying Transition Costs	0
1571-Pre Market CoP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(1,693,469)
1582-RSVA - One-Time	42,014
1584-RSVA - Network Charges	(14,981)
1586-RSVA - Connection Charges	(121,283)
1588-RSVA - Commodity (Power)	(401,982)
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	89,071
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>(64,409)</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	17,218,872
1835-Overhead Conductors and Devices	17,368,632
1840-Underground Conduit	14,994,398
1845-Underground Conductors and Devices	13,300,053
1850-Line Transformers	27,830,880
1855-Services	8,468,241
1860-Meters	4,858,069
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>105,625,220</b>

**MILTON HYDRO DISTRIBUTION INC.  
2008 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	0
1906-Land Rights	0
1908-Buildings and Fixtures	0
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	591,629
1920-Computer Equipment - Hardware	1,412,790
1925-Computer Software	336,487
1930-Transportation Equipment	1,511,010
1935-Stores Equipment	165,286
1940-Tools, Shop and Garage Equipment	381,660
1945-Measurement and Testing Equipment	26,024
1950-Power Operated Equipment	0
1955-Communication Equipment	172,869
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	(31,780,091)
<b>1500-General Plant Total</b>	<b>(27,140,791)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	1,186,930
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>1,186,930</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(41,043,336)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(41,043,336)</b>

<b>Total Assets</b>	<b>53,572,941</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2008 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	7,979,415
2208-Customer Credit Balances	588,787
2210-Current Portion of Customer Deposits	206,600
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	128,651
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	90,595
2292-Payroll Deductions / Expenses Payable	269
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	(428,000)
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>8,566,317</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	233,934
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	21,956
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	3,549,804
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(1,204,000)
2405-Other Regulatory Liabilities	(162,865)
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>2,438,829</b>

**MILTON HYDRO DISTRIBUTION INC.  
2008 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	0
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>14,934,210</b>
<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Devolpment Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	9,870,852
3046-Balance Transferred From Income	1,968,825
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	(1,215,000)
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>27,633,586</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>53,572,941</b>
<b>Balance Sheet Total</b>	<b>(0)</b>

MILTON HYDRO DISTRIBUTION INC. 2008 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(10,415,480)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(4,961,906)
4025-Street Lighting Energy Sales	(158,922)
4030-Sentinel Energy Sales	(7,744)
4035-General Energy Sales	(15,124,111)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(380,788)
4055-Energy Sales for Resale	(8,294,321)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,372,414)
4064-Billed WMS-One Time	0
4066-NW	(3,174,067)
4068-CS	(2,921,907)
4075-LV Charges	(186,250)
<b>3000-Sales of Electricity Total</b>	<b>(49,997,910)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(10,519,423)
4082-RS Rev	(29,724)
4084-Serv Tx Requests	(1,372)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(10,550,519)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(129,004)
4215-Other Utility Operating Income (SSS Administration Charge)	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(131,969)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(427,129)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(688,103)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(217,146)
4380-Expenses of Non-Utility Operations	167,724
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(446,929)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(496,350)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(131,495)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(131,495)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	39,343,272
4708-WMS	4,372,414
4710-Cost of Power Adjustments	0

**MILTON HYDRO DISTRIBUTION INC.**  
**2008 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
4712-Charges One Time	0
4714-NW	3,174,067
4715-System Control and Load Dispatching	0
4716-NCN	2,921,907
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	186,250
<b>3350-Power Supply Expenses Total</b>	<b>49,997,910</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	20,881
5017-Distribution Station Equipment - Operation Supplies and Expenses	64,841
5020-Overhead Distribution Lines and Feeders - Operation Labour	0
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	879
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	273,045
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	139,206
5070-Customer Premises - Operation Labour	180,811
5075-Customer Premises - Materials and Expenses	3,356
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>683,018</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	0
5120-Maintenance of Poles, Towers and Fixtures	63,965
5125-Maintenance of Overhead Conductors and Devices	269,803
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	193,507
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	6,404
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	346,232
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	0
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>879,911</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	252,832
5315-Customer Billing	883,669
5320-Collecting	233,756
5325-Collecting - Cash Over and Short	(168)
5330-Collection Charges	0
5335-Bad Debt Expense	141,598
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,511,687</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	11,037

MILTON HYDRO DISTRIBUTION INC. 2008 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
5415-Energy Conservation	3,310
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>14,347</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	46,178
5610-Management Salaries and Expenses	475,917
5615-General Administrative Salaries and Expenses	436,946
5620-Office Supplies and Expenses	125,476
5625-Administrative Expense Transferred-Credit	(19,632)
5630-Outside Services Employed	192,070
5635-Property Insurance	63,313
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	15,350
5650-Franchise Requirements	0
5655-Regulatory Expenses	74,084
5660-General Advertising Expenses	16,424
5665-Miscellaneous Expenses	206,286
5670-Rent	252,303
5675-Maintenance of General Plant	142,715
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>2,027,431</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	2,744,199
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>2,744,199</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,082,730
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	69,272
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,152,003</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	71,000
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>71,000</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	811,047
6115-Provision for Future Income Taxes	3,000
<b>4000-Income Taxes Total</b>	<b>814,047</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(1,968,825)</b>

**MILTON HYDRO DISTRIBUTION INC.  
2009 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	(265,663)
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	5,603,960
1102-Accounts Receivable - Services	5,506
1104-Accounts Receivable - Recoverable Work	35,425
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	1,289,955
1120-Accrued Utility Revenues	6,880,103
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(41,171)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	373,944
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	10,996
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>13,894,120</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	919,065
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>919,065</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2009 BALANCE SHEET**

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	306,274
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	(105,869)
1555-Smart Meters Recovery	1,544,211
1556-Smart Meters OM & A	716,467
1562-Deferred PILs	48,870
1563-Deferred PILs - Contra	(48,870)
1565-C & DM Costs	20,341
1566-C & DM Costs Contra	(20,341)
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(1,934,486)
1582-RSVA - One-Time	42,408
1584-RSVA - Network Charges	90,667
1586-RSVA - Connection Charges	(112,219)
1588-RSVA - Commodity (Power)	(206,143)
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	162,820
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>504,131</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	18,270,524
1835-Overhead Conductors and Devices	17,927,909
1840-Underground Conduit	16,836,772
1845-Underground Conductors and Devices	13,960,739
1850-Line Transformers	29,840,722
1855-Services	9,799,447
1860-Meters	5,215,886
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>113,438,074</b>

**MILTON HYDRO DISTRIBUTION INC.  
2009 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	2,218,530
1906-Land Rights	0
1908-Buildings and Fixtures	0
1910-Leasehold Improvements	280,817
1915-Office Furniture and Equipment	620,005
1920-Computer Equipment - Hardware	1,468,521
1925-Computer Software	381,822
1930-Transportation Equipment	1,822,804
1935-Stores Equipment	179,526
1940-Tools, Shop and Garage Equipment	386,497
1945-Measurement and Testing Equipment	31,721
1950-Power Operated Equipment	0
1955-Communication Equipment	202,159
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	(35,454,436)
<b>1500-General Plant Total</b>	<b>(27,820,489)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	1,374,901
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>1,374,901</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(44,074,818)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(44,074,818)</b>

<b>Total Assets</b>	<b>58,234,985</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2009 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	10,411,602
2208-Customer Credit Balances	735,688
2210-Current Portion of Customer Deposits	379,500
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	176,242
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	3,959
2292-Payroll Deductions / Expenses Payable	146
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	143,470
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>11,850,606</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	155,482
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	0
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	1,298,915
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	3,559,158
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(1,412,101)
2405-Other Regulatory Liabilities	(66,481)
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>3,534,973</b>

**MILTON HYDRO DISTRIBUTION INC.  
2009 BALANCE SHEET**

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	0
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>14,934,210</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Development Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	10,682,936
3046-Balance Transferred From Income	2,438,350
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	(2,215,000)
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>27,915,195</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>58,234,985</b>
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<b>Balance Sheet Total</b>	<b>0</b>
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MILTON HYDRO DISTRIBUTION INC. 2009 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(12,723,906)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(3,624,395)
4025-Street Lighting Energy Sales	(219,126)
4030-Sentinel Energy Sales	(8,782)
4035-General Energy Sales	(16,599,519)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(675,385)
4055-Energy Sales for Resale	(8,038,043)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,428,788)
4064-Billed WMS-One Time	0
4066-NW	(3,225,297)
4068-CS	(2,968,994)
4075-LV Charges	(185,332)
<b>3000-Sales of Electricity Total</b>	<b>(52,697,568)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(11,407,217)
4082-RS Rev	(33,508)
4084-Serv Tx Requests	(902)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(11,441,627)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(132,641)
4215-Other Utility Operating Income (SSS Administration Charge)	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(142,104)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(442,630)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(717,375)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	(476)
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(1,177,754)
4380-Expenses of Non-Utility Operations	1,041,134
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(591,317)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(728,414)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(38,119)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(38,119)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	41,888,993
4708-WMS	4,428,788
4710-Cost of Power Adjustments	164

**MILTON HYDRO DISTRIBUTION INC.**  
**2009 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
4712-Charges One Time	0
4714-NW	3,225,297
4715-System Control and Load Dispatching	0
4716-NCN	2,968,994
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	185,332
<b>3350-Power Supply Expenses Total</b>	<b>52,697,568</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	21,799
5017-Distribution Station Equipment - Operation Supplies and Expenses	63,351
5020-Overhead Distribution Lines and Feeders - Operation Labour	9,323
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	1,273
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	309,976
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	372
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	89,321
5070-Customer Premises - Operation Labour	202,123
5075-Customer Premises - Materials and Expenses	(11,924)
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>685,613</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	0
5120-Maintenance of Poles, Towers and Fixtures	146,420
5125-Maintenance of Overhead Conductors and Devices	266,290
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	199,597
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	22,341
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	356,795
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	105
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>991,549</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	223,592
5315-Customer Billing	882,996
5320-Collecting	308,233
5325-Collecting - Cash Over and Short	102
5330-Collection Charges	0
5335-Bad Debt Expense	79,375
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,494,298</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	8,470

MILTON HYDRO DISTRIBUTION INC. 2009 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>8,470</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	28,141
5610-Management Salaries and Expenses	469,030
5615-General Administrative Salaries and Expenses	551,006
5620-Office Supplies and Expenses	133,641
5625-Administrative Expense Transferred-Credit	(16,560)
5630-Outside Services Employed	172,228
5635-Property Insurance	56,763
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	14,502
5650-Franchise Requirements	0
5655-Regulatory Expenses	77,544
5660-General Advertising Expenses	2,524
5665-Miscellaneous Expenses	322,189
5670-Rent	227,349
5675-Maintenance of General Plant	147,524
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>2,185,880</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	2,968,831
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>2,968,831</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,082,730
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	24,491
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,107,221</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	75,000
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>75,000</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	1,036,250
6115-Provision for Future Income Taxes	(65,927)
<b>4000-Income Taxes Total</b>	<b>970,323</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(2,438,350)</b>

**MILTON HYDRO DISTRIBUTION INC.  
2010 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1050-Current Assets</b>	
1005-Cash	3,632,155
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	3,566,427
1102-Accounts Receivable - Services	5,506
1104-Accounts Receivable - Recoverable Work	35,425
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	1,289,955
1120-Accrued Utility Revenues	5,330,530
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(41,171)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	373,945
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>14,193,837</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	1,000,000
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>1,000,000</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2010 BALANCE SHEET**

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	308,300
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	587,397
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	(108,864)
1555-Smart Meters Recovery	761,980
1556-Smart Meters OM & A	1,041,165
1562-Deferred PILs	48,870
1563-Deferred PILs - Contra	(48,870)
1565-C & DM Costs	20,468
1566-C & DM Costs Contra	(20,468)
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(221,158)
1582-RSVA - One-Time	42,408
1584-RSVA - Network Charges	106,749
1586-RSVA - Connection Charges	10,204
1588-RSVA - Commodity (Power)	201,527
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(2,475)
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	(697,107)
<b>1200-Other Assets and Deferred Charges Total</b>	<b>2,030,126</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	21,199,682
1835-Overhead Conductors and Devices	19,365,995
1840-Underground Conduit	18,472,301
1845-Underground Conductors and Devices	14,980,790
1850-Line Transformers	32,583,747
1855-Services	10,697,708
1860-Meters	9,324,608
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>128,210,906</b>

**MILTON HYDRO DISTRIBUTION INC.  
2010 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	2,918,530
1906-Land Rights	0
1908-Buildings and Fixtures	0
1910-Leasehold Improvements	460,817
1915-Office Furniture and Equipment	645,005
1920-Computer Equipment - Hardware	1,650,273
1925-Computer Software	443,292
1930-Transportation Equipment	2,107,804
1935-Stores Equipment	189,526
1940-Tools, Shop and Garage Equipment	409,747
1945-Measurement and Testing Equipment	31,721
1950-Power Operated Equipment	0
1955-Communication Equipment	214,742
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	70,000
1995-Contributions and Grants	(39,524,700)
<b>1500-General Plant Total</b>	<b>(30,341,698)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	1,200,000
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>1,200,000</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(48,168,066)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(48,168,066)</b>

<b>Total Assets</b>	<b>68,125,104</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2010 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	9,316,638
2208-Customer Credit Balances	800,000
2210-Current Portion of Customer Deposits	150,000
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	200,000
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	3,959
2292-Payroll Deductions / Expenses Payable	146
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	0
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>10,470,744</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	269,302
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	161,701
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	3,223,375
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(348,100)
2405-Other Regulatory Liabilities	0
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>3,306,278</b>

**MILTON HYDRO DISTRIBUTION INC.  
2010 BALANCE SHEET**

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	10,165,057
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>25,099,267</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Development Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	13,121,287
3046-Balance Transferred From Income	2,333,621
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	(3,215,000)
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>29,248,816</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>68,125,105</b>
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<b>Balance Sheet Total</b>	<b>(0)</b>
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MILTON HYDRO DISTRIBUTION INC. 2010 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(13,305,646)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(6,026,415)
4025-Street Lighting Energy Sales	(236,358)
4030-Sentinel Energy Sales	(11,034)
4035-General Energy Sales	(18,980,262)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(363,091)
4055-Energy Sales for Resale	(9,567,548)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,625,479)
4064-Billed WMS-One Time	0
4066-NW	(4,093,167)
4068-CS	(3,264,878)
4075-LV Charges	(193,987)
<b>3000-Sales of Electricity Total</b>	<b>(60,667,864)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(13,536,171)
4082-RS Rev	(34,638)
4084-Serv Tx Requests	(1,085)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(13,571,894)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(134,582)
4215-Other Utility Operating Income (SSS Administration Charge)	(73,779)
4220-Other Electric Revenues	0
4225-Late Payment Charges	(149,209)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(379,347)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(736,917)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	(1,000)
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(469,714)
4380-Expenses of Non-Utility Operations	438,714
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(563,746)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(595,746)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	63,979
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>63,979</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	48,490,353
4708-WMS	3,700,383
4710-Cost of Power Adjustments	0

MILTON HYDRO DISTRIBUTION INC. 2010 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
4712-Charges One Time	0
4714-NW	4,093,167
4715-System Control and Load Dispatching	0
4716-NCN	3,264,878
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	925,096
4750-LV Charges	193,987
<b>3350-Power Supply Expenses Total</b>	<b>60,667,864</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	23,400
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	4,684
5017-Distribution Station Equipment - Operation Supplies and Expenses	59,522
5020-Overhead Distribution Lines and Feeders - Operation Labour	11,310
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	1,213
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	356,458
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	606
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	135,972
5070-Customer Premises - Operation Labour	194,772
5075-Customer Premises - Materials and Expenses	5,000
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>792,937</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	23,400
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	0
5120-Maintenance of Poles, Towers and Fixtures	179,434
5125-Maintenance of Overhead Conductors and Devices	244,420
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	202,923
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	75,456
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	356,412
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	291,868
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>1,373,913</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	230,030
5315-Customer Billing	1,002,467
5320-Collecting	347,462
5325-Collecting - Cash Over and Short	0
5330-Collection Charges	0
5335-Bad Debt Expense	50,000
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,629,959</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	19,483

MILTON HYDRO DISTRIBUTION INC. 2010 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>19,483</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	28,316
5610-Management Salaries and Expenses	631,236
5615-General Administrative Salaries and Expenses	579,239
5620-Office Supplies and Expenses	139,386
5625-Administrative Expense Transferred-Credit	(16,560)
5630-Outside Services Employed	213,307
5635-Property Insurance	59,727
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	0
5650-Franchise Requirements	0
5655-Regulatory Expenses	85,551
5660-General Advertising Expenses	3,225
5665-Miscellaneous Expenses	242,660
5670-Rent	344,414
5675-Maintenance of General Plant	121,958
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>2,432,459</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	3,953,062
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>3,953,062</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,334,871
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	60,000
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,394,871</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	30,495
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>30,495</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	879,778
6115-Provision for Future Income Taxes	0
<b>4000-Income Taxes Total</b>	<b>879,778</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(2,333,621)</b>

**MILTON HYDRO DISTRIBUTION INC.  
2011 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1050-Current Assets</b>	
1005-Cash	4,110,035
1010-Cash Advances and Working Funds	1,065
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	4,945,283
1102-Accounts Receivable - Services	5,506
1104-Accounts Receivable - Recoverable Work	35,425
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	1,289,955
1120-Accrued Utility Revenues	5,330,530
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(41,171)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	373,945
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>16,050,573</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	1,000,000
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>1,000,000</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

**MILTON HYDRO DISTRIBUTION INC.  
2011 BALANCE SHEET**

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	309,122
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	587,397
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	(109,179)
1555-Smart Meters Recovery	(598,979)
1556-Smart Meters OM & A	0
1562-Deferred PILs	48,870
1563-Deferred PILs - Contra	(48,870)
1565-C & DM Costs	20,571
1566-C & DM Costs Contra	(20,571)
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(221,806)
1582-RSVA - One-Time	42,511
1584-RSVA - Network Charges	107,058
1586-RSVA - Connection Charges	10,234
1588-RSVA - Commodity (Power)	202,109
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	(2,476)
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>325,992</b>

<b>1450-Distribution Plant</b>	
1805-Land	69,883
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	1,516,192
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	23,610,018
1835-Overhead Conductors and Devices	20,851,379
1840-Underground Conduit	20,662,241
1845-Underground Conductors and Devices	16,128,326
1850-Line Transformers	34,982,900
1855-Services	11,731,268
1860-Meters	9,613,778
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>139,165,985</b>

**MILTON HYDRO DISTRIBUTION INC.  
2011 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1500-General Plant</b>	
1905-Land	2,918,530
1906-Land Rights	0
1908-Buildings and Fixtures	150,000
1910-Leasehold Improvements	460,817
1915-Office Furniture and Equipment	650,005
1920-Computer Equipment - Hardware	1,851,273
1925-Computer Software	653,292
1930-Transportation Equipment	2,317,804
1935-Stores Equipment	199,526
1940-Tools, Shop and Garage Equipment	412,247
1945-Measurement and Testing Equipment	31,721
1950-Power Operated Equipment	0
1955-Communication Equipment	414,742
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	41,545
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	70,000
1995-Contributions and Grants	(43,319,638)
<b>1500-General Plant Total</b>	<b>(33,148,136)</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	1,200,000
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>1,200,000</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(51,941,323)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(51,941,323)</b>

<b>Total Assets</b>	<b>72,653,090</b>
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**MILTON HYDRO DISTRIBUTION INC.  
2011 BALANCE SHEET**

Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	9,316,638
2208-Customer Credit Balances	800,000
2210-Current Portion of Customer Deposits	150,000
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	200,000
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	0
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	3,959
2292-Payroll Deductions / Expenses Payable	146
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	0
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>10,470,744</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	269,302
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	161,701
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	3,223,375
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(348,100)
2405-Other Regulatory Liabilities	0
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>3,306,278</b>

**MILTON HYDRO DISTRIBUTION INC.  
2011 BALANCE SHEET**

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	14,934,210
2525-Term Bank Loans - Long Term Portion	12,854,118
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>27,788,328</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	17,008,909
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Development Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	15,454,908
3046-Balance Transferred From Income	2,838,924
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	(4,215,000)
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>31,087,741</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>72,653,090</b>
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<b>Balance Sheet Total</b>	<b>0</b>
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MILTON HYDRO DISTRIBUTION INC. 2011 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(13,572,387)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(6,147,228)
4025-Street Lighting Energy Sales	(241,096)
4030-Sentinel Energy Sales	(11,255)
4035-General Energy Sales	(19,360,763)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(370,370)
4055-Energy Sales for Resale	(9,759,351)
4060-Interdepartmental Energy Sales	0
4062-WMS	(4,717,454)
4064-Billed WMS-One Time	0
4066-NW	(4,184,623)
4068-CS	(3,339,030)
4075-LV Charges	(139,074)
<b>3000-Sales of Electricity Total</b>	<b>(61,842,630)</b>
<b>3050-Revenues From Services - Distirbution</b>	
4080-Distribution Services Revenue	(13,608,183)
4082-RS Rev	(35,784)
4084-Serv Tx Requests	(1,085)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distirbution Total</b>	<b>(13,645,052)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(135,213)
4215-Other Utility Operating Income (SSS Administration Charge)	(75,804)
4220-Other Electric Revenues	0
4225-Late Payment Charges	(156,670)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(403,492)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(771,179)</b>
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	(1,000)
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(469,714)
4380-Expenses of Non-Utility Operations	438,714
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(600,101)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(632,101)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(45,000)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(45,000)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	49,462,450
4708-WMS	3,773,963
4710-Cost of Power Adjustments	0

MILTON HYDRO DISTRIBUTION INC. 2011 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
4712-Charges One Time	0
4714-NW	4,184,623
4715-System Control and Load Dispatching	0
4716-NCN	3,339,030
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	943,491
4750-LV Charges	139,074
<b>3350-Power Supply Expenses Total</b>	<b>61,842,630</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	43,173
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	21,035
5017-Distribution Station Equipment - Operation Supplies and Expenses	66,880
5020-Overhead Distribution Lines and Feeders - Operation Labour	11,580
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	0
5030-Overhead Subtransmission Feeders - Operation	0
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	1,440
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	356,458
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	1,200
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	178,657
5070-Customer Premises - Operation Labour	191,386
5075-Customer Premises - Materials and Expenses	5,000
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>876,809</b>
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	43,173
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	0
5120-Maintenance of Poles, Towers and Fixtures	154,340
5125-Maintenance of Overhead Conductors and Devices	336,813
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	171,940
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	133,829
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	394,835
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	0
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>1,234,930</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	0
5310-Meter Reading Expense	316,859
5315-Customer Billing	1,083,885
5320-Collecting	367,944
5325-Collecting - Cash Over and Short	0
5330-Collection Charges	0
5335-Bad Debt Expense	50,000
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>1,818,688</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	10,679

MILTON HYDRO DISTRIBUTION INC. 2011 STATEMENT OF INCOME AND RETAINED EARNINGS	
Account Description	Total
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>10,679</b>
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	28,792
5610-Management Salaries and Expenses	652,924
5615-General Administrative Salaries and Expenses	703,920
5620-Office Supplies and Expenses	138,897
5625-Administrative Expense Transferred-Credit	(16,560)
5630-Outside Services Employed	178,400
5635-Property Insurance	62,512
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	0
5650-Franchise Requirements	0
5655-Regulatory Expenses	144,406
5660-General Advertising Expenses	3,194
5665-Miscellaneous Expenses	205,672
5670-Rent	349,055
5675-Maintenance of General Plant	122,661
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>2,573,873</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	3,616,371
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>3,616,371</b>
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	1,441,864
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	56,250
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>1,498,114</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	0
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>0</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	624,945
6115-Provision for Future Income Taxes	0
<b>4000-Income Taxes Total</b>	<b>624,945</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(2,838,924)</b>

**Milton Hydro Distribution Inc.**

Summary of Financial Position  
As at December 31

	Audited Financial Results					2010 Bridge Year	2011 Test Year
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual		
<b>ASSETS</b>							
<b>Current</b>							
- Cash & Short-Term Deposits (Borrowings)	\$ 6,047,954	3,383,681	2,787,774	2,687,449		3,633,220	4,111,100
- Accounts Receivable	5,768,400	6,117,490	7,452,443	5,207,631	6,893,674	4,856,142	6,234,998
- Unbilled Revenues	6,172,004	5,000,472	5,645,908	6,210,363	6,880,103	5,330,530	5,330,530
- Inventories	1,791,685	2,045,575	1,998,833	709,143	919,065	1,000,000	1,000,000
- Prepaids/Due from related parties	240,492	325,972	280,471	194,742	384,940	373,945	373,945
- Payment in Lieu of Taxes Receivable		345,000		428,000			
<b>Total Current Assets</b>	<b>20,020,536</b>	<b>17,218,190</b>	<b>18,165,430</b>	<b>15,437,328</b>	<b>15,077,783</b>	<b>15,193,837</b>	<b>17,050,573</b>
<b>Property, Plant &amp; Equipment</b>							
- Distribution Plant Assets	79,706,143	89,118,467	94,931,326	106,812,150	114,812,975	129,410,906	140,365,985
- General Plant	4,296,977	4,412,416	4,535,843	4,639,300	7,633,947	9,183,002	10,171,502
- Accumulated Contributed Capital - Jan 1, 2000	(18,812,855)	(24,523,745)	(25,969,118)	(31,780,091)	(35,454,436)	(39,524,700)	(43,319,638)
- Accumulated Amortizn of Contributed Capital	(33,693,433)	(36,168,641)	(38,390,841)	(41,043,336)	(44,074,818)	(48,168,066)	(51,941,323)
<b>Total Property, Plant &amp; Equipment</b>	<b>31,496,832</b>	<b>32,838,497</b>	<b>35,107,210</b>	<b>38,628,023</b>	<b>42,917,668</b>	<b>50,901,142</b>	<b>55,276,526</b>
<b>Other</b>							
- Other Assets - Feeder Lines	-	-	-	-	-		
- Regulatory Assets	-	-	19,771	-	-	2,030,126	325,992
- Payments in Lieu of Taxes - Deferred	1,092,500	988,000	1,207,000	1,204,000	1,412,101	348,100	348,100
<b>Total Other Assets</b>	<b>1,092,500</b>	<b>988,000</b>	<b>1,226,771</b>	<b>1,204,000</b>	<b>1,412,101</b>	<b>2,378,226</b>	<b>674,092</b>
<b>TOTAL ASSETS</b>	<b>\$ 52,609,868</b>	<b>51,044,687</b>	<b>54,499,412</b>	<b>55,269,351</b>	<b>59,407,552</b>	<b>68,473,204</b>	<b>73,001,191</b>

**Milton Hydro Distribution Inc.**
**Summary of Financial Position**
**As at December 31**

As at December 31

		Audited Financial Results					2010 Bridge Year	2011 Test Year		
		2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual				
<b>LIABILITIES</b>										
<b>Current</b>										
- Bank Indebtedness						264,598				
- Accounts Payable & Accrued Charges	\$	10,669,814	7,314,975	10,023,050	8,787,717	11,327,636	10,320,744	10,320,744		
- Current Portion of Long-Term Debt		-	-	-	-	-	-	-		
- Current Portion of Customer Deposits		115,000	184,000	191,000	206,600	379,500	150,000	150,000		
- PILs Payable		168,664	-	403,001		143,470	-	-		
- Due to Affiliate										
<b>Total Current Liabilities</b>		<b>10,953,478</b>	<b>7,498,975</b>	<b>10,617,050</b>	<b>8,994,317</b>	<b>12,115,204</b>	<b>10,470,744</b>	<b>10,470,744</b>		
<b>Long Term Debt</b>										
- Note Payable to Town of Milton		14,934,210	14,934,210	14,934,210	14,934,210	14,934,210	14,934,210	14,934,210		
- New Long-Term Debt		-	-	-	-	-	10,165,057	12,854,118		
		<b>14,934,210</b>	<b>14,934,210</b>	<b>14,934,210</b>	<b>14,934,210</b>	<b>14,934,210</b>	<b>25,099,267</b>	<b>27,788,328</b>		
<b>Other</b>										
- Other Liabilities		2,249,192	2,762,631	2,792,858	3,408,895	3,492,677	3,385,076	3,385,077		
- Vested Sick Leave & Employee Future Benefits		159,061	217,162	225,533	233,934	155,482	269,302	269,302		
- Regulatory Liabilities		1,239,145	1,072,127		64,409	794,784		-		
<b>Total Other Liabilities</b>		<b>3,647,398</b>	<b>4,051,921</b>	<b>3,018,391</b>	<b>3,707,238</b>	<b>4,442,943</b>	<b>3,654,378</b>	<b>3,654,379</b>		
<b>TOTAL LIABILITIES</b>		<b>29,535,086</b>	<b>26,485,107</b>	<b>28,569,651</b>	<b>27,635,765</b>	<b>31,492,357</b>	<b>39,224,389</b>	<b>41,913,451</b>		
<b>Equity in Ontario Hydro</b>										
<b>EQUITY</b>										
- Total Retained Earnings, Beginning		4,235,704	6,065,873	8,000,671	9,870,852	10,682,936	13,121,287	15,454,908		
- Current Year Net Income		1,830,169	1,934,798	1,870,180	1,968,825	2,438,350	2,333,621	2,838,924		
Change in Accounting Policy		-	-	-	-	-	-	-		
- Dividends Paid During the Year		-	(450,000)	(950,000)	(1,215,000)	(2,215,000)	(3,215,000)	(4,215,000)		
- Total Retained Earnings, Ending		<b>6,065,874</b>	<b>7,550,671</b>	<b>8,920,852</b>	<b>10,624,677</b>	<b>10,906,287</b>	<b>12,239,908</b>	<b>14,078,832</b>		
- Capital Stock		<b>17,008,909</b>	<b>17,008,909</b>	<b>17,008,909</b>	<b>17,008,909</b>	<b>17,008,909</b>	<b>17,008,909</b>	<b>17,008,909</b>		
<b>Total Equity</b>		<b>23,074,782</b>	<b>24,559,580</b>	<b>25,929,760</b>	<b>27,633,586</b>	<b>27,915,195</b>	<b>29,248,816</b>	<b>31,087,741</b>		
<b>TOTAL LIABILITIES &amp; EQUITY</b>	\$	<b>52,609,868</b>	<b>51,044,687</b>	<b>54,499,411</b>	<b>55,269,351</b>	<b>59,407,552</b>	<b>68,473,205</b>	<b>73,001,191</b>		
		-	(0)	(0)	0	(0)	0	(0)		

**Milton Hydro Distribution Inc.**  
Summary of Financial Position  
As at December 31

Audited Financial Results						
2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year

TOTAL REVENUE	(60,176,939)	(55,744,654)	(59,555,959)	(60,517,333)	(64,104,785)	(74,204,035)	(75,450,813)
COST OF ENERGY	50,722,123	46,137,044	49,302,014	49,997,910	52,697,568	60,667,864	61,842,630
NET DISTRIBUTION REVENUE	(9,454,817)	(9,607,610)	(10,253,944)	(10,519,423)	(11,407,217)	(13,536,171)	(13,608,183)
OTHER INCOME							
- Other Operating Income	(421,492)	(501,314)	(590,983)	(719,199)	(751,785)	(772,640)	(808,048)
- Other Income	(398,366)	(405,766)	(437,555)	(496,350)	(728,414)	(595,746)	(632,101)
- Interest Earned	(193,732)	(183,677)	(253,261)	(131,495)	(38,119)	63,979	(45,000)
Total Other Income	(1,013,590)	(1,090,757)	(1,281,799)	(1,347,044)	(1,518,318)	(1,304,407)	(1,485,149)
TOTAL REVENUES	(10,468,407)	(10,698,367)	(11,535,744)	(11,866,467)	(12,925,535)	(14,840,578)	(15,093,332)
EXPENDITURE							
- Distribution - Operations	508,866	433,375	527,987	683,018	685,613	792,937	876,809
- Distribution - Maintenance	945,305	830,665	908,815	879,911	991,549	1,373,913	1,234,930
- Administration	2,752,100	2,853,705	3,140,303	3,553,464	3,688,648	4,081,901	4,403,240
- Administration:Capital Tax	97,300	101,000	70,001	71,000	75,000	30,495	-
- Interest Expense	1,143,290	1,178,603	1,184,752	1,152,003	1,107,221	1,394,871	1,498,114
- Dep'n & Amort'n of Contributed Capital	2,288,724	2,381,999	2,619,516	2,744,199	2,968,831	3,953,062	3,616,371
TOTAL EXPENDITURES	7,735,585	7,779,346	8,451,373	9,083,596	9,516,862	11,627,179	11,629,464
EARNINGS BEFORE TAXES & EXTRAORDINARY ITEMS	(2,732,822)	(2,919,021)	(3,084,370)	(2,782,872)	(3,408,673)	(3,213,399)	(3,463,869)
Payment in lieu of taxes							
- Current	1,358,453	879,723	1,433,190	811,047	1,036,250	879,778	624,945
- Future/Deferred	(455,800)	104,500	(219,000)	3,000	(65,927)	-	-
	902,653	984,223	1,214,190	814,047	970,323	879,778	624,945
NET EARNINGS	(1,830,169)	(1,934,798)	(1,870,180)	(1,968,825)	(2,438,350)	(2,333,621)	(2,838,924)
	0	-	-	-	(0)	-	-

Rates of Return, Working Capital Allowance & Rate Base Calculations

2006			2007			2008			2009			2010			2011		
Description	Deemed Portion	Effective Rate	Description	Deemed Portion	Effective Rate	Description	Deemed Portion	Effective Rate	Description	Deemed Portion	Effective Rate	Description	Deemed Portion	Effective Rate	Description	Deemed Portion	Effective Rate
Long-Term Debt	50.00%	7.25%	Long-Term Debt	50.00%	7.25%	Long-Term Debt	53.30%	7.25%	Long-Term Debt	56.70%	7.25%	Long-Term Debt	60.00%	5.32%	Long-Term Debt	56.00%	5.19%
Short-Term Debt			Short-Term Debt			Short-Term Debt			Short-Term Debt			Short-Term Debt			Short-Term Debt	4.00%	2.07%
Return On Equity	50.00%	9.00%	Return On Equity	50.00%	9.00%	Return On Equity	46.70%	9.00%	Return On Equity	43.30%	9.00%	Return On Equity	40.00%	9.00%	Return On Equity	40.00%	9.85%
Weighted Debt Rate		7.25%	Weighted Debt Rate		7.25%	Weighted Debt Rate		7.25%	Weighted Debt Rate		7.25%	Weighted Debt Rate		5.32%	Weighted Debt Rate		4.98%
Regulated Rate of Return		8.13%	Regulated Rate of Return		8.13%	Regulated Rate of Return		8.07%	Regulated Rate of Return		8.01%	Regulated Rate of Return		6.79%	Regulated Rate of Return		6.93%

WORKING CAPITAL ALLOWANCE FOR 2006		WORKING CAPITAL ALLOWANCE FOR 2007		WORKING CAPITAL ALLOWANCE FOR 2008		WORKING CAPITAL ALLOWANCE FOR 2009		WORKING CAPITAL ALLOWANCE FOR 2010		WORKING CAPITAL ALLOWANCE FOR 2011	
Distribution Expenses	\$	Distribution Expenses	\$	Distribution Expenses	\$	Distribution Expenses	\$	Distribution Expenses	\$	Distribution Expenses	\$
Distribution Expenses - Operation	433,375	Distribution Expenses - Operation	527,987	Distribution Expenses - Operation	683,018	Distribution Expenses - Operation	685,613	Distribution Expenses - Operation	792,937	Distribution Expenses - Operation	876,809
Distribution Expenses - Maintenance	830,665	Distribution Expenses - Maintenance	908,815	Distribution Expenses - Maintenance	879,911	Distribution Expenses - Maintenance	991,549	Distribution Expenses - Maintenance	1,373,913	Distribution Expenses - Maintenance	1,234,930
Billing and Collecting	1,127,509	Billing and Collecting	1,221,047	Billing and Collecting	1,511,687	Billing and Collecting	1,494,298	Billing and Collecting	1,629,959	Billing and Collecting	1,818,688
Community Relations	68,775	Community Relations	149,682	Community Relations	14,347	Community Relations	8,470	Community Relations	19,483	Community Relations	10,679
Administrative and General Expenses	1,657,420	Administrative and General Expenses	1,769,575	Administrative and General Expenses	2,027,431	Administrative and General Expenses	2,185,880	Administrative and General Expenses	2,432,459	Administrative and General Expenses	2,573,873
Taxes Other than Income Taxes	101,000	Taxes Other than Income Taxes	70,001	Taxes Other than Income Taxes	71,000	Taxes Other than Income Taxes	75,000	Taxes Other than Income Taxes	30,495	Taxes Other than Income Taxes	-
Less: Capital Taxes within 6105	101,000	Less: Capital Taxes within 6105	70,001	Less: Capital Taxes within 6105	71,000	Less: Capital Taxes within 6105	75,000	Less: Capital Taxes within 6105	30,495	Less: Capital Taxes within 6105	-
Total Eligible Distribution Expenses	4,117,745	Total Eligible Distribution Expenses	4,577,106	Total Eligible Distribution Expenses	5,116,394	Total Eligible Distribution Expenses	5,365,810	Total Eligible Distribution Expenses	6,248,751	Total Eligible Distribution Expenses	6,514,979
Power Supply Expenses	46,137,044	Power Supply Expenses	49,302,014	Power Supply Expenses	49,997,910	Power Supply Expenses	52,697,568	Power Supply Expenses	60,667,864	Power Supply Expenses	61,842,630
Total Working Capital Expenses	50,254,788	Total Working Capital Expenses	53,879,120	Total Working Capital Expenses	55,114,304	Total Working Capital Expenses	58,063,378	Total Working Capital Expenses	66,916,615	Total Working Capital Expenses	68,357,609
Working Capital Allowance rate of 15%	7,538,218	Working Capital Allowance rate of 15%	8,081,868	Working Capital Allowance rate of 15%	8,267,146	Working Capital Allowance rate of 15%	8,709,507	Working Capital Allowance rate of 15%	10,037,492	Working Capital Allowance rate of 15%	10,253,641

RATE BASE CALCULATION FOR 2006		RATE BASE CALCULATION FOR 2007		RATE BASE CALCULATION FOR 2008		RATE BASE CALCULATION FOR 2009		RATE BASE CALCULATION FOR 2010		RATE BASE CALCULATION FOR 2011	
Fixed Assets Opening Balance 2006	31,482,245	Fixed Assets Opening Balance 2007	32,838,497	Fixed Assets Opening Balance 2008	35,107,210	Fixed Assets Opening Balance 2009	37,441,093	Fixed Assets Opening Balance 2010	41,542,768	Fixed Assets Opening Balance 2011	49,701,142
Fixed Assets Closing Balance 2006	32,838,497	Fixed Assets Closing Balance 2007	35,107,210	Fixed Assets Closing Balance 2008	37,441,093	Fixed Assets Closing Balance 2009	41,542,768	Fixed Assets Closing Balance 2010	49,701,142	Fixed Assets Closing Balance 2011	54,076,526
Average Fixed Asset Balance for 2006	32,160,371	Average Fixed Asset Balance for 2007	33,972,854	Average Fixed Asset Balance for 2008	36,274,152	Average Fixed Asset Balance for 2009	39,491,930	Average Fixed Asset Balance for 2010	45,621,955	Average Fixed Asset Balance for 2011	51,889,834
Working Capital Allowance	7,538,218	Working Capital Allowance	8,081,868	Working Capital Allowance	8,267,146	Working Capital Allowance	8,709,507	Working Capital Allowance	10,037,492	Working Capital Allowance	10,253,641
Rate Base	39,698,589	Rate Base	42,054,722	Rate Base	44,541,297	Rate Base	48,201,437	Rate Base	55,659,447	Rate Base	62,142,475
Regulated Rate of Return	8.13%	Regulated Rate of Return	8.13%	Regulated Rate of Return	8.07%	Regulated Rate of Return	8.01%	Regulated Rate of Return	6.79%	Regulated Rate of Return	6.93%
Regulated Return on Capital	3,225,610	Regulated Return on Capital	3,416,946	Regulated Return on Capital	3,593,258	Regulated Return on Capital	3,859,851	Regulated Return on Capital	3,779,845	Regulated Return on Capital	4,305,537
Deemed Interest Expense	1,439,074	Deemed Interest Expense	1,524,484	Deemed Interest Expense	1,721,187	Deemed Interest Expense	1,981,441	Deemed Interest Expense	1,776,105	Deemed Interest Expense	1,857,124
Deemed Return on Equity	1,786,437	Deemed Return on Equity	1,892,462	Deemed Return on Equity	1,872,071	Deemed Return on Equity	1,878,410	Deemed Return on Equity	2,003,740	Deemed Return on Equity	2,448,414

## Debt & Capital Cost Structure

Weighted Debt Cost								
Description	Debt Holder	Affiliated with LDC?	Date of Issuance	Principal	Term (Years)	Rate%	Year Applied to	Interest Cost
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2006	1,082,730
		N					2006	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2007	1,082,730
		N					2007	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2008	1,082,730
		N					2008	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2009	1,082,730
		N					2009	0
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		7.25%	2010	1,082,730
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	285,000	5	3.02%	2010	6,455
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	2,880,057	15	4.49%	2010	96,986
Infrastructure Ontario	Infrastructure Ontario	N	July 15, 2010	4,000,000	25	4.84%	2010	96,800
Infrastructure Ontario	Infrastructure Ontario	N	December 1, 2010	3,000,000	25	5.19%	2010	51,900
Shareholder Loan	Town of Milton	Y	October 1,2000	14,934,210		5.87%	2011	876,638
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	235,000	4 yrs left	3.02%	2011	7,097
Infrastructure Ontario	Infrastructure Ontario	N	April 1, 2010	2,741,906	14 yrs left	4.49%	2011	123,112
Infrastructure Ontario	Infrastructure Ontario	N	July 15, 2010	3,915,012	24 yrs left	4.84%	2011	189,487
Infrastructure Ontario	Infrastructure Ontario	N	December 1, 2010	2,925,000	24 yrs left	5.19%	2011	151,808
Infrastructure Ontario	Infrastructure Ontario	N	June 1, 2011	3,037,200	25	5.29%	2011	93,723
								0
								0
								0
								0
								0
2006 Total Long Term Debt				14,934,210	Total Interest Cost for 2006		1,082,730	
					Weighted Debt Cost Rate for 2006		7.25%	
2007 Total Long Term Debt				14,934,210	Total Interest Cost for 2007		1,082,730	
					Weighted Debt Cost Rate for 2007		7.25%	
2008 Total Long Term Debt				14,934,210	Total Interest Cost for 2008		1,082,730	
					Weighted Debt Cost Rate for 2008		7.25%	
2009 Total Long Term Debt				14,934,210	Total Interest Cost for 2009		1,082,730	
					Weighted Debt Cost Rate for 2009		7.25%	
2010 Total Long Term Debt				25,099,267	Total Interest Cost for 2010		1,334,871	
					Weighted Debt Cost Rate for 2010		5.32%	
2011 Total Long Term Debt				27,788,328	Total Interest Cost for 2011		1,441,864	
					Weighted Debt Cost Rate for 2011		5.19%	

**Deemed Capital Structure for 2006**

Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	19,849,295	50.00%	7.25%	1,439,074
Unfunded Short Term Debt				
Total Debt	19,849,295	50.00%		1,439,074
Common Share Equity	19,849,295	50.00%	9.00%	1,786,437
Total equity	19,849,295	50.00%		1,786,437
Total Rate Base	39,698,589	100.00%	8.13%	3,225,510

**Deemed Capital Structure for 2007**

Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	21,027,361	50.00%	7.25%	1,524,484
Unfunded Short Term Debt				
Total Debt	21,027,361	50.00%		1,524,484
Common Share Equity	21,027,361	50.00%	9.00%	1,892,462
Total equity	21,027,361	50.00%		1,892,462
Total Rate Base	42,054,722	100.00%	8.13%	3,416,946

**Deemed Capital Structure for 2008**

Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	23,740,511	53.30%	7.25%	1,721,187
Unfunded Short Term Debt				
Total Debt	23,740,511	53.30%		1,721,187
Common Share Equity	20,800,786	46.70%	9.00%	1,872,071
Total equity	20,800,786	46.70%		1,872,071
Total Rate Base	44,541,297	100.00%	8.07%	3,593,258

**Deemed Capital Structure for 2009**

Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	27,330,215	56.70%	7.25%	1,981,441
Unfunded Short Term Debt				
Total Debt	27,330,215	56.70%		1,981,441
Common Share Equity	20,871,222	43.30%	9.00%	1,878,410
Total equity	20,871,222	43.30%		1,878,410
Total Rate Base	48,201,437	100.00%	8.01%	3,859,851

**Deemed Capital Structure for 2010**

Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	33,395,668	60.00%	5.32%	1,776,105
Unfunded Short Term Debt		0.00%	0.00%	0
Total Debt	33,395,668	60.00%		1,776,105
Common Share Equity	22,263,779	40.00%	9.00%	2,003,740
Total equity	22,263,779	40.00%		2,003,740
Total Rate Base	55,659,447	100.00%	6.79%	3,779,845

**Deemed Capital Structure for 2011**

Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	34,799,786	56.00%	5.19%	1,805,670
Unfunded Short Term Debt	2,485,699	4.00%	2.07%	51,454
Total Debt	37,285,485	60.00%		1,857,124
Common Share Equity	24,856,990	40.00%	9.85%	2,448,414
Total equity	24,856,990	40.00%		2,448,414
Total Rate Base	62,142,475	100.00%	6.93%	4,305,537

**MILTON HYDRO DISTRIBUTION INC.****Corporate Tax Rates**

<b>Corporate Tax Rates for Tax Year:</b>	<b>2010 Bridge Year</b>	<b>2011 Test Year</b>
<b>OCT Exemption</b>	15,000,000	0
<b>Federal Income Tax</b>	18.00%	16.50%
<b>Ontario Income Tax</b>	13.00%	11.75%
<b>Combined Income Tax</b>	31.00%	28.25%
<b>Ontario Capital Tax Rate</b>	0.075%	0.000%
<b>Large Corporation Tax Rate</b>	0	0
<b>Large Corporation Tax Exemption</b>		

Milton Hydro Distribution Inc.

CCA Continuity Schedule (2010 Bridge Year)

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	27,664,939	0	0	27,664,939	0	0	27,664,939	0	27,664,939	0.04	1,106,598	26,558,341
8	General Office/Stores Equip	3,650,176	0	0	3,650,176	70,833	0	3,721,009	35,417	3,685,593	0.20	737,119	2,983,891
10	Computer Hardware/ Vehicles	418,034	0	0	418,034	466,752	0	884,786	233,376	651,410	0.30	195,423	689,363
12	Computer Software	36,123	0	0	36,123	61,470	0	97,593	30,735	66,858	1.00	66,858	30,735
13	Leaseholds	252,735	0	0	252,735	180,000	0	432,735	90,000	342,735	0.05	17,137	415,598
CIP	Work In Process	1,374,901	0	0	1,374,901	1,200,000	1,374,901	1,200,000	0	1,200,000	0.00	0	1,200,000
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	0.08	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	17,030	0	0	17,030	0	0	17,030	0	17,030	0.45	7,664	9,367
50	Computers & Systems Hardware acq'd post Mar 19/07	18,067	0	0	18,067	0	0	18,067	0	18,067	0.55	9,937	8,130
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	16,934,407			16,934,407	10,779,506	6,938	27,706,975	5,382,815	22,324,160	0.08	1,785,933	25,921,042
	<b>SUB-TOTAL - UCC</b>	<b>50,366,412</b>	<b>0</b>	<b>0</b>	<b>50,366,412</b>	<b>12,758,561</b>	<b>1,381,839</b>	<b>61,743,134</b>	<b>5,772,342</b>	<b>55,970,792</b>		<b>3,926,667</b>	<b>57,816,467</b>

700,000 0

CEC	Goodwill		0	0	0
CEC	Land Rights		0	0	0
CEC	FMV Bump-up		0	0	0
	<b>SUB-TOTAL - CEC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cumulative Eligible Capital Calculation-Not Applicable

Cumulative Eligible Capital		0
<b>Additions:</b>		
Cost of Eligible Capital Property Acquired during the year	0	
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =	0
		0
Amount transferred on amalgamation or wind-up of subsidiary	0	0
Subtotal		0
<b>Deductions:</b>		
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year		
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
Cumulative Eligible Capital Balance		0
CEC Deduction	7%	0
Cumulative Eligible Capital - Closing Balance		0

Milton Hydro Distribution Inc.

CCA Continuity Schedule (2011 Test Year)

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	26,558,341	0	0	26,558,341	0	0	26,558,341	0	26,558,341	4%	1,062,334	25,496,008
8	General Office/Stores Equip	2,983,891	0	0	2,983,891	217,500	0	3,201,391	108,750	3,092,641	20%	618,528	2,582,862
10	Computer Hardware/ Vehicles	689,363	0	0	689,363	411,000	0	1,100,363	205,500	894,863	30%	268,459	831,904
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	30,735	0	0	30,735	210,000	0	240,735	105,000	135,735	100%	135,735	105,000
13	Leaseholds	415,598	0	0	415,598	0	0	415,598	0	415,598	5%	20,780	394,818
CIP	Work In Process	1,200,000	0	0	1,200,000	1,200,000	1,200,000	1,200,000	0	1,200,000	0%	0	1,200,000
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	9,367	0	0	9,367	0	0	9,367	0	9,367	45%	4,215	5,152
50	Computers & Systems Hardware acq'd post Mar 19/07	8,130	0	0	8,130	0	0	8,130	0	8,130	55%	4,472	3,659
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	25,921,042			25,921,042	7,310,141		33,231,183	3,655,071	29,576,112	8%	2,366,089	30,865,094
	<b>SUB-TOTAL - UCC</b>	<b>57,816,467</b>	<b>0</b>	<b>0</b>	<b>57,816,467</b>	<b>9,348,641</b>	<b>1,200,000</b>	<b>65,965,108</b>	<b>4,074,321</b>	<b>61,890,787</b>		<b>4,480,611</b>	<b>61,484,497</b>

0 0

CEC	Goodwill	0	0	0	0
CEC	Land Rights	0	0	0	0
CEC	FMV Bump-up	0	0	0	0
	<b>SUB-TOTAL - CEC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cumulative Eligible Capital Calculation - Not Applicable

Cumulative Eligible Capital			0
<b>Additions:</b>			
Cost of Eligible Capital Property Acquired during the year	0		
Other Adjustments	0		
Subtotal	0 x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =	0	0
Amount transferred on amalgamation or wind-up of subsidiary	0		0
Subtotal			0
<b>Deductions:</b>			
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year			
Other Adjustments	0		
Subtotal	0 x 3/4 =	0	0
Cumulative Eligible Capital Balance			0
CEC Deduction	7%		0
Cumulative Eligible Capital - Closing Balance			0

### CONTINUITY OF RESERVES FOR 2010 Bridge Year

Description	Balance at December 31, Actual Year as per tax returns	Non-Distribution Eliminations	Utility Only Opening Balance	Eliminate Amounts Not Relevant for Test Year Sign Convention: Increase (+) Decrease (-)	Adjusted Utility Balance	Additions	Disposals	Balance for Bridge Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)			0		0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>										
Reserve for doubtful accounts ss. 20(1)(l)	0		0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)			0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)			0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)			0		0			0	0	
Other tax reserves			0		0			0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>										
General Reserve for Inventory Obsolescence (non-specific)			0		0			0	0	
General reserve for bad debts			0		0			0	0	
Accrued Employee Future Benefits:	155,482		155,482		155,482			155,482	0	
- Medical and Life Insurance			0		0			0	0	
-Short & Long-term Disability			0		0			0	0	
-Accumulated Sick Leave			0		0			0	0	
- Termination Cost			0		0			0	0	
- Other Post-Employment Benefits			0		0			0	0	
Provision for Environmental Costs			0		0			0	0	
Restructuring Costs			0		0			0	0	
Accrued Contingent Litigation Costs			0		0			0	0	
Accrued Self-Insurance Costs			0		0			0	0	
Other Contingent Liabilities			0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0		0			0	0	
Other - Regulatory Assets	209,410		209,410		209,410			209,410	0	
<b>Total</b>	<b>364,892</b>	<b>0</b>	<b>364,892</b>	<b>0</b>	<b>364,892</b>	<b>0</b>	<b>0</b>	<b>364,892</b>	<b>0</b>	<b>0</b>

### CONTINUITY OF RESERVES FOR 2011 Test Year

Description	Adjusted Utility Balance	Additions	Disposals	Balance for Test Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>						
Reserve for doubtful accounts ss. 20(1)(l)	0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0			0	0	
Other tax reserves	0			0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>						
General Reserve for Inventory Obsolescence (non-specific)	0			0	0	
General reserve for bad debts	0			0	0	
Accrued Employee Future Benefits:	155,482			155,482	0	
- Medical and Life Insurance	0			0	0	
- Short & Long-term Disability	0			0	0	
- Accumulated Sick Leave	0			0	0	
- Termination Cost	0			0	0	
- Other Post-Employment Benefits	0			0	0	
Provision for Environmental Costs	0			0	0	
Restructuring Costs	0			0	0	
Accrued Contingent Litigation Costs	0			0	0	
Accrued Self-Insurance Costs	0			0	0	
Other Contingent Liabilities	0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0			0	0	
Other	209,410			209,410	0	
<b>Total</b>	<b>364,892</b>	<b>0</b>	<b>0</b>	<b>364,892</b>	<b>0</b>	<b>0</b>

## CORPORATION LOSS CONTINUITY

	2010 Bridge Year			2011 Test Year		
	Total	Non-Distribution Portion <sup>1</sup>	Utility Balance	Total	Non-Distribution Portion <sup>1</sup>	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>						
Actual/Estimated	0		0			0
Application of Loss Carry Forward to reduce taxable income in Year	0		0			0
Other Adjustments Add (+) Deduct (-)	0		0			0
Balance available in Year	0	0	0	0	0	0
<b>Amount to be used in Year</b>			0			0
Balance available for use next Year	0	0	0	0	0	0

## Determination of Tax Adjustments to Accounting Income for 2010

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Additions:</b>				
Interest and penalties on taxes	103	0	0	0
Amortization of tangible assets	104	4,097,140	0	4,097,140
Amortization of intangible assets	106	0	0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109		0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112		0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120		0	0
Non-deductible meals and entertainment expense	121	3,625	0	3,625
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves beginning of year	125	0	0	0
Reserves from financial statements- balance at end of year	126	364,892	0	364,892
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Interest Expensed on Capital Leases	290	0	0	0
Realized Income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
Debt Financing Expenses for Book Purposes	294		0	0
Other Additions (Apprenticeship Tax Credits)	295	56,827	0	56,827
<b>Total Additions</b>		<b>4,522,483</b>	<b>0</b>	<b>4,522,483</b>

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401		0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	3,926,667	0	3,926,667
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	0	0	0
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves end of year	413	0	0	0
Reserves from financial statements - balance at beginning of year	414	364,892	0	364,892
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	0	0	0
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Financing Fees for Tax Under S.20(1)(e)	393	0	0	0
Other Deductions	394		0	0
<b>Total Deductions</b>		<b>4,291,559</b>	<b>0</b>	<b>4,291,559</b>
<b>Other Adjustments to Taxable Income</b>				
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
<b>Total Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Adjustments to Accounting Income</b>		<b>230,924</b>	<b>0</b>	<b>230,924</b>

## Determination of Tax Adjustments to Accounting Income for 2011

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Additions:</b>				
Interest and penalties on taxes	103	0	0	0
Amortization of tangible assets	104	3,773,257	0	3,773,257
Amortization of intangible assets	106	0	0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109		0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112	0	0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120		0	0
Non-deductible meals and entertainment expense	121	3,625	0	3,625
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves beginning of year	125	0	0	0
Reserves from financial statements- balance at end of year	126	364,892	0	364,892
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Interest Expensed on Capital Leases	290	0	0	0
Realized Income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
Debt Financing Expenses for Book Purposes	294		0	0
Other Additions (Apprenticeship Tax Credits)	295	52,231	0	52,231
<b>Total Additions</b>		<b>4,194,005</b>	<b>0</b>	<b>4,194,005</b>

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401		0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	4,480,611	0	4,480,611
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	0	0	0
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves end of year	413	0	0	0
Reserves from financial statements - balance at beginning of year	414	364,892	0	364,892
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	0	0	0
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Financing Fees for Tax Under S.20(1)(e)	393	0	0	0
Other Deductions	394	0	0	0
<b>Total Deductions</b>		<b>4,845,503</b>	<b>0</b>	<b>4,845,503</b>
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
<b>Total Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Adjustments to Accounting Income</b>		<b>(651,498)</b>	<b>0</b>	<b>(651,498)</b>

**MILTON HYDRO DISTRIBUTION INC.**  
**Revenue Deficiency Determination**

Description	2010 Bridge Year Actual	2011 Test Year Existing Rates	2011 Test Year Required Revenue
<b>Revenue</b>			
Revenue Deficiency			<b>1,690,053</b>
Distribution Revenue	13,536,171	11,918,130	11,918,130
Other Operating Revenue (Net)	1,304,407	1,453,649	1,453,649
<b>Total Revenue</b>	<b>14,840,578</b>	<b>13,371,779</b>	<b>15,061,832</b>
<b>Costs and Expenses</b>			
Administrative & General, Billing & Collecting	4,081,901	4,403,240	4,403,240
Operation & Maintenance	2,166,850	2,111,739	2,111,739
Depreciation & Amortization	3,953,062	3,616,371	3,616,371
Property Taxes	0	0	0
Capital Taxes	30,495	0	0
Deemed Interest	1,776,105	1,857,124	1,857,124
<b>Total Costs and Expenses</b>	<b>12,008,412</b>	<b>11,988,474</b>	<b>11,988,474</b>
Less OCT Included Above	30,495	0	0
<b>Total Costs and Expenses Net of OCT</b>	<b>12,038,907</b>	<b>11,988,474</b>	<b>11,988,474</b>
<b>Utility Income Before Income Taxes</b>	<b>2,801,672</b>	<b>1,383,305</b>	<b>3,073,358</b>
<b>Income Taxes:</b>			
Corporate Income Taxes	879,778	188,838	624,945
<b>Total Income Taxes</b>	<b>879,778</b>	<b>188,838</b>	<b>624,945</b>
<b>Utility Net Income</b>	<b>1,921,894</b>	<b>1,194,467</b>	<b>2,448,414</b>
<b>Capital Tax Expense Calculation:</b>			
Total Rate Base	55,659,447	62,142,475	62,142,475
Exemption	0	0	0
Deemed Taxable Capital	<b>55,659,447</b>	<b>62,142,475</b>	<b>62,142,475</b>
Ontario Capital Tax	30,495	0	0
<b>Income Tax Expense Calculation:</b>			
Accounting Income	2,801,672	1,383,305	3,073,358
Tax Adjustments to Accounting Income	230,924	-651,498	-651,498
<b>Taxable Income</b>	<b>3,032,596</b>	<b>731,807</b>	<b>2,421,860</b>
<b>Income Tax Expense</b>	<b>879,778</b>	<b>188,838</b>	<b>624,945</b>
<b>Tax Rate Reflecting Tax Credits</b>	<b>29.01%</b>	<b>25.80%</b>	<b>25.80%</b>
<b>Actual Return on Rate Base:</b>			
Rate Base	55,659,447	62,142,475	62,142,475
Interest Expense	1,776,105	1,857,124	1,857,124
Net Income	1,921,894	1,194,467	2,448,414
<b>Total Actual Return on Rate Base</b>	<b>3,697,998</b>	<b>3,051,591</b>	<b>4,305,537</b>
<b>Actual Return on Rate Base</b>	<b>6.64%</b>	<b>4.91%</b>	<b>6.93%</b>
<b>Required Return on Rate Base:</b>			
Rate Base	55,659,447	62,142,475	62,142,475
<b>Return Rates:</b>			
Return on Debt (Weighted)	5.32%	4.98%	4.98%
Return on Equity	9.00%	9.85%	9.85%
Deemed Interest Expense	1,776,105	1,857,124	1,857,124
Return On Equity	2,003,740	2,448,414	2,448,414
<b>Total Return</b>	<b>3,779,845</b>	<b>4,305,537</b>	<b>4,305,537</b>
<b>Expected Return on Rate Base</b>	<b>6.79%</b>	<b>6.93%</b>	<b>6.93%</b>
<b>Revenue Deficiency After Tax</b>	<b>81,847</b>	<b>1,253,946</b>	<b>0</b>
<b>Revenue Deficiency Before Tax</b>	<b>115,294</b>	<b>1,690,053</b>	<b>0</b>

<b>Tax Exhibit</b>	<b>2011</b>
Deemed Utility Income	2,448,414
Tax Adjustments to Accounting Income	(651,498)
<b>Taxable Income prior to adjusting revenue to PILs</b>	<b>1,796,915</b>
Tax Rate	25.80%
Total PILs before gross up	<b>463,682</b>
<b>Grossed up PILs</b>	<b>624,945</b>

**MILTON HYDRO DISTRIBUTION INC.**

**2010 Bridge Capital Taxes**

Description	OCT	LCT
Total Rate Base	55,659,447	44,541,297
Exemption	-15,000,000	0
Deemed Taxable Capital	<b>40,659,447</b>	<b>44,541,297</b>
Rate	0.075%	0.000%
Gross Tax Payable	30,495	0
Surtax	0	0
<b>Net Capital Tax Payable</b>	<b>30,495</b>	<b>0</b>

**2010 Bridge PILs Schedule**

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	2,801,672
Tax Adj to Accounting Income	10' Rev Def	230,924
Taxable Income		<b>3,032,596</b>
Combined Income Tax Rate	PILs Rates	31.000%
Total Income Taxes		<b>940,105</b>
Investment Tax Credits		3,500
Apprentice Tax Credits		56,827
Other Tax Credits		-
<b>Total PILs</b>		<b>879,778</b>

**2010 Bridge Total Taxes**

Description	Tax Payable
<b>Total PILs</b>	879,778
<b>Net Capital Tax Payable</b>	30,495
<b>PILs including Capital Taxes</b>	<b>910,273</b>

**2011 Test Capital Taxes**

Description	OCT	LCT
Total Rate Base	62,142,475	55,659,447
Exemption	0	0
Deemed Taxable Capital	<b>62,142,475</b>	<b>55,659,447</b>
Rate	0.000%	0.000%
Gross Tax Payable	0	0
Surtax	0	0
<b>Net Capital Tax Payable</b>	<b>0</b>	<b>0</b>

**2011 Test PILs Schedule**

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	3,073,358
Tax Adj to Accounting Income	10' Rev Def	(651,498)
Taxable Income		<b>2,421,860</b>
Combined Income Tax Rate	PILs Rates	28.250%
Total Income Taxes		<b>684,175</b>
Investment Tax Credits		7,000
Apprentice Tax Credits		52,231
Other Tax Credits		-
<b>Total PILs</b>		<b>624,945</b>

**2011 Test Total Taxes**

Description	Tax Payable
<b>Total PILs</b>	624,945
<b>Net Capital Tax Payable</b>	-
<b>PILs including Capital Taxes</b>	<b>624,945</b>

MILTON HYDRO DISTRIBUTION INC.

Service Revenue Requirement

OM&A Expenses	6,514,979
Amortization Expenses	3,616,371
Total Distribution Expenses	10,131,350
Regulated Return On Capital	4,305,537
PILs	624,945
Service Revenue Requirement	15,061,832

0.00

Revenue Offset Schedule

OEB	Account Description	ProjAmt	OffsetPct	OffsetAmt
4080	4080-Distribution Services Revenue	0	100%	0
4082	4082-RS Rev	(35,784)	100%	-35,784
4084	4084-Serv Tx Requests	(1,085)	100%	-1,085
4090	4090-Electric Services Incidental to Energy Sales	0	100%	0
4205	4205-Interdepartmental Rents	0	100%	0
4210	4210-Rent from Electric Property	(135,213)	100%	-135,213
4215	4215-Other Utility Operating Income (SSS Administration Charge)	(75,804)	100%	-75,804
4220	4220-Other Electric Revenues	0	100%	0
4225	4225-Late Payment Charges	(156,670)	100%	-156,670
4230	4230-Sales of Water and Water Power	0	100%	0
4235	4235-Miscellaneous Service Revenues	(403,492)	100%	-403,492
4240	4240-Provision for Rate Refunds	0	100%	0
4245	4245-Government Assistance Directly Credited to Income	0	100%	0
4305	4305-Regulatory Debits	0	100%	0
4310	4310-Regulatory Credits	0	100%	0
4315	4315-Revenues from Electric Plant Leased to Others	0	100%	0
4320	4320-Expenses of Electric Plant Leased to Others	0	100%	0
4325	4325-Revenues from Merchandise, Jobbing, Etc.	0	100%	0
4330	4330-Costs and Expenses of Merchandising, Jobbing, Etc	0	100%	0
4335	4335-Profits and Losses from Financial Instrument Hedges	0	100%	0
4340	4340-Profits and Losses from Financial Instrument Investments	0	100%	0
4345	4345-Gains from Disposition of Future Use Utility Plant	0	50%	0
4350	4350-Losses from Disposition of Future Use Utility Plant	0	50%	0
4355	4355-Gain on Disposition of Utility and Other Property	(1,000)	50%	-500
4360	4360-Loss on Disposition of Utility and Other Property	0	50%	0
4365	4365-Gains from Disposition of Allowances for Emission	0	100%	0
4370	4370-Losses from Disposition of Allowances for Emission	0	100%	0
4375	4375-Revenues from Non-Utility Operations	(469,714)	0%	0
4380	4380-Expenses of Non-Utility Operations	438,714	0%	0
4385	4385-Expenses of Non-Utility Operations	0	100%	0
4390	4390-Miscellaneous Non-Operating Income	(600,101)	100%	-600,101
4395	4395-Rate-Payer Benefit Including Interest	0	100%	0
4398	4398-Foreign Exchange Gains and Losses, Including Amortization	0	100%	0
4405	4405-Interest and Dividend Income	(45,000)	100%	-45,000
Total Revenue Offsets				-1,453,649

Base Revenue Requirement

Service Revenue Requirement	15,061,832
Less: Revenue Offsets	1,453,649
Base Revenue Requirement	13,608,183

Calculation of Base Revenue Requirement - 2011 Test Year

OM&A Expenses	\$	6,514,979
Amortization Expenses		3,616,371
Total Distribution Expenses		10,131,350
Regulated Return On Rate Base		4,305,537
PILs (with gross up)		624,945
Service Revenue Requirement		15,061,832
Less: Revenue Offsets		(1,453,649)
Base Revenue Requirement	\$	13,608,183
Transformer Discounts		152,407
Gross Revenue Requirement for rates	\$	13,760,590

## EXHIBIT 4 – OPERATING COSTS

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## APPENDIX B – SERVICES AGREEMENT MHHI PROVIDES TO MHHI

## APPENDIX C – SERVICES AGREEMENT MHHI PROVIDES TO MHHI

## APPENDIX D – SERVICES AGREEMENT MHHI PROVIDES TO MHHI

## APPENDIX E – MILTON HYDRO 2009 – 12 – 31 TAX RETURNS

## OVERVIEW OF OPERATING COSTS

### Summary of Operating Costs:

The operating costs presented in this Exhibit represent the annual expenditures required to sustain Milton Hydro's distribution operations and include Operations, Maintenance and Administration ("OM&A"). Milton Hydro follows the OEB's Accounting Procedures Handbook (the "APH") in distinguishing work performed between operations, maintenance, billing and collections, community relations and administration and general expenses. For comparative purposes Milton Hydro has provided the OM&A costs beginning with 2005 Actual cost data. Milton Hydro would note that the 2006 Board Approved OM&A costs were derived largely from 2004 actual cost data. A summary of Milton Hydro's OM&A costs for the 2005 Actual, 2006 Board Approved, 2006 Actual, 2007 Actual, 2008 Actual, 2009 Actual, 2010 Bridge Year and the 2011 Test Year is provided in Table 1 below.

**Table 1 -  
Summary of Operating, Maintenance & Administration Costs**

Description	2005 Actual	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
OM&A expenses								
Operation	508,866	440,504	433,375	527,987	683,018	685,613	792,937	876,809
Maintenance	945,305	728,619	830,665	908,815	879,911	991,549	1,373,913	1,234,930
Billing and Collections	1,054,965	923,532	1,127,509	1,221,047	1,511,687	1,494,298	1,629,959	1,818,688
Community Relations	0	117	0	21,903	11,037	8,470	19,483	10,679
Conservation & Demand Management	172,405		68,775	127,779	3,310			
Administrative and General Expenses	1,524,730	1,691,969	1,657,420	1,769,575	2,027,431	2,185,880	2,432,459	2,573,873
<b>Total Controllable Costs</b>	<b>4,206,271</b>	<b>3,784,740</b>	<b>4,117,745</b>	<b>4,577,106</b>	<b>5,116,394</b>	<b>5,365,810</b>	<b>6,248,751</b>	<b>6,514,979</b>
Capital Tax	97,300	102,000	101,000	70,001	71,000	75,000	30,495	0
2006 EDR Model tsf Cap Tax to PILs account		(93,434)						
<b>Total OM&amp;A Costs</b>	<b>4,303,571</b>	<b>3,793,306</b>	<b>4,218,745</b>	<b>4,647,106</b>	<b>5,187,394</b>	<b>5,440,810</b>	<b>6,279,245</b>	<b>6,514,979</b>
Amortization Expenses	2,288,724	2,043,158	2,381,999	2,619,516	2,744,199	2,968,831	3,953,062	3,616,371

The total controllable OM&A costs have increase by an annual compounded growth rate of 8.5% from 2005 Actual to 2009 Actual and 9.14% from 2005 Actual to the 2011 Test Year. The main driver to the increase in the 2011 Test Year over the 2009 Actual controllable OM&A costs is attributable to increases in staffing levels for both the 2010 Bridge Year and the 2011 Test Year as explained in detail further in this Exhibit. The change in controllable OM&A costs and percent are set out in the following Table 2.

**Table 2 -  
Change in Controllable OM&A Costs**

Description	Change in Controllable OM&A	% Change
2009 Actual over 2006 Board Approved	1,581,069	41.8%
2009 Actual over 2005 Actual	1,159,539	27.6%
2011 Test Year over 2006 Board Approved	2,730,239	72.1%
2011 Test Year over 2005 Actual	2,308,708	54.9%
2011 Test Year over 2009 Actual	1,149,169	21.4%
Compound annual growth rate 2005 - 2009		8.5%
Compound annual growth rate 2005 - 2011 Test Year		9.14%

The following Table 3 provides a summary of the year over year variances for the major categories of OM&A. Detailed explanations of the OM&A costs and variances, by USoA classification, are provided further in this Exhibit at Page 15.

**Table 3 -  
Summary of Operations, Maintenance & Administration Variances**

Description	2005 Actual	2006 Board Approved	2006 Actual	Variance 2006 BA & 2006 Actual	Variance 2006 Actual & 2005 Actual	2007 Actual	Variance 2007 Actual & 2006 Actual	2008 Actual	Variance 2008 Actual & 2007 Actual	2009 Actual	Variance 2009 Actual & 2008 Actual	2010 Bridge Year	Variance 2010 Bridge Year & 2009 Actual	2011 Test Year	Variance 2011 Test Year & 2010 Bridge Year
<b>OM&amp;A expenses</b>															
Operation	508,866	440,504	433,375	(7,129)	(75,491)	527,987	94,612	683,018	155,031	685,613	2,595	792,937	107,324	876,809	83,872
Maintenance	945,305	728,619	830,665	102,046	(114,640)	908,815	78,150	879,911	(28,904)	991,549	111,638	1,373,913	382,364	1,234,930	(138,983)
Billing and Collections	1,054,965	923,532	1,127,509	203,978	72,545	1,221,047	93,538	1,511,687	290,640	1,494,298	(17,389)	1,629,959	135,661	1,818,688	188,729
Community Relations	172,405	117	68,775	68,658	(103,630)	149,682	80,907	14,347	(135,335)	8,470	(5,877)	19,483	11,013	10,679	(8,804)
Administrative and General Expenses	1,524,730	1,691,969	1,657,420	(34,549)	132,691	1,769,575	112,154	2,027,431	257,856	2,185,880	158,450	2,432,459	246,579	2,573,873	141,414
Total Controllables	4,206,271	3,784,740	4,117,745	333,004	(88,526)	4,577,106	459,361	5,116,394	539,288	5,365,810	249,416	6,248,751	882,941	6,514,979	266,228
Capital Tax	97,300	102,000	101,000	(1,000)	3,700	70,001	(31,000)	71,000	1,000	75,000	4,000	30,495	(44,505)	0	(30,495)
2006 EDR Model tsf Cap Tax to PILs account		(93,434)													
Total OM&A Costs	4,303,571	3,793,306	4,218,745			4,647,106		5,187,394		5,440,810		6,279,245		6,514,979	
Variance from Previous Year				425,438	(84,826)		428,362		540,287		253,416		838,436		235,734
Percent change (year over year)				11.2%	-2.0%		10.2%		11.6%		4.9%		15.4%		3.8%
Percent change (Test year vs Most Current Actual)															19.7%
Percent change (Test year vs Last Bd. Approved Rebasing Year)															71.7%
Average Total OM&A 2005 to 2009										4,759,525					
Average Controllable 2005 to 2009										4,676,665					
Compound Annual Growth Rate 2005 to 2009										8.45%					
Increase controllables 2011 over 2006 Appr.															2,730,238.53
Annual growth rate															9.14%

Milton Hydro has also provided the Summary of OM&A variances and variance percents as required in the Filing Requirements at Appendix 2-E in the following Table 4

**Table 4 -**  
**Appendix 2-E Summary of OM&A Expenses**

Summary of Operating, Maintenance & Administration Expenses																			
Description	LRY 2006 Board Approved	LRY - 2006 Actual	Variance 2007 (BA) & LRY 2006 (Actual)	Variance %	2007 Actual	Variance 2007 (Actual) & LRY 2006 (Actual)	Variance %	2008 Actual	Variance 2008 (Actual) & 2007 (Actual)	Variance %	2009 Actual	Variance 2009 (Actual) & 2008 (Actual)	Variance %	2010 Bridge Year	Variance 2010 Bridge Year & 2009 Actual	Variance %	2011 Test Year	Variance 2011 Test Year & 2010 Bridge Year	Variance %
OM&A expenses																			
Operation	440,004	433,375	(7,129)	-2%	527,987	84,612	22%	683,018	155,031	29%	685,613	2,595	1%	792,937	107,324	13%	876,805	83,872	36%
Maintenance	728,619	830,665	102,046	31%	908,815	78,150	18%	879,911	(28,904)	-5%	991,549	111,638	44%	1,373,913	382,364	46%	1,234,930	(138,983)	-59%
Billing and Collections	923,632	1,127,509	203,879	61%	1,221,047	93,538	22%	1,511,687	290,640	54%	1,494,298	(17,389)	-7%	1,629,559	135,681	16%	1,818,688	188,729	80%
Community Relations	117	68,775	68,658	21%	149,682	80,907	19%	14,347	(135,335)	-25%	8,470	(5,877)	-2%	19,483	11,013	1%	10,673	(8,804)	-4%
Administrative and General Expenses	1,691,969	1,657,420	(34,549)	-10%	1,769,575	112,154	26%	2,027,431	257,856	48%	2,185,880	158,450	63%	2,432,459	246,579	29%	2,573,873	141,414	60%
Total Controllables	3,784,740	4,117,745	333,004	100.3%	4,577,106	459,361	107%	5,116,394	539,288	100%	5,365,810	249,416	98%	6,248,751	882,941	100%	6,514,979	266,228	113%
Capital Tax	102,000	101,000	(1,000)	-0.3%	70,001	(31,000)	-7%	71,000	1,000	0%	75,000	4,000	2%	30,495	(44,505)	-5%	0	(30,495)	-13%
2006 EDR Model total Cap Tax to PILs account	(93,414)			0%			0%			0%			0%			0%			0%
Total OM&A Costs	3,793,306	4,218,745	332,004	100%	4,647,106	428,362	100%	5,187,394	540,287	100%	5,440,810	253,416	100%	6,279,245	838,436	100%	6,514,979	235,734	100%
Variance from Previous Year			425,438			428,362			540,287			253,416			838,436			235,734	
Percent change (year over year)			11.2%			10.2%			11.6%			4.9%			15.4%			3.8%	
Percent change (Test year vs Most Current Actual)																		19.7%	
Percent change (Test year vs Last Bd. Approved Releasing Year)																		71.7%	
Increase controllables 2011 over 2006 Appr.																		2,730,238.53	
Annual growth rate																		8.14%	

Milton Hydro's materiality threshold is calculated in accordance with The Filing Guidelines and is set out in Exhibit 1, Table 10. As discussed in Exhibit 1, prior to determining the 2011 revenue requirement, Milton Hydro based its materiality threshold on 0.5% of its projected 2009 distribution revenue, which amounted to \$55,000 and it is this amount that was used in the preliminary collection and analysis of data. Milton Hydro is proposing to continue to provide analysis on year over year variances exceeding \$55,000 as opposed to increasing the threshold and changing the analysis already completed.

## Operating Costs:

Operating costs in this Exhibit represent expenditures that are necessary to maintain Milton Hydro's distribution assets and customer activity needs to meet public and employee safety objectives; to comply with the Distribution System Code, environmental requirements and government direction; and to maintain distribution business service quality and reliability performance levels as set out in the Distribution System Code. OM&A costs also include the costs incurred to provide standard distribution services to customers connected to Milton Hydro's distribution system, and to meet the default service requirements of the OEB's Standard Supply Service Code and Retail Settlement Code.

The proposed OM&A cost expenditures for the 2011 Test Year has been prepared following Milton Hydro's budgeting process, as described below, and ensures that the most appropriate and cost effective solutions are put in place.

Milton Hydro confirms that the forecast projection for the 2010 Bridge Year and the 2011 Test Year reflect the elimination of the 8% Provincial Sales Tax ("PST") effective July 1, 2010. Milton Hydro has reviewed its accounts payable transactions for the years 2007, 2008 and 2009 to determine a three year average of PST paid on OM&A and Capital expenditures. Effective July 1, 2010, OM&A has been reduced by \$33,000 and Capital by \$111,000. The budgeting process for the 2011 Test Year reflects a full year reduction of \$65,800 in OM&A and \$222,200 in capital. The following Table 5 sets out the actual and forecast PST that is no longer in OM&A and Capital expenditures.

**Table 5 -  
Calculated PST Excluded from OM&A and Capital**

Description	2007 Actual	2008 Actual	2009 Actual	3 Year Average	2010 Bridge Year Reduction	2011 Test Year Reduction
OM&A	72,867	57,202	67,446	65,838	32,919	65,838
Capital	175,702	274,198	216,745	222,215	111,108	222,215
	<b>248,569</b>	<b>331,400</b>	<b>284,191</b>	<b>288,053</b>	<b>144,027</b>	<b>288,053</b>

Milton Hydro is proposing recovery of 2011 Test Year OM&A costs in the amount of \$6,514,979 excluding amortization, PILs and deemed Interest.

#### **Summary of OM&A Highlights and Significant Changes:**

- The Town of Milton is one of the fastest growing communities in Ontario and therefore Milton Hydro is one of the fastest growing utilities in Ontario. Milton Hydro has experienced significant growth since the 2006 EDR rate application. Since 2006 EDR, which is based on 2004 customer data, Milton Hydro's customer base has increased from 17,804 metered customers to 27,324 metered customers in 2009 and forecasted to grow to 30,459 metered customers in the 2011 Test Year. This represents growth of 53.5% from 2004 to 2009 and 71.12% from 2004 to the 2011 Test Year.
- Due to this growth, Milton Hydro's staffing requirements have increased from 34 FTEs in 2004 to 51 FTEs in the 2011 Test Year. An average annual increase of 2.43 employees per year. Executive, Financial/Administration, Customer Service, and Information Technology additions to staff are expensed to OM&A. Engineering staff labour costs are allocated between OM&A and Capital as a percent of actual labour costs. The

Operations labour costs are charged on a work order basis to operations, maintenance or capital accordingly. All departments are experiencing growth in the number of staff. The following Table 6 sets out the changes in staffing at Milton Hydro over the last five years.

**Table 6 -  
Year End Headcount & Changes 2004 to 2011 Test Year**

	2004 EDR Total	2005 Changes + -	2006 Changes + -	2007 Changes + -	2008 Changes + -	2009 Changes + -	2010 Bridge Year Changes + -	2011 Test Year Changes + -	Total Change + -	Total Employees
Executive	3				-1	1			1	3
Financial Services	5				1	1		1	3	7
Customer Service Representatives	6	-1	1		2	-1	2	1	7	10
Engineering/Operations	8	1	-1	1	-1	1	-2	7	13	15
Information Technology	1	1					1	-1	2	2
Metering	2	1					1	-1	2	3
Outside Lines People	9	1		-1	1	-1	3	1	8	11
<b>Total</b>	<b>34</b>	<b>4</b>	<b>-2</b>	<b>1</b>	<b>-1</b>	<b>2</b>	<b>-3</b>	<b>12</b>	<b>-5</b>	<b>51</b>

- In 2010 Milton Hydro will hire two Protection and Control staff, a Journeyman and a 4<sup>th</sup> year apprentice to install, operate and maintain the switches and all associated telecommunication and monitoring systems. The switches will provide information on feeder loading as well as provide early fault indication and will allow Milton Hydro to proactively monitor system performance. The labour cost is allocated between OM&A operations and maintenance. Labour costs related to capital will be allocated based on work orders.
- In 2010, Milton Hydro hired a Director of Engineering and a Director of Operations. Prior to 2010 the Vice President Engineering and Operations performed these functions. When this individual resigned in December 2009, Milton Hydro evaluated the job requirements and created the two positions to replace the one.
- In 2010, Milton Hydro hired a Metering Supervisor to oversee the overall operations of the Meter department. This position is responsible for supervising the meter department staff, electronic meter programming, the operation of MV90, the maintenance of Milton Hydro's smart meter and mesh network and the protection and control staff.
- In 2009, Milton Hydro purchased an Insurance Policy for the Accounts Receivable balances of its largest customers to protect itself and its customers from potential bad debts resulting from non-payment or insolvency. Milton Hydro did incur large bad debt

1 expenses in 2008 and 2009 due to two General Service 1,000 – 4,999 kW customers  
2 filing for creditor protection.

- 3 • OMERS costs have continued to rise each year since 2006 EDR. For the 2011 Test  
4 Year, Milton Hydro estimated rates of 6.4% for earnings below the yearly maximum  
5 pensionable earnings ("YMPE") and 9.7% for earnings above the YMPE. OMERS costs  
6 are allocated through payroll burdens.

- 7 • Milton Hydro expects to incur \$224,500 in additional regulatory expenses in preparing  
8 and filing its 2011 Cost of Service Rate Application. This cost has been amortized over  
9 four years beginning in 2011.

10 **OM&A Budgeting Process Used by Milton Hydro:**

11 In managing its distribution system assets and operations, Milton Hydro's main objective is to  
12 optimize performance of the assets at a reasonable cost with due regard for system reliability,  
13 safety, and customer service expectations. Milton Hydro is committed to providing its  
14 customers with an economical, safe, reliable supply of electricity and helping the Town of Milton  
15 become the most energy efficient community in Ontario. Milton Hydro's Asset Management  
16 Plan, which sets out Milton Hydro's processes for determining the necessary distribution system  
17 operations and maintenance to ensure safe, reliable delivery of electricity to its customers, is  
18 included in Exhibit 2 as Appendix A.

19 The Operating Budget process at Milton Hydro is an integral planning tool and ensures that  
20 appropriate resources are available to maintain and grow its capital infrastructure. It is the  
21 responsibility of each department to contribute in the preparation of the Capital and Operating  
22 budget with the assistance of the Finance department. The responsibility of the Finance  
23 department is to coordinate the capital budget and forecast process and present a preliminary  
24 Operating budget to the President & CEO for approval. Once the preliminary Operating budget  
25 has been approved by the President & CEO, it is presented to the Board of Directors for  
26 approval.

27 Once the Board of Directors approve the annual budget the budget amounts do not change but  
28 rather provide a plan against which actual results may be evaluated.

The operating budget is an integral component of the overall budget process described in Exhibit 1.

**Operating Work plans:**

Each department Supervisor/Director provides input for the preparation of the budget. The following directives are provided:

- All department budgets are built to identify resources, including labour, vehicles, materials and other third party costs that are required to execute the work plans. This approach ensures that budgets are developed based on the actual work planned for the budget year to ensure that budgets are as accurate as possible. Except for labour costs, which are governed by a Collective Agreement, Milton Hydro budgets are not based on a historical cost approach bumped up by an inflation factor;
- Significant variances in spending from prior years are explained and documented and provided to the Board of Directors;
- Staffing increases are proposed annually by each department and are reviewed by the management team prior to being presented to the Board;
- The Finance Department prepares a total labor budget by department using projected headcount, wage and benefit costs. Emergency overtime projections are based on previous year's experience;
- The budget is reviewed by the Vice President of Finance and the President and CEO. Work plans and any significant variances in spending are discussed with the Supervisor/Director of each department;
- A draft budget is presented to the Board at its annual Budget meeting. At that time the Board thoroughly reviews the budget and management's plans for the upcoming year. Any changes are made in advance of the Board meeting where the revised budget is recommended to the Board of Directors for approval;

## DEPARTMENTAL AND CORPORATE OM&A ACTIVITIES

### **Operations & Maintenance:**

The Operations department is responsible for the safe and efficient construction and maintenance, both scheduled and emergency, of the primary and secondary overhead and underground distribution system of Milton Hydro. The expenses for this department include all costs relating to USoA accounts for operations (5000-5096) and maintenance (5105-5195). This includes direct labor costs, vehicles and material required to support both scheduled and reactive maintenance events. In addition, costs are allocated from support departments to cover the costs of Labour Burden, Engineering and Stores. Milton Hydro's maintenance philosophy is to minimize reactive and emergency-type work where possible through an effective planned maintenance program.

Milton Hydro's customer responsiveness and system reliability are monitored continually to ensure that its maintenance strategy is effective. This effort is coordinated with Milton Hydro's capital project work, so that where maintenance programs have identified matters the correction of which require capital investments, Milton Hydro may adjust its capital spending priorities to address those matters.

Milton Hydro's service territory is 370 square kilometers within the boundaries of the Town of Milton. The actual Town of Milton Hydro is serviced by an urban distribution system and the remaining service area is comprised of a large rural distribution system of approximately 313 square kilometers or 85% of Milton Hydro's total service area. The Diagram 1 below outlines Milton Hydro's urban distribution service area, as the grey shaded, and the remaining service area is rural distribution... Milton Hydro submits that it is more costly to service a combined rural/urban distribution system than servicing an urban distribution system alone and this consideration should be taken in account in the review of operating costs. Additional costs include longer travel response time, tree trimming and general overhead maintenance of what is typically older distribution plant.

**Diagram 1 -  
 Milton Hydro's Urban & Rural Service Area**



**Predictive Maintenance:**

Predictive maintenance activities are described in Milton Hydro's Asset Management Plan, filed in Exhibit 2, Appendix A and includes the testing of various components of Milton Hydro's distribution system. These activities include infrared thermography testing, transformer oil analysis, planned visual inspections and pole testing. These evaluation tools are all administered on a cyclic basis within appropriate frequency levels in accordance with the Distribution System Code, Appendix C and good utility practice. Any identified deficiencies found are prioritized and addressed within a suitable time frame.

**Preventative Maintenance:**

Preventative maintenance activities are described in Milton Hydro's Asset Management Plan filed in Exhibit 2, Appendix A and includes inspection, servicing and repair of distribution system components. This includes overhead and pad-mounted load break switch maintenance and cleaning/inspection of underground vaults. Also included are regular inspection and repair of substation components and ancillary equipment.

**Emergency Maintenance:**

This item includes unexpected repairs to the distribution system that must be addressed immediately. The costs include those related to repairs caused by storm damage, emergency tree trimming and on-call premiums. Due to Milton Hydro's large rural distribution system area, Milton Hydro constantly evaluates its maintenance data to adjust predictive and preventative actions. The ultimate objective is to reduce this emergency maintenance. A third party answering service has been contracted to contact "on call" lineperson and supervisory staff in the event of system problems outside of normal business hours.

**Service Work:**

The majority of costs related to this work pertain to service upgrades requested by customers, and requests to provide safety coverage for work near overhead lines. This includes service disconnections and reconnections by Milton Hydro for all service classes; assisting pre-approved contractors; the making of final connections after Electrical Safety Authority ("ESA") inspection for service upgrades; and changes of service locations.

**Network Control Operations:**

Milton Hydro has been proactively installing switches with a plan to eventually be capable of being remotely operating them as Milton Hydro's distribution system continues to expand, however, to date the communications to these switches has not been installed. To improve the reliability and system effectiveness Milton Hydro will hire two Protection and Control staff, a Journeyman and a 4<sup>th</sup> year apprentice in 2010, to install, operate and maintain the switches and all associated telecommunication and monitoring systems. The switches will provide information on feeder loading as well as provide early fault indication and will allow Milton Hydro to proactively monitor system performance.

**Stores/Warehouse:**

The line supervisor along with stores staff is accountable for managing the procurement, control, and movement of materials within Milton Hydro's service centre. This would include monitoring inventory levels, issuing material receipts, material issues, and material

1 returns as required. The cost of the stores department is allocated to all capital,  
2 maintenance and third party chargeable work as an overhead cost based on direct  
3 material costs. A standard overhead percentage is set at the beginning of the year and  
4 adjusted to actual at year end.

5 **Metering:**

6 This department is responsible for the installation, testing, and commissioning of new and  
7 existing simple and complex metering installations. Testing of complex metering  
8 installations ensures the accuracy of the installation and verifies meter multipliers for  
9 billing purposes.

10 Revenue Protection is another key activity performed by Metering, by proactively  
11 investigating potential diversion and theft of power.

12 **Substation Services:**

13 Substation services activities address the maintenance of all equipment at Milton Hydro's  
14 five distribution substations and voltage regulators. This includes both labor costs and  
15 non-capital material spending such as property taxes, to support both scheduled and  
16 emergency maintenance events. As with the maintenance activities, Milton Hydro's  
17 substation maintenance strategy focuses on minimizing, to the extent possible,  
18 emergency-type work by improving the effectiveness of Milton Hydro's planned  
19 maintenance program, including predictive and preventative actions for its substations.

20 **Engineering Department:**

21 The Engineering department is responsible for keeping asset related data up to date on a  
22 CableCad system which will be converted over to a new Geographic Information System  
23 ("GIS") in 2011. The GIS system will be used for asset management purposes,  
24 maintaining the needed distribution plant information for capital and maintenance  
25 activities, information necessary to provide underground utility locates, and for design and  
26 construction activities including new capital projects and customer connections. As part of  
27 its function Engineering also provides distribution system asset information to other  
28 departments within Milton Hydro in support of regulatory and corporate efforts.

Engineering also administer the OPA's Feet-in-Tariff ("FIT") and microFIT programs and will administer Milton Hydro's responsibilities under the Green Energy and Green Economy Act ("GEA"). Engineering costs are allocated to operations, maintenance, capital, and third party chargeable work based on direct labor costs. A standard overhead percentage is set at the beginning of the year and adjusted to actual at year end.

#### **Health and Safety:**

Milton Hydro has a Joint Health and Safety Committee ("H&S Committee") that meets quarterly to review workplace issues, concerns and potential concerns. The H&S Committee is committed to maximizing productivity and reducing risk of injury by initiating safety and health measures that focus on preventative actions. The commitment to health and safety is significant, and involves documenting unsafe behaviors, monitoring conformance to established standards and policies, determining the effectiveness of safety training and monitoring the resolution of safety recommendations/audits; commitment to continuous improvement in training; and identifying and correcting root causes for system deficiencies.

#### **Customer Service:**

The Customer Service group is responsible for the customer care activities within Milton Hydro's service area for the approximately 27,500 customers at the end of 2009 and expected to grow to over 30,500 customers in the 2011 Test Year. These activities include coordinating meter readings, billing, call centre, customer inquiries, security deposits, walk-in customers, collections and payment arrangements, and other back office functions such as printing bills and operating the mail machine. Milton Hydro aspires to achieve customer service excellence in its processes and customer programs. The costs associated with the Customer Service department are collected in USoA accounts 5305 to 5520.

#### **Meter Reading:**

Milton Hydro is proposing the disposition of its smart meter variance accounts and has provided a detailed explanation in this Application at Exhibit 9 – Deferral and Variance Accounts. Milton Hydro's meter reading, recording, transmission and management of metering data contracted out to a non-affiliated third party under a service contract

1 agreement signed August 21, 2007. This agreement is in effect until December 15, 2015.  
2 Milton Hydro is billing 100% of its Smart meters on TOU rates. Milton Hydro, through its  
3 third party contractor Trilliant Energy Services Inc. ("Trilliant"), reads all smart meters on a  
4 daily basis. Milton Hydro also reads all interval meters nightly through its MV-90 system.  
5 Special meter reads or appointments are carried out by Milton Hydro metering staff.

6 **Billing:**

7 Milton Hydro bills its Residential and General Service customers on Time of Use ("TOU")  
8 or spot market prices. All customers are billed monthly and Milton Hydro issues  
9 approximately 330,000 invoices annually. On average 5,300 final bills are issued annually  
10 for customers moving within or outside of Milton Hydro's service territory. A monthly  
11 billing schedule is created on a quarterly basis and coordinated with the meter reading  
12 schedule to ensure timely billing of services. The billing functions include EBT and retailer  
13 settlement functions for 2,900 retailer accounts; account adjustments; processing meter  
14 changes; and other various account related field service orders. Milton Hydro offers  
15 customers a number of payment options including cash, cheque, an equal payment plan, a  
16 preauthorized payment plan and payment by credit card.

17 **Collections:**

18 Collections involve a combination of activities, including the collection of overdue active  
19 accounts, security deposits and final bills for terminated contracts of service. Credit risk is  
20 a concern as Milton Hydro has had some large customers file for creditor protection and as a  
21 result Milton Hydro has experienced a significant amount of bad debts particularly in 2008 at  
22 \$142,000 and 2009 at \$79,375. Milton Hydro's 2011 Test year credit loss forecast is  
23 \$50,000 based on Milton Hydro's three year average (2007 – 2009) of bad debts excluding  
24 two General Service 1,000 – 4,999 kW customers who filed for creditor protection under  
25 the Companies' Creditor Arrangement Act ("CCAA") in January 2009. Milton Hydro  
26 enforces a prudent credit and collection policy in accordance with the Distribution System  
27 Code ("DSC") in order to mitigate the exposure of credit risk. Active overdue accounts are  
28 collected by in-house staff through notices, letters and direct telephone contact. Final bill  
29 collections are turned over to a collection agency after internal collection methods have  
30 been exhausted. Subsequent to the January 2009 CCAA filings and in light of the

1 economic downturn, specifically its impact on the automotive industry, which is prevalent  
2 in the Town of Milton, Milton Hydro took a proactive approach to potential credit risk and  
3 entered into a credit insurance policy to mitigate future losses that may occur with General  
4 Service customers.

5 **Call Centre:**

6 Milton Hydro is committed to providing consumer information and responses, in a timely  
7 and proactive manner, on electricity distribution and related issues. Milton Hydro  
8 maintains a presence in the communities it serves and our customer service  
9 representatives are available to answer customer questions, concerns as well as with  
10 collection and payment arrangements in a friendly environment as well as deal with  
11 collection and payment arrangements

12 In 2009, Milton Hydro's five customer service representatives managed an average of  
13 2,286 phone calls each month along with an average of 321 walk in customers per month.  
14 This average number has increased considerably since 2006 when Milton Hydro's FTE  
15 customer service staff of 3.8 managed an average of 1,454 phone calls each month.  
16 These numbers are expected to continue to rise as growth within the Town of Milton,  
17 economic conditions, changes to customer service rules in the DSC and conservation  
18 initiatives play a large part in the increased number of calls.

19 As LDCs are the "face-to-the-customer" for the electricity industry, Milton Hydro has an  
20 important role to play in educating the public about electricity safety and energy  
21 conservation. Milton Hydro continues to participate with the OPA in administering  
22 programs directed at energy conservation.

23 **Information Technology Department:**

24 Milton Hydro's Information Technology department is responsible for daily operations of  
25 business applications, providing user support and leading implementation, maintenance,  
26 enhancements and security for all information systems.

27 Currently, the IT Department supports 40 internal users and approximately 27,500 external  
28 customers who access a hosted web interface for viewing of their account information.

Furthermore, daily backups, regular disaster recovery tests are performed and test environments are utilized to facilitate transparent transition into a production environment.

In addition, the Information Technology team acts as a liaison between the MDM/R and internal/external customers in regards to the implementation of an Automated Metering Infrastructure ("AMI").

Other responsibilities include:

- Troubleshooting application and system errors
- Support 15 network servers (application, web and development)
- Support PBX phone system

## **Finance Department**

The Finance department is responsible for the preparation of statutory, management and Board of Directors financial reporting in accordance with GAAP; all daily accounting functions, including accounts payable, accounts receivable, payroll, and general accounting; treasury functions including cash management, risk management, accounting systems and internal control processes; preparation of consolidated budgets and forecasts; and supporting tax compliance. The department is also responsible for all regulatory reporting, applications and compliance with applicable codes and legislation governing Milton Hydro.

Human Resource functions are overseen by the Finance Department as Milton Hydro does not have a formal Human Resources Department.

## **VARIANCE ANALYSIS ON OM&A COSTS**

In accordance with the Filing Guidelines Milton Hydro has set out the detailed account by account OM&A expenses for 2005 Actual, 2006 Board Approved, 2006 Actual, 2007 Actual, 2008 Actual, 2009 Actual, 2010 Bridge Year and 2011 Test Year in Table 7 below.

1  
2

**Table 7 -  
Detailed OM&A by USoA Classification**

Expense Description	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
<b>Operation</b>							
5005-Operation Supervision and Engineering	0	0	0	0	0	23,400	43,173
5010-Lead Dispatching	0	0	0	0	0	0	0
5012-Station Buildings and Fixtures Expense	0	0	0	0	0	0	0
5014-Transformer Station Equipment - Operation Labour	0	0	0	0	0	0	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0	0	0	0	0	0	0
5016-Distribution Station Equipment - Operation Labour	3,576	4,187	8,677	20,881	21,799	4,684	21,036
5017-Distribution Station Equipment - Operation Supplies and Expenses	46,715	67,034	42,089	84,841	63,351	59,522	66,880
5020-Overhead Distribution Lines and Feeders - Operation Labour	24,271	0	0	0	9,323	11,310	11,580
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	0	0	0	0	0	0	0
5030-Overhead Subtransmission Feeders - Operation	0	0	0	0	0	0	0
5035-Overhead Subtransmission Transformers - Operation	0	0	0	0	0	0	0
5040-Underground Distribution Lines and Feeders - Operation Labour	2,234	1,333	2,165	879	1,273	1,213	1,440
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	118,567	135,050	190,802	273,045	309,976	356,458	356,458
5050-Underground Subtransmission Feeders - Operation	0	0	0	0	0	0	0
5055-Underground Subtransmission Transformers - Operation	43,078	0	0	0	372	606	1,200
5065-Meter Expenses	97,715	61,043	102,155	139,206	89,321	135,972	178,657
5070-Customer Premises - Operation Labour	171,834	185,040	182,383	180,811	202,123	194,772	191,386
5075-Customer Premises - Materials and Expenses	875	-34,962	(394)	3,356	-11,824	5,000	5,000
5085-Miscellaneous Distribution Expense	0	0	0	0	0	0	0
5096-Other Rent	0	14,650	0	0	0	0	0
<b>Sub-Total</b>	<b>506,866</b>	<b>433,375</b>	<b>527,987</b>	<b>663,018</b>	<b>685,613</b>	<b>792,937</b>	<b>876,809</b>
<b>Maintenance</b>							
5105-Maintenance Supervision and Engineering	0	0	0	0	0	23,400	43,173
5110-Maintenance of Buildings and Fixtures - Distribution Stations	0	0	0	0	0	0	0
5112-Maintenance of Transformer Station Equipment	0	0	0	0	0	0	0
5114-Maintenance of Distribution Station Equipment	0	0	0	0	0	0	0
5120-Maintenance of Poles, Towers and Fixtures	160,762	105,629	60,891	63,960	146,420	179,434	154,340
5125-Maintenance of Overhead Conductors and Devices	291,960	224,629	297,743	269,803	266,296	244,420	336,813
5130-Maintenance of Overhead Services	0	0	0	0	0	0	0
5135-Overhead Distribution Lines and Feeders - Right of Way	242,036	175,906	243,050	193,507	199,597	202,923	171,940
5145-Maintenance of Underground Conduit	0	0	0	0	0	0	0
5150-Maintenance of Underground Conductors and Devices	5,581	7,991	16,021	6,404	22,341	75,466	133,829
5155-Maintenance of Underground Services	0	0	0	0	0	0	0
5160-Maintenance of Line Transformers	244,855	316,530	291,110	346,232	356,796	356,412	394,835
5175-Maintenance of Meters	111	0	0	0	105	291,868	0
<b>Sub-Total</b>	<b>945,395</b>	<b>830,665</b>	<b>908,815</b>	<b>879,911</b>	<b>991,549</b>	<b>1,273,913</b>	<b>1,234,930</b>
<b>Billing and Collections</b>							
5305-Supervision	0	0	0	0	0	0	0
5310-Meter Reading Expense	255,899	260,282	260,472	252,832	223,592	230,030	316,899
5315-Customer Billing	627,006	697,503	768,351	883,669	882,996	1,002,467	1,083,885
5320-Collecting	135,589	149,653	171,695	233,756	308,233	347,462	367,944
5325-Collecting- Cash Over and Short	15	282	191	-168	102	0	0
5330-Collection Charges	0	0	0	0	0	0	0
5335-Bad Debt Expense	36,456	19,790	20,339	141,598	79,375	50,005	50,000
<b>Sub-Total</b>	<b>1,054,965</b>	<b>1,127,509</b>	<b>1,221,047</b>	<b>1,511,687</b>	<b>1,494,298</b>	<b>1,629,958</b>	<b>1,818,688</b>
<b>Community Relations</b>							
5405-Supervision	0	0	0	0	0	0	0
5410-Community Relations - Sundry	0	0	21,903	11,037	8,470	19,483	10,679
5415-Energy Conservation	172,405	68,775	127,779	3,310	0	0	0
5420-Community Safety Program	0	0	0	0	0	0	0
5510-Demonstrating and Selling Expense	0	0	0	0	0	0	0
5515-Advertising Expense	0	0	0	0	0	0	0
5520-Miscellaneous Sales Expense	0	0	0	0	0	0	0
<b>Sub-Total</b>	<b>172,405</b>	<b>68,775</b>	<b>149,682</b>	<b>14,347</b>	<b>8,470</b>	<b>19,483</b>	<b>10,679</b>
<b>Administrative and General Expenses</b>							
5605-Executive Salaries and Expenses	22,281	23,264	26,128	46,178	28,141	28,316	28,792
5610-Management Salaries and Expenses	368,033	392,387	430,172	475,917	469,030	631,236	652,924
5615-General Administrative Salaries and Expenses	363,774	370,444	358,423	436,946	551,006	579,239	703,920
5620-Office Supplies and Expenses	90,818	98,539	107,033	125,476	133,641	139,386	138,897
5625-Administrative Expense Transferred-Credit	-17,982	-22,656	-19,632	-19,632	-16,560	-16,560	-16,560
5630-Outside Services Employed	108,648	176,744	181,021	192,070	172,238	213,307	178,400
5635-Property Insurance	54,650	44,077	59,025	63,313	66,763	69,727	62,512
5640-Injuries and Damages	0	0	0	0	0	0	0
5645-Employee Pensions and Benefits	12,187	66,007	16,515	15,350	14,502	0	0
5655-Regulatory Expenses	800	49,710	71,237	74,084	77,544	85,501	144,406
5660-General Advertising Expenses	2,495	2,683	8,427	16,424	2,524	3,225	3,194
5665-Miscellaneous General Expenses	155,016	108,221	139,878	206,286	322,189	242,660	205,672
5670-Rent	208,298	219,232	262,303	252,303	227,349	344,414	349,066
5675-Maintenance of General Plant	155,740	128,769	139,044	142,715	147,524	121,958	122,681
6205-Charitable Donations	0	0	0	0	0	0	0
<b>Sub-Total</b>	<b>1,524,730</b>	<b>1,657,420</b>	<b>1,769,575</b>	<b>2,027,431</b>	<b>2,185,880</b>	<b>2,432,459</b>	<b>2,573,873</b>
<b>Taxes Other Than Income Taxes</b>							
6105-Capital Taxes (not included in working capital)	97,300	101,000	70,001	71,000	75,000	30,485	0
<b>Sub-Total</b>	<b>97,300</b>	<b>101,000</b>	<b>70,001</b>	<b>71,000</b>	<b>75,000</b>	<b>30,485</b>	<b>0</b>
<b>Total Operating, Maintenance and Administration Expenses</b>	<b>4,393,571</b>	<b>4,218,745</b>	<b>4,647,186</b>	<b>5,187,394</b>	<b>5,440,810</b>	<b>6,279,245</b>	<b>6,514,979</b>
<b>Amortization Expenses</b>							
5705-Amortization Expense - Property, Plant, and Equipment	2,288,724	2,381,999	2,619,516	2,744,199	2,968,831	3,953,062	3,616,371
<b>Sub-Total</b>	<b>2,288,724</b>	<b>2,381,999</b>	<b>2,619,516</b>	<b>2,744,199</b>	<b>2,968,831</b>	<b>3,953,062</b>	<b>3,616,371</b>
<b>Total Distribution Expense Before Income Taxes</b>	<b>6,592,295</b>	<b>6,600,744</b>	<b>7,266,622</b>	<b>7,931,593</b>	<b>8,409,641</b>	<b>10,232,307</b>	<b>10,131,350</b>

3

- 1 Milton Hydro has also provided a detailed OM&A cost table covering the periods from 2005
- 2 Actual, 2006 Board Approved, 2006 Actual, 2007 Actual, 2008 Actual, 2010 Bridge Year and
- 3 2011 Test Year including the year over year variances by USoA classification in the Table 8
- 4 below.

Table 8 -  
OM&A Variances by USoA Classification

Expense Description	2005 Actual	2006 Board Approved	2006 Actual	Variance from 2005 Actual	Variance from 2006 Board Approved	2007 Actual	Variance from 2006 Actual	2008 Actual	Variance from 2007 Actual	2009 Actual	Variance from 2008 Actual	2010 Bridge	Variance from 2009 Actual	2011 Test	Variance from 2010 Bridge
<b>Operation</b>															
5005-Operation Supervision and Engineering	0		0	0	0	0	0	0	0	0	0	23,400	23,400	43,173	19,773
5010-Load Dispatching	0		0	0	0	0	0	0	0	0	0	0	0	0	0
5016-Distribution Station Equipment - Operation Labour	3,576	9,297	4,187	611	-5,109	8,677	4,490	20,881	12,203	21,799	918	4,684	(17,115)	21,035	16,351
5017-Distribution Station Equipment - Operation Supplies and Expenses	46,715	71,647	67,034	20,319	(4,613)	42,089	(24,944)	64,841	22,751	63,351	(1,490)	59,522	(3,829)	66,880	7,358
5020-Overhead Distribution Lines and Feeders - Operation Labour	24,271		0	(24,271)	0	0	0	0	0	9,323	9,323	11,310	1,988	11,580	270
5040-Underground Distribution Lines and Feeders - Operation Labour	2,234	4,646	1,333	-901	-3,313	2,165	831	879	(1,286)	1,273	394	1,213	(60)	1,440	227
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	118,567	121,583	135,050	16,482	13,467	190,902	55,853	273,045	82,143	309,976	36,931	356,458	46,482	356,458	0
5055-Underground Distribution Transformers - Operation	43,078		0	(43,078)	0	0	0	0	0	372	372	606	234	1,200	594
5065-Meter Expenses	97,715	72,513	61,043	(36,673)	(11,470)	102,155	41,112	139,206	37,051	89,321	(49,885)	135,972	46,651	178,657	42,685
5070-Customer Premises - Operation Labour	171,834	162,251	185,040	13,207	22,790	182,383	(2,657)	180,811	(1,572)	202,123	21,312	194,772	(7,351)	191,386	(3,386)
5075-Customer Premises - Materials and Expenses	875	(1,432)	-34,962	(35,837)	(33,530)	(384)	34,578	3,356	3,740	-11,924	(15,280)	5,000	16,924	5,000	0
5086-Other Rent	0		14,650	14,650	14,650	0	(14,650)	0	0	0	0	0	0	0	0
<b>Sub-Total</b>	<b>508,866</b>	<b>440,504</b>	<b>433,375</b>	<b>(75,491)</b>	<b>(7,429)</b>	<b>527,987</b>	<b>94,612</b>	<b>683,019</b>	<b>155,031</b>	<b>685,613</b>	<b>2,595</b>	<b>792,937</b>	<b>107,324</b>	<b>876,809</b>	<b>63,872</b>
<b>Maintenance</b>															
5105-Maintenance Supervision and Engineering	0		0	0	0	0	0	0	0	0	0	23,400	23,400	43,173	19,773
5120-Maintenance of Poles, Towers and Fittings	160,762	160,821	105,809	(55,153)	(55,212)	60,891	(44,718)	63,965	3,075	146,420	82,455	179,434	33,014	154,340	(25,094)
5125-Maintenance of Overhead Conductors and Devices	291,960	156,246	224,620	(67,330)	68,383	297,743	73,113	269,803	(27,940)	266,290	(3,513)	244,420	(21,870)	336,813	92,393
5135-Overhead Distribution Lines and Feeders - Right of Way	242,036	185,607	175,306	(66,130)	(6,701)	243,050	67,144	193,507	(49,544)	199,597	6,090	202,923	3,326	171,940	(30,983)
5150-Maintenance of Underground Conductors and Devices	5,581	21,046	7,991	2,410	(13,055)	16,021	8,030	6,404	(9,618)	22,341	15,937	75,456	53,115	133,829	58,373
5160-Maintenance of Line Transformers	244,855	204,848	316,530	71,674	111,681	291,110	(25,420)	346,232	55,122	356,795	10,563	356,412	(383)	394,835	38,423
5175-Maintenance of Meters	111	50	0	(111)	(50)	0	0	0	0	105	105	291,668	291,763	0	(291,668)
<b>Sub-Total</b>	<b>945,305</b>	<b>728,619</b>	<b>830,665</b>	<b>(114,640)</b>	<b>102,046</b>	<b>908,815</b>	<b>78,150</b>	<b>879,911</b>	<b>(28,904)</b>	<b>991,549</b>	<b>111,638</b>	<b>1,373,913</b>	<b>382,364</b>	<b>1,234,930</b>	<b>(138,983)</b>
<b>Billing and Collections</b>															
5310-Meter Reading Expense	255,899	197,874	260,282	4,383	62,408	260,472	190	252,832	(7,640)	223,592	(29,240)	230,030	6,438	316,859	86,829
5315-Customer Billing	627,006	576,853	697,503	70,497	120,650	768,351	70,848	883,669	115,318	882,996	(673)	1,002,467	119,471	1,083,885	81,418
5330-Collecting	135,589	123,525	149,653	14,064	26,128	171,695	22,041	233,756	62,061	308,233	74,477	347,462	39,229	367,944	20,482
5325-Collecting- Cash Over and Short	15	349	282	267	(67)	191	(91)	-168	(359)	102	270	0	(102)	0	0
5335-Bad Debt Expense	36,456	24,931	19,700	(16,667)	(5,142)	20,339	550	141,698	121,258	79,375	(62,223)	50,000	(29,375)	50,000	0
<b>Sub-Total</b>	<b>1,054,965</b>	<b>923,532</b>	<b>1,127,509</b>	<b>72,545</b>	<b>203,978</b>	<b>1,221,047</b>	<b>93,538</b>	<b>1,511,687</b>	<b>290,640</b>	<b>1,494,298</b>	<b>(17,389)</b>	<b>1,629,959</b>	<b>135,661</b>	<b>1,818,688</b>	<b>188,729</b>
<b>Community Relations</b>															
5410-Community Relations - Sundry	0	117	0	0	(117)	21,903	21,903	11,037	(10,866)	8,470	(2,567)	19,483	11,013	10,679	(8,804)
5415-Event Conventions	172,405		68,775	(103,630)	68,775	127,779	59,004	3,310	(124,469)	0	(3,310)	0	0	0	0
<b>Sub-Total</b>	<b>172,405</b>	<b>117</b>	<b>68,775</b>	<b>(103,630)</b>	<b>68,658</b>	<b>149,682</b>	<b>80,907</b>	<b>14,347</b>	<b>(135,335)</b>	<b>8,470</b>	<b>(5,877)</b>	<b>19,483</b>	<b>11,013</b>	<b>10,679</b>	<b>(8,804)</b>
<b>Administrative and General Expenses</b>															
5605-Executive Salaries and Expenses	22,281	17,637	23,264	983	5,627	26,128	2,864	46,178	20,050	28,141	(18,037)	28,316	175	28,792	476
5610-Management Salaries and Expenses	368,033	362,335	392,387	24,354	30,052	430,172	37,785	475,917	45,744	469,030	(6,887)	631,236	162,206	652,924	21,698
5615-General Administrative Salaries and Expenses	363,774	245,558	370,444	6,670	124,885	358,423	(12,021)	436,946	78,523	551,006	114,060	579,239	28,233	703,920	124,681
5620-Office Supplies and Expenses	90,818	94,734	98,539	7,721	3,805	107,033	8,494	125,476	18,443	133,641	8,164	139,386	5,746	138,897	(489)
5625-Administrative Expense Transferred-Credit	-17,982	(17,982)	-22,656	(4,674)		-19,632	3,024	-19,632	0	-16,560	3,072	-16,560	0	-16,560	0
5630-Outside Services Employed	108,648	132,397	176,744	68,096	44,347	181,021	4,277	192,070	11,049	172,228	(19,842)	213,307	41,079	178,400	(34,907)
5635-Property Insurance	54,652	55,650	44,077	(10,576)	(11,574)	59,025	14,949	63,313	4,288	56,763	(6,550)	59,727	2,964	62,512	2,785
5645-Employee Pensions and Benefits	12,157	27,638	66,007	53,850	38,369	16,515	(49,492)	15,350	(1,165)	14,502	(847)	0	(14,502)	0	0
5655-Regulatory Expenses	800	76,248	49,710	48,910	(26,538)	71,237	21,528	74,084	2,848	77,544	3,460	85,551	8,007	144,406	58,855
5660-General Advertising Expenses	2,495	6,105	2,883	188	(3,422)	8,427	5,744	16,424	7,997	2,524	(13,901)	3,225	701	3,194	(31)
5665-Miscellaneous General Expenses	155,016	354,447	108,221	(46,795)	(246,226)	139,878	31,658	206,286	66,408	322,189	115,903	242,660	(79,529)	205,672	(36,988)
5670-Rent	208,288	187,781	219,232	10,934	31,471	252,303	33,071	252,303	0	227,349	(24,954)	344,414	117,065	349,055	4,641
5675-Maintenance of General Plant	155,740	136,820	128,769	(26,971)	(8,151)	139,044	10,274	142,715	3,671	147,524	4,809	121,958	(25,566)	122,661	703
6205-Charitable Donations	0	12,521	0	0		0	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>	<b>1,524,730</b>	<b>1,691,969</b>	<b>1,657,420</b>	<b>132,691</b>	<b>(17,354)</b>	<b>1,769,575</b>	<b>112,154</b>	<b>2,027,431</b>	<b>257,856</b>	<b>2,185,880</b>	<b>158,450</b>	<b>2,432,459</b>	<b>246,579</b>	<b>2,573,873</b>	<b>141,414</b>
<b>Taxes Other Than Income Taxes</b>															
6105-Capital Taxes (not included in working capital)	97,300	8,566	101,000	3,700	92,434	70,001	(31,000)	71,000	1,000	75,000	4,000	30,495	(44,505)	0	(30,495)
<b>Sub-Total</b>	<b>97,300</b>	<b>8,566</b>	<b>101,000</b>	<b>3,700</b>	<b>92,434</b>	<b>70,001</b>	<b>(31,000)</b>	<b>71,000</b>	<b>1,000</b>	<b>75,000</b>	<b>4,000</b>	<b>30,495</b>	<b>(44,505)</b>	<b>0</b>	<b>(30,495)</b>
<b>Total Operating, Maintenance and Administration Expenses</b>	<b>4,303,571</b>	<b>3,793,306</b>	<b>4,218,745</b>	<b>(84,825)</b>	<b>442,633</b>	<b>4,647,106</b>	<b>428,362</b>	<b>5,187,394</b>	<b>540,287</b>	<b>5,440,810</b>	<b>253,416</b>	<b>6,279,245</b>	<b>838,436</b>	<b>6,514,979</b>	<b>235,734</b>
<b>Amortization Expenses</b>															
5705-Amortization Expense - Property, Plant, and Equipment	2,288,724	2,043,158	2,381,999	93,275	338,841	2,619,516	237,517	2,744,199	124,684	2,968,831	224,632	3,953,062	984,231	3,616,371	(336,691)
<b>Sub-Total</b>	<b>2,288,724</b>	<b>2,043,158</b>	<b>2,381,999</b>	<b>93,275</b>	<b>338,841</b>	<b>2,619,516</b>	<b>237,517</b>	<b>2,744,199</b>	<b>124,684</b>	<b>2,968,831</b>	<b>224,632</b>	<b>3,953,062</b>	<b>984,231</b>	<b>3,616,371</b>	<b>(336,691)</b>
<b>Total Distribution Expense Before Income Taxes</b>	<b>6,592,295</b>	<b>5,836,464</b>	<b>6,600,744</b>	<b>8,449</b>	<b>781,474</b>	<b>7,266,622</b>	<b></b>	<b>7,931,593</b>	<b></b>	<b>8,409,641</b>	<b></b>	<b>10,232,307</b>	<b></b>	<b>10,131,350</b>	<b></b>

## Operations, Maintenance and Administration Costs Drivers:

Milton Hydro has provided the OM&A cost drivers for each year in Table 9 below, followed by explanations of those drivers that exceed the materiality threshold of \$55,000.

**Table 9 -  
OM&A Cost Drivers**

	USofA Account	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
<b>Opening Balance</b>		3,648,470	4,303,571	4,218,745	4,647,106	5,187,394	5,440,810	6,279,245
<b>Operations &amp; Maintenance:</b>								
Operation Supervision and Engineering	5005						23,400	19,773
Maintenance Supervision and Engineering	5105						23,400	19,773
Pole Maintenance	5120	30,353	-23,597	-62,954	3,863	68,346	-330	-30,150
Maintenance of Overhead Conductors	5125	124,212	-98,674	114,022	-32,966	-30,017	11,474	97,449
Maintenance of Underground Conductors and Devices	5150	-15,464	2,409	8,030	-9,618	15,937	53,115	58,373
Tree Trimming	5135	45,771	-57,263	71,730	-49,433	23,792	850	-32,714
Maintenance of Line Transformers	5160	40,017	71,663	-25,418	55,125	10,560	-383	38,423
Meter Maintenance (Smart Meter Disposition)	5175						291,868	-291,868
Meter Expenses	5065	25,154	-36,673	41,112	37,051	-49,885	46,651	42,685
Distribution Operations & O/H Lines labour	5016/5020	18,550	23,660	4,490	12,203	10,241	-15,127	16,621
Underground Locates	5040/5045/5055	16,241	-2,774	55,852	82,143	36,931	46,482	0
<b>Customer Service:</b>								
Meter Reading Expense	5310	46,523	4,264	-36	-7,640	-29,240	456	79,247
Transition Costs	5315	28,839	-28,839					
Postage	5315	13,958	12,327	11,586	26,837	-583	23,726	12,941
Training/Seminars	5315						33,950	1,000
Accounts Receivable Insurance	5320					45,058	2,669	
Collections	5320					33,542	-17,349	4,335
Bad Debts	5335	11,525	-16,666	-15,313	121,258	-62,223	-29,375	
Employee Costs	5310/5315/5320	24,700	84,809	65,625	85,513	6,975	111,453	89,298
<b>Community Relations &amp; CDM:</b>								
Conservation & Demand Management Activities	5415	172,405	-103,630	59,004	-124,469			
<b>Administrative and General Expenses:</b>								
Consulting / Legal Fees/Outside Services	5630	-23,750	68,096	4,277	11,049	-19,842	41,079	-34,907
Employee Future Benefits	5645	2,702	53,850	-49,492	-1,165	-847		
Vacation Pay	5645	-56,646						
Regulatory Fees	5655	-4,093	48,910	21,527	2,848	3,460	8,007	58,855
Load Transfer True-up	5665	48,560						
Management Fee	5665	-16,630	1,073	26,643	72,740	-61,358	37,907	2,986
Pay Equity Adjustment	5665	-22,049						
Moving Expenses	5665					162,134	-120,134	-42,000
Rent	5670	20,537	10,834	33,071	0	-24,954	117,065	4,641
Employee Costs	5410/5610/5615/5675	116,858	34,082	25,914	129,623	109,110	167,627	150,699
Other (less than \$55,000)		6,828	-85,367	38,692	125,325	6,279	-20,045	-29,726
<b>Closing Balance</b>		4,303,571	4,218,745	4,647,106	5,187,394	5,440,810	6,279,245	6,514,979

## OPERATIONS & MAINTENANCE:

The following four explanations, while below Milton Hydro's materiality are being included in the explanations as Milton Hydro has only begun to use these accounts effective with the 2010 Bridge Year and the 2011 Test Year as explained below.

### Operation Supervision and Engineering:

2010 Bridge over 2009 Actual: \$23,400

1 Milton Hydro has hired a Director of Operations responsible for the capital, operations,  
2 maintenance and metering functions within Milton Hydro. Prior to the 2010 Bridge Year these  
3 responsibilities were carried out by the Vice President of Engineering and Operations with the  
4 costs for this position being included in the burdens applied by Milton Hydro to both capital,  
5 operations and maintenance work. Accordingly, Milton Hydro has allocated the costs  
6 associated with the position of Director of Operations across capital, operations and  
7 maintenance. The costs drivers included in the Operations Supervisor and Engineering  
8 classification represents the non-capitalized costs of providing supervision responsibilities to the  
9 operation and maintenance functions within Milton Hydro.

10 **2011 Test Year over 2010 Bridge Year: \$ 19,773**

11 In 2010 Milton Hydro hired a Director of Operations. This increase in the cost driver represents  
12 the portion of the non-capitalized costs of providing supervision responsibilities to the operation  
13 and maintenance functions within Milton Hydro for a full year.

14 **Maintenance Supervision and Engineering:**

15 2010 Bridge over 2009 Actual: \$23,400

16 Milton Hydro has hired a Director of Operations responsible for the capital, operations,  
17 maintenance and metering functions within Milton Hydro. Prior to the 2010 Bridge Year these  
18 responsibilities were carried out by the Vice President of Engineering and Operations with the  
19 costs for this position being included in the burdens applied by Milton Hydro to both capital,  
20 operations and maintenance work. Accordingly, Milton Hydro has allocated the costs  
21 associated with the position of Director of Operations across capital, operations and  
22 maintenance. The costs drivers included in the Operations Supervisor and Engineering  
23 classification represents the non-capitalized costs of providing supervision responsibilities to the  
24 operation and maintenance functions within Milton Hydro.

25 **2011 Test Year over 2010 Bridge Year: \$ 19,773**

26 In 2010 Milton Hydro hired a Director of Operations. This increase in the cost driver represents  
27 the portion of the non-capitalized costs of providing supervision responsibilities to the operation  
28 and maintenance functions within Milton Hydro for a full year.

**Pole Maintenance and Maintenance of Overhead Conductors:**

From 2004 to 2009, costs have been arbitrarily allocated between Pole Maintenance (Account 5120) and Maintenance of Overhead Conductors (Account 5125). Accordingly, the explanation for the cost drivers will be on a combined basis.

Milton Hydro inspects all poles every three years in accordance with the DSC Appendix C and performs more rigorous pole testing on a five year cycle as outlined in its Asset Management Plan filed in Exhibit 2, Appendix A. Pole testing costs vary depending on the specific area being tested.

**2005 Actual over 2004 Actual: \$154,565 [\$30,353 + \$124,212]**

In 2005, increased costs in pole testing, pole maintenance and distribution overhead maintenance include:

- Pole testing subcontracted to a third party increase over 2004: \$45,900
- Overhead Switch maintenance performed on a 5 year cycle: \$40,000.
- Insulator washing 3 year cycle: \$13,000
- Infrared Scanning completed increase over 2004: \$7,600
- The Town of Milton experienced severe storms on June 14, July 14, Sept. 29 and Nov. 6 resulting in emergency overhead maintenance repairs: \$48,000.

**2006 Actual over 2005 Actual: (\$122,271) [(\$23,597) + (\$98,674)]**

In 2006 savings in pole testing, pole maintenance and distribution overhead maintenance include:

- Pole testing subcontracted to a third party: (\$30,800)
- No Insulator washing completed: (\$13,000)
- Fewer severe storms - Feb 16, 17 and August 3: (\$12,000)
- Overhead switch maintenance was not part of the 2006 maintenance cycle: (\$40,000)
- The use of Sub-contractors for maintenance was lower: (\$30,000)

Offset By:

- Infrared Scanning completed: \$3,600

**2007 Actual over 2006 Actual: \$51,068 [(\$62,954) + \$114,022]**

In 2007, increased costs in pole maintenance and distribution overhead maintenance include:

- Pole testing subcontracted to a third party: \$12,000
- Infrared Scanning completed: \$2,800
- The Town of Milton experienced various storms in 2007 occurring on Mar 2 and June 8 resulting in emergency overhead maintenance repairs: \$14,000
- Sub-contractor maintenance on 27.6 kV & 13.8 kV lines: \$22,000

**2009 Actual over 2008 Actual: \$38,329 [\$68,346 + (\$30,017)] net below materiality**

**2011 Test Year over 2010 Bridge Year: \$67,299 [(\$30,150) + \$97,449]**

In 2011 Test Year, the increased costs drivers in pole maintenance and distribution overhead maintenance include:

- Lower Sub-contractor maintenance on 27.6 kV & 13.8 kV lines: (\$39,000) offset by planned maintenance performed by line staff: \$9,000
- 50% of allocated costs of a full year wages of Protection and Control Staff consisting of a journeyman and a 4<sup>th</sup> year apprentice hired in October of the 2010 Bridge Year to install, operate and maintain overhead line switches: \$96,000.

**Maintenance of Underground Conductors:**

**2010 Bridge Year over 2009 Actual: \$53,115**

In 2010 Bridge Year, increased costs in maintenance of Underground conductors include:

- Sub-contractor underground maintenance \$10,500
- Planned and emergency underground maintenance \$7,400
- 50% of allocated costs of a partial year's wages of Protection and Control Staff consisting of a journeyman and apprentice hired in October 2010 to install, operate and maintain switches: \$35,062.

**2011 Test Year over 2010 Bridger: \$58,373**

In 2011 Test Year, increased costs in maintenance of Underground conductors include:

- Lower Sub-contractor underground maintenance (\$10,500)
- Lower Planned and emergency underground maintenance (\$27,000)
- 50% of allocated costs of a full year's wages of Protection and Control Staff consisting of a journeyman and apprentice hired in October 2010 to install, operate and maintain switches. \$96,000.

**Tree Trimming:**

Milton Hydro has divided its distribution service area into three cycles – North – 160 sq.km.; South – 100 sq. km.; and Central – 110 sq. km. as outlined in Milton Hydro's Asset Management Plan filed in Exhibit 2, Appendix A. Milton Hydro subcontracts out the scheduled tree trimming based on tendered quotes. This contract also provides services for unplanned tree trimming due to storms and line clearing for Milton Hydro capital projects.

**2005 Actual over 2004 Actual: \$45,771**

In 2005, increased costs in tree trimming include:

- The Central area of Milton Hydro, approximately 110 sq. km., was scheduled for tree trimming in 2005. Due to good weather conditions in the fall of 2005, the South area tree trimming was started early resulting in higher costs in 2005 of \$19,300.
- Unanticipated work was required to clear underbrush. \$21,400
- The Town of Milton also experienced severe weather conditions on June 14, July 14, Sept. 29 and Nov 6 resulting in higher maintenance by the tree trimming contractor of approximately \$5,000

**2006 Actual over 2005 Actual: (\$57,263)**

In 2006 savings in tree trimming include:

- Contractors completed the tree trimming in the South, approximately 100 sq. km. This area is substantially urban distribution and therefore less tree trimming is required.

- 2005 included some 2006 work that was started early due to good weather conditions; this did not occur in 2006.
- In 2006 there were fewer storms therefore minimal unplanned tree trimming costs.

**2007 Actual over 2006 Actual: \$71,730**

In 2007, increased costs in tree trimming include:

- Contractors completed the tree trimming of North Milton. This area of approximately 160 sq. km. is the most rural and the largest of the 3 designated areas and therefore more expensive to trim.

**Maintenance of Line Transformers:**

**2006 Actual over 2005 Actual: \$71,663**

The 2006 increase in transformer maintenance is a result of:

- Infra red scanning revealed faults on heat shrinks originally installed on transformer bushings to protect against animals; \$36,000.
- Vault flushing carried over from 2005 and included in the 2006 cycle accounts for an increase in costs of \$35,000.

**2008 Actual over 2007 Actual: \$55,125**

The 2008 increase in transformer maintenance is a result of:

- Infra red scanning revealed faults on heat shrinks originally installed on transformer bushings to protect against animals: \$23,000.
- Storm damage and emergency maintenance accounted for an increase of \$31,000.

**Meter Maintenance:**

**2010 Test Year over 2009 Actual: \$291,868**

In the 2010 Bridge Year the increase in the costs driver in Meter Maintenance includes:

- Milton Hydro has completed the installation of smart meters and is therefore proposing, in this Application, to dispose of smart meter costs that have been tracked in the RSVA variance account 1556 – Smart Meter OM&A. This amount represents the smart meter operating costs for the years 2007-2010. Milton Hydro has provided further details in Exhibit 9 – Deferral and Variance Accounts.

**2011 Test Year over 2010 Bridge Year: (\$291,868)**

In the 2011 Test Year the reduction in the cost driver for Meter Maintenance includes:

- Milton Hydro has completed the installation of smart meters and is therefore proposing, in this Application, to dispose of smart meter costs that have been tracked in the RSVA variance account 1556 – Smart Meter OM&A. The amount recorded in the 2010 Bridge Year is a one-time entry to record the disposition. Milton Hydro has provided further details in Exhibit 9 – Deferral and Variance Accounts.

**Underground Locates:**

In order to ensure a cost effective approach to locates, in 2004, Milton Hydro became one of the founding members of the Locate Alliance Consortium (“LAC”), a group of facility owners working towards a cost efficient Locate Process with standardized terms and conditions and consistent quality and outcomes. Utilities in the same geographic area hire the same Locate Service Provider to provide locates on behalf of all member utilities. Members to date include Milton Hydro, Union Gas, Enbridge Distribution, Bell Canada, City of Brampton (street lights), Atria Networks (fibre-optics) and Toronto Hydro. LAC contracts for locate services and is responsible for evaluating all the locate service providers and their performance in order to decide whether to go out to the market with an RFI/RFP or negotiate directly with the existing locate service provider for a new agreement. A three year contract was signed in 2009.

The following Table 10 provides the total costs, volume and average per locate cost.

**Table 10 -  
Summary of Underground Locates**

Description	2005	2006	2007	2008	2009	2010 Bridge Year	2011 Test Year
Locate Costs	\$ 118,567	\$ 135,050	\$ 190,902	\$ 273,044	\$ 309,975	\$ 356,458	\$ 356,458
# Locates performed	3,042	3,406	3,846	5,726	6,467	6,790	6,790
% increase # Locates and calls		12.0%	12.9%	48.9%	12.9%	5.0%	0.0%
Average Cost per locate	\$ 38.98	\$ 39.65	\$ 49.64	\$ 47.68	\$ 47.93	\$ 52.49	\$ 52.49

**2007 Actual over 2006 Actual: \$55,852**

As discussed throughout this Application Milton Hydro is experiencing rapid growth, not only in customers but also in construction work, all of which may require underground cable detection or locates. Milton Hydro uses two independent and non affiliated outside contractors to complete these underground locates. One contractor receives and dispatches the calls for underground locates and the other performs the services. Road work, tree planting by developers in new subdivisions and installation of fences all contribute to the increase costs of this service. In 2007 there was a 12.9% increase in the number of locates with the average cost per locate of \$49.64.

**2008 Actual over 2007 Actual: \$82,143**

As discussed throughout this Application Milton Hydro is experiencing rapid growth, not only in customers but also in construction work, all of which may require underground cable detection or locates. Milton Hydro uses two independent and non affiliated outside contractors to complete these underground locates. One contractor receives and dispatches the calls for underground locates and the other performs the services. Tree planting by developers in new subdivisions, installation of fences and road work all contribute to the increase costs of this service. In 2008 there was a 48.9% increase in the number of locates with the average cost per locate of \$47.68.

**CUSTOMER SERVICE:**

**Meter Reading Expense:**

Milton Hydro was authorized to conduct smart metering activities under Ontario Regulation 427/06 and as such Milton Hydro was required to participate in the OEB Smart Meter proceeding EB-2007-0063.

In 2003, Milton Hydro began installing Smart Meter technology and working with third party contractors to install advanced data meter reading equipment (ADMR) to remotely read smart meters. Milton Hydro completed installation of its smart meters in the 2010 Bridge Year and is proposing to dispose of the smart meter variance accounts 1555 and 1556 as discussed in Exhibit 9 – Deferral and Variance Accounts.

**2011 Test Year over 2010 Bridge Year: \$79,247**

The 2011 Test Year increase for the cost driver related to meter expenses is a result of the following:

- As provided for in the smart meter Decision EB-2007-0063 all operating costs related to smart meters were to be track in the smart meter variance account 1556. This included incremental cost for meter reading. With the proposed disposition of Milton Hydro's smart meter variance accounts the expenditure on reading smart meters becomes part of Milton Hydro's operating costs. This cost driver represents the cost of reading the Residential and small General Service smart meters.

**Customer Service:**

**Bad Debts:**

Milton Hydro enforces a prudent credit and collection policy in accordance with the Distribution System Code ("DSC") in order to mitigate the exposure of credit risk. Active overdue accounts are collected by contracted service and in-house staff through notices, letters and direct telephone contact. Final bill collections are turned over to a collection agency after internal collection methods have been exhausted.

1 Milton Hydro, in common with most distributors has experienced the declining ability to collect  
2 security deposits from existing customers or increase the payment frequency when customers  
3 go into arrears. In fact, with the July 2, 2010 amendments to the DSC, RSC and the SSSC  
4 Milton Hydro expects that the collection of security deposits will be very difficult if not next to  
5 impossible for the Residential customer class. In addition, historically, General Service  
6 customers do not go into arrears, as electricity is essential to their continued operation, and  
7 either a bankruptcy or business closure is the first awareness of a bad debt.

8 Pursuant to Provincial regulation, Milton Hydro is required to act as the billing agent for all  
9 industry participants and must remit billed amounts accruing to these participants irrespective of  
10 whether such amounts are ultimately collected. With the exception of the debt retirement  
11 charge and GST/HST, Milton Hydro is exposed to losses for the entire amount billed to  
12 customers. As evidenced in 2008 and 2009, MHDI may experience non-payment by customers  
13 that materially exceeds normalized levels of credit losses.

14 **2008 Actual over 2007 Actual: \$121,258**

15 In early 2009, two General Service 1,000 – 4,999 kW customers filed for Credit Protection under  
16 the Companies' Creditors Arrangement Act ("CCAA") accounting for an increase in bad debts in  
17 2008 of \$127,000.

18 **2009 Actual over 2008 Actual: (\$62,223)**

19 In early 2009, two General Service 1,000 – 4,999 kW customers filed for Credit Protection under  
20 the Companies' Creditors Arrangement Act ("CCAA") and bad debts reflected in 2009 amounted  
21 to \$33,000 accounting for the decrease in 2009.

22 **Employee Costs:**

23 Milton Hydro's customer service and billing department at the end of 2009 consisted of, three  
24 billing clerks, five customer service representatives and two Supervisors. The clerks are union  
25 employees falling under a Collective Agreement. As discussed further in this Exhibit at Page  
26 55, the Collective Agreement outlines the negotiated economic increases for the unionized  
27 employees. The economic increases, effective January 1 of each year was 3% for 2006, 2007,  
28 2008 and 2009 for all union employees and 2.75% effective for January 1 of the 2010 Bridge

Year, the 2011 Test Year and 2012, an additional increase of 0.25% effective April 1 of each of the 2010 Bridge Year, 2011 Test Year and 2012 and the lineman hourly rate increases by \$0.25 on January 1<sup>st</sup> for each year 2009 to 2012. Management increases including progressions have averaged 3.5% with incentives amounting to 3%.

**2006 Actual over 2005 Actual: \$84,809**

As discussed throughout this Application Milton Hydro is experiencing rapid growth and in order to meet the demands to service the growing number of customers:

- One new Customer Service Representative ("CSR") position was created and filled with an external candidate in April 2006.
- In the fall of 2006, a Customer Service Supervisor/Financial Analyst position was created and filled internally with a non-union employee whose time was allocated between the Customer Service and Finance departments.
- As per the collective agreement, unionized employees received a 3.0% increase.
- Management increases averaged 4.0%

**2007 Actual over 2006 Actual: \$65,625**

The year 2007 includes a full year of the new Customer Service Supervisor/Financial Analyst and the CSR.

- As per the collective agreement, unionized employees received a 3.0% increase
- Management increases averaged 4.0%

**2008 Actual over 2007 Actual: \$85,513**

Due to the continued growth in the Town of Milton and in order to meet the increased demands of the department the following staffing changes occurred:

- In December 2007 the Customer Service Supervisor/Financial Analyst resigned and Milton Hydro filled the Customer Service Supervisor position with an external candidate in March 2008.

- 1 • A new CSR position was created and was filled with an external candidate in September
- 2 2008.
- 3 • As per the collective agreement, unionized employees received a 3.0% increase.
- 4 • Management increases averaged 3.75%

5 **2010 Actual over 2009 Actual: \$111,453**

6 The increase in the cost driver for the 2010 Bridge Year is due to:

- 7 • The inclusion of a full years wages for the CSR hired in August 2009: \$38,000
- 8 • As per the collective agreement, unionized employees received a 2.75% increase on
- 9 January 1, 2010 and 0.25% increase on April 1, 2010 and progression pay scale
- 10 adjustments: approx. \$20,000
- 11 • Management increases are forecasted at an average of 3% which includes salary
- 12 progressions adjustments
- 13 • In 2010, two additional co-op/summer students were hired for the IT and customer
- 14 service departments: approx \$20,000
- 15 • In 2010, there is additional time charged by staff associated with disconnections
- 16 • In 2009, the IT Supervisor, whose time is partially charged to Billing and Collections
- 17 took a 2 month leave of absence without pay: (\$11,000)

18 **2011 Test Year over 2010 Bridge: \$89,298**

19 The increase in the cost driver for the 2011 Test Year is due to:

- 20 • A new Customer Service Representative position is included in the 2011 Test Year
- 21 (\$60,000)
- 22 • As per the collective agreement, unionized employees received a 2.75% increase on
- 23 January 1, 2011 and 0.25% increase on April 1, 2011 and progression pay scale
- 24 adjustments (approx. \$20,000)
- 25 • Management increases are forecasted at an average of 3% which includes salary
- 26 progressions adjustments

**COMMUNITY RELATIONS & CDM:**

**2005 Actual over 2004 Actual: \$172,405**

These costs are related to 3<sup>rd</sup> tranche expenditures on conservation and demand management initiatives under Milton Hydro's Conservation and Demand Management Plan as well as promotional costs related to school programs.

**2006 Actual over 2005 Actual: (\$103,630)**

These costs are related to 3<sup>rd</sup> tranche expenditures on conservation and demand management initiatives under Milton Hydro's Conservation and Demand Management Plan as well as promotional costs related to school programs. Milton Hydro's spending decreased in 2006.

**2007 Actual over 2006 Actual: \$59,004**

On March 23, 2007 Milton Hydro filed an application for and received OEB approval for the disposition of \$95,121 from the deferral account established for Milton Hydro's incremental CDM spending, EB-2007-0555. This disposition is reflected in the increase in the CDM cost driver offset in part, by a reduction in the promotional costs related to school programs.

**2008 Actual over 2007 Actual: (\$124,469)**

Third tranche and post third tranche CDM program spending was discontinued in 2008 however Milton Hydro continues to participate in Conservation programs offered by the Ontario Power Authority.

**ADMINISTRATION AND GENERAL EXPENSES:**

**Consulting Fees:**

**2006 Actual over 2005 Actual: \$58,846**

Milton Hydro incurred the following consulting costs in 2006 for the following activities:

- Load Forecast (Hydro One) and the Telephone Survey - \$17,500
- Rate application consulting \$12,000

- Property Tax consultants \$13,400
- Web Design for Milton Hydro's Internet Website - \$13,000

**Employee Future Benefits:**

**Actual 2006 over 2005 Actual: \$53,850**

Milton Hydro pays certain life insurance benefits on behalf of its retired employees. An actuarial valuation conducted for 2006 to 2008 resulted in an actuarial loss in 2006.

**Vacation Pay Accrual:**

**2005 Actual over 2004 Actual: - \$56,646**

In 2004 there was an unusual amount of vacation time accumulated and not taken by both union and management employees. At the request of external auditors, this vacation time was accrued in 2004. This situation did not exist in 2005 or onward as vacation policies were carefully monitored and enforced.

**Regulatory Fees:**

**2011 Test Year over 2010 Bridge: \$ 58,855**

One quarter of the estimated costs to prepare Milton Hydro's 2011 Cost of Service Rate Application. Details of Milton Hydro's regulatory costs are discussed below at Page 36.

**Management Fees:**

**2008 Actual over 2009 Actual: \$72,740**

Milton Hydro Distribution Inc. incurs annual management fee expenses relating to management and corporate services provided by the directors of Milton Hydro Holdings Inc. Further details on shared corporate services is provided at Page 69.

- In 2008 Milton Hydro Holdings Inc. incurred a one- time additional expense of \$61,000 for third party consultation to evaluate Milton Hydro's strategic options during this period of restructuring in the Ontario Local Distribution Sector.

**2009 Actual over 2008 Actual: (\$61,358)**

In 2009, Milton Hydro's management fees reflect normal management activities provided by Milton Hydro Holding Inc.

**Moving Expenses:**

**2009 Actual over 2008 Actual: \$162,134**

Milton Hydro had rented its office and service centre located at 55 Thompson Rd. from the Town of Milton since 2001, Milton Hydro owned the building prior to incorporation. In 2009, the Town of Milton received notification that it qualified for both federal and provincial funding to construct the Milton Arts and Cultural Centre and Central Library on the property occupied at that time by Milton Hydro. In 2009, Milton Hydro was given notice to vacate the premises by October 31, 2009.

- Milton Hydro incurred moving expenses of \$162,134 in the coordination and moving of all computer, communication, stores and office equipment while ensuring that all customer services went uninterrupted.

**2010 Bridge over 2009 Actual: (\$120,134)**

In early part of the 2010 bridge Year Milton Hydro moved its service centre yard to its new location:

- The reduction is due to the 2009 moving expenditures being one-time costs net of the expenditures to move the service centre yard to its new location at a cost of \$47,000.

**Rent:**

**2010 Bridge over 2009 Actual: \$117,065**

Milton Hydro signed a 5 year commercial lease agreement with The Corporation of the Town of Milton for its office and service centre located at 55 Thompson Road in Milton on October 29, 2001. The agreement called for a fixed lease rate for the first 3 years of the agreement with an adjustment to the then prevailing fair market rental rates for office area and industrial area

premises. Effective November 1, 2004, the lease rates were adjusted from \$9.00/sq ft. to \$10.75/sq ft for office area (9731 sq feet) and from \$6.50/sq ft to \$7.00/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Effective October 1, 2006, Milton Hydro renewed its lease agreement with the Town of Milton for an additional 5 year term with the lease rates adjusted from \$10.75/sq ft. to \$13.00/sq ft for office area (9731 sq feet) and from \$7.00/sq ft to \$8.50/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Milton Hydro agreed to an early termination of its lease agreement with the Town of Milton effective October 31, 2009 to facilitate the Town building an Arts & Entertainment and Library at the Milton Hydro site. Milton Hydro received one month, October 2009, rent free with the Town of Milton in exchange for a four month notice period to vacate 55 Thompson Rd. by October 31, 2009. On October 8, 2009, Milton Hydro signed a five year lease effective November 22, 2009 with a non-affiliated company for new premises at 8069 Lawson Rd. in Milton. Rental expenses provide for a 1.3% inflation increase and reflect current market rental rates for Milton. As discussed under Moving Expenses above Milton Hydro was required to vacate its office and service centre located at 55 Thompson Rd.

- In August 2008, Milton Hydro purchased 6.5 acres of land at Fifth Line and Main Street which is the planned site of the new office & service centre. It is expected that the new facility will be built by the end of the 5 year lease.

#### **Employee Costs:**

#### **2005 Actual over 2004 Actual: \$116,858**

The increase in the 2005 cost driver for employee costs is due to the need for Milton Hydro to have in house support for its computer systems and communications.

- A Systems Analyst (non-union) was hired in January
- As per the collective agreement, unionized employees received a 3.0% increase January 1<sup>st</sup>.
- Management salaries increased by an average 4.0%.

**2008 Actual over 2007 Actual: \$129,623**

After a lengthy medical leave, Milton Hydro's President and CEO retired on October 31, 2008 and was not replaced until December 8, 2008.

- The former President & CEO was paid out his accrued vacation at the time of his retirement.
- While the President & CEO the Vice President of Finance was named Acting President and CEO effective December 2007 with additional costs incurred due to added responsibilities until the new President and CEO assumed his new role.
- In November 2008 a Financial Analyst was hired to replace the Customer Service Supervisor/Financial Analyst that left in December 2007
- Milton Hydro's new President and CEO was hired in December 2008
- As per the collective agreement, unionized employees received a 3.0% increase.
- Management salaries increased by an average 3.75%.

**2009 Actual over 2008 Actual: \$109,110**

The change in the cost driver for the 2009 Actual year is due to:

- The year 2009 includes one full year of the Financial Analyst.
- Due to the continuous changes in the regulated electricity industry and the ongoing demands a Director of Regulatory Affairs position was created and filled in September.
- As per the collective agreement, unionized employees received a 3.0% increase
- Management salaries increased by an average 0.83%.

**2010 Actual over 2009 Actual: \$145,936**

The 2010 Bridge Year cost drivers for employee costs includes:

- a full year salary for the Director of Regulatory Affairs
- Two co-op students were hired in June to assist the Finance Department to cover a long term medical leave.
- As per the collective agreement, unionized employees received a 2.75% increase January 1<sup>st</sup> and a 0.25% increase April 1<sup>st</sup>.

- Management salaries increased by an average 3.0%.

## **2011 Actual over 2010 Actual: \$102,223**

The increase in the cost driver for the 2011 Test Year is accounted for as follows:

- A new accounting analyst position is required to assist the Supervisor of Accounting with various duties as potential changes in reporting with International Financial Reporting Standards are finalized, changes due to a new Financial upgrade, and mentor/train on all aspects of accounting to fulfill Milton Hydro's succession plan.
- As per the collective agreement, unionized employees received a 2.75% increase January 1<sup>st</sup> and a 0.25% increase April 1<sup>st</sup>.
- Management salaries increased by an average 3.0%.

## **ONE TIME COSTS**

Milton Hydro is not requesting any other one-time costs other than the Regulatory Costs as discussed below.

## **REGULATORY COSTS**

Regulatory costs include those expenses incurred in connection with the preparation of applications, OEB proceedings, technical sessions and other matters before the OEB or other regulatory bodies, including annual assessment fees paid to a regulatory body. Annual fees assessed by the OEB are included in this expenditure category USoA 5655.

Milton Hydro has identified in Table 11 below the costs associated with the preparation and completion of its cost of service Application and has identified these as "one-time" costs. In the 2011 Test Year Milton Hydro is proposing to recover amounts totaling \$224,500 over a four (4) year period, being the duration of the cost of service year plus three IRM terms. Milton Hydro has included \$56,125 in the 2011 Test Year OM&A. The cost estimate of \$224,500 is comprised of: Intervenor \$100,000; Consulting \$66,000; Legal \$58,500.

**Table 11 -  
Regulatory Cost Schedule**

Regulatory Cost Category	USoA Account	USoA Account Balance (2011)	Ongoing or One-time Cost	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	% Change Bridge Year vs 2009 Actuals	2011 Test year	% Change Test Year vs Bridge Year
1. OEB Annual Assessment	5655	71,781	on-going	800	46,205	67,951	65,610	72,464	69,051	-4.7%	71,781	4.0%
2. OEB Hearing Assessments (applicant initiated)	5655	-	on-going		1,667						-	100.0%
3. OEB Section 30 Costs (OEB initiated)	5655	2,500	on-going		1,838	3,286	8,474	3,360	2,500	-25.6%	2,500	0.0%
4. Expert Witness cost for regulatory matters	5655	-										
5. Legal costs for regulatory matters	5655	14,625	one-time								14,625	100.0%
6. Consultant costs for regulatory matters	5655	16,500	one-time								16,500	100.0%
7. Operating exp associated with staff resources allocated to regulatory	5655	-										
8. Operating exp associated with other resources allocated to regulatory	5655	-										
9. Other regulatory agency fees or assessments	5655	-										
10. Other costs for regulatory matters (please define) (1)	5655	5,000	on-going					1,720	5,000	190.7%	5,000	0.0%
11. Other Legal costs ie. GEGEA misc. proceedings	5655	9,000	on-going						9,000	100.0%	9,000	0.0%
12. Intervenor's Costs	5655	25,000	one-time								25,000	
13. Sub-total - Ongoing Costs		88,281		800	49,710	71,237	74,084	77,544	85,551		88,281	
14. sub-total - One Time Costs (1/4 of forecasted costs)		56,125		-	-	-	-	-	-		56,125	
15. Total		144,406		800	49,710	71,237	74,084	77,544	85,551		144,406	
Note:												
(1) Advertising costs associated with Rate Change Notification to Public												

## Low-Income Energy Assistance Programs (LEAP):

On March 10, 2009, the Board issued the Report of the Board: Low-income Energy Assistant Program (EB-2008-015). In this report, the Board stated that it had determined that the greater of .12% of a distributor's Board approved distribution revenue requirement, or \$2,000, is a reasonable commitment of distributors to LEAP. The Board stated that it would allow distributors to incorporate such amounts in their OM&A Expenses at the time of rebasing. Pursuant to the Minister's September 8, 2009 letter to the OEB, an applicant should not include any costs in its cost of service rate application associated with LEAP other than costs that may be proposed to leverage existing programs such as Winter Warmth.

At this time, Milton Hydro has not included any costs associated with LEAP programs in its cost of service application.

## Special Purpose Charges Related to the Green Energy and Green Economy Act, 2009 (GEA - Green Energy Act):

The GEA amends the Ontario Energy Act, 1998 to allow for assessment of special purpose charges related to expenses incurred and expenditures made by the Ministry of Energy and Infrastructure in respect of its energy conservation programs or renewable energy programs.

Milton Hydro will utilize the newly established OEB Special Purpose Charge Assessment Variance Account (1521) to record any differences between the amount remitted to the Minister of Finance for Milton Hydro's SPC assessment (\$265,315) and the amount to be recovered from its customers.

As authorized by the Board, Account 5681, Special Purpose Charge Expense, should be used to record the amount of the SPC assessment, and Account 4324, Special Purpose Charge Recovery, should be used to record amounts collected from the customers on account of that assessment. Carrying charges shall apply to the monthly opening debit or credit balances in a "Sub-Account" of USoA 1521.

For the purpose of this cost of service application, Milton Hydro has not included any revenues or expenses associated with this Special Purpose Charge.

#### Charitable Donations:

Milton Hydro is committed to working with the United Way of Milton to provide assistance to the Town of Milton community and has provided details in Table 12 below.

**Table 12 -  
Charitable Donations**

Description	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
United Way of Milton	5,000	5,000	7,525	5,000	3,800	5,000	5,000
Memorial Fund (set up)				10,000			
<b>Total Charitable Donations</b>	<b>5,000</b>	<b>5,000</b>	<b>7,525</b>	<b>15,000</b>	<b>3,800</b>	<b>5,000</b>	<b>5,000</b>

**Note:** Charitable donations are not included in Milton Hydro's Cost of Service Rate Application

The registered charities that Milton Hydro has supported do not provide assistance to Milton Hydro's customers in paying their electricity bills and have been removed from OM&A for the purpose of this cost of service application.

Richard Murray, Milton Hydro's Vice President of Operations passed away unexpectedly in December 2007. In cooperation with Richard's family and the Halton Catholic District School Board, Milton Hydro established The Richard Murray Memorial Bursary to be awarded annually

to a student(s) pursuing post secondary education in a trade's position in the electricity industry. Milton Hydro's board agreed to make a one-time contribution to the bursary fund of \$10,000. The fund is in excess of \$25,000 after donations were received from suppliers, contractors, developers, and neighbouring LDCs.

## OM&A COST PER CUSTOMER AND FTEE

Milton Hydro has provided a breakdown of the OM&A cost per Customer and FTEE in Table 13 below. The number of customers includes metered customers only.

**Table 13 -  
FTEE, Number of Customers & OM&A**

Description	2005 Actual	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Number of Customers	19,858	17,804	20,978	22,642	25,181	27,324	28,890	30,459
Total OM&A	4,303,571	3,793,306	4,218,745	4,647,106	5,187,394	5,440,810	6,248,751	6,514,979
OM&A per Customer	217	213	201	205	206	199	216	214
Number of FTEE's	36.00	34.00	35.04	36.23	38.59	40.06	44.27	51.00
FTEE's/Customer	0.002	0.002	0.002	0.002	0.002	0.001	0.002	0.002
Customers/FTEE's	552	524	599	625	653	682	653	597
OM&A cost per FTEE	119,544	111,568	120,392	128,285	134,432	135,814	141,148	127,745

Note: Number of customers includes metered customers only

Milton Hydro is continually improving its work procedures and searching for new cost saving initiatives through operational, service and innovation excellence.

## VARIANCE ANALYSIS

### 2011 Test Year over 2006 Actual:

Milton Hydro has also set out the detailed account by account OM&A expenses and variances for the 2011 Test Year over the 2006 Actual year in Table 14 below.

- 1 Milton Hydro would note that the 2011 Test Year over the 2006 Actual year covers a five year
- 2 period over which the Town of Milton and therefore Milton Hydro has experienced significant
- 3 growth.

**Table 14 -**  
**OM&A Variances 2011 Test Year & 2006 Actual (5 year time frame)**

Expense Description	2006 Actual	2011 Test	\$ Variance	% change
<b>Operation</b>				
5005-Operation Supervision and Engineering	0	43,173	43,173	-
5010-Load Dispatching	0	0	0	-
5016-Distribution Station Equipment - Operation Labour	4,187	21,035	16,848	402%
5017-Distribution Station Equipment - Operation Supplies and Expenses	67,034	66,880	(154)	0%
5020-Overhead Distribution Lines and Feeders - Operation Labour	0	11,580	11,580	100%
5040-Underground Distribution Lines and Feeders - Operation Labour	1,333	1,440	107	8%
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	135,050	356,458	221,408	164%
5055-Underground Distribution Transformers - Operation	0	1,200	1,200	100%
5065-Meter Expense	61,043	178,657	117,614	193%
5070-Customer Premises - Operation Labour	185,040	191,386	6,346	3%
5075-Customer Premises - Materials and Expenses	-34,962	5,000	39,962	-114%
5096-Other Rent	14,650	0	(14,650)	-100%
<b>Sub-Total</b>	<b>433,375</b>	<b>876,809</b>	<b>443,434</b>	<b>102%</b>
<b>Maintenance</b>				
5105-Maintenance Supervision and Engineering	0	43,173	43,173	-
5120-Maintenance of Poles, Towers and Fixtures	105,609	154,340	48,731	46%
5125-Maintenance of Overhead Conductors and Devices	224,629	336,813	112,184	50%
5135-Overhead Distribution Lines and Feeders - Right of Way	175,906	171,940	(3,966)	-2%
5150-Maintenance of Underground Conductors and Devices	7,991	133,829	125,838	1575%
5160-Maintenance of Line Transformers	316,530	394,835	78,305	25%
<b>Sub-Total</b>	<b>830,665</b>	<b>1,234,930</b>	<b>404,265</b>	<b>49%</b>
<b>Billing and Collections</b>				
5310-Meter Reading Expense	260,282	316,859	56,577	22%
5315-Customer Billing	697,503	1,083,885	386,382	55%
5320-Collecting	149,653	367,944	218,291	146%
5325-Collecting- Cash Over and Short	282	0	(282)	-100%
5335-Bad Debt Expense	19,790	50,000	30,210	153%
<b>Sub-Total</b>	<b>1,127,509</b>	<b>1,818,688</b>	<b>691,179</b>	<b>61%</b>
<b>Community Relations</b>				
5410-Community Relations - Sundry	0	10,679	10,679	100%
5415-Energy Conservation	68,775	0	(68,775)	-
<b>Sub-Total</b>	<b>68,775</b>	<b>10,679</b>	<b>(58,096)</b>	<b>-84%</b>
<b>Administrative and General Expenses</b>				
5605-Executive Salaries and Expenses	23,264	28,792	5,528	24%
5610-Management Salaries and Expenses	392,387	652,924	260,537	66%
5615-General Administrative Salaries and Expenses	370,444	703,920	333,476	90%
5620-Office Supplies and Expenses	98,539	138,897	40,358	41%
5625-Administrative Expense Transferred-Credit	-22,656	-16,560	6,096	-27%
5630-Outside Services Employed	176,744	178,400	1,656	1%
5635-Property Insurance	44,077	62,512	18,435	42%
5645-Employee Pensions and Benefits	66,007	0	(66,007)	-100%
5655-Regulatory Expenses	49,710	144,406	94,696	190%
5660-General Advertising Expenses	2,683	3,194	511	19%
5665-Miscellaneous General Expenses	108,221	205,672	97,451	90%
5670-Rent	219,232	349,055	129,823	59%
5675-Maintenance of General Plant	128,769	122,661	(6,108)	-5%
<b>Sub-Total</b>	<b>1,657,420</b>	<b>2,573,873</b>	<b>916,453</b>	<b>55%</b>
<b>Taxes Other Than Income Taxes</b>				
6105-Capital Taxes (not included in working capital)	101,000	0	(101,000)	-100%
<b>Sub-Total</b>	<b>101,000</b>	<b>0</b>	<b>(101,000)</b>	<b>-</b>
<b>Total Operating, Maintenance and Administration Expenses</b>	<b>4,218,745</b>	<b>6,514,979</b>	<b>2,296,234</b>	<b>54%</b>

As required in the Filing Guidelines, Milton Hydro provides the following explanations for the variances exceeding Milton Hydro's materiality threshold of \$55,000, for each USoA classifications set out in Table 14 above.

**5045 – Underground Distribution Lines & Feeders –Operations Supplies & Expenses: \$221,408**

As discussed throughout this Application Milton Hydro is experiencing rapid growth, not only in customers but also in construction work, all of which increases the requirement for underground cable detection or locates. Milton Hydro uses two independent and non affiliated outside contractors to complete these underground locates. One contractor receives and dispatches the calls for underground locates and the other performs the services. Tree planting by developers in new subdivisions, installation of fences and road work all contribute to the increase costs of this service. The following Table 15 provides the locate history at Milton Hydro.

**Table 15 -  
Summary of Underground Locates**

Description	2005	2006	2007	2008	2009	2010 Bridge Year	2011 Test Year
Locate Costs	\$ 118,567	\$ 135,050	\$ 190,902	\$ 273,044	\$ 309,975	\$ 356,458	\$ 356,458
# Locates performed	3,042	3,406	3,846	5,726	6,467	6,790	6,790
% increase # Locates and calls		12.0%	12.9%	48.9%	12.9%	5.0%	0.0%
Average Cost per locate	\$ 38.98	\$ 39.65	\$ 49.64	\$ 47.68	\$ 47.93	\$ 52.49	\$ 52.49

**5065 – Meter Expense: \$117,614**

In 2010 a Meter Supervisor position was created to oversee the Metering department, including capital, operations, maintenance, budgeting and to provide direction and supervision to the meter technicians and the protection and control staff. This position ensures compliance with technical standards for equipment and is responsible for electronic meter programming and interaction with operation of MV90 and data collection system as well as the communication

requirements for the overhead switches. This position did not exist in 2006. Other costs that have increased are the monthly service provider fee.

**5125 Maintenance of Overhead Conductor and Devices: \$112,184**

Milton Hydro hired a journeyman and 4<sup>th</sup> year apprentice to fill two Protection and Control positions in October 2010. This variance represents one half of a full year of wages allocated to this account.

**5150 – Maintenance of Underground Conductors and Devices: \$125,838**

Milton Hydro hired a journeyman and 4<sup>th</sup> year apprentice to fill two Protection and Control positions in October 2010. This variance represents one half of a full year of wages allocated to this account.

**5160 – Maintenance of Line Transformers: \$78,305**

Milton Hydro performs transformer inspection and any related maintenance on a three year cycle. This is being carried out in 2011 and was not done in 2006. Rural pad mounted transformer inspection and any related maintenance is carried out on a three year cycle. This is planned for 2011 and was not done in 2006. This work is budgeted for \$30,000.

Milton Hydro has included \$32,000 for emergency maintenance and repairs which was not included in 2006.

**5310 – Meter Reading Expense: \$56,577**

Meter reading expenditures have increase over the five year period due to the rapid growth in the Town of Milton Hydro. In 2006 Milton Hydro had 20,980 metered customers compared to the 2011 Test Year forecast of 30,460.

In addition, Milton Hydro was authorized to conduct smart metering activities under Ontario Regulation 427/06 and as such Milton Hydro was required to participate in the OEB Smart Meter proceeding EB-2007-0063.

In 2003, Milton Hydro began installing Smart Meter technology in new residential subdivisions and working with third party contractors to install advanced data meter reading equipment

(ADMR) to remotely read smart meters. Milton Hydro completed installation of its smart meters in the 2010 Bridge Year and is proposing to dispose of the smart meter variance accounts 1555 and 1556 as detailed in Exhibit – Deferral and Variance Accounts.

The 2011 Test Year increase for the cost driver related to meter expenses is a result of the following:

- As provided for in the smart meter Decision EB-2007-0063 all operating costs related to smart meters were to be track in the smart meter variance account 1556. This included incremental cost for meter reading. With the proposed disposition of Milton Hydro's smart meter variance accounts the expenditure on reading smart meters becomes part of Milton Hydro's operating costs. This cost driver represents the cost of reading the Residential and small General Service smart meters.

#### **5315 – Customer Billing: \$386,382**

Customer billing costs have increased over the last five years for the following reasons:

- Staffing costs by \$218,500 due to the addition of new staff:
  - Since 2006, Milton Hydro has hired a customer service representative in each of 2008 and 2009 and intends to hire another customer service representative in 2011.
  - In 2006, the Billing Supervisor allocated her time 75% to billing (USoA 5315), and 25% to collection (USoA 5320). In 2008, Milton hired a Customer Service Supervisor who allocated 50% of her time to billing and 50% to collection in addition to the Billing Supervisor whose time allocation was charged 100% to Billing.
  - As per the collective agreement, unionized employees receive annual wage increases of 3% or 15.9% over five years.
  - Management increases average 3% or 15.9% over five years plus burdens.
- Additional costs related to growth in customer base of approximately \$100,000:
  - Postage has increased by \$75,000
  - Customers Notices, Envelopes, Bills – an increase of approximately \$23,000
- Training Costs associated with upgrading version of Harris Billing system - \$35,000

- Additional software maintenance costs associated with the purchase of a CDM module allowing customers to view their account on line including bills, consumption, etc. - \$5000

#### **5320 – Collecting: \$218,291**

Cost of collections has increased over the last five years for the following reasons:

- Staffing costs over the six years have increased by \$144,000.
  - In 2006, there was 1 customer service representative allocated to Collections and 25% of a Supervisor's time. In 2011, there are 2 CSR's allocated to collections and 50% of the Customer Service Supervisor's time is allocated to collections.
  - Staff costs associated with disconnections have increased with growth and economic conditions
  - As per the collective agreement, unionized employees receive annual wage increases of 3% or 15.9% over five years plus burdens.
  - Management increases average 3% or 15.9% over five years.
- Credit Insurance was secured in 2009 to offset future potential losses associated with bad debts of large General Service customers – in 2009 two large customers in the 1,000 – 4,999 kW customer class sought creditor protection under the Companies Creditors' Arrangement Act – cost of the insurance is \$55,000
- Contract Delivery charges for Customer Notices increased 106% due to growth and economic conditions – cost \$25,000
- Subcontractor for Collection of Active Accounts - \$5000

#### **5415 – Energy Conservation: (\$68,775)**

In 2006, Milton Hydro reclassified its non capital third tranche conservation and demand management spending to OEB expense account 5415 from OEB account 1565. CDM program spending related to third tranche CDM was completed in 2007.

Milton Hydro continues to participate in energy conservation programs funded through the Ontario Power Authority.

**5610 – Management Salaries and Expenses: \$260,537**

Annual compensation increases since 2006 have been approximately 3% which equates to approximately 15.9% over five years, plus burdens. In addition, in September 2009 Milton Hydro hired a Director of Regulatory Affairs. This new position was created as a result of the increased regulatory and reporting demands on the utility and the expertise to maintain all regulatory policies and procedures within the organization. This position did not exist in 2006 EDR

**5615 – General Administrative Salaries and Expenses: \$333,476**

Since 2006 Milton Hydro has hired one Accounting Clerk (Union Employee) and one Financial Analyst (Management) and has provided for one additional accounting clerk in the 2011 Test Year. Annual compensation increases for all employees over the five year period have averaged approximately 3% or 15.9% over five years plus burdens.

**5645 – Employee Pensions and Benefits: (\$66,007)**

In the 2006 EDR OMERS premiums were expensed to this account. In the following years including the 2011 Test Year, this expense is included in Milton Hydro's payroll burden.

**5655 – Regulatory Expenses: \$94,696**

OEB annual fees have increased by \$25,500 and one-time expenses in relation to the preparation of Milton Hydro's 2011 Cost of Service Application are forecasted to be \$56,000 being one quarter of the total estimated expenditures

**5665 – Miscellaneous General Expenses: \$97,451**

Milton Hydro Distribution incurs annual management fee expenses relating to management and corporate services provided by the directors of Milton Hydro Holdings Inc. Milton Hydro Holdings allocates its expenditures based on board utilization via a management fee to its subsidiaries

- In 2006, Milton Hydro Holdings allocated 90% of their expenses as a management fee to Milton Hydro Distribution and allocated 10% to Milton Hydro Telecom. On the sale of

1 fibre assets of Milton Hydro Telecom in 2008, the allocation of Milton Hydro Holdings  
2 was adjusted to reflect 98% allocation to Milton Hydro Distribution and 2% to Milton  
3 Hydro Telecom.

- 4 • In addition, one additional board member was appointed to the Milton Hydro Holdings  
5 Board in 2009.
- 6 • Since 2006, Milton Hydro Holdings has established a Liaison Committee with the Town  
7 of Milton. The Audit Committee and Corporate Governance Committee are meeting on a  
8 more regular basis.
- 9 • \$25,000 is planned for consulting fees for board activities.

10 **5670 – Rent: \$129,823**

11 Milton Hydro signed a 5 year commercial lease agreement with The Corporation of the Town of  
12 Milton for its office and service centre located at 55 Thompson Road in Milton on October 29,  
13 2001. The agreement called for a fixed lease rate for the first 3 years of the agreement with an  
14 adjustment to the then prevailing fair market rental rates for office area and industrial area  
15 premises. Effective November 1, 2004, the lease rates were adjusted from \$9.00/sq ft. to  
16 \$10.75/sq ft for office area (9731 sq feet) and from \$6.50/sq ft to \$7.00/sq ft. for industrial area  
17 (14,800 sq feet) to reflect market rates. Effective October 1, 2006, Milton Hydro renewed its  
18 lease agreement with the Town of Milton for an additional 5 year term with the lease rates  
19 adjusted from \$10.75/sq ft. to \$13.00/sq ft for office area (9731 sq feet) and from \$7.00/sq ft to  
20 \$8.50/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Milton Hydro agreed to  
21 an early termination of its lease agreement with the Town of Milton effective October 31, 2009 to  
22 facilitate the Town building an Arts & Entertainment and Library at the Milton Hydro site. On  
23 October 8, 2009, Milton Hydro signed a five year lease effective November 22, 2009 with a non-  
24 affiliated company for new premises at 8069 Lawson Rd. in Milton. Rental expenses provide for  
25 a 1.3% inflation increase and reflect current market rental rates for Milton.

26 **6105 – Capital Taxes: -\$101,000**

27 Ontario capital taxes in 2006 were based on the government approved capital tax rate. Ontario  
28 capital tax is eliminated for the 2011 Test Year.

1     **2011 Test Year over 2009 Actual**

2     The detailed account by account OM&A expenses and variances for the 2011 Test Year over  
3     the 2009 Actual year are set out in Table 16 below.

4

Table 16 -

OM&A Variances 2011 Test Year & 2009 Actual

Expense Description	2009 Actual	2011 Test Year	\$ Variance	% change
<b>Operation</b>				
5005-Operation Supervision and Engineering	0	43,173	43,173	-
5010-Load Dispatching	0	0	0	-
5016-Distribution Station Equipment - Operation Labour	21,799	21,035	(764)	-4%
5017-Distribution Station Equipment - Operation Supplies and Expenses	63,351	66,880	3,529	6%
5020-Overhead Distribution Lines and Feeders - Operation Labour	9,323	11,580	2,258	24%
5040-Underground Distribution Lines and Feeders - Operation Labour	1,273	1,440	167	13%
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	309,976	356,458	46,482	15%
5055-Underground Distribution Transformers - Operation	372	1,200	828	222%
5065-Meter Expense	89,321	178,657	89,336	100%
5070-Customer Premises - Operation Labour	202,123	191,386	(10,737)	-5%
5075-Customer Premises - Materials and Expenses	-11,924	5,000	16,924	-142%
5096-Other Rent	0	0	0	-
<b>Sub-Total</b>	<b>685,613</b>	<b>876,809</b>	<b>191,196</b>	<b>28%</b>
<b>Maintenance</b>				
5105-Maintenance Supervision and Engineering	0	43,173	43,173	-
5120-Maintenance of Poles, Towers and Fixtures	146,420	154,340	7,920	5%
5125-Maintenance of Overhead Conductors and Devices	266,290	336,813	70,523	26%
5135-Overhead Distribution Lines and Feeders - Right of Way	199,597	171,940	(27,657)	-14%
5150-Maintenance of Underground Conductors and Devices	22,341	133,829	111,488	499%
5160-Maintenance of Line Transformers	356,795	394,835	38,040	11%
<b>Sub-Total</b>	<b>991,549</b>	<b>1,234,930</b>	<b>243,381</b>	<b>25%</b>
<b>Billing and Collections</b>				
5310-Meter Reading Expense	223,592	316,859	93,267	42%
5315-Customer Billing	882,996	1,083,885	200,889	23%
5320-Collecting	308,233	367,944	59,711	19%
5325-Collecting- Cash Over and Short	102	0	(102)	-100%
5335-Bad Debt Expense	79,375	50,000	(29,375)	-37%
<b>Sub-Total</b>	<b>1,494,298</b>	<b>1,818,688</b>	<b>324,390</b>	<b>22%</b>
<b>Community Relations</b>				
5410-Community Relations - Sundry	8,470	10,679	2,209	26%
5415-Energy Conservation	0	0	0	-
<b>Sub-Total</b>	<b>8,470</b>	<b>10,679</b>	<b>2,209</b>	<b>26%</b>
<b>Administrative and General Expenses</b>				
5605-Executive Salaries and Expenses	28,141	28,792	651	2%
5610-Management Salaries and Expenses	469,030	652,924	183,894	39%
5615-General Administrative Salaries and Expenses	551,006	703,920	152,914	28%
5620-Office Supplies and Expenses	133,641	138,897	5,257	4%
5625-Administrative Expense Transferred-Credit	-16,560	-16,560	0	0%
5630-Outside Services Employed	172,228	178,400	6,172	4%
5635-Property Insurance	56,763	62,512	5,749	10%
5645-Employee Pensions and Benefits	14,502	0	(14,502)	-100%
5655-Regulatory Expenses	77,544	144,406	66,862	86%
5660-General Advertising Expenses	2,524	3,194	670	27%
5665-Miscellaneous General Expenses	322,189	205,672	(116,517)	-36%
5670-Rent	227,349	349,055	121,706	54%
5675-Maintenance of General Plant	147,524	122,661	(24,863)	-17%
<b>Sub-Total</b>	<b>2,185,880</b>	<b>2,573,873</b>	<b>387,993</b>	<b>18%</b>
<b>Taxes Other Than Income Taxes</b>				
6105-Capital Taxes (not included in working capital)	75,000	0	(75,000)	-100%
<b>Sub-Total</b>	<b>75,000</b>	<b>0</b>	<b>(75,000)</b>	<b>-100%</b>
<b>Total Operating, Maintenance and Administration Expenses</b>	<b>5,440,810</b>	<b>6,514,979</b>	<b>1,074,169</b>	<b>20%</b>

As required in the Filing Guidelines, Milton Hydro provides the following explanations for the variances exceeding Milton Hydro's materiality threshold of \$55,000, for each USoA classifications set out in Table 16 above.

**5065 – Meter Expense: \$89,336**

In addition to miscellaneous changes in metering expenses, the 2011 Test Year includes a full years wages for a Meter Supervisor position hired in September 2010 to oversee the Metering department, including capital, operations, maintenance, budgeting and to provide direction and supervision to the meter technicians and the Protection and Control staff to be hired in October 2010. This position ensures compliance with technical standards for equipment and is responsible for electronic meter programming and interaction with operation of MV90 and data collection system. This position did not exist in 2009.

**5125 Maintenance of Overhead Conductor and Devices: \$70,523**

Milton Hydro hired a journeyman and 4<sup>th</sup> year apprentice to fill two Protection and Control positions in October 2010. This variance primarily represents one half of a full year of wages allocated to this account.

**5150 – Maintenance of Underground Conductors and Devices: \$111,488**

Milton Hydro hired a journeyman and 4<sup>th</sup> year apprentice to fill two Protection and Control positions in October 2010. This variance primarily represents one half of a full year of wages allocated to this account.

**5310 – Meter Reading Expense: \$93,267**

Meter reading expenditures have increase over the five year period due to the rapid growth in the Town of Milton Hydro. In 2006 Milton Hydro had 20,980 metered customers compared to the 2011 Test Year forecast of 30,459.

In addition, Milton Hydro was authorized to conduct smart metering activities under Ontario Regulation 427/06 and as such Milton Hydro was required to participate in the OEB Smart Meter proceeding EB-2007-0063.

1 In 2003, Milton Hydro began installing Smart Meter technology in new residential subdivisions  
2 and working with third party contractors to install advanced data meter reading equipment  
3 (ADMR) to remotely read smart meters. Milton Hydro completed installation of its smart meters  
4 in the 2010 Bridge Year and is proposing to dispose of the smart meter variance account 1555  
5 and 1556.

6 The 2011 Test Year increase for the cost driver related to meter expenses is a result of the  
7 following:

- 8 • As provided for in the smart meter Decision EB-2007-0063 all operating costs related to  
9 smart meters were to be track in the smart meter variance account 1556. This included  
10 incremental cost for meter reading. With the proposed disposition of Milton Hydro's  
11 smart meter variance accounts the expenditure on reading smart meters becomes part  
12 of Milton Hydro's operating costs. This cost driver represents the cost of reading the  
13 Residential and small General Service smart meters.

14 **5315 – Customer Billing: \$200,889**

15 Milton Hydro provides the following explanations for the Customer Billing costs increase in the  
16 two year period 2011 Test Year over 2009 Actual year:

- 17 • Staffing costs over 2009 have increased by \$109,000 due to the addition of new staff:
  - 18 ○ Milton Hydro hired a customer service representative in August 2009 and intends  
19 to hire another customer service representative in 2011 whose time will be split  
20 between billing and collection.
  - 21 ○ As per the collective agreement, unionized employees received a 2.75% increase  
22 January 1<sup>st</sup> and a 0.25% increase April 1<sup>st</sup> of each year.
  - 23 ○ Management increases proposed to be 3% each year.
- 24 • Additional costs related to growth in customer base include:
  - 25 ○ Postage is expected to increase by \$36,700
  - 26 ○ Training Costs associated with upgrading version of Harris Billing system \$35,000  
27 in 2011

**5320 – Collecting: \$59,711**

Milton Hydro provides the following explanations for the Customer Collection costs increase in the two year period 2011 Test Year over 2009 Actual year:

- Milton Hydro has provided for one additional CSR in the 2011 whose time will be split between billing and collection.
- As per the collective agreement, unionized employees received a 2.75% increase January 1<sup>st</sup> and a 0.25% increase April 1<sup>st</sup> of each year.
- Management increases proposed to be 3% each year.

**5610 – Management Salaries and Expenses: \$183,894**

In September 2009 Milton Hydro hired a Director of Regulatory Affairs. This new position was created as a result of the increased regulatory and reporting demands on the utility and the expertise to maintain all regulatory policies and procedures within the organization. Annual compensation increases since 2009 are proposed to be 3% each year.

**5615 – General Administrative Salaries and Expenses: \$152,914**

Milton Hydro provides the following explanations for the General Administrative Salaries and Expenses costs increase in the two year period 2011 Test Year over 2009 Actual year:

- Staffing costs over 2009 are projected to increase \$82,000
  - In 2009, one of two accounting clerks was on long term medical leave for eight months; her position was filled for by a coop student at a lower hourly rate. In 2011, Milton Hydro intends to hire an additional accounting clerk to prepare for the retirement of the Accounting Supervisor.
  - As per the collective agreement, unionized employees received a 2.75% increase January 1<sup>st</sup> and a 0.25% increase April 1<sup>st</sup> of each year.
  - Management increases proposed to be 3% each year.
- Legal and audit fees are projected to increase by \$30,000
- Public Liability Insurance to increase by \$7,000
- Training & seminar costs to increase by \$10,000 with additional staff and legislative requirements

**5655 – Regulatory Expenses: \$66,862**

One-time expenses in relation to the preparation of Milton Hydro's 2011 Cost of Service Application are forecasted to be \$56,000 being one quarter of the total estimated expenditures. Forecast increase in costs related to advertising and legal reviews of regulatory submissions of \$10,000. Further details are provided in this Exhibit at Page 36.

**5665 – Miscellaneous General Expenses: (\$116,517)**

This reduction is due primarily to:

- The one time moving expenses of \$162,134 incurred in 2009 and not included in the 2011 Test Year.
- Milton Hydro Distribution Inc. incurs annual management fee expenses relating to management and corporate services provided by the directors of Milton Hydro Holdings Inc. Milton Hydro Holdings allocates its expenditures based on board utilization via a management fee to its subsidiaries. Management fee is expected to increase by \$41,000 from 2009 due to inflationary increase in stipends and meeting costs and the 2011 Test Year includes \$25,000 for consulting fees for board related activities

**5670 – Rent: \$121,706**

Milton Hydro signed a 5 year commercial lease agreement with The Corporation of the Town of Milton for its office and service centre located at 55 Thompson Road in Milton on October 29, 2001. The agreement called for a fixed lease rate for the first 3 years of the agreement with an adjustment to the then prevailing fair market rental rates for office area and industrial area premises. Effective November 1, 2004, the lease rates were adjusted from \$9.00/sq ft. to \$10.75/sq ft for office area (9731 sq feet) and from \$6.50/sq ft to \$7.00/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Effective October 1, 2006, Milton Hydro renewed its lease agreement with the Town of Milton for an additional 5 year term with the lease rates adjusted from \$10.75/sq ft. to \$13.00/sq ft for office area (9731 sq feet) and from \$7.00/sq ft to \$8.50/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Milton Hydro agreed to an early termination of its lease agreement with the Town of Milton effective October 31, 2009 to facilitate the Town building an Arts & Entertainment and Library at the Milton Hydro site. On October 8, 2009, Milton Hydro signed a five year lease effective November 22, 2009 with a non-

1 affiliated company for new premises at 8069 Lawson Rd. in Milton. Rental expenses provide for  
2 a 1.3% inflation increase and reflect current market rental rates for Milton.

3 **6105 – Capital Taxes: (\$75,000)**

4 Ontario capital tax is eliminated for the 2011 Test Year.

5 **EMPLOYEE COMPENSATION ANALYSIS**

6 **Overview:**

7 Milton Hydro is committed to providing a safe reliable supply of electricity to its consumers in an  
8 environmentally responsible manner. To achieve this commitment in the Town of Milton Hydro,  
9 which is the fastest growing community in Ontario, presents challenges that Milton Hydro has  
10 embraced with skilled and dedicated employees committed to this ever changing environment.

11 The electricity industry in Ontario is faced with an aging workforce and Milton Hydro is no  
12 different. Milton Hydro is facing the potential turnover of nine employees or 22.5% of its skilled  
13 workforce due to retirement within the next five years and a possible total fifteen employees or  
14 29% of its workforce eligible for retirement within the next ten years. Milton Hydro's total  
15 employee average age is 44.7 years, with a skilled trade average age at 38.5 years. To manage  
16 this level of change in its workforce, Milton Hydro must continually provide challenging  
17 opportunities for its current employees while maintaining an adequate succession plan to bridge  
18 this gap and maintain its pool of talented and professional employees.

19 The following Table 17 summarizes the number of known management and union employees  
20 by department and year of eligibility for retirement.

**Table 17 -  
Number of Employees & Year of Retirement Eligibility**

Years	Management	Line Staff	Metering	Stores	CSRs	Engineering	Accounting	Total
2009		1						1
2010-2015	7				1		1	9
2016- 2020	2	3				1		6
2021-2025	4		2		1			7

**Union Employees:**

Power Workers' Union, Local 1000 of the Canadian Union of Public Employees (PWU) is the sole bargaining agent for 69% of Milton Hydro's employees.

Compensation for unionized employees is negotiated through the collective bargaining process. Effective January 1, 2009, a new four year agreement was negotiated with an expiry date of December 31, 2012.

The terms of the economic increase for the four years:

Effective January 1, 2009 – 3.0% general wage increase to all PWU members

Effective January 1, 2009 – \$0.25 to all Journeyman/Lineman

Effective January 1, 2010 – 2.75% general wage increase to all PWU members

Effective April 1, 2010 – 0.25% general wage increase to all PWU members

Effective April 1, 2010 – \$0.25 to all Journeyman/Lineman

Effective January 1, 2011 – 2.75% general wage increase to all PWU members

Effective April 1, 2011 – 0.25% general wage increase to all PWU members

Effective April 1, 2011 – \$0.25 to all Journeyman/Lineman

Effective January 1, 2012 – 2.75% general wage increase to all PWU members

Effective April 1, 2012 – 0.25% general wage increase to all PWU members

Effective April 1, 2012 – \$0.25 to all Journeyman/Lineman

1 The special increase to Journeyman/Lineman allows Milton Hydro to remain competitive within  
2 the industry for lines staff.

3 All union job classifications have a wage rate progression scale that increases from a starting  
4 wage to the top job rate. These progression steps vary from six months to five years.

5 The Hay Job Evaluation Program is utilized by Milton Hydro. The Hay Method systematically  
6 groups elements which are common to all jobs using four main factors:

- 7 • Know-how
- 8 • Problem Solving
- 9 • Accountability
- 10 • Working Conditions

11 Since all jobs contain these four factors to some degree, this system can be applied to measure  
12 every job within the organization which is beneficial for both on-going salary administration and  
13 pay equity.

14 The Government of Ontario passed the Pay Equity Act that required corporations to negotiate a  
15 pay equity plan with the union. Milton Hydro participated in its first Pay Equity program utilizing  
16 the Hay Job Evaluation program and the original pay equity plan was posted by January 1, 1990  
17 as required under the legislation. Each pay equity plan compared all female dominated job  
18 classes to all male dominated job classes to ensure that male and female dominated jobs of  
19 comparable value were compensated equally (equal pay for work of equal value regardless of  
20 gender). A Pay Equity Maintenance Agreement was signed in January 2005 requiring a pay  
21 equity adjustment for two job classes totaling \$22,049. The agreement provided that Pay  
22 Equity maintenance will be conducted jointly on an on-going basis in accordance with the  
23 current legislation.

24 In May 2010, Milton Hydro's Pay Equity Maintenance Review Committee consisting of union  
25 and non-union members met to conduct pay equity maintenance. Milton Hydro continues to use  
26 the Hay Job Evaluation program in this process. The committee is scheduled to meet during  
27 the summer in 2010 to complete the maintenance review process.

Performance evaluation has been done on an on-going basis with unionized employees. Milton Hydro is in the process of introducing a formal performance review to be conducted on an annual basis to facilitate discussion of performance and training needs with their supervisors. Goals and objectives will be discussed and reviewed annually.

**Executive & Management Employees:**

Milton Hydro provides its Executive and Management employees with a total cash compensation package comprised of two elements: base salary and incentive pay. Milton Hydro's performance based philosophy ensures that rewards are appropriately aligned with the strategic direction of the company. A merit increase is the amount of additional compensation added to current base salaries following a review of employee performance. All Executive employees are responsible to review the performance of each management employee in their department.

**Incentive Compensation Plan:**

All Executive and Management employees are eligible for an annual incentive pay. The Incentive Compensation Plan is reviewed and approved annually by Milton Hydro's Board of Directors.

Milton Hydro's original incentive compensation program, in place from 1989 to 2009, was a 'Gainsharing Program' that included all employees but since the late 1990's is only for non-union employees. A new incentive plan has been approved by Milton Hydro's Board of Directors commencing in 2010. The original incentive payment was determined annually, based on a fixed percentage of annual base salary capped at 5% with all participants receiving the same percentage. The average incentive payment from 2005 to 2009 was 3%. The new incentive plan to be introduced in 2010 is based on a shared rating for Health and Safety measures and OEB Service Quality Indicators and an individual rating for personal performance and is capped at 5% of annual base salary.

**Performance Measures:**

Performance measures originally included health, safety and environmental audit results, reliability improvements from a customer cost saving perspective and savings associated with

efficiency improvements throughout the operation. The new performance measures include health & safety as defined by lost time accidents, OEB Service Quality Indices as outlined in the Distribution System Code and personal performance. All performance measures provide benefits to consumers.

The following Table 18 approved performance measures commencing in 2010.

**Table 18 -  
Incentive Plan Performance Measures**

Description	Performance Measure			
Health and Safety		Zero Lost Time Accidents	Otherwise	
		0.50%	0%	
OEB Service Indicators (Annual)	Achieved all Indicators	Missed 1 Indicator	Missed 2 Indicators	Missed More than 2
	2%	1%	0.50%	0%
Personal Performance	Greatly Exceeds Expectations	Exceeds Expectations	Meets Expectations	Doesn't Meet Expectations
	Up to 2.5 %	Up to 1.5 %	0.50%	0%

#### **Employee Staffing Levels:**

Milton Hydro continues to monitor the needs of the business and its changing business environment. The following Table 19 provides the changes in Milton Hydro's full time equivalent ("FTE") headcount by category for each year.

**Table 19 -  
FTE Headcount Change by Category**

Category	2004 Actual (per 2006 EDR)	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Executive								
Management & Non-Union	12.00	13.00	13.00	13.60	14.40	16.29	16.92	18.00
Union	22.00	23.00	22.04	22.63	24.19	23.77	27.35	33.00
Total	34.00	36.00	35.04	36.23	38.59	40.06	44.27	51.00
Increase year over year		2.00	-0.96	1.18	2.36	1.47	4.21	6.73
Increase 2011Test year vs 2006 EDR								17.00
Average Annual Increase since 2006 EDR								2.43

Milton Hydro is one of the fastest growing utilities in Ontario. Milton Hydro is committed to providing the Town of Milton with a reliable and safe distribution infrastructure that delivers power to their homes and businesses and helps to build sustainable communities where they live, work and play. To maintain this level of commitment, staffing levels within Milton Hydro have been required to grow. Milton Hydro continues to be diligent in maintaining its level of costs per customer and number of customers served per employee that is conservative and consistent with a utility of its size. Milton Hydro provided a summary of OM&A costs per customer in Exhibit 1, Table 6. Milton Hydro also provided a summary of customers per employee in Exhibit 1, Table 7 and reproduced below as Table 20, which highlights that given Milton Hydro's customer growth and staffing requirements to serve the growth, Milton Hydro's customers per employee continues to be above the average for its peer group as determined by the PEG Report.

**Table 20 -  
Customers Served Per Employee**

Mid-Size GTA Medium-High & High Undergrounding	Customers per Employee 2009	2010 Bridge Year	2011 Test Year
<b>Milton Hydro Distribution Inc.</b>	<b>682</b>	<b>653</b>	<b>597</b>
Burlington Hydro Inc.	663	641	
Barrie Hydro Distribution Inc. (June 2008)	661	n/a	
Oakville Hydro Electricity Distribution Inc.	595	588	
Cambridge and North Dumfries Hydro Inc.	572	557	
Whitby Hydro Electric Corporation	557	n/a	
Kitchener-Wilmot Hydro Inc.	500	498	
Guelph Hydro Electric Systems Inc.	499	n/a	
Halton Hills Hydro Inc.	464	n/a	
Brantford Power Inc.	447	n/a	
Waterloo North Hydro Inc.	429	n/a	
Oshawa PUC Networks Inc.	n/a	n/a	
Newmarket - Tay Power Distribution Ltd.	n/a	n/a	
Peer Group Average of Distributors that Reported	<b>552</b>	<b>587</b>	
Peer Group Average Excluding Milton Hydro	<b>539</b>	<b>571</b>	

**Change in Workforce Year Over Year:**

**2005 Actual over 2006 Board Approved (2004 Actual):**

The FTE employees increased from 34 to 36 in 2005 representing a partial year of an engineering clerk, a partial year of a Systems Analyst and one full year of a metering technician required for Milton Hydro's smart meter initiative which began in September 2003 with Milton Hydro billing RPP consumers with smart meters on TOU pricing beginning in October 2005. This conversion would continue throughout the 2006 and 2007 rate years creating the need for additional staffing.

**2006 Actual over 2005 Actual:**

The FTE employees decreased from 36.0 to 35.04 in 2006.

1 A customer service representative was hired in May 2006 to assist with the increased call  
2 volume due to the rapid growth in Milton Hydro and a journeyman lineperson left the  
3 organization at the beginning of the year.

4 **2007 Actual over 2006 Actual:**

5 The FTE employees increased from 35.04 to 36.23 in 2007.

6 A Distribution Engineer was hired in April 2007 to manage the increased needs of developers  
7 and the general expansion in the Town of Milton. In February 2007 Milton Hydro hired an  
8 apprentice lineperson as a journeyman/lineperson was eligible for retirement in 2009. The  
9 hiring of apprentices prior to the retirement of a journeyman is essential as it takes up to six  
10 years to train a proficient lineperson. In October 2007 a journeyman lineperson left the  
11 organization and in December 2007 the Customer Service Supervisor/Financial Analyst left the  
12 organization.

13 **2008 Actual over 2007 Actual:**

14 The FTE employees increased from 36.23 to 38.59 in 2008.

15 Effective December 2007, Milton Hydro's Vice President of Finance was named Acting  
16 President & CEO while its President & CEO was on medical leave. Milton Hydro's President &  
17 CEO announced his retirement effective October 31, 2008 and the position was replaced in  
18 December 2008.

19 A Customer Service Supervisor was hired in March 2008 to replace the departure of the  
20 previous Customer Service Supervisor/Financial Analyst in 2007 and a Financial Analyst was  
21 hired in November 2008. A customer service representative was hired in September to meet  
22 the increased demands of the customer service department

23 In November 2008, a certified journeyman lineperson was hired to replace the lineperson who  
24 departed a year earlier. Two apprentice linepersons were hired by Milton Hydro in February and  
25 March as part of its initiative to have a skilled workforce in place prior to retirements as it takes  
26 up to six years to train a proficient journeyman lineperson.

1 In July 2008, a Vice President of Engineering and Operations was hired to replace the previous  
2 Vice President of Engineering and Operations who passed away unexpectedly in December  
3 2007. To assist in the Operations department, a certified journeyman lineperson from within the  
4 organization was promoted to the position of Supervisor of Operations in October 2008  
5 replacing the former Supervisor of Operations who officially retired in April 2008.

6 **2009 Actual over 2008 Actual:**

7 The FTE employees increased from 38.59 to 40.06 in 2009.

8 In June 2009 a certified journeyman lineperson left Milton Hydro and in August 2009 a certified  
9 journeyman lineperson retired. An apprentice lineperson was hired in December 2009.

10 In August 2009 a customer service representative was hired to meet the increasing demands of  
11 billing and collecting.

12 In September 2009, a Director of Regulatory Affairs was hired to assume the responsibilities of  
13 the increased regulatory and reporting demands on the utility.

14 **2010 Bridge Year over 2009 Actual:**

15 The FTE employees increased from 40.06 to 44.27 in 2010.

16 In December 2009, the Vice President of Engineering & Operations left the employ of Milton  
17 Hydro. Due to the work responsibilities related to this position Milton Hydro established two  
18 Director positions. The Director of Engineering was hired in May 2010 and the Director of  
19 Operations was hired in August 2010.

20 In March 2010, Milton Hydro's Distribution Engineer position became vacant. It is expected to  
21 be filled by September 2010.

22 In April 2010, a recent graduate was hired as the new Engineering Technician.

23 Milton Hydro's Information Technology Supervisor left the employ of the organization in April  
24 2010 and an IT Specialist was hired in April 2010 to replace the IT Supervisor position.

1 In September 2010, the Supervisor of Billing is retiring; the Supervisor of Billing left in May 2010  
2 on vested sick leave (an old plan where she was the last remaining employee who qualified for  
3 the plan). This position was replaced internally with a senior customer service representative in  
4 April 2010 to allow for training. In June 2010 another customer service representative was hired  
5 to replace this vacant position.

6 In May 2010, a Handyman/Labourer was hired to assist the Operations department.

7 In July 2010 a certified journeyman lineperson was hired to replace a journeyman lineperson  
8 who left Milton Hydro in June 2010.

9 In September 2010, a Metering Supervisor will be named. It is expected that the position will be  
10 filled internally. The Metering staff and the Protection and Control staff are expected to report to  
11 the Metering Supervisor. A metering apprentice is expected to be hired in September 2010 to  
12 fill the vacant meter technician's position.

13 In October 2010, a Protection and Control lineperson and a 4<sup>th</sup> year apprentice lineperson have  
14 been budgeted to maintain line switches and all associated telecommunication and monitoring  
15 systems.

16 **2011 Test Year over 2010 Bridge Year:**

17 FTE employees increased from 44.27 to 51.00 in the 2011 Test Year

18 This increase is the result of recognizing a full year of staff time for each of the five new staff  
19 hires in the 2010 Bridge Year being the Distribution Engineer hired in September 2010, the  
20 Director of Operations hired in August 2010, Protection and Control lineperson expected to be  
21 hired in October 2010, the 4<sup>th</sup> year apprentice for the Protection and Control Department  
22 expected to be hired in October 2010 and the metering apprentice expected to be hired in  
23 September 2010.

24 Milton Hydro will hire a new customer service representative in the 2011 Test Year to assist with  
25 the customer service-related requirements of the Distribution System Code, the Retail  
26 Settlement Code and the Standard Supply Service Code.

1 Milton Hydro has a requirement for an additional Accounting Clerk to fill this position that is  
2 currently being carried out by co-op students in the 2010 Bridge Year.

3 Milton Hydro will hire one apprentice lineperson in advance of retirements as it takes up to six  
4 years to train a fully proficient journeyman lineperson.

5 **Employee Costs:**

6 Milton Hydro has provided its summary of employee costs by department and cost category in  
7 the following Table 21.

**Table 21 -  
Employee Costs**

Description	2004 Actual (per 2006 EDR)	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
<b>Number of Employees (FTEs including Part-Time)</b>								
Executive								
Management	12.00	13.00	13.00	13.60	14.40	16.29	16.92	18.00
Union	20.53	23.00	22.04	22.63	24.19	23.77	27.35	33.00
<b>Total</b>	<b>32.53</b>	<b>36.00</b>	<b>35.04</b>	<b>36.23</b>	<b>38.59</b>	<b>40.06</b>	<b>44.27</b>	<b>51.00</b>
<b>Number of Part-Time Employees</b>								
Executive								
Management								
Union								
<b>Total</b>								
<b>Total Salary and Wages</b>								
Executive								
Management	974,764	1,088,874	1,135,757	1,263,398	1,316,115	1,544,989	1,704,912	1,965,522
Union	1,018,805	1,128,224	1,193,033	1,229,049	1,326,639	1,383,657	1,672,111	2,012,667
<b>Total</b>	<b>1,993,569</b>	<b>2,217,098</b>	<b>2,328,790</b>	<b>2,492,448</b>	<b>2,642,754</b>	<b>2,928,646</b>	<b>3,377,023</b>	<b>3,978,189</b>
<b>Total Benefits</b>								
Executive								
Management	59,393	218,822	231,973	249,492	253,006	291,499	337,132	379,772
Union	65,849	253,272	275,782	285,902	304,838	314,841	366,946	453,929
<b>Total</b>	<b>125,242</b>	<b>472,093</b>	<b>507,756</b>	<b>535,394</b>	<b>557,845</b>	<b>606,340</b>	<b>704,078</b>	<b>833,701</b>
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>								
Executive								
Management	1,034,156	1,307,696	1,367,731	1,512,890	1,569,121	1,836,488	2,042,044	2,345,294
Union	1,084,654	1,381,496	1,468,815	1,514,952	1,631,477	1,698,497	2,039,057	2,466,596
<b>Total</b>	<b>2,118,811</b>	<b>2,689,191</b>	<b>2,836,546</b>	<b>3,027,842</b>	<b>3,200,599</b>	<b>3,534,986</b>	<b>4,081,101</b>	<b>4,811,890</b>
<b>Post Retirement Benefits (liability)</b>								
All Employees	153,985	159,061	217,162	225,533	233,934	155,482	183,993	183,999
<b>Compensation - Average Yearly Base Wages</b>								
Executive								
Management	81,230	83,760	87,366	92,897	91,397	94,843	100,783	109,196
Union	46,309	49,053	54,126	54,323	54,848	58,208	61,128	60,990
<b>Total</b>	<b>127,539</b>	<b>132,813</b>	<b>141,492</b>	<b>147,220</b>	<b>146,245</b>	<b>153,051</b>	<b>161,911</b>	<b>170,186</b>
<b>Compensation - Average Yearly Overtime</b>								
Executive								
Management	-							
Union	3,452	4,215	4,394	4,045	4,730	7,203	2,885	2,666
<b>Total</b>	<b>3,452</b>	<b>4,215</b>	<b>4,394</b>	<b>4,045</b>	<b>4,730</b>	<b>7,203</b>	<b>2,885</b>	<b>2,666</b>
<b>Compensation - Average Yearly Incentive Pay</b>								
Executive								
Management	2,350	2,496	2,600	2,763	6,556	2,989	2,645	3,276
Union	-							
<b>Total</b>	<b>2,350</b>	<b>2,496</b>	<b>2,600</b>	<b>2,763</b>	<b>6,556</b>	<b>2,989</b>	<b>2,645</b>	<b>3,276</b>
<b>Compensation - Average Yearly Benefits</b>								
Executive								
Management	5,027	16,832	17,844	18,345	17,570	17,894	19,929	21,098
Union	2,993	11,012	12,512	12,637	12,603	13,245	13,415	13,755
<b>Total</b>	<b>8,020</b>	<b>27,844</b>	<b>30,356</b>	<b>30,982</b>	<b>30,173</b>	<b>31,139</b>	<b>33,344</b>	<b>34,854</b>
<b>Total Compensation</b>	<b>2,118,811</b>	<b>2,689,191</b>	<b>2,836,546</b>	<b>3,027,842</b>	<b>3,200,599</b>	<b>3,534,986</b>	<b>4,081,101</b>	<b>4,811,890</b>
<b>Total Compensation Charged to OM&amp;A</b>	<b>1,192,542</b>	<b>1,791,486</b>	<b>1,920,394</b>	<b>2,191,927</b>	<b>2,199,433</b>	<b>2,498,226</b>	<b>2,736,968</b>	<b>3,227,067</b>
<b>Total Compensation Capitalized</b>	<b>926,269</b>	<b>897,706</b>	<b>916,152</b>	<b>835,914</b>	<b>1,001,165</b>	<b>1,036,759</b>	<b>1,344,133</b>	<b>1,584,822</b>

## Succession Planning:

Milton Hydro, like most utilities is faced with an aging work force and is committed to maintaining the level of talent and expertise within the organization. Since 2005-2010, Milton Hydro has added to its' workplace two certified journeyman linepersons and three apprentices

1 while losing three certified journeyman linepersons to departures/retirement and advancement.  
2 In the 2011 Test Year, Milton Hydro plans to hire an apprentice linesperson and have in place a  
3 certified line person and 4<sup>th</sup> year apprentice capable of maintaining the automated switching and  
4 all related communications. As shown in Table 17 above, approximately nine employees are  
5 eligible for retirement in the next five years and fifteen in the next ten years or 22.5% and 29%  
6 respectively. This represents a significant loss of talented professionals, office and trades  
7 employees.

8 Effective workforce planning will be a significant initiative going forward. At all levels within the  
9 organization, a formalized succession plan is in place and reviewed annually. Milton Hydro is  
10 committed to this plan to ensure that proactive recruitment and the necessary retention  
11 practices are maintained into the future.

12 **Benefits:**

13 Milton Hydro provides a comprehensive and competitive benefits package to all employees  
14 which includes medical insurance, life insurance, long term disability and a company-sponsored  
15 retirement plan ("OMERS"). The plan is designed to address the health and welfare needs of its  
16 employees with similar plans for both union and management employees. Many of the benefit  
17 cost increases are driven by external factors that are beyond Milton Hydro's control. These  
18 would include increases in CPP/ EI, WSIB and OMERS. The following Table 22 sets out the  
19 benefit program costs.

**Table 22 -  
Benefit Program Costs**

Description	2004 Actual (per 2006 EDR)	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
<b>Statutory</b>								
CPP	n/a	64,874	67,507	72,882	81,410	91,083	104,532	116,160
EI-Employer's Portion	n/a	33,370	31,290	31,945	34,666	37,377	44,864	46,757
Employer's Health Tax	n/a	45,756	48,157	51,620	55,874	61,599	68,263	80,440
WSIB Premium Expense	n/a	19,588	24,938	27,520	29,165	29,333	32,998	39,549
<b>Total</b>		<b>163,589</b>	<b>171,893</b>	<b>183,967</b>	<b>201,115</b>	<b>219,393</b>	<b>250,658</b>	<b>282,906</b>
<b>Active</b>								
OMERS	124,511	157,890	180,364	193,992	198,635	204,657	243,775	297,595
LTD Insurance	15,851	14,430	17,662	19,862	20,646	21,865	25,152	31,695
Life Insurance	7,850	8,645	9,146	10,679	11,423	11,841	13,333	15,124
Health Benefits (Health & Dental)	101,540	127,539	128,692	126,894	126,026	148,584	171,161	206,381
<b>Total</b>	<b>249,753</b>	<b>308,504</b>	<b>335,863</b>	<b>351,427</b>	<b>356,730</b>	<b>386,947</b>	<b>453,421</b>	<b>550,795</b>
<b>Total</b>	<b>249752.52</b>	<b>472093.46</b>	<b>507755.69</b>	<b>535394.1</b>	<b>557844.93</b>	<b>606339.6</b>	<b>704078.15</b>	<b>833701.06</b>
Removed from OM&A for USoA 1508 Pension		(157,890)	(55,562)					
Allocated to USoA 1508 Pension		157,890	55,562					
<b>Total</b>		<b>472093.46</b>	<b>507755.69</b>	<b>535394.1</b>	<b>557844.93</b>	<b>606339.6</b>	<b>704078.15</b>	<b>833701.06</b>

Note: the n/a charges were not included the 2006 EDR reporting of benefits

## OMERS Pension Plan

Milton Hydro's employees are members of the Ontario Municipal Employees Retirement System ("OMERS").

The plan is a contributory plan with employees contributing 50 percent of the premiums and Milton Hydro contributing 50 percent.

Milton Hydro has provided the OMERS pension premium information for 2005 Actual, 2006 Actual, 2007 Actual, 2008 Actual, 2009 Actual, 2010 Bridge and 2011 Test Year in Table 23 below. Accrued Pension benefits are not provided by OMERS.

**Table 23 -  
Pension Premiums Paid**

Description	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Premiums Paid to OMERS (MHDI - 50% premium)	158,341	180,364	192,658	200,148	204,657	243,775	297,595

### Post Retirement Benefits

Milton Hydro pays certain life insurance benefits on behalf of its retired employees. Milton Hydro has adopted the Canadian Institute of Chartered Accountants ("CICA") accounting standards for employee future benefits. These post retirement costs are recognized in the period in which the employees rendered the services. Historically, Milton Hydro has had an actuarial evaluation completed every 3 years with the last evaluation completed for 2009. The most recent actuarial evaluation was only done for 2 years (2009 and 2010) in light of the anticipated changes required under International Financial Reporting System ("IFRS").

The accrued benefit liability at December 31, 2009 was \$155,482. It has been projected for the calendar year 2010 that this liability will be \$183,993. At this time the accrued liability for 2011 Test Year has not been provided by an actuarial evaluation therefore Milton Hydro has assumed the same liability of \$183,993 as the 2010 Bridge Year in the 2011 Test Year. The Table 21 above provides this information by year, however this information is unavailable between the management and union employee classification.

The actuarial valuation for the 2009 and 2010 calendar year assumed a discount rate of 6.5%. General inflation levels, as measured by changes in the Consumer Price Index ("CPI") were assumed at 2.0%. Future general salary and wage levels were assumed to increase at 3.0% per annum.

## 1 SHARED SERVICES PROVIDED

### 2 Overview

3 A summary of Milton Hydro charges to affiliates for services provided for the 2005 Actual,  
4 2006 Actual, 2007 Actual, 2008 Actual and the 2009 Actual years together with forecast  
5 for the 2010 Bridge Year and 2011 Test Year, are shown in the following Table 24 to Table  
6 30.

7 Milton Hydro Holdings Inc. supervises the management of its subsidiaries including –  
8 Milton Hydro Distribution Inc., Milton Hydro Telecom Inc. and Milton Hydro Services Inc.  
9 (remains inactive). Service Agreements between Milton Hydro Holdings, Milton Hydro  
10 Distribution and Milton Hydro Telecom were signed effective April 30, 2003 for an initial  
11 five (5) year term. The agreement allows that the term of these Agreements can be  
12 extended automatically for successive periods of one (1) year each unless either party  
13 gives notice in writing to the other of not less than ninety (90) days prior to the end of the  
14 then current term. Annually the monthly rates are adjusted to reflect current salary costs.

15 Milton Hydro Distribution Inc. (“Milton Hydro”) is the Corporation’s principal operating  
16 subsidiary, the regulated electricity distributor for businesses and residents within the  
17 Town of Milton. Milton Hydro also provides water and sewer billing and collection service  
18 to the Regional Municipality of Halton on a full cost recovery basis which includes labour,  
19 benefits, overheads, contractors, materials, equipment, information services, mailing and  
20 postage and all other identifiable costs.

21 Milton Hydro Telecom Inc. (“MHTI”) provides sentinel light rental within the Town of Milton.  
22 MHTI also provided fibre optic telecommunication services including dark fibre leasing and  
23 point-to-point high speed services until the sale of fibre assets in August 2008 and  
24 provided streetlight consulting and maintenance services to the Town of Milton until the  
25 Town assumed responsibility for this service in January 2008.

26 Revenue received from the following services are included Revenue Non Utility Operation USoA  
27 classification 4390 as provided in Exhibit 3 – Operating Revenue.

**Milton Hydro Holdings Inc (MHHI)**

Milton Hydro Holdings Inc. supervises the management of its subsidiaries including – Milton Hydro Distribution Inc., Milton Hydro Telecom Inc. and Milton Hydro Services Inc. (remains inactive). Milton Hydro Holdings Inc. is managed by a board of seven directors appointed by the Shareholder.

**MHHI Provides Services to MHHI**

**Fees & Charges**

Milton Hydro Holdings Inc. meets on a quarterly basis and as required. Milton Hydro Holdings Inc. has no employees and charges each of its active subsidiaries a management fee, based on a current estimate of the board's resource utilization. The management fee is reviewed annually and covers the expenditures of the Board of Milton Hydro Holdings Inc. The Board of Directors resource utilization currently for the 2009 Actual, 2010 Bridge and 2011 Test Year at:

- 98% - Milton Hydro Distribution Inc.
- 2% - Milton Hydro Telecom Inc.
- 0% - Milton Hydro Services Inc. (inactive)

No mark-up is applied to MHHI's costs which consist primarily of MHHI Directors fees, meeting expenses, management services, administration, legal, audit and insurance expenses.

Service agreements, attached as Appendix A to this Exhibit, have been signed between MHHI and Milton Hydro Distribution.

**MHHI Provides Services to MHHI**

**Fees & Charges**

MHHI charges an administration fee to Milton Hydro Holdings Inc. (MHHI) for the following services including:

- Accounting and Finance
- Corporate Support
- Management

#### Accounting & Finance

- Accounting: financial systems, financial processes, policies and procedures, financial controls and compliance, financial reporting and analysis, annual budgets, financial operations, managing external audit, and insurance programs.
- Finance services: financing including, operating line of credit, cash flow management and investment of funds, banking, financial guarantees including, letters of credit, payroll services, accounts payable services, and account receivables.

#### Management

- Management services: including but not limited to taking direction from and reporting to MHHI Board of Directors.

#### Corporate Support

- Corporate support provided by the Executive Assistant.

Service agreements, attached as Appendix B to this Exhibit, have been signed between Milton Hydro Distribution and MHHI.

#### **Milton Hydro Telecom Inc. (MHTI)**

Milton Hydro Telecom Inc. ("MHTI") currently provides sentinel light rental. MHTI also provided fibre optic telecommunication services including dark fibre leasing and point-to-point high speed services until the sale of fibre assets in August 2008 and provided streetlight consulting and maintenance services to the Town of Milton until the Town assumed responsibility for this service in January 2008.

MHTI is currently managed by 2 board members.

MHTI has no full-time employees.

1 Single-user software is used to maintain separate accounting records for MHTI. The  
2 software is independent of Milton Hydro Distribution's information system.

3 MHTI has its own bank account and is financially self-sufficient. Currently, Milton Hydro  
4 Distribution does not provide loans or guarantees the indebtedness of MHTI.

5 Milton Hydro Distribution continues to bill sentinel light rental on behalf of MHTI due to the  
6 small number of sentinel light customers and the fact that on a go forward basis MHTI is  
7 no longer in the business of installing new sentinel lights.

8 Up until December 31, 2007, MHTI performed streetlight consulting and maintenance on  
9 behalf of the Town of Milton which included overseeing the contracting out of annual re-  
10 lamping services. MHDI linemen handled the routine/emergency streetlight repair.

#### 11 **MHTI Providing Services to MHDI**

12 MHTI does not provide any services to Milton Hydro Distribution since the sale of MHTI.  
13 The fibre optic telecommunications is now provided through a third party vendor.

14 Service agreements, attached as Appendix D to this Exhibit, have been signed between  
15 MHTI and Milton Hydro Distribution.

#### 16 **MHDI Providing Services to MHTI**

#### 17 **Fees & Charges**

#### 18 **Cost Based Pricing Approach:**

19 MHDI linemen handle the maintenance of sentinel lights. Milton Hydro records services  
20 provided to MHTI as a billable work order and bills MHTI at actual cost-based price  
21 (earnings plus payroll burden x actual hours ie. No mark-up); the cost is no less than  
22 the fair market value of the service. Milton Hydro Distribution also charges MHTI for  
23 Accounting/Finance Services, Management Services and Corporate Support provided  
24 by Milton Hydro Distribution staff. A percentage of Milton Hydro building expenses is  
25 charged to MHTI based on square footage. Direct expenses such as supplies, audit  
26 fees, director expenses are charged directly to MHTI.

Milton Hydro Distribution also receives administration fees from Milton Hydro Telecom Inc. (MHTI) for the following services including:

- Accounting and Finance
- Corporate Support
- Management

Accounting/Billing and Finance Services include as required:

- Accounting: financial controls and compliance, financial reporting and analysis, annual budgets, financial operations, billing, collections, capitalization and depreciation, labour charges, managing external audit and managing insurance programs.

Management Services include as required:

- Overseeing Milton Hydro Distribution staff and contractors providing services to Milton Hydro Telecom, taking direction from and reporting to Milton Hydro Holdings Inc. Board of Directors, and risk and contract management.

Corporate Support Services include as requires:

- Call centre services: call answering and switchboard services
- IT Services: personal computer systems support and communications support
- Safety services: safety program development, monitoring, reporting, implementation and support.

Effective April 1, 2005 until the sale of fibre assets in 2008, in accordance with a signed operating agreement between MHTI and Oakville Hydro Communications Inc. (Blink), Blink assumed responsibility for planning, sales & marketing, operating and maintaining MHTI's fibre optic and wireless telecommunications business and network direction. Blink did not have access to MHDI's information systems. MHDI staff oversaw the operating agreement with Blink and offered administrative and corporate support to MHTI (fibre) until the sale.

Service agreements, attached as Appendix C to this Exhibit, have been signed between Milton Hydro Distribution and MHTI.

## Town of Milton

Milton Hydro signed a 5 year commercial lease agreement with The Corporation of the Town of Milton for its office and service centre located at 55 Thompson Road in Milton on October 29, 2001. The agreement called for a fixed lease rate for the first 3 years of the agreement with an adjustment to the then prevailing fair market rental rates for office area and industrial area premises. Effective November 1, 2004, the lease rates were adjusted from \$9.00/sq ft. to \$10.75/sq ft for office area (9731 sq feet) and from \$6.50/sq ft to \$7.00/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Effective October 1, 2006, Milton Hydro renewed its lease agreement with the Town of Milton for an additional 5 year term with the lease rates adjusted from \$10.75/sq ft. to \$13.00/sq ft for office area (9731 sq feet) and from \$7.00/sq ft to \$8.50/sq ft. for industrial area (14,800 sq feet) to reflect market rates. Milton Hydro agreed to an early termination of its lease agreement with the Town of Milton effective October 31, 2009 to facilitate the Town building an Arts & Entertainment and Library at the Milton Hydro site. On October 8, 2009, Milton Hydro signed a five year lease effective November 22, 2010 with a non-affiliated company for new premises at 8069 Lawson Rd. in Milton.

**Table 24 -**  
**2005 Shared services/corporate cost allocation**

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc	Administration Fee	Cost based		9,744	9,744	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		8,238	8,238	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		20,182	20,182	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,918	3,918	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maintenance	Cost based		6,638	6,640	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Streetlight Maintenance	Cost based		62,270	62,270	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Pole Attachment Fees	Market based		17,596	N/A	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Share of Building Expenses	Percent allocation		3,180	158,919	2%
Milton Hydro Holdings Inc	Milton Hydro Distribution Inc.	Management Fee	Cost based	72,266		80,296	90%
Milton Hydro Telecom Inc.	Milton Hydro Distribution Inc.	Fibre Optic Internet Service	Market based	15,925		N/A	
Milton Hydro Distribution Inc	Town of Milton	Building Rent/Property Tax	Market based	208,298		208,298	

Table 25 -

2006 Shared services/corporate cost allocation

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc.	Administration Fee	Cost based		12,360	12,360	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		10,296	10,296	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		16,296	16,296	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,816	3,816	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Bank services	Cost based		75	75	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maintenance	Cost based		4,477	4,477	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Streetlight Maintenance	Cost based		85,157	85,157	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Pole Attachment Fees	Market based		28,385	N/A	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Share of Building Expenses	Percent allocation		2,552	136,980	2%
Milton Hydro Holdings Inc.	Milton Hydro Distribution Inc.	Management Fee	Cost based	73,338		81,487	90%
Milton Hydro Telecom Inc.	Milton Hydro Distribution Inc.	Fibre Optic Internet Service	Market based	19,200		N/A	
Milton Hydro Distribution Inc.	Town of Milton	Building Rent/Property Tax	Market based	219,232		219,232	

Table 26 -

2007 Shared services/corporate cost allocation

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc.	Administration Fee	Cost based		14,400	14,400	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		5,232	5,232	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		-	-	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,819	3,819	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Bank services	Cost based		180	180	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maintenance	Cost based		6,640	6,640	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Streetlight Maintenance	Cost based		22,621	22,621	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Pole Attachment Fees	Market based		38,174	N/A	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Share of Building Expenses	Percent allocation		2,724	141,767	2%
Milton Hydro Holdings Inc.	Milton Hydro Distribution Inc.	Management Fee	Cost based	99,982		111,092	90%
Milton Hydro Telecom Inc.	Milton Hydro Distribution Inc.	Fibre Optic Internet Service	Market based	19,200		N/A	
Milton Hydro Distribution Inc.	Town of Milton	Building Rent/Property Tax	Market based	252,303		252,303	

**Table 27 -**  
**2008 Shared services/corporate cost allocation**

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc	Administration Fee	Cost based		14,400	14,400	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		5,232	5,232	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		9,133	9,133	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,828	3,828	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Bank services	Cost based		180	180	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maint	Cost based		6,276	6,276	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Pole Attachment Fees	Market based		22,268	N/A	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Share of Building Expenses	Percent allocation		2,913	145,627	2%
Milton Hydro Holdings Inc	Milton Hydro Distribution Inc.	Management Fee	Cost based	172,722		191,913	90%
Milton Hydro Telecom Inc.	Milton Hydro Distribution Inc.	Fibre Optic Internet Service	Market based	11,200		N/A	
Milton Hydro Distribution Inc	Town of Milton	Building Rent/Property Tax	Market based	252,303		252,303	

**Table 28 -  
2009 Shared services/corporate cost allocation**

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc	Administration Fee	Cost based		16,116	16,116	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		444	444	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		6,461	6,461	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,828	3,828	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Bank services	Cost based		180	180	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maintenance	Cost based		8,419	8,419	
Milton Hydro Holdings Inc	Milton Hydro Distribution Inc.	Management Fee	Cost based	111,364		113,637	98%
Milton Hydro Distribution Inc	Town of Milton	Building Rent/Property Tax	Market based	227,349		227,349	

**Table 29 -  
2010 Bridge Year Shared services/corporate cost allocation**

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc	Administration Fee	Cost based		16,116	16,116	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		444	444	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		3,300	3,300	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,828	3,828	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Bank services	Cost based		180	180	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maintenance	Cost based		6,000	6,000	
Milton Hydro Holdings Inc	Milton Hydro Distribution Inc.	Management Fee	Cost based	149,271		152,318	98%

**Table 30 -  
2011 Test Year Shared services/corporate cost allocation**

Name of Company		Service Offered	Pricing Methodology	Amounts Paid for Service (\$)	Amounts Received for Service (\$)	Cost for the Service (\$)	% Allocation
From	To						
Milton Hydro Distribution Inc.	Milton Hydro Holdings Inc	Administration Fee	Cost based		16,116	16,116	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Administration Fee	Cost based		444	444	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Admin Staff	Cost based		3,399	3,399	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Billing Sentinel Rentals	Cost based		3,828	3,828	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Bank services	Cost based		180	180	
Milton Hydro Distribution Inc.	Milton Hydro Telecom Inc.	Sentinel Light Maintenance	Cost based		6,000	6,000	
Milton Hydro Holdings Inc	Milton Hydro Distribution Inc.	Management Fee	Cost based	152,257		155,364	98%

1    **PURCHASE OF PRODUCTS AND SERVICES FROM NON-AFFILIATES**

- 2    Like other distributors, Milton Hydro purchases many services and products from third parties.  
3    The table 31 below illustrates Milton Hydro's Non-Affiliate expenditures on purchased products  
4    and services.

**Table 31 -**  
**Non-Affiliate Purchased Services >\$55,000**

Product/Service	Methodology of Selection	2005	2006	2007	2008	2009
Transformers	RFQ Purchase	121,985	243,765	41,125	175,085	394,278
Directional Boring and Drilling	Tendered Labour	281,943	72,030	n/a	313	359,248
Contracted Labour	Tendered Labour	211,732	84,745	121,719	35,344	n/a
Contracted Labour	Tendered Labour	n/a	103,747	57,762	453,580	n/a
Vacuum Excavation	RFQ Purchase	73,346	36,994	n/a	n/a	n/a
Arrestors, brackets, switches etc.	RFQ Purchase	53,904	71,076	39,935	47,675	67,837
Trenching	Tendered Labour	153,167	n/a	n/a	n/a	n/a
Contracted Labour	Tendered Labour	n/a	n/a	n/a	n/a	87,241
Submersible Transformers	RFQ Purchase	n/a	215,429	359,432	289,097	107,260
Tree Trimming	Tendered Labour	n/a	n/a	n/a	n/a	116,557
Padmount switchgear	RFQ Purchase	25,850	107,694	15,691	n/a	n/a
Computer Software/Upgrades	RFQ Purchase	24,337	38,858	18,783	60,166	62,052
Fuel for Trucks	Sole Source	n/a	46,492	50,688	55,599	45,625
Metering Materials - meter rings	RFQ Purchase	n/a	8,904	59,324	291	n/a
Contracted Labour	Tendered Labour	n/a	n/a	n/a	130,302	13,060
Various materials, padlocks & clamps	RFQ Purchase	61,158	37,493	25,029	44,365	26,594
Contracted Labour	Tendered Labour	n/a	103,382	60,367	n/a	n/a
Cable	RFQ Purchase	n/a	63,629	n/a	n/a	n/a
Metering Materials	RFQ Purchase	149,868	12,696	55,267	102,233	85,857
Poles	RFQ Purchase	199,212	161,331	350,527	115,579	175,599
Contracted Labour	Tendered Labour	84,964	n/a	n/a	n/a	n/a
Contracted Labour	Tendered Labour	917,172	837,075	373,941	410,550	343,083
Computer Software/Upgrades	Sole Source	116,835	109,643	156,102	33,803	346,797
Insulators, Arrestors, Clamps etc.	RFQ Purchase	441,094	453,864	335,358	422,097	315,049
Contracted Labour	Sole Source	41,849	55,803	27,938	91,498	35,145
Contracted Labour	Tendered Labour	166,197	75,304	3,308	n/a	n/a
Metering Materials	RFQ Purchase	157,119	102,277	45,188	112,375	113,721
Pole line Hardware and Accessories	RFQ Purchase	n/a	20,075	26,433	57,092	31,421
Contracted Labour	Tendered Labour	243,304	15,877	219,911	n/a	n/a
Sleeves, Cable, Guards etc.	RFQ Purchase	34,297	79,988	334,343	13,029	22,430
Connectors etc.	RFQ Purchase	n/a	57,307	4,911	2,063	43,114
Data Storage Provider	RFQ Purchase	n/a	55,619	17,156	25,000	33,224
Contracted Labour	Tendered Labour	414,938	227,727	307,857	96,216	n/a
Transformers	RFQ Purchase	254,179	256,173	307,122	385,978	n/a
Contracted Labour	Tendered Labour	148,474	177,620	265,684	203,571	156,906
Wire	RFQ Purchase	521,619	186,870	223,424	251,905	230,385
Meter Reading	RFQ Purchase	195,904	197,273	179,675	175,512	166,288
Locates	Reciprocal Arrangement	115,706	135,403	168,411	254,728	310,709
Purchase of New Double Bucket Truck	Tendered Purchase	4,569	1,330	1,307	1,925	371,915
Contracted Labour	Tendered Labour	n/a	n/a	88,113	413,641	75,600
Tree Trimming	Tendered Labour	223,662	139,895	232,223	240,064	116,072
Scada mate Switches	RFQ Purchase	106,519	106,519	71,911	1,385	74,186
Soil Evacuation Service	RFQ Purchase	n/a	n/a	n/a	n/a	63,315
Contracted Labour	RFQ Purchase	n/a	n/a	n/a	n/a	67,732
Concrete Poles	RFQ Purchase	84,848	60,424	1,605	222,195	n/a
Contracted Labour	Tendered Labour	n/a	n/a	472,125	248,851	410,024
Vacuum Excavation	RFQ Purchase	n/a	40,303	34,075	56,902	43,759
Meter Service Provider	Sole Source - Best available price	468,873	430,576	1,444,205	1,075,620	740,138
Various materials, balasts, clamps	RFQ Purchase	n/a	29,306	21,435	40,347	70,210
		<b>6,098,623</b>	<b>5,260,513</b>	<b>6,619,407</b>	<b>6,345,977</b>	<b>5,722,429</b>

## DEPRECIATION, AMORTIZATION AND DEPLETION

Milton Hydro has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants and therefore the financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles. Property Plant and equipment are stated at cost. Costs for assets installed or erected by Milton Hydro include material, labour and overhead.

Depreciation, which is intended to amortize property, plant and equipment over their estimated service life, is provided on the straight-line basis at annual rates ranging from 2.5% to 33 %.

Full depreciation is recorded in the year of acquisition and none in the year of disposal.

For the purposes of its 2011 Forward Test Year Cost of Service Application, Milton Hydro has recorded depreciation using the half year rule in determining its Rate Base as provided in Exhibit 2 above.

For readily identifiable assets retired or disposed of, the asset and related accumulated depreciation are removed from the records. Differences between the proceeds, if any, and the undepreciated asset amount plus removal costs, are recorded as a gain or loss in the year of disposal.

Milton Hydro follows Article 410, Property Plant and Equipment of the OEB Accounting Procedures Handbook ("APH") with respect to Amortization Methods. Included in the APH is reference to the 2006 Electricity Distribution Rate Handbook, Appendix B, "Amortization Rates", which provides the amortization rates by USoA asset classification based on the straight line method of amortization. Amortization on capital assets is calculated as follows:

- Milton Hydro uses the straight line method of amortization to determine the depreciation expense for all distribution assets on a pooled basis and identifiable assets individually. A full year's amortization is calculated on a straight line basis over estimated useful life of the asset. Milton Hydro follows the amortization schedule provided at Schedule B of the OEB's 2006 Electricity Distribution Rate Handbook.
- Prior to 2010 Bridge Year a full year's amortization was taken on capital additions during the current year. For the 2011 Test Year and for this rate application Milton Hydro used the half year rule for calculating depreciation expense.

Depreciation rates set out in Table 32 below are in line with rates set out in the APH.

**Table 32 -  
Depreciation Rates by Asset Type**

OEB Acct	Asset Group	Life Years
1805	Land	n/a
1820	Distribution Station Equipment	30
1830	Poles, Towers and Fixtures	25
1835	Overhead Conductors and Devices	25
1840	Underground Conduit	25
1845	Underground Conductors and Devices	25
1850	Line Transformers	25
1855	Services	25
1860	Meters	25
1908	Building	50
1915	Office Equipment and Equipment	10
1920	Computer Equipment - Hardware	5
1925	Computer Software	3
1930	Transportation Equipment	5
1930	Transportation Equipment	8
1935	Stores Equipment	10
1940	Tools, Shop and Garage Equipment	10
1945	Measurement and Testing Equipment	10
1955	Communications Equipment	10
1980	System Supervisory Equipment	15
1990	Other Tangible Assets	15
1995	Contributions and Grants	25

Details of Milton Hydro's depreciation by USoA classification are provided in the Fixed Asset Continuity Schedules in Exhibit 2. Milton Hydro's depreciation expense does not match the accumulated amortization because Milton Hydro expenses depreciation for its overhead calculation on vehicles, stores, tools and measurement equipment. Milton Hydro has provided a reconciliation of depreciation expense to the Fixed Asset Continuity Schedule provided in Exhibit 2 above, in the following Table 33 to Table 39 below.

**Table 33 -**  
**2005 Depreciation Expense Reconciliation**

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883		69,883	N/A	0
CEC	1806	Land Rights							
1	1808	Buildings and Fixtures							
	1810	Leasehold Improvements							
	1815	Transformer Station Equipment - Normally Primary above 50 kV							
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	356,511	1,159,680		1,159,680	30	38,656
	1825	Storage Battery Equipment			0		0		
1	1830	Poles, Towers and Fixtures	8,996,636	1,206,644	7,789,992	2,376,033	10,166,025	25	406,641
1	1835	Overhead Conductors and Devices	13,961,414	2,920,518	11,040,897	998,887	12,039,784	25	481,591
1	1840	Underground Conduit	8,160,720	290,794	7,869,926	1,708,255	9,578,181	25	383,127
1	1845	Underground Conductors and Devices	9,316,314	441,593	8,874,721	1,412,011	10,286,731	25	411,469
1	1850	Line Transformers	20,191,196	1,388,868	18,802,328	1,255,304	20,057,632	25	802,305
1	1855	Services	3,357,036	0	3,357,036	1,474,251	4,831,286	25	193,232
1	1860	Meters	3,758,825	110,849	3,467,386	1,138,597	4,605,984	25/15	184,236
	1865	Other Installations on Customer's Premises							
N/A	1905	Land							
CEC	1906	Land Rights							
1	1908	Buildings and Fixtures							
	1910	Leasehold Improvements							
8	1915	Office Furniture and Equipment	559,582	511,882	47,700		47,700	10	4,770
45	1920	Computer Equipment - Hardware	1,252,016	1,024,487	227,529	25,007	252,536	5	50,507
12	1925	Computer Software	175,459	83,757	91,703	58,596	150,299	3	60,120
10	1930	Transportation Equipment	1,488,267	967,702	520,566		520,566	7	80,087
10	1935	Stores Equipment	165,286	110,226	55,060		55,060	10	5,506
8	1940	Tools, Shop and Garage Equipment	357,882	313,152	44,730		44,730	10	4,473
8	1945	Measurement and Testing Equipment	17,752	0	17,752	3,713	21,465	10	2,149
	1950	Power Operated Equipment							
10	1955	Communication Equipment	132,600	99,298	33,302	19,270	52,572	10	5,257
	1960	Miscellaneous Equipment							
	1970	Load Management Controls - Customer Premises							
	1975	Load Management Controls - Utility Premises							
	1980	System Supervisory Equipment	41,545	0	41,545		41,545	15	2,770
	1985	Sentinel Lighting Rentals							
	1990	Other Tangible Property							
1	1995	Contributions and Grants	-13,398,296	-1,282,244	(12,116,052)	-5,414,558	-17,530,610	25	-735,958
2005		Property under Capital Lease							0
	WIP		129,044		129,044	(114,456)	14,588	N/A	0
		<b>Total</b>	<b>60,249,354</b>	<b>8,544,038</b>	<b>51,524,726</b>	<b>4,940,911</b>	<b>56,465,638</b>		<b>2,380,939</b>

Less: Fully Allocated Depreciation	
Transportation	80,087
Stores	5,506
Tools	4,473
Measurement	2,149
Net Depreciation	<u>2,288,724</u>

**Table 34 -  
2006 Depreciation Expense Reconciliation**

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883		69,883	N/A	0
CEC	1806	Land Rights					0		0
1	1808	Buildings and Fixtures					0		0
	1810	Leasehold Improvements					0		0
	1815	Transformer Station Equipment - Normally Primary above 50 kV					0		0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	356,512	1,159,680		1,159,680	30	38,656
	1825	Storage Battery Equipment		0			0		
1	1830	Poles, Towers and Fixtures	11,372,669	1,301,539	10,071,131	1,677,114	11,748,245	25	469,930
1	1835	Overhead Conductors and Devices	14,960,302	3,068,547	11,891,755	424,991	12,316,746	25	492,670
1	1840	Underground Conduit	9,868,975	291,143	9,577,832	2,827,766	12,405,598	25	496,224
1	1845	Underground Conductors and Devices	10,728,325	441,639	10,286,686	973,284	11,259,970	25	450,399
1	1850	Line Transformers	21,446,501	2,367,278	19,079,223	2,063,040	21,142,263	25	845,691
1	1855	Services	4,831,286	0	4,831,286	876,534	5,707,821	25	228,299
1	1860	Meters	4,897,423	110,849	4,786,573	584,182	5,370,755	25/15	207,616
	1865	Other Installations on Customer's Premises			0		0		
N/A	1905	Land			0		0		
CEC	1906	Land Rights			0		0		
1	1908	Buildings and Fixtures			0		0		
	1910	Leasehold Improvements			0		0		
8	1915	Office Furniture and Equipment	559,582	514,242	45,340		45,340	10	4,534
45	1920	Computer Equipment - Hardware	1,277,024	1,082,435	194,588	39,147	233,735	5	46,747
12	1925	Computer Software	234,055	143,355	90,700	49,128	139,829	3	55,931
10	1930	Transportation Equipment	1,488,267	967,702	520,566		520,566	7	80,087
10	1935	Stores Equipment	165,286	111,346	53,940		53,940	10	5,394
8	1940	Tools, Shop and Garage Equipment	357,882	312,703	45,179	10,635	55,815	10	5,581
	1945	Measurement and Testing Equipment	21,465	5	21,460		21,460	10	2,146
	1950	Power Operated Equipment		0	0		0		
10	1955	Communication Equipment	151,870	99,317	52,553	16,528	69,081	10	6,908
	1960	Miscellaneous Equipment			0		0		
	1970	Load Management Controls - Customer Premises			0		0		
	1975	Load Management Controls - Utility Premises			0		0		
	1980	System Supervisory Equipment	41,545		41,545		41,545	15	2,770
	1985	Sentinel Lighting Rentals			0		0		
	1990	Other Tangible Property			0		0		
1	1995	Contributions and Grants	-18,812,855		-18,812,855	-5,710,890	-24,523,745	25	-964,375
	2005	Property under Capital Lease			0		0		0
	WIP		14,587	14,587	0		0	N/A	0
		<b>Total</b>	<b>65,190,265</b>	<b>11,183,198</b>	<b>54,007,067</b>	<b>3,831,460</b>	<b>57,838,527</b>		<b>2,475,207</b>

Less: Fully Allocated Depreciation

Transportation	80,087
Stores	5,394
Tools	5,581
Measurement	2,146
Net Depreciation	<u>2,381,999</u>

**Table 35 -  
2007 Depreciation Expense Reconciliation**

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters & 2004 - 2006 Smart Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	356,512	1,159,680			1,159,680	30	38,656
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	13,049,784	1,978,627	11,071,157	2,247,693		13,318,850	25	532,754
1	1835	Overhead Conductors and Devices	15,385,293	3,242,212	12,143,081	732,401		12,875,482	25	515,019
1	1840	Underground Conduit	12,696,741	291,194	12,405,547	10,613		12,416,160	25	496,646
1	1845	Underground Conductors and Devices	11,701,609	441,587	11,260,022	513,137		11,773,159	25	470,926
1	1850	Line Transformers	23,509,541	2,367,061	21,142,480	1,913,348		23,055,828	25	922,233
1	1855	Services	5,707,821	214	5,707,607	1,262,664		6,970,270	25	278,811
1	1860	Meters	5,481,605	118,536	5,363,068	1,742,014	-2,065,384	5,039,698	25/15	290,562
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	0		0			0		
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
	1910	Leasehold Improvements	0		0			0		
8	1915	Office Furniture and Equipment	559,582	514,285	45,297	10,965		56,262	10	5,626
45	1920	Computer Equipment - Hardware	1,316,171	1,170,051	146,119	41,240		187,359	5	37,472
12	1925	Computer Software	283,184	220,711	62,473	53,561		116,034	3	46,413
10	1930	Transportation Equipment	1,488,267	1,407,975	80,292	4,980		85,272	5/8	67,735
10	1935	Stores Equipment	165,286	110,226	55,060			55,060	10	5,506
8	1940	Tools, Shop and Garage Equipment	368,518	314,884	53,633	9,331		62,965	10	6,296
	1945	Measurement and Testing Equipment	21,465	5	21,460			21,460	10	2,146
	1950	Power Operated Equipment	0	0	0			0		
10	1955	Communication Equipment	168,398	67,864	67,865	3,351		71,215	10	7,122
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0		0			0		
1	1995	Contributions and Grants	-24,523,745		-24,523,745	-1,445,373		-25,969,118	25	-1,022,725
	2005	Property under Capital Lease						0		0
	WIP							0	N/A	
		<b>Total</b>	<b>69,007,137</b>	<b>12,643,490</b>	<b>56,330,978</b>	<b>7,099,925</b>	<b>(2,065,384)</b>	<b>61,365,520</b>		<b>2,701,199</b>

Less: Fully Allocated Depreciation  
Transportation 67,735  
Stores 5,506  
Tools 6,296  
Measurement 2,146  
Net Depreciation 2,619,516

Table 36 -  
2008 Depreciation Expense Reconciliation

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334			690,334	30	23,011
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	15,297,477	2,028,903	13,268,574	1,921,395		15,189,969	25	607,599
1	1835	Overhead Conductors and Devices	16,117,694	3,304,060	12,813,634	1,250,938		14,064,572	25	562,583
1	1840	Underground Conduit	12,707,354	291,040	12,416,314	2,287,044		14,703,358	25	588,134
1	1845	Underground Conductors and Devices	12,214,746	441,716	11,773,030	1,085,307		12,858,337	25	514,333
1	1850	Line Transformers	25,422,889	2,367,230	23,055,659	2,407,991		25,463,650	25	1,018,546
1	1855	Services	6,970,484		6,970,484	1,497,756		8,468,240	25	338,738
1	1860	Meters	4,614,608	353,670	4,260,938	583,720	-180,970	4,663,688	25/15	259,329
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	0					0		
CEC	1906	Land Rights	0					0		
1	1908	Buildings and Fixtures	0					0		
	1910	Leasehold Improvements	0					0		
8	1915	Office Furniture and Equipment	570,548	514,225	56,323	21,081		77,405	10	7,740
45	1920	Computer Equipment - Hardware	1,357,410	1,212,877	144,534	55,380		199,913	5	39,983
12	1925	Computer Software	336,744	272,267	64,478	16,356		80,834	3	32,334
10	1930	Transportation Equipment	1,493,247	1,164,490	328,757	17,763		346,520	5/8	53,311
10	1935	Stores Equipment	165,286	111,346	53,940			53,940	10	5,394
8	1940	Tools, Shop and Garage Equipment	377,849	318,867	58,982	3,811		62,793	10	6,279
	1945	Measurement and Testing Equipment	21,465	17	21,448	4,559		26,007	10	2,601
	1950	Power Operated Equipment	0	0	0			0		
10	1955	Communication Equipment	171,749	102,319	69,430	1,120		70,550	10	7,055
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0		0			0		
1	1995	Contributions and Grants	-25,969,118		-25,969,118	-5,810,973		-31,780,091	25	-1,255,187
	2005	Property under Capital Lease	0		0			0		0
	WIP					1,186,930		1,186,930	N/A	0
		<b>Total</b>	<b>73,498,052</b>	<b>13,350,429</b>	<b>60,147,623</b>	<b>6,530,180</b>	<b>(180,970)</b>	<b>66,497,052</b>		<b>2,811,784</b>

Less: Fully Allocated Depreciation	
Transportation	53,311
Stores	5,394
Tools	6,279
Measurement	2,601
Net Depreciation	<u>2,744,199</u>

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**Table 37 -  
2009 Depreciation Expense Reconciliation**

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	0
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
	1810	Leasehold Improvements	0					0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334			690,334	30	23,011
	1825	Storage Battery Equipment	0	0				0		
1	1830	Poles, Towers and Fixtures	17,218,872	2,286,294	14,932,578	1,051,652		15,984,230	25	639,370
1	1835	Overhead Conductors and Devices	17,368,632	3,472,942	13,895,689	559,278		14,454,967	25	578,199
1	1840	Underground Conduit	14,994,398	290,916	14,703,482	1,842,374		16,545,856	25	661,834
1	1845	Underground Conductors and Devices	13,300,053	431,848	12,868,205	660,686		13,528,891	25	541,156
1	1850	Line Transformers	27,830,880	2,314,044	25,516,836	2,011,194		27,528,030	25	1,101,121
1	1855	Services	8,468,241	0	8,468,241	1,331,206		9,799,447	25	392,101
1	1860	Meters	4,858,069	345,983	4,512,086	371,712	-2,315	4,881,484	25/15	283,557
	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	0		0	2,218,530		2,218,530	N/A	
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
	1910	Leasehold Improvements	0		0	280,817		280,817	5	56,165
8	1915	Office Furniture and Equipment	591,629	535,923	55,706	28,376		84,082	10	8,408
45	1920	Computer Equipment - Hardware	1,412,790	1,252,017	160,773	55,731		216,504	5	43,301
12	1925	Computer Software	336,487	299,623	36,864	45,335		82,199	3	32,879
10	1930	Transportation Equipment	1,511,010	1,270,173	240,837	342,202		583,039	5/8	89,698
10	1935	Stores Equipment	165,286	111,343	53,943	14,240		68,184	10	6,818
8	1940	Tools, Shop and Garage Equipment	381,660	330,867	50,794	4,837		55,631	10	5,563
	1945	Measurement and Testing Equipment	26,024	31	25,993	5,697		31,690	10	3,169
	1950	Power Operated Equipment	0	0				0		
10	1955	Communication Equipment	172,869	103,616	69,252	29,290		98,543	10	9,855
	1960	Miscellaneous Equipment	0		0			0		
	1970	Load Management Controls - Customer Premises	0		0			0		
	1975	Load Management Controls - Utility Premises	0		0			0		
	1980	System Supervisory Equipment	41,545	41,545	0			0	15	
	1985	Sentinel Lighting Rentals	0		0			0		
	1990	Other Tangible Property	0		0			0		
1	1995	Contributions and Grants	-31,790,091	-401,317	-31,378,773	-3,674,345		-35,053,119	25	-1,402,125
2005		Property under Capital Lease						0		
	WIP		1,186,930	1,186,930	-0	1,374,901		1,374,901	N/A	0
		<b>Total</b>	<b>79,671,359</b>	<b>14,698,635</b>	<b>64,972,724</b>	<b>8,553,713</b>	<b>(2,315)</b>	<b>73,524,122</b>		<b>3,074,080</b>

Less: Fully Allocated Depreciation	
Transportation	89,698
Stores	6,818
Tools	5,563
Measurement	3,169
Net Depreciation	<u>2,968,831</u>

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Table 38 -

2010 Bridge Year Depreciation Expense Reconciliation

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Book Adjustment for Stranded Meters	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883			69,883	N/A	0
CEC	1806	Land Rights	0					0		
1	1808	Buildings and Fixtures	0					0		
1	1810	Leasehold Improvements	0					0		
1	1815	Transformer Station Equipment - Normally Primary above 50 kV	0					0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334			690,334	30	23,011
1	1825	Storage Battery Equipment	0					0		
1	1830	Poles, Towers and Fixtures	18,270,524	2,524,446	15,746,077	2,929,158		18,675,235	25	747,009
1	1835	Overhead Conductors and Devices	17,927,909	3,845,568	14,082,342	1,438,086		15,520,428	25	620,817
1	1840	Underground Conduit	16,836,772	297,087	16,539,685	1,635,529		18,175,214	25	727,009
1	1845	Underground Conductors and Devices	13,960,739	438,623	13,522,116	1,020,051		14,542,167	25	581,687
1	1850	Line Transformers	29,840,722	2,525,981	27,314,742	2,743,025		30,057,767	25	1,202,311
1	1855	Services	9,799,447		9,799,447	898,261		10,697,708	25	428,050
1	1860	Meters	5,215,886	345,983	4,869,903	4,115,560	-3,047	8,982,416	25/15	953,562
1	1865	Other Installations on Customer's Premises	0		0			0		
N/A	1905	Land	2,218,530		2,218,530	700,000		2,918,530	N/A	
CEC	1906	Land Rights	0		0			0		
1	1908	Buildings and Fixtures	0		0			0		
1	1910	Leasehold Improvements	280,817		280,815	180,000		460,815	5	92,163
8	1915	Office Furniture and Equipment	620,005	535,885	84,120	25,000		109,120	10	10,812
45	1920	Computer Equipment - Hardware	1,468,521	1,277,018	191,503	181,752		373,255	5	74,651
12	1925	Computer Software	381,822	320,130	61,692	61,470		123,162	3	41,054
10	1930	Transportation Equipment	1,822,804	1,293,218	529,587	285,000		814,587	5/8	125,321
10	1935	Stores Equipment	179,526	111,346	68,180	10,000		78,180	10	7,818
8	1940	Tools, Shop and Garage Equipment	386,497	332,080	54,417	23,250		77,667	10	7,767
1945	Measurement and Testing Equipment	31,721	1	31,720				31,720	10	3,172
1950	Power Operated Equipment	0	0	0				0		
10	1955	Communication Equipment	202,159	103,592	98,567	12,583		111,150	10	11,115
1960	Miscellaneous Equipment	0		0				0		
1970	Load Management Controls - Customer Premises	0		0				0		
1975	Load Management Controls - Utility Premises	0		0				0		
1980	System Supervisory Equipment	41,545	41,545	0				0	15	
1985	Sentinel Lighting Rentals	0		0				0		
1990	Other Tangible Property	0		0		70,000		70,000	15	4,662
1	1995	Contributions and Grants	-35,454,436	-400,950	-35,053,486	-4,070,264		-39,123,750	25	-1,564,950
2005	Property under Capital Lease							0		
	WIP		1,374,901	1,374,901	-0	1,200,000		1,200,000	N/A	0
		<b>Total</b>	<b>86,992,486</b>	<b>15,792,312</b>	<b>71,200,173</b>	<b>13,458,461</b>	<b>(3,047)</b>	<b>84,655,587</b>		<b>4,097,140</b>

Less: Fully Allocated Depreciation	
Transportation	125,321
Stores	7,818
Tools	7,767
Measurement	3,172
Net Depreciation	3,953,062

Table 39 -

2011 Test Year Depreciation Expense Reconciliation

CCA Class	OEB	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation
N/A	1805	Land	69,883		69,883		69,883	N/A	0
CEC	1806	Land Rights	0				0		
1	1808	Buildings and Fixtures	0				0		
	1810	Leasehold Improvements	0				0		
	1815	Transformer Station Equipment - Normally Primary above 50 kV	0				0		
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,516,192	825,858	690,334		690,334	30	23,011
	1825	Storage Battery Equipment	0	0			0		
1	1830	Poles, Towers and Fixtures	21,199,682	2,763,307	18,436,375	2,410,336	19,641,543	25	785,662
1	1835	Overhead Conductors and Devices	19,365,995	4,219,230	15,146,765	1,485,384	15,889,457	25	635,578
1	1840	Underground Conduit	18,472,301	332,775	18,139,526	2,189,940	19,234,496	25	769,380
1	1845	Underground Conductors and Devices	14,980,790	489,736	14,491,054	1,147,536	15,064,822	25	602,593
1	1850	Line Transformers	32,583,747	3,342,917	29,240,831	2,399,153	30,440,407	25	1,217,616
1	1855	Services	10,697,708		10,697,708	1,033,560	11,214,488	25	448,700
1	1860	Meters	9,324,608	421,861	8,902,746	289,170	9,047,331	25/15	488,630
	1865	Other Installations on Customer's Premises	0		0		0		
N/A	1905	Land	2,918,530		2,918,530		2,918,530	N/A	
CEC	1906	Land Rights	0		0		0		
1	1908	Buildings and Fixtures	0			150,000	75,000	50	1,500
	1910	Leasehold Improvements	460,817		460,817		460,817	5	92,163
8	1915	Office Furniture and Equipment	645,005	541,266	103,740	5,000	106,240	10	10,624
45	1920	Computer Equipment - Hardware	1,650,273	1,316,165	334,108	201,000	434,608	5	86,920
12	1925	Computer Software	443,292	336,487	106,805	210,000	211,805	3	70,602
10	1930	Transportation Equipment	2,107,804	1,293,218	814,586	210,000	919,586	5/8	138,446
10	1935	Stores Equipment	189,526	111,346	78,180	10,000	83,180	10	8,318
8	1940	Tools, Shop and Garage Equipment	409,747	341,497	68,250	2,500	69,500	10	6,950
	1945	Measurement and Testing Equipment	31,721	0	31,721		31,721	10	3,172
	1950	Power Operated Equipment	0	0	0		0		
10	1955	Communication Equipment	214,742	118,962	95,780	200,000	195,780	10	19,578
	1960	Miscellaneous Equipment	0		0		0		
	1970	Load Management Controls - Customer Premises	0		0		0		
	1975	Load Management Controls - Utility Premises	0		0		0		
	1980	System Supervisory Equipment	41,545	41,545	0		0	15	
	1985	Sentinel Lighting Rentals	0		0		0		
	1990	Other Tangible Property	70,000		70,000		70,000	15	4,667
1	1995	Contributions and Grants	-39,524,700	-400,950	-39,123,750	-3,794,938	-41,021,219	25	-1,640,853
	2005	Property under Capital Lease					0		
	WIP		1,200,000	1,200,000	0	1,200,000	1,200,000	N/A	0
		<b>Total</b>	<b>99,069,208</b>	<b>17,295,220</b>	<b>81,773,988</b>	<b>9,348,641</b>	<b>87,048,309</b>		<b>3,773,257</b>

Less: Fully Allocated Depreciation	
Transportation	138,446
Stores	8,318
Tools	6,950
Measurement	3,172
Net Depreciation	<u>3,616,371</u>

## TAX CALCULATIONS

Milton Hydro's detailed tax calculations using the most recent tax rates are provided in the following Table 41. For the 2011 Test Year, Milton Hydro has provided Table 40 below setting out the annual number of apprentices and co-op students eligible for the Apprenticeship Training & Education Credit and Apprenticeship Job Creation Input Tax Credit.

**Table 40 -  
2011 Apprenticeship Training & Education Credit and Apprenticeship Job Creation Input  
Tax Credit**

2011			Apprenticeship Training Credit	Education Credit	Total	Apprenticeship Job Creation ITC
Apprenticeship Lineman	Active Position	11 months	9,167			F
Apprenticeship Lineman	Active Position	Full Year	10,000			2,000
Apprenticeship Lineman	New Position	6 months	5,000			1,000
P&C Apprenticeship	New Position (2010)	Full Year	10,000			2,000
Apprenticeship Meterman	New Position	Full Year	10,000			2,000
Co/op Student	Active Position	05/01/10-08/31/10		2,016		
Co/op Student CSR	New Position	4 months		2,016		
Co/op Student IT	New Position	4 months		2,016		
Co/op Student Eng	New Position	4 months		2,016		
			<b>44,167</b>	<b>8,064</b>	<b>52,231</b>	<b>7,000</b>

The Apprenticeship tax credit is \$10,000 per year/per individual and has been prorated accordingly.

The Education Credit of \$ 8,064 per year/per individual and has been prorated accordingly.

Both credits have been incorporated into Milton Hydro's 2011 Test Year tax calculation under "Other Additions - Apprentice Line Credit" totaling \$ 52,231.

**Table 41 -  
Tax Calculations**

Description	2006 Board Approved	2010 Bridge	2011 Test
<b>Determination of Taxable Income</b>			
Utility Income Before Taxes	1,591,266	2,801,672	3,073,358
Book to Tax Adjustments			
<b>Additions to Accounting Income:</b>			
Interest and penalties on taxes	0	0	0
Amortization of tangible assets	2,043,158	4,097,140	3,773,257
Non-deductible meals and entertainment expense	4,848	3,625	3,625
Reserves from financial statements- balance at end of year	158,307	364,892	364,892
Debt Financing Expenses for Book Purposes	2,452,796	0	0
Other Additions (Apprenticeship Tax Credits)	(144,056)	56,827	52,231
<b>Total Additions</b>	<b>4,515,053</b>	<b>4,522,483</b>	<b>4,194,005</b>
<b>Deductions from Accounting Income:</b>			
Gain on disposal of assets per financial statements		0	0
Dividends not taxable under section 83		0	0
Capital cost allowance from Schedule 8	2,048,999	3,926,667	4,480,611
Reserves from financial statements - balance at beginning of year	153,985	364,892	364,892
Financing Fees for Tax Under S.20(1)(e)	2,452,796	0	0
Other Deductions		0	0
<b>Total Deductions</b>	<b>4,655,780</b>	<b>4,291,559</b>	<b>4,845,503</b>
<b>Regulatory Taxable Income</b>	<b>1,450,539</b>	<b>3,032,596</b>	<b>2,421,860</b>
Corporate Income Tax Rate	36.12%	29.01%	25.80%
<b>Subtotal</b>	<b>523,935</b>		
<b>Less: R&amp;D ITC (0.3)</b>			
<b>Regulatory Income Tax</b>	<b>523,935</b>	<b>879,778</b>	<b>624,945</b>
<b>Calculation of Utility Income Taxes</b>			
Income Taxes	523,935	879,778	624,945
Large Corporation Tax	0	0	0
Ontario Capital Tax	85,220	30,495	0
<b>Total Taxes</b>	<b>609,155</b>	<b>910,273</b>	<b>624,945</b>
<b>Tax Rates</b>			
Federal Tax	22.12%	18.00%	16.50%
Provincial Tax	14.00%	13.00%	11.75%
Tax Credit Adjstment		(0)	(0)
<b>Total Tax Rate</b>	<b>36.12%</b>	<b>29.01%</b>	<b>25.80%</b>
<b>Large Corporation Tax</b>	<b>0</b>		
<b>Calculation of Ontario Capital Tax</b>			
Total Rate Base	38,406,768	55,659,447	62,142,475
Less Exemption	10,000,000	15,000,000	15,000,000
<b>Taxable Capital /Deemed taxable capital</b>	<b>28,406,768</b>	<b>40,659,447</b>	<b>47,142,475</b>
OCT Rate	0.300%	0.075%	0.000%
<b>Ontario Capital Tax</b>	<b>85,220</b>	<b>30,495</b>	<b>0</b>
<b>Summary of Income Taxes</b>			
Description	2006 Board Approved	2010 Bridge	2011 Test
Income Taxes	523,935	879,778	624,945
Large Corporation Tax	0	0	0
Ontario Capital Tax	85,220	30,495	0
<b>Total Taxes</b>	<b>609,155</b>	<b>910,273</b>	<b>624,945</b>

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## Capital Cost Allowance:

Milton Hydro is providing Capital Cost Allowance Continuity Schedules for the 2010 Bridge Year at Table 42 and the 2011 Test Year at Table 43 follows:

**Table 42 -  
2010 Bridge Year Capital Cost Allowance Continuity Schedule**

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	27,664,939	0	0	27,664,939	0	0	27,664,939	0	27,664,939	0.04	1,106,598	26,558,341
8	General Office/Stores Equip	3,650,176	0	0	3,650,176	70,833	0	3,721,009	35,417	3,685,593	0.20	737,119	2,943,891
10	Computer Hardware/ Vehicles	418,034	0	0	418,034	466,752	0	884,786	233,376	651,410	0.30	195,423	456,987
12	Computer Software	36,123	0	0	36,123	61,470	0	97,593	30,735	66,858	1.00	66,858	30,735
13	Leaseholds	252,735	0	0	252,735	180,000	0	432,735	90,000	342,735	0.05	17,137	415,598
CIP	Work In Process	1,374,901	0	0	1,374,901	1,200,000	1,374,901	1,200,000	0	1,200,000	0.00	0	1,200,000
13.3	Lease # 3	0	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	0
14	Franchise	0	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	0.08	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	0	0	0	0.30	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	17,030	0	0	17,030	0	0	17,030	0	17,030	0.45	7,664	9,367
50	Computers & Systems Hardware acq'd post Mar 19/07	18,067	0	0	18,067	0	0	18,067	0	18,067	0.55	9,937	8,130
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	0.30	0	0
47	Distribution System - post 22-Feb-2005	16,934,407	0	0	16,934,407	10,779,506	6,938	27,706,975	5,382,815	22,324,160	0.08	1,785,933	25,921,042
	<b>SUB-TOTAL - UCC</b>	<b>50,366,412</b>	<b>0</b>	<b>0</b>	<b>50,366,412</b>	<b>12,758,561</b>	<b>1,381,839</b>	<b>61,743,134</b>	<b>5,772,342</b>	<b>55,970,792</b>		<b>3,926,667</b>	<b>57,816,467</b>
CEC	Goodwill	0	0	0	0	700,000	0	700,000	0	700,000	0	0	700,000
CEC	Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
CEC	FMV Bump-up	0	0	0	0	0	0	0	0	0	0	0	0
	<b>SUB-TOTAL - CEC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>700,000</b>	<b>0</b>	<b>700,000</b>	<b>0</b>	<b>700,000</b>		<b>0</b>	<b>700,000</b>

**Table 43 -  
2011 Test Year Capital Cost Allowance Continuity Schedule**

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	26,558,341	0	0	26,558,341	0	0	26,558,341	0	26,558,341	4%	1,062,334	25,496,008
8	General Office/Stores Equip	2,983,891	0	0	2,983,891	217,500	0	3,201,391	108,750	3,092,641	20%	618,528	2,582,862
10	Computer Hardware/ Vehicles	689,363	0	0	689,363	411,000	0	1,100,363	205,500	894,863	30%	268,459	831,904
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	30,735	0	0	30,735	210,000	0	240,735	105,000	135,735	100%	135,735	105,000
13	Leaseholds	415,598	0	0	415,598	0	0	415,598	0	415,598	5%	20,780	394,818
CIP	Work In Process	1,200,000	0	0	1,200,000	1,200,000	1,200,000	1,200,000	0	1,200,000	0%	0	1,200,000
13.3	Lease # 3	0	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	0
14	Franchise	0	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	9,367	0	0	9,367	0	0	9,367	0	9,367	45%	4,215	5,152
50	Computers & Systems Hardware acq'd post Mar 19/07	8,130	0	0	8,130	0	0	8,130	0	8,130	55%	4,472	3,659
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	25,921,042	0	0	25,921,042	7,310,141	0	33,231,183	3,655,071	29,576,112	8%	2,366,089	30,865,094
	<b>SUB-TOTAL - UCC</b>	<b>57,816,467</b>	<b>0</b>	<b>0</b>	<b>57,816,467</b>	<b>9,348,641</b>	<b>1,200,000</b>	<b>65,965,108</b>	<b>4,074,321</b>	<b>61,890,787</b>		<b>4,480,611</b>	<b>61,484,497</b>
CEC	Goodwill	0	0	0	0	0	0	0	0	0	0	0	0
CEC	Land Rights	0	0	0	0	0	0	0	0	0	0	0	0
CEC	FMV Bump-up	0	0	0	0	0	0	0	0	0	0	0	0
	<b>SUB-TOTAL - CEC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>

## Income Tax, Large Corporation Tax and Ontario Capital Taxes:

Milton Hydro is subject to the payment of PILs under Section 93 of the *Electricity Act, 1998*, as amended. The Applicant does not pay Section 89 proxy taxes, and is exempt from the payment of income and capital taxes under the *Income Tax Act (Canada)* and the *Ontario Corporations Tax Act*. Table 44 below provides a summary of 2006 OEB Approved, 2005, 2006, 2007, 2008

and 2009 income taxes included in the audited statements, 2010 Bridge Year estimate using current rates, and 2011 Test Year income taxes based on revised rates. A copy of the 2009 Federal T2 and Ontario C23 tax return has been provided in this Exhibit, as Appendix A.

**Table 44 -  
Summary of Income Taxes**

Description	2005 Actual	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
Income Taxes	902,653	820,186	984,223	1,214,190	814,047	970,323	879,778	624,945
Large Corporation Tax	0	0	0	0	0	0	0	0
Ontario Capital Tax	97,300	85,220	101,000	70,001	71,000	75,000	30,495	0
Total Taxes	999,953	905,406	1,085,223	1,284,190	885,047	1,045,323	910,273	624,945

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## APPENDIX A – SERVICES AGREEMENT MHHI PROVIDES TO MHD

**MILTON HYDRO DISTRIBUTION INC.**

**- and -**

**MILTON HYDRO HOLDINGS INC.**

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**SERVICES AGREEMENT**

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**April 30, 2003**

<p><b>An Agreement whereby Milton Hydro Holdings Inc. provides management services to Milton Hydro Distribution Inc.</b></p>
--

## SERVICES AGREEMENT

THIS SERVICES AGREEMENT is made as of the 30th day of April 2003

B E T W E E N:

**MILTON HYDRO HOLDINGS INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHHI")

- and -

**MILTON HYDRO DISTRIBUTION INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHDI")

### WHEREAS:

1. Each of the Parties to this Agreement are corporations incorporated under the *Business Corporations Act* (Ontario);
2. MHDI carries on the business of distributing electricity within the Town of Milton, in the Province of Ontario and is a utility within the meaning of the Affiliate Relationships Code.
3. MHHI agrees to provide certain services to MHDI on the terms as set forth in this Agreement
4. MHHI and MHDI are affiliated with each other within the meaning of the Business Corporations Act (Ontario).

**NOW THEREFORE** in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

- (a) **"Affiliate"** with respect to a corporation, shall have the same meaning as is ascribed to such term in the *Business Corporations Act* (Ontario);

- (b) "ARC" means the Affiliate Relationships Code for electricity distributors and transmitters issued by the OEB;
- (c) "Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions mean this Services Agreement together with all Schedules attached hereto, as they may be amended from time to time;
- (d) "Business Day" means any day other than a Saturday, Sunday, statutory or bank holiday in the Province of Ontario;
- (e) "Claim" has the meaning ascribed to such term in **Section 4.4**;
- (f) "Confidential Information" has the meaning ascribed to such term in Section 1.2 of the ARC;
- (g) "Default" means in respect of Defaulting Party, an event set out in **Section 8.1**;
- (h) "Defaulting Party" has the meaning ascribed to such term in **Section 8.1**;
- (i) "Effective Date" means the date first written above;
- (j) "Event of Default" means a Default, the notice and cure periods (if any) respecting which have expired;
- (k) "Force Majeure Event" has the meaning ascribed to such term in **Section 11.1**;
- (l) "IMO" means the Independent Electricity Market Operator;
- (m) "Law" means any law, rule, regulation, code, order, writ, judgement, decree or other legal or regulatory determination by a court, regulatory agency, including the IMO and the OEB, or governmental authority of competent jurisdiction;
- (n) "OEB" means the Ontario Energy Board constituted pursuant to the terms of the Ontario Energy Board Act, 1998;
- (o) "Party" means a party to this Agreement and "Parties" means every party;
- (p) "Person" means an individual, corporation, partnership, joint venture, association, trust, pension fund, union, governmental agency, official, board, tribunal, ministry, commission or department;
- (q) "Personnel" means employees, agents, professional advisors, contractors and subcontractors;
- (r) "Prime Rate" means, for any day, an annual rate of interest equal to the rate of interest which MHD principal bank establishes at its principal office in Toronto as the reference rate of interest to determine interest rates that it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest";

- (s) **"Services"** are Services that are provided under **Section 3.1** of this Agreement;
- (t) **"Term"** has the meaning ascribed thereto in **Section 2.1** of this Agreement.

## **1.2 Construction of Agreement**

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) all usage of the word "including" or the phrase "e.g.," in this Agreement shall mean "including, without limitation," throughout this Agreement;
- (c) any reference to a statute or code shall mean the statute or code in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute or code thereto, unless otherwise expressly provided;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) in the computation of time under this Agreement, except where a contrary intention is expressly stated, where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens provided that in the event that the time for doing an act under this Agreement expires on a day which is not a Business Day, the act may be done on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, subsections and Schedules and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the parties to this Agreement each, either by its duly authorized officers or by its professional advisors, having participated in the preparation of this Agreement, do severally acknowledge that it is their intent that this Agreement is to be construed as if the parties were joint authors and is not to be construed against one party as if that party or that party's professional advisor was the sole or major author of this Agreement.
- (j) it being the intention of the parties in entering into this Agreement that there be full compliance with the ARC, it is the intention of the parties that this Agreement be interpreted to be consistent with the provisions contained in the ARC and that, for

such purpose, any term used in this Agreement which is defined in the ARC and is not otherwise expressly defined in this Agreement shall have the meaning ascribed to such term in the ARC.

## ARTICLE 2

### TERM

#### 2.1 Term

Unless terminated in accordance with **Section 10.1** of this Agreement, this Agreement shall come into force on the Effective Date and shall continue in full force and effect for a period of five (5) years. Subject to delivery of notice as herein provided, at the end of the initial five (5) year term, the term of this Agreement shall be extended automatically for successive periods of one (1) year each unless either party gives notice in writing to the other of not less than ninety (90) days prior to the end of the then current term that the term of the Agreement is not to be extended beyond the end of the then current term.

## ARTICLE 3

### MHHI SERVICES AND COVENANTS

#### 3.1 Services

Subject to the terms, covenants and conditions contained in this Agreement, MHHI will provide, or cause to be provided, to MHDI the services set out in **Schedule “A”** (collectively the “**Services**”).

#### 3.2 Service Standards

Subject to the terms, covenants and conditions contained in this Agreement, MHHI will provide, or cause to be provided, to MHDI the services to the standards set out in **Schedule “B”** (collectively the “**Service Standards**”).

#### 3.3 Changes

MHHI and MHDI may, from time to time, agree to modifications to a service and to a standard agreed to be provided hereunder by negotiating appropriate changes to the descriptions of the service and the standard and the consideration in connection with such changes and shall initial and attach amended schedules hereto.

#### 3.4 General MHHI Covenants

- (a) MHHI shall be responsible for obtaining all necessary licences and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with the provision of the Services and MHHI shall, when requested, provide MHDI with adequate evidence of its compliance with this **Section 3.4**;
- (b) MHHI shall maintain for the benefit of MHDI appropriate insurance concerning the operations and liabilities of MHHI relevant to this Agreement.

## ARTICLE 4 MUTUAL COVENANTS

### **4.1 Confidential Information**

MHDI and its personnel shall not release Confidential Information to MHHI except in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board. Where MHDI shares employees with MHHI, MHHI and MHDI agree that they shall not release Confidential Information to any third party without the prior consent of the Parties.

### **4.2 Maintain Records**

MHDI and MHHI will maintain separate financial records and books of accounts in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board.

### **4.3 Notification of Changes of Circumstances**

MHHI shall promptly give written notice to MHDI of any changes or prospective changes in circumstances that would materially affect the resources required for the performance of the Services, including any anticipated material change in the nature or level of business of MHHI, or any service arrangements contemplated with any third parties.

### **4.4 Notice of Claims, Etc.**

MHHI shall promptly give written notice to MHDI, and MHDI shall promptly give notice to MHHI, of all material claims, proceedings, notice of regulatory non-compliance from any regulatory authority, disputes (including labour disputes) or litigation (collectively, "**Claims**") which it reasonably believes could have a material adverse effect on the fulfillment of any of the material terms hereof by MHHI or MHDI (whether or not any such Claim is covered by insurance) in respect of its own operations of which either of them is aware. Subject to compliance with the terms of any insurance policy pursuant to which either party may be entitled to indemnity in respect of any Claim, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such Claims and any developments relating thereto. In the event that either Party is or may be insured with respect to any Claim, each Party will provide full co-operation as required by any insurance carrier for the purpose of processing or defending any such Claim.

### **4.5 Regulatory Change**

If any change of Law after the date of this Agreement renders this Agreement illegal or unenforceable or if any provision contained in this Agreement is found by any authority of competent jurisdiction not to be in compliance with the ARC, the Parties shall forthwith enter into good faith negotiations with the intent of entering into a replacement or amending Agreement to reflect compliance with any such change of law or ruling of non compliance with the ARC.

## ARTICLE 5 FEES AND COSTS

### 5.1 Fees

MHDI shall pay to MHHI the fees and charges set out in **Schedule "C"**. Fees are updated annually, on a calendar year basis, to reflect current rates.

### 5.2 Taxes

In addition to the fees, MHDI shall pay to MHHI an amount equal to any and all goods and services taxes, sales taxes, value-added taxes or any other taxes (excluding income taxes) properly eligible on the supply of services provided by a third party under this Agreement.

### 5.3 Late Payment

If MHDI fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the Prime Rate plus two percent (2%).

## ARTICLE 6 REPRESENTATIONS AND WARRANTIES

### 6.1 Representations and Warranties of MHHI

MHHI represents and warrants to MHDI as follows and acknowledges that MHDI is relying on such representations and warranties in connection herewith:

- (a) MHHI is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHHI, enforceable against MHHI by MHDI in accordance with its terms; and
- (d) MHHI has the necessary resources and expertise to acquire or perform the Services.

### 6.2 Representations and Warranties of MHDI

MHDI represents and warrants to MHHI as follows and acknowledges that MHHI is relying on such representations and warranties in connection herewith:

- (a) MHDI is a company, duly organized, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate actions;

- (c) this Agreement constitutes a legal, valid and binding obligation of MHDI, enforceable against MHDI by MHHI in accordance with its terms; and
- (d) MHDI is not an energy service provider within the meaning of the ARC.

### **6.3 Warranty**

- (a) MHHI warrants that the services it provides will be performed in a professional and workman like manner. MHHI warrants that any fault or defect due to MHHI shall be corrected as soon as is reasonably possible upon notification by MHDI at no cost to MHDI.

## **ARTICLE 7 INDEMNIFICATION**

### **7.1 Indemnification**

- (a) MHDI shall indemnify, defend and hold harmless MHHI, its' officers, directors, shareholder and employees (each a "**MHHI Indemnitee**") from and against any and all claims, demands, suits, losses, liabilities, damages, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest in respect of, any and all actions, suits, proceedings, assessments, judgements, awards, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (each an "**Indemnifiable Loss**"), asserted against or suffered by any MHHI Indemnitee relating to, or in connection with, or resulting from or arising out of the provision of the Services under this Agreement.
- (b) MHHI shall be deemed to hold the provisions of **Section 7.1(a)** that are for the benefit of the MHHI Indemnitees that are not party to this Agreement in trust for such persons as third party beneficiaries under this Agreement.

### **7.2 Limit of Liability**

- (a) MHDI agrees that MHHI liability, if any, to MHDI or any third party in connection with or arising under this Agreement, including without limitation, any liability arising from any act or omission of MHHI in the provision of the Services, whether arising in contract, tort, equity or otherwise, shall be limited to actions or liabilities resulting solely from the fraud or willful misconduct of MHHI in the provision of the Services and shall not exceed an amount equal to the total amount paid by MHDI to MHHI under this Agreement for Services over the twelve month period preceding the date that the cause of action or claim giving rise to the liability first arose.
- (b) MHHI shall not be liable for any damages caused by delay in delivering or furnishing any Services referred to in this Agreement.

- 7.3** Notwithstanding anything else to the contrary in this Agreement, the Parties agree that MHHI shall not be responsible for any sanctions, fines, penalties, or similar obligations

imposed on MHDI, and MHDI agrees to indemnify and hold harmless MHHI from any such sanctions fines, penalties or similar obligations.

## ARTICLE 8 DEFAULT

### 8.1 Events of Default

The occurrence of any one or more of the following events shall constitute a Default by a Party (the **“Defaulting Party”**) under this Agreement and shall constitute an Event of Default if such Default is not remedied prior to the expiry of the relevant notice period (if any) and the relevant cure period (if any) applicable to such Default as hereinafter set out:

- (a) if the Defaulting Party defaults in the payment of any amount due to the other Party under this Agreement and such default shall continue unremedied for sixty (60) days following notice in writing thereof to the Defaulting Party by the other Party; or
- (b) if the Defaulting Party fails in any material respect to perform or observe any of its other material obligations under this Agreement and such failure shall continue unremedied for a period of sixty (60) days following notice in writing thereof (giving particulars of the failure in reasonable detail) from the other Party to the Defaulting Party or such longer period as may be reasonably necessary to cure such failure (if such failure is capable of being cured), provided that the Defaulting Party:
  - (i) proceeds with all due diligence to cure or cause to be cured such failure; and
  - (ii) its proceedings can be reasonably expected to cure or cause to be cured such failure within a reasonable time frame acceptable to the other Party acting reasonably.

## ARTICLE 9 REMEDIES

### 9.1 Default Remedies

- (a) Unless otherwise agreed to in writing, in the event of an Event of Default the non-defaulting Party may terminate this Agreement and all amounts payable by the defaulting Party to and including the date of termination hereunder shall become due and payable forthwith;
- (b) The remedies in this section are expressly in lieu of any or all of the remedies which may be available to each of MHHI and MHDI in respect of or under this Agreement resulting from the furnishing, the failure to furnish or the quality of any Services.

## ARTICLE 10 TERMINATION

### 10.1 Termination

This Agreement shall terminate:

- (a) in accordance with the provisions of **Section 9.1**; or

- (b) in accordance with **Section 2.1** upon issuance of the notice of non-renewal as provided therein.

## **10.2 Notice of Termination**

Any termination hereof pursuant to **Section 10.1** shall be by written notice of the terminating Party.

## **ARTICLE 11 GENERAL**

### **11.1 Force Majeure**

No Party shall be liable for a failure or delay in the performance of its obligations pursuant to this Agreement:

- (a) provided that such failure or delay could not have been prevented by reasonable precautions;
- (b) provided that such failure or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, work around plans or other means; and
- (c) if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions, strikes, lock outs or labour disruptions or revolutions in Canada, or any other similar causes beyond the reasonable control of such Party, (each a "**Force Majeure Event**").

Upon the occurrence of a Force Majeure Event, the non-performing Party shall be excused from any further performance of those of its obligations pursuant to this Agreement affected by the Force Majeure Event only for so long as:

- (a) such Force Majeure Event continues; and
- (b) such Party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

The Party delayed by a Force Majeure Event shall:

- (a) immediately notify the other Parties by telephone (to be confirmed in writing within five (5) days of the inception of such delay) of the occurrence of a Force Majeure Event; and
- (b) describe in reasonable detail the circumstances causing the Force Majeure Event.

### **11.2 Dispute Resolution**

If any dispute arising in relation to an event of default under **Section 8.1(b)** or its remediation as contemplated by **Section 8.1(b)** cannot be resolved by negotiation between the Parties, then the dispute shall be referred to one arbitrator agreeable to and appointed by both Parties. If the Parties cannot agree on one arbitrator, the matter in dispute shall be referred to a panel of three arbitrators,

one of which shall be appointed by MHHI, one appointed by MHDI, and the third appointed by the two arbitrators selected by the two Parties. The arbitrator or arbitrators shall receive such oral and written evidence as may be required to investigate the matter in dispute and to render a decision. The arbitrators shall be guided by this Agreement and the intent of this Agreement. The decision of the arbitrator or arbitrators shall be provided in writing to all of the Parties no later than thirty (30) days after the sole arbitrator or the third arbitrator has been appointed. The decision of the arbitrator or arbitrators shall be final and binding on the Parties.

### **11.3 Assignment**

Neither Party shall, without the written approval of the other Party hereto, which may be arbitrarily withheld in the sole discretion of either of them, assign or transfer its interest in this Agreement. This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this Agreement shall be void.

### **11.4 Notices**

- (a) All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

If to MHHI,

55 Thompson Road S  
Milton, ON  
L9T 6P7  
Attn: Donald R. Thorne, President/Chief Executive Officer  
Fax: 905-876-4611

If to MHDI,

55 Thompson Road S  
Milton, ON  
L9T 6P7  
Attn: Mary-Jo Corkum, Secretary/Treasurer  
Fax: 905-876-4611

and shall be sent by fax and the Party sending such notice shall telephone to confirm receipt. A copy of any such notice shall also be sent on the date such notice is transmitted by fax by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address or fax number for notification purposes by giving the other Party notice of the new address or fax number and the date upon which it will become effective in accordance with the terms of this Agreement. A notice shall be deemed to have been received as of the next Business Day following its transmission by fax.

### **11.5 Severability**

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such

provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the extent granted by law. If any clause is deemed unenforceable or contrary to law, the parties shall alter the said clause and this agreement to produce enforceability or compliance with law such that the intent of the original clause is maintained and such change or alteration may be established through the dispute resolution clause in this agreement.

#### **11.6 Waiver**

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

#### **11.7 Entire Agreement**

This Agreement constitutes the entire Agreement among the Parties with respect to the Services and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

#### **11.8 Amendments**

No amendment to, or change, waiver or discharge of, any provision of this Agreement shall be valid unless in writing and signed by authorized representatives of each Party.

#### **11.9 Governing Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attach to the jurisdiction of such courts.

#### **11.10 Survival**

The terms of **Article 7**, **Article 9** and **Article 11** shall survive the expiration of this Agreement or termination of this Agreement for any reason.

#### **11.11 Third Party Beneficiaries**

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

#### **11.12 Covenant of Further Assurances**

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

**IN WITNESS WHEREOF** this Agreement has been executed by the duly authorized signatories of the parties hereto as of the date first written above.

**MILTON HYDRO HOLDINGS INC.**

Per: \_\_\_\_\_  
Name: Donald R. Thorne  
Title: President/Chief Executive Officer

**MILTON HYDRO DISTRIBUTION INC**

Per: \_\_\_\_\_  
Name: Mary-Jo Corkum  
Title: Vice President, Finance

## **SCHEDULE A**

### **Description of Services**

- 1. “Management Services”,** will include, as required:
  - (a) Management services: including but not limited to MHHI Board of Directors providing direction and policy to MHDI.

## **SCHEDULE B**

### **Description of Service Standards**

#### **Service Standards**

MHHI shall perform the Services in a good and workmanlike manner and to a standard of performance that a competent professional and diligent independent provider of the services in the same circumstances would reasonably be expected to provide. The obligations of MHHI hereunder shall be subject to any restrictions as may from time to time be set out in the ARC.

**SCHEDULE C**

**MHHI Providing Services to MHDI**  
**Fees & Charges**

	<b>SERVICES</b>	<b>FEES</b>	<b>PERIOD OF FEE</b>
1.	<b>Management Services</b>	Proportionate share of Total Actual costs reflecting time spent by MHHI on MHDI activities	Quarterly

<b>Term &amp; Conditions</b>		
1	Regular Business Hours	8:00am to 4:30 pm weekdays, excluding holidays
2	Prices	Subject to Applicable Taxes
3	Payment	Net 30 days

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## APPENDIX B – SERVICES AGREEMENT MHDH PROVIDES TO MHHI

**MILTON HYDRO HOLDINGS INC.**

**- and -**

**MILTON HYDRO DISTRIBUTION INC.**

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**SERVICES AGREEMENT**

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**April 30, 2003**

<p><b>An Agreement whereby Milton Hydro Distribution Inc. provides accounting &amp; finance services, management services, and corporate support services to Milton Hydro Holdings Inc.</b></p>
---

## SERVICES AGREEMENT

THIS SERVICES AGREEMENT is made as of the 30th day of April 2003

B E T W E E N:

**MILTON HYDRO HOLDINGS INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHHI")

- and -

**MILTON HYDRO DISTRIBUTION INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHDI")

### WHEREAS:

1. Each of the Parties to this Agreement are corporations incorporated under the *Business Corporations Act* (Ontario);
2. MHDI carries on the business of distributing electricity within the Town of Milton, in the Province of Ontario and is a utility within the meaning of the Affiliate Relationships Code.
3. MHDI agrees to provide certain services to MHHI on the terms as set forth in this Agreement
4. MHHI and MHDI are affiliated with each other within the meaning of the Business Corporations Act (Ontario).

**NOW THEREFORE** in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

- (a) **"Affiliate"** with respect to a corporation, shall have the same meaning as is ascribed to such term in the *Business Corporations Act* (Ontario);
- (b) "ARC" means the Affiliate Relationships Code for electricity distributors and transmitters issued by the OEB;
- (c) **"Agreement"**, **"hereto"**, **"hereof"**, **"herein"**, **"hereby"**, **"hereunder"** and similar expressions mean this Services Agreement together with all Schedules attached hereto, as they may be amended from time to time;
- (d) **"Business Day"** means any day other than a Saturday, Sunday, statutory or bank holiday in the Province of Ontario;
- (e) **"Claim"** has the meaning ascribed to such term in **Section 4.4**;
- (f) **"Confidential Information"** has the meaning ascribed to such term in Section 1.2 of the ARC;
- (g) **"Default"** means in respect of Defaulting Party, an event set out in **Section 8.1**;
- (h) **"Defaulting Party"** has the meaning ascribed to such term in **Section 8.1**;
- (i) **"Effective Date"** means the date first written above;
- (j) **"Event of Default"** means a Default, the notice and cure periods (if any) respecting which have expired;
- (k) **"Force Majeure Event"** has the meaning ascribed to such term in **Section 11.1**;
- (l) **"IMO"** means the Independent Electricity Market Operator;
- (m) **"Law"** means any law, rule, regulation, code, order, writ, judgement, decree or other legal or regulatory determination by a court, regulatory agency, including the IMO and the OEB, or governmental authority of competent jurisdiction;
- (n) **"OEB"** means the Ontario Energy Board constituted pursuant to the terms of the Ontario Energy Board Act, 1998;
- (o) **"Party"** means a party to this Agreement and "Parties" means every party;
- (p) **"Person"** means an individual, corporation, partnership, joint venture, association, trust, pension fund, union, governmental agency, official, board, tribunal, ministry, commission or department;
- (q) **"Personnel"** means employees, agents, professional advisors, contractors and subcontractors;
- (r) **"Prime Rate"** means, for any day, an annual rate of interest equal to the rate of interest which MHDI principal bank establishes at its principal office in Toronto as

the reference rate of interest to determine interest rates that it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest";

- (s) **"Services"** are Services that are provided under **Section 3.1** of this Agreement;
- (t) **"Term"** has the meaning ascribed thereto in **Section 2.1** of this Agreement.

## **1.2 Construction of Agreement**

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) all usage of the word "including" or the phrase "e.g.," in this Agreement shall mean "including, without limitation," throughout this Agreement;
- (c) any reference to a statute or code shall mean the statute or code in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute or code thereto, unless otherwise expressly provided;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) in the computation of time under this Agreement, except where a contrary intention is expressly stated, where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens provided that in the event that the time for doing an act under this Agreement expires on a day which is not a Business Day, the act may be done on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, subsections and Schedules and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the parties to this Agreement each, either by its duly authorized officers or by its professional advisors, having participated in the preparation of this Agreement, do severally acknowledge that it is their intent that this Agreement is to be construed as if the parties were joint authors and is not to be construed against one party as if that

party or that party's professional advisor was the sole or major author of this Agreement.

- (j) it being the intention of the parties in entering into this Agreement that there be full compliance with the ARC, it is the intention of the parties that this Agreement be interpreted to be consistent with the provisions contained in the ARC and that, for such purpose, any term used in this Agreement which is defined in the ARC and is not otherwise expressly defined in this Agreement shall have the meaning ascribed to such term in the ARC.

## ARTICLE 2 TERM

### 2.1 Term

Unless terminated in accordance with **Section 10.1** of this Agreement, this Agreement shall come into force on the Effective Date and shall continue in full force and effect for a period of five (5) years. Subject to delivery of notice as herein provided, at the end of the initial five (5) year term, the term of this Agreement shall be extended automatically for successive periods of one (1) year each unless either party gives notice in writing to the other of not less than ninety (90) days prior to the end of the then current term that the term of the Agreement is not to be extended beyond the end of the then current term.

## ARTICLE 3 MHDI SERVICES AND COVENANTS

### 3.1 Services

Subject to the terms, covenants and conditions contained in this Agreement, MHDI will provide, or cause to be provided, to MHHI the services set out in **Schedule "A"** (collectively the "**Services**").

### 3.2 Service Standards

Subject to the terms, covenants and conditions contained in this Agreement, MHDI will provide, or cause to be provided, to MHHI the services to the standards set out in **Schedule "B"** (collectively the "**Service Standards**").

### 3.3 Changes

MHDI and MHHI may, from time to time, agree to modifications to a service and to a standard agreed to be provided hereunder by negotiating appropriate changes to the descriptions of the service and the standard and the consideration in connection with such changes and shall initial and attach amended schedules hereto.

### 3.4 General MHDI Covenants

- (a) MHDI shall be responsible for obtaining all necessary licences and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with the provision of the Services and MHDI shall, when

requested, provide MHHI with adequate evidence of its compliance with this **Section 3.4**;

- (b) MHDI shall pay and maintain for the benefit of MHHI appropriate insurance concerning the operations and liabilities of MHDI relevant to this Agreement including, without limiting the generality of the foregoing, workers' compensation and employment insurance in conformity with applicable statutory requirements in respect of any remuneration payable by MHDI to any employees of MHDI and public liability and property damage insurance;
- (c) MHDI shall arrange for and maintain for the benefit of MHHI appropriate insurance concerning the operations and liabilities of MHHI relevant to this Agreement. MHHI will pay its proportionate share of the insurance premium in accordance with the invoice issued by the insurance broker.

## ARTICLE 4 MUTUAL COVENANTS

### **4.1 Confidential Information**

MHDI and its personnel shall not release Confidential Information to MHHI except in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board. Where MHDI shares employees with MHHI, MHDI shall not release Confidential Information of MHHI to any third party without the prior consent of MHHI.

### **4.2 Maintain Records**

MHDI and MHHI will maintain separate financial records and books of accounts in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board.

### **4.3 Notification of Changes of Circumstances**

MHDI shall promptly give written notice to MHHI of any changes or prospective changes in circumstances that would materially affect the resources required for the performance of the Services, including any anticipated material change in the nature or level of business of MHDI, the number of employees of MHDI, or any efforts relating to the organization of or collective bargaining by employees of MHDI, or any lease or service arrangements contemplated with any third parties.

### **4.4 Notice of Claims, Etc.**

MHDI shall promptly give written notice to MHHI, and MHHI shall promptly give notice to MHDI, of all material claims, proceedings, notice of regulatory non-compliance from any regulatory authority, disputes (including labour disputes) or litigation (collectively, "**Claims**") which it reasonably believes could have a material adverse effect on the fulfillment of any of the

material terms hereof by MHDI or MHHI (whether or not any such Claim is covered by insurance) in respect of its own operations of which either of them is aware. Subject to compliance with the terms of any insurance policy pursuant to which either party may be entitled to indemnity in respect of any Claim, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such Claims and any developments relating thereto. In the event that either Party is or may be insured with respect to any Claim, each Party will provide full co-operation as required by any insurance carrier for the purpose of processing or defending any such Claim.

#### **4.5 Regulatory Change**

If any change of Law after the date of this Agreement renders this Agreement illegal or unenforceable or if any provision contained in this Agreement is found by any authority of competent jurisdiction not to be in compliance with the ARC, the Parties shall forthwith enter into good faith negotiations with the intent of entering into a replacement or amending Agreement to reflect compliance with any such change of law or ruling of non compliance with the ARC.

### **ARTICLE 5 FEES AND COSTS**

#### **5.1 Fees**

MHHI shall pay to MHDI the fees and charges set out in **Schedule "C"**. Fees are updated annually, on a calendar year basis, to reflect current rates.

#### **5.2 Taxes**

In addition to the fees, MHHI shall pay to MHDI an amount equal to any and all goods and services taxes, sales taxes, value-added taxes or any other taxes (excluding income taxes) properly eligible on the supply of services provided by a third party under this Agreement.

#### **5.3 Late Payment**

If MHHI fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the Prime Rate plus two percent (2%).

### **ARTICLE 6 REPRESENTATIONS AND WARRANTIES**

#### **6.1 Representations and Warranties of MHDI**

MHDI represents and warrants to MHHI as follows and acknowledges that MHHI is relying on such representations and warranties in connection herewith:

- (a) MHDI is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;

- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHDI, enforceable against MHDI by MHHI in accordance with its terms; and
- (d) MHDI has the necessary resources and expertise to acquire or perform the Services.

## **6.2 Representations and Warranties of MHHI**

MHHI represents and warrants to MHDI as follows and acknowledges that MHDI is relying on such representations and warranties in connection herewith:

- (a) MHHI is a company, duly organized, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate actions;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHHI, enforceable against MHHI by MHDI in accordance with its terms; and
- (d) MHHI is not an energy service provider within the meaning of the ARC.

## **6.3 Warranty**

- (a) MHDI warrants that the work and services it provides will be performed in a professional and workman like manner. MHDI warrants that any fault or defect due solely or indirectly to workmanship of MHDI shall be corrected as soon as is reasonably possible upon notification by MHHI at no cost to MHHI.

# **ARTICLE 7 INDEMNIFICATION**

## **7.1 Indemnification**

- (a) MHHI shall indemnify, defend and hold harmless MHDI, its' officers, directors, shareholder and employees (each a "**MHDI Indemnatee**") from and against any and all claims, demands, suits, losses, liabilities, damages, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest in respect of, any and all actions, suits, proceedings, assessments, judgements, awards, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (each an "**Indemnifiable Loss**"), asserted against or suffered by any MHDI Indemnatee relating to, or in connection with, or resulting from or arising out of the provision of the Services under this Agreement.

- (b) MHDI shall be deemed to hold the provisions of **Section 7.1(a)** that are for the benefit of the MHDI Indemnitees that are not party to this Agreement in trust for such persons as third party beneficiaries under this Agreement.

## **7.2 Limit of Liability**

- (a) MHHI agrees that MHDI liability, if any, to MHHI or any third party in connection with or arising under this Agreement, including without limitation, any liability arising from any act or omission of MHDI in the provision of the Services, whether arising in contract, tort, equity or otherwise, shall be limited to actions or liabilities resulting solely from the fraud or willful misconduct of MHDI in the provision of the Services and shall not exceed an amount equal to the total amount paid by MHHI to MHDI under this Agreement for Services over the twelve month period preceding the date that the cause of action or claim giving rise to the liability first arose.
  - (b) MHDI shall not be liable for any damages caused by delay in delivering or furnishing any Services referred to in this Agreement.
- 7.3** Notwithstanding anything else to the contrary in this Agreement, the Parties agree that MHDI shall not be responsible for any sanctions, fines, penalties, or similar obligations imposed on MHHI, and MHHI agrees to indemnify and hold harmless MHDI from any such sanctions fines, penalties or similar obligations.

## **ARTICLE 8 DEFAULT**

### **8.1 Events of Default**

The occurrence of any one or more of the following events shall constitute a Default by a Party (the **“Defaulting Party”**) under this Agreement and shall constitute an Event of Default if such Default is not remedied prior to the expiry of the relevant notice period (if any) and the relevant cure period (if any) applicable to such Default as hereinafter set out:

- (a) if the Defaulting Party defaults in the payment of any amount due to the other Party under this Agreement and such default shall continue unremedied for sixty (60) days following notice in writing thereof to the Defaulting Party by the other Party; or
- (b) if the Defaulting Party fails in any material respect to perform or observe any of its other material obligations under this Agreement and such failure shall continue unremedied for a period of sixty (60) days following notice in writing thereof (giving particulars of the failure in reasonable detail) from the other Party to the Defaulting Party or such longer period as may be reasonably necessary to cure such failure (if such failure is capable of being cured), provided that the Defaulting Party:
  - (i) proceeds with all due diligence to cure or cause to be cured such failure; and
  - (ii) its proceedings can be reasonably expected to cure or cause to be cured such failure within a reasonable time frame acceptable to the other Party acting reasonably.

## ARTICLE 9 REMEDIES

### 9.1 Default Remedies

- (a) Unless otherwise agreed to in writing, in the event of an Event of Default the non-defaulting Party may terminate this Agreement and all amounts payable by the defaulting Party to and including the date of termination hereunder shall become due and payable forthwith;
- (b) The remedies in this section are expressly in lieu of any or all of the remedies which may be available to each of MHDl and MHHI in respect of or under this Agreement resulting from the furnishing, the failure to furnish or the quality of any Services.

## ARTICLE 10 TERMINATION

### 10.1 Termination

This Agreement shall terminate:

- (a) in accordance with the provisions of **Section 9.1**; or
- (b) in accordance with **Section 2.1** upon issuance of the notice of non-renewal as provided therein.

### 10.2 Notice of Termination

Any termination hereof pursuant to **Section 10.1** shall be by written notice of the terminating Party.

## ARTICLE 11 GENERAL

### 11.1 Force Majeure

No Party shall be liable for a failure or delay in the performance of its obligations pursuant to this Agreement:

- (a) provided that such failure or delay could not have been prevented by reasonable precautions;
- (b) provided that such failure or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, work around plans or other means; and
- (c) if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions, strikes, lock outs or labour disruptions or revolutions in Canada, or

any other similar causes beyond the reasonable control of such Party, (each a "**Force Majeure Event**").

Upon the occurrence of a Force Majeure Event, the non-performing Party shall be excused from any further performance of those of its obligations pursuant to this Agreement affected by the Force Majeure Event only for so long as:

- (a) such Force Majeure Event continues; and
- (b) such Party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

The Party delayed by a Force Majeure Event shall:

- (a) immediately notify the other Parties by telephone (to be confirmed in writing within five (5) days of the inception of such delay) of the occurrence of a Force Majeure Event; and
- (b) describe in reasonable detail the circumstances causing the Force Majeure Event.

## **11.2 Dispute Resolution**

If any dispute arising in relation to an event of default under **Section 8.1(b)** or its remediation as contemplated by **Section 8.1(b)** cannot be resolved by negotiation between the Parties, then the dispute shall be referred to one arbitrator agreeable to and appointed by both Parties. If the Parties cannot agree on one arbitrator, the matter in dispute shall be referred to a panel of three arbitrators, one of which shall be appointed by MHDI, one appointed by MHHI, and the third appointed by the two arbitrators selected by the two Parties. The arbitrator or arbitrators shall receive such oral and written evidence as may be required to investigate the matter in dispute and to render a decision. The arbitrators shall be guided by this Agreement and the intent of this Agreement. The decision of the arbitrator or arbitrators shall be provided in writing to all of the Parties no later than thirty (30) days after the sole arbitrator or the third arbitrator has been appointed. The decision of the arbitrator or arbitrators shall be final and binding on the Parties.

## **11.3 Assignment**

Neither Party shall, without the written approval of the other Party hereto, which may be arbitrarily withheld in the sole discretion of either of them, assign or transfer its interest in this Agreement. This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this Agreement shall be void.

## **11.4 Notices**

- (a) All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

**If to MHHI,**  
55 Thompson Road S  
Milton, ON

L9T 6P7

Attn: Donald R. Thorne, President/Chief Executive Officer

Fax: 905-876-4611

**If to MHDI,**

55 Thompson Road S

Milton, ON

L9T 6P7

Attn: Mary-Jo Corkum, Secretary/Treasurer

Fax: 905-876-4611

and shall be sent by fax and the Party sending such notice shall telephone to confirm receipt. A copy of any such notice shall also be sent on the date such notice is transmitted by fax by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address or fax number for notification purposes by giving the other Party notice of the new address or fax number and the date upon which it will become effective in accordance with the terms of this Agreement. A notice shall be deemed to have been received as of the next Business Day following its transmission by fax.

### **11.5 Severability**

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the extent granted by law. If any clause is deemed unenforceable or contrary to law, the parties shall alter the said clause and this agreement to produce enforceability or compliance with law such that the intent of the original clause is maintained and such change or alteration may be established through the dispute resolution clause in this agreement.

### **11.6 Waiver**

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

### **11.7 Entire Agreement**

This Agreement constitutes the entire Agreement among the Parties with respect to the Services and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

### **11.8 Amendments**

No amendment to, or change, waiver or discharge of, any provision of this Agreement shall be valid unless in writing and signed by authorized representatives of each Party.

#### **11.9 Governing Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attach to the jurisdiction of such courts.

#### **11.10 Survival**

The terms of **Article 7**, **Article 9** and **Article 11** shall survive the expiration of this Agreement or termination of this Agreement for any reason.

#### **11.11 Third Party Beneficiaries**

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

#### **11.12 Covenant of Further Assurances**

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

**IN WITNESS WHEREOF** this Agreement has been executed by the duly authorized signatories of the parties hereto as of the date first written above.

**MILTON HYDRO HOLDINGS INC.**

Per: \_\_\_\_\_  
Name: Donald R. Thorne  
Title: President / Chief Executive Officer

**MILTON HYDRO DISTRIBUTION INC.**

Per: \_\_\_\_\_  
Name: Mary-Jo Corkum  
Title: Vice President, Finance

## **SCHEDULE A**

### **Description of Services**

**1. “Accounting & Finance Services”, will include, as required:**

- (a) Accounting: financial systems, financial processes, policies and procedures, financial controls and compliance, financial reporting and analysis, annual budgets, financial operations, managing external audit, and insurance programs.
- (b) Finance services: financing including, operating line of credit, cash flow management and investment of funds, banking, financial guarantees including, letters of credit, payroll services, accounts payable services, and account receivables.

**2. “Management Services”, will include, as required:**

- (a) Management services: including but not limited to taking direction from and reporting to MHHI Board of Directors.

**3. “Corporate Support Services”, will include, as required:**

- (a) Call centre services: call answering services and switchboard services.
- (b) IT services: personal computer systems support and communications support.

## **SCHEDULE B**

### **Description of Service Standards**

#### **Service Standards**

MHDI will adhere to industry standards, based on standards set by the Workplace Safety & Insurance Board, Electric Utility Safety Association, and Occupational Health & Safety Standards as applicable and in any case shall perform the Services in a good and workmanlike manner and to a standard of performance that a competent professional and diligent independent provider of the services in the same circumstances would reasonably be expected to provide. The obligations of MHDI hereunder shall be subject to any restrictions as may from time to time be set out in the ARC.

**SCHEDULE C**

**MHDI Providing Services to MHHI**  
**Fees & Charges**

	<b>SERVICES</b>	<b>FEES</b>	<b>PERIOD OF FEE</b>
1.	<b>Accounting &amp; Finance Services</b>	\$67.00	Monthly
2.	<b>Corporate Support Services</b>	\$187.00	Monthly
3.	<b>Management Services</b>	\$776.00	Monthly

<b>Term &amp; Conditions</b>		
1	Regular Business Hours	8:00am to 4:30 pm weekdays, excluding holidays
2	Prices	Subject to Applicable Taxes
3	Payment	Net 30 days

1

2

## APPENDIX C – SERVICES AGREEMENT MHDI PROVIDES TO MHTI

**MILTON HYDRO TELECOM INC.**

**- and -**

**MILTON HYDRO DISTRIBUTION INC.**

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**SERVICES AGREEMENT**

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**April 30, 2003**

**An Agreement whereby Milton Hydro Distribution Inc., provides accounting/billing & finance services, management services, corporate support services, streetlight maintenance services and sentinel light services to Milton Hydro Telecom Inc.**

## SERVICES AGREEMENT

THIS SERVICES AGREEMENT is made as of the 30th day of April, 2006

B E T W E E N:

**MILTON HYDRO TELECOM INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHTI")

- and -

**MILTON HYDRO DISTRIBUTION INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHDI")

### WHEREAS:

1. Each of the Parties to this Agreement are corporations incorporated under the *Business Corporations Act* (Ontario);
2. MHDI carries on the business of distributing electricity within the Town of Milton, in the Province of Ontario and is a utility within the meaning of the Affiliate Relationships Code.
3. MHDI agrees to provide certain services to MHTI on the terms as set forth in this Agreement
4. MHTI and MHDI are affiliated with each other within the meaning of the Business Corporations Act (Ontario).

**NOW THEREFORE** in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

- (a) **"Affiliate"** with respect to a corporation, shall have the same meaning as is ascribed to such term in the *Business Corporations Act* (Ontario);
- (b) **"ARC"** means the Affiliate Relationships Code for electricity distributors and transmitters issued by the OEB;
- (c) **"Agreement", "hereto", "hereof", "herein", "hereby", "hereunder"** and similar expressions mean this Services Agreement together with all Schedules attached hereto, as they may be amended from time to time;
- (d) **"Business Day"** means any day other than a Saturday, Sunday, statutory or bank holiday in the Province of Ontario;
- (e) **"Claim"** has the meaning ascribed to such term in **Section 4.4**;
- (f) **"Confidential Information"** has the meaning ascribed to such term in Section 1.2 of the ARC;
- (g) **"Default"** means in respect of Defaulting Party, an event set out in **Section 8.1**;
- (h) **"Defaulting Party"** has the meaning ascribed to such term in **Section 8.1**;
- (i) **"Effective Date"** means the date first written above;
- (j) **"Event of Default"** means a Default, the notice and cure periods (if any) respecting which have expired;
- (k) **"Force Majeure Event"** has the meaning ascribed to such term in **Section 11.1**;
- (l) **"IMO"** means the Independent Electricity Market Operator;
- (m) **"Law"** means any law, rule, regulation, code, order, writ, judgement, decree or other legal or regulatory determination by a court, regulatory agency, including the IMO and the OEB, or governmental authority of competent jurisdiction;
- (n) **"OEB"** means the Ontario Energy Board constituted pursuant to the terms of the Ontario Energy Board Act, 1998;
- (o) **"Party"** means a party to this Agreement and **"Parties"** means every party;
- (p) **"Person"** means an individual, corporation, partnership, joint venture, association, trust, pension fund, union, governmental agency, official, board, tribunal, ministry, commission or department;
- (q) **"Personnel"** means employees, agents, professional advisors, contractors and subcontractors;
- (r) **"Prime Rate"** means, for any day, an annual rate of interest equal to the rate of interest which MHD principal bank establishes at its principal office in Toronto as

the reference rate of interest to determine interest rates that it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest";

- (s) **"Services"** are Services that are provided under **Section 3.1** of this Agreement;
- (t) **"Term"** has the meaning ascribed thereto in **Section 2.1** of this Agreement.

## **1.2 Construction of Agreement**

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) all usage of the word "including" or the phrase "e.g.," in this Agreement shall mean "including, without limitation," throughout this Agreement;
- (c) any reference to a statute or code shall mean the statute or code in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute or code thereto, unless otherwise expressly provided;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) in the computation of time under this Agreement, except where a contrary intention is expressly stated, where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens provided that in the event that the time for doing an act under this Agreement expires on a day which is not a Business Day, the act may be done on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, subsections and Schedules and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the parties to this Agreement each, either by its duly authorized officers or by its professional advisors, having participated in the preparation of this Agreement, do severally acknowledge that it is their intent that this Agreement is to be construed as if the parties were joint authors and is not to be construed against one party as if that

party or that party's professional advisor was the sole or major author of this Agreement.

- (j) it being the intention of the parties in entering into this Agreement that there be full compliance with the ARC, it is the intention of the parties that this Agreement be interpreted to be consistent with the provisions contained in the ARC and that, for such purpose, any term used in this Agreement which is defined in the ARC and is not otherwise expressly defined in this Agreement shall have the meaning ascribed to such term in the ARC.

## ARTICLE 2 TERM

### 2.1 Term

Unless terminated in accordance with **Section 10.1** of this Agreement, this Agreement shall come into force on the Effective Date and shall continue in full force and effect for a period of five (5) years. Subject to delivery of notice as herein provided, at the end of the initial five (5) year term, the term of this Agreement shall be extended automatically for successive periods of one (1) year each unless either party gives notice in writing to the other of not less than ninety (90) days prior to the end of the then current term that the term of the Agreement is not to be extended beyond the end of the then current term.

## ARTICLE 3 MHDI SERVICES AND COVENANTS

### 3.1 Services

Subject to the terms, covenants and conditions contained in this Agreement, MHDI will provide, or cause to be provided, to MHTI the services set out in **Schedule "A"** (collectively the "**Services**").

### 3.2 Service Standards

Subject to the terms, covenants and conditions contained in this Agreement, MHDI will provide, or cause to be provided, to MHTI the services to the standards set out in **Schedule "B"** (collectively the "**Service Standards**").

### 3.3 Changes

MHDI and MHTI may, from time to time, agree to modifications to a service and to a standard agreed to be provided hereunder by negotiating appropriate changes to the descriptions of the service and the standard and the consideration in connection with such changes and shall initial and attach amended schedules hereto.

### 3.4 General MHDI Covenants

- (a) MHDI shall be responsible for obtaining all necessary licences and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with the provision of the Services and MHDI shall, when

requested, provide MHTI with adequate evidence of its compliance with this **Section 3.4**;

- (b) MHDI shall comply, while on the premises used by MHTI, with all the rules and regulations of MHTI from time to time in force, which are brought to its notice or of which it should reasonably be aware;
- (c) MHDI shall pay and maintain for the benefit of MHTI appropriate insurance concerning the operations and liabilities of MHDI relevant to this Agreement including, without limiting the generality of the foregoing, workers' compensation and employment insurance in conformity with applicable statutory requirements in respect of any remuneration payable by MHDI to any employees of MHDI and public liability and property damage insurance;
- (d) MHDI shall arrange for and maintain for the benefit of MHTI appropriate insurance concerning the operations and liabilities of MHTI relevant to this Agreement including, without limiting the generality of the foregoing, public liability and property damage insurance. MHTI will pay its proportionate share of the insurance premium in accordance with the invoice issued by the insurance broker.

## ARTICLE 4 MUTUAL COVENANTS

### **4.1 Confidential Information**

MHDI and its personnel shall not release Confidential Information to MHTI except in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board. Where MHDI shares employees with MHTI, MHDI shall not release Confidential Information of MHTI to any third party without the prior consent of MHTI.

### **4.2 Maintain Records**

MHDI and MHTI will maintain separate financial records and books of accounts in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board.

### **4.3 Notification of Changes of Circumstances**

MHDI shall promptly give written notice to MHTI of any changes or prospective changes in circumstances that would materially affect the resources required for the performance of the Services, including any anticipated material change in the nature or level of business of MHDI, the number of employees of MHDI, or any efforts relating to the organization of or collective bargaining by employees of MHDI, or any lease or service arrangements contemplated with any third parties.

#### **4.4 Notice of Claims, Etc.**

MHDI shall promptly give written notice to MHTI, and MHTI shall promptly give notice to MHDI, of all material claims, proceedings, notice of regulatory non-compliance from any regulatory authority, disputes (including labour disputes) or litigation (collectively, "**Claims**") which it reasonably believes could have a material adverse effect on the fulfillment of any of the material terms hereof by MHDI or MHTI (whether or not any such Claim is covered by insurance) in respect of its own operations of which either of them is aware. Subject to compliance with the terms of any insurance policy pursuant to which either party may be entitled to indemnity in respect of any Claim, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such Claims and any developments relating thereto. In the event that either Party is or may be insured with respect to any Claim, each Party will provide full co-operation as required by any insurance carrier for the purpose of processing or defending any such Claim.

#### **4.5 Regulatory Change**

If any change of Law after the date of this Agreement renders this Agreement illegal or unenforceable or if any provision contained in this Agreement is found by any authority of competent jurisdiction not to be in compliance with the ARC, the Parties shall forthwith enter into good faith negotiations with the intent of entering into a replacement or amending Agreement to reflect compliance with any such change of law or ruling of non compliance with the ARC.

### **ARTICLE 5**

#### **FEES AND COSTS**

##### **5.1 Fees**

MHTI shall pay to MHDI the fees and charges set out in **Schedule "C"**. Fees are updated annually, on a calendar year basis, to reflect current rates.

##### **5.2 Taxes**

In addition to the fees, MHTI shall pay to MHDI an amount equal to any and all goods and services taxes, sales taxes, value-added taxes or any other taxes (excluding income taxes) properly eligible on the supply of services provided by a third party under this Agreement.

##### **5.3 Late Payment**

If MHTI fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the Prime Rate plus two percent (2%).

### **ARTICLE 6**

#### **REPRESENTATIONS AND WARRANTIES**

##### **6.1 Representations and Warranties of MHDI**

MHDI represents and warrants to MHTI as follows and acknowledges that MHTI is relying on such representations and warranties in connection herewith:

- (a) MHDI is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHDI, enforceable against MHDI by MHTI in accordance with its terms; and
- (d) MHDI has the necessary resources and expertise to acquire or perform the Services.

## **6.2 Representations and Warranties of MHTI**

MHTI represents and warrants to MHDI as follows and acknowledges that MHDI is relying on such representations and warranties in connection herewith:

- (a) MHTI is a company, duly organized, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate actions;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHTI, enforceable against MHTI by MHDI in accordance with its terms; and
- (d) MHTI is not an energy service provider within the meaning of the ARC.

## **6.3 Warranty**

- (a) MHDI warrants that the work and services it provides will be performed in a professional and workman like manner. MHDI warrants that any fault or defect due solely or indirectly to workmanship of MHDI shall be corrected as soon as is reasonably possible upon notification by MHTI at no cost to MHTI.

# **ARTICLE 7 INDEMNIFICATION**

## **7.1 Indemnification**

- (a) MHTI shall indemnify, defend and hold harmless MHDI, its' officers, directors, shareholder and employees (each a "**MHDI Indemnatee**") from and against any and all claims, demands, suits, losses, liabilities, damages, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest in respect of, any and all actions, suits, proceedings, assessments, judgements, awards, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (each an "**Indemnifiable Loss**"),

asserted against or suffered by any MHDI Indemnatee relating to, or in connection with, or resulting from or arising out of the provision of the Services under this Agreement.

- (b) MHDI shall be deemed to hold the provisions of **Section 7.1(a)** that are for the benefit of the MHDI Indemnitees that are not party to this Agreement in trust for such persons as third party beneficiaries under this Agreement.

## **7.2 Limit of Liability**

- (a) MHTI agrees that MHDI liability, if any, to MHTI or any third party in connection with or arising under this Agreement, including without limitation, any liability arising from any act or omission of MHDI in the provision of the Services, whether arising in contract, tort, equity or otherwise, shall be limited to actions or liabilities resulting solely from the fraud or willful misconduct of MHDI in the provision of the Services and shall not exceed an amount equal to the total amount paid by MHTI to MHDI under this Agreement for Services over the twelve month period preceding the date that the cause of action or claim giving rise to the liability first arose.
- (b) MHDI shall not be liable for any damages caused by delay in delivering or furnishing any Services referred to in this Agreement.

- 7.3** Notwithstanding anything else to the contrary in this Agreement, the Parties agree that MHDI shall not be responsible for any sanctions, fines, penalties, or similar obligations imposed on MHTI, and MHTI agrees to indemnify and hold harmless MHDI from any such sanctions fines, penalties or similar obligations.

## **ARTICLE 8 DEFAULT**

### **8.1 Events of Default**

The occurrence of any one or more of the following events shall constitute a Default by a Party (the **“Defaulting Party”**) under this Agreement and shall constitute an Event of Default if such Default is not remedied prior to the expiry of the relevant notice period (if any) and the relevant cure period (if any) applicable to such Default as hereinafter set out:

- (a) if the Defaulting Party defaults in the payment of any amount due to the other Party under this Agreement and such default shall continue unremedied for sixty (60) days following notice in writing thereof to the Defaulting Party by the other Party; or
- (b) if the Defaulting Party fails in any material respect to perform or observe any of its other material obligations under this Agreement and such failure shall continue unremedied for a period of sixty (60) days following notice in writing thereof (giving particulars of the failure in reasonable detail) from the other Party to the Defaulting Party or such longer period as may be reasonably necessary to cure such failure (if such failure is capable of being cured), provided that the Defaulting Party:
  - (i) proceeds with all due diligence to cure or cause to be cured such failure; and

(ii) its proceedings can be reasonably expected to cure or cause to be cured such failure within a reasonable time frame acceptable to the other Party acting reasonably.

## **ARTICLE 9 REMEDIES**

### **9.1 Default Remedies**

- (a) Unless otherwise agreed to in writing, in the event of an Event of Default the non-defaulting Party may terminate this Agreement and all amounts payable by the defaulting Party to and including the date of termination hereunder shall become due and payable forthwith;
- (b) The remedies in this section are expressly in lieu of any or all of the remedies which may be available to each of MHDI and MHTI in respect of or under this Agreement resulting from the furnishing, the failure to furnish or the quality of any Services.

## **ARTICLE 10 TERMINATION**

### **10.1 Termination**

This Agreement shall terminate:

- (a) in accordance with the provisions of **Section 9.1**; or
- (b) in accordance with **Section 2.1** upon issuance of the notice of non-renewal as provided therein.

### **10.2 Notice of Termination**

Any termination hereof pursuant to **Section 10.1** shall be by written notice of the terminating Party.

## **ARTICLE 11 GENERAL**

### **11.1 Force Majeure**

No Party shall be liable for a failure or delay in the performance of its obligations pursuant to this Agreement:

- (a) provided that such failure or delay could not have been prevented by reasonable precautions;
- (b) provided that such failure or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, work around plans or other means; and

- (c) if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions, strikes, lock outs or labour disruptions or revolutions in Canada, or any other similar causes beyond the reasonable control of such Party, (each a "**Force Majeure Event**").

Upon the occurrence of a Force Majeure Event, the non-performing Party shall be excused from any further performance of those of its obligations pursuant to this Agreement affected by the Force Majeure Event only for so long as:

- (a) such Force Majeure Event continues; and
- (b) such Party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

The Party delayed by a Force Majeure Event shall:

- (a) immediately notify the other Parties by telephone (to be confirmed in writing within five (5) days of the inception of such delay) of the occurrence of a Force Majeure Event; and
- (b) describe in reasonable detail the circumstances causing the Force Majeure Event.

## **11.2 Dispute Resolution**

If any dispute arising in relation to an event of default under **Section 8.1(b)** or its remediation as contemplated by **Section 8.1(b)** cannot be resolved by negotiation between the Parties, then the dispute shall be referred to one arbitrator agreeable to and appointed by both Parties. If the Parties cannot agree on one arbitrator, the matter in dispute shall be referred to a panel of three arbitrators, one of which shall be appointed by MHDI, one appointed by MHTI, and the third appointed by the two arbitrators selected by the two Parties. The arbitrator or arbitrators shall receive such oral and written evidence as may be required to investigate the matter in dispute and to render a decision. The arbitrators shall be guided by this Agreement and the intent of this Agreement. The decision of the arbitrator or arbitrators shall be provided in writing to all of the Parties no later than thirty (30) days after the sole arbitrator or the third arbitrator has been appointed. The decision of the arbitrator or arbitrators shall be final and binding on the Parties.

## **11.3 Assignment**

Neither Party shall, without the written approval of the other Party hereto, which may be arbitrarily withheld in the sole discretion of either of them, assign or transfer its interest in this Agreement. This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this Agreement shall be void.

## **11.4 Notices**

All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

**If to MHTI,**

55 Thompson Road S  
Milton, ON  
L9T 6P7  
Attn: Donald R. Thorne, President  
Fax: 905-876-4611

**If to MHDI,**

55 Thompson Road S  
Milton, ON  
L9T 6P7  
Attn: Mary-Jo Corkum, Secretary/Treasurer  
Fax: 905-876-4611

and shall be sent by fax and the Party sending such notice shall telephone to confirm receipt. A copy of any such notice shall also be sent on the date such notice is transmitted by fax by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address or fax number for notification purposes by giving the other Party notice of the new address or fax number and the date upon which it will become effective in accordance with the terms of this Agreement. A notice shall be deemed to have been received as of the next Business Day following its transmission by fax.

### **11.5 Severability**

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the extent granted by law. If any clause is deemed unenforceable or contrary to law, the parties shall alter the said clause and this agreement to produce enforceability or compliance with law such that the intent of the original clause is maintained and such change or alteration may be established through the dispute resolution clause in this agreement.

### **11.6 Waiver**

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

### **11.7 Entire Agreement**

This Agreement constitutes the entire Agreement among the Parties with respect to the Services and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

#### **11.8 Amendments**

No amendment to, or change, waiver or discharge of, any provision of this Agreement shall be valid unless in writing and signed by authorized representatives of each Party.

#### **11.9 Governing Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attach to the jurisdiction of such courts.

#### **11.10 Survival**

The terms of **Article 7**, **Article 9** and **Article 11** shall survive the expiration of this Agreement or termination of this Agreement for any reason.

#### **11.11 Third Party Beneficiaries**

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

#### **11.12 Covenant of Further Assurances**

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

**IN WITNESS WHEREOF** this Agreement has been executed by the duly authorized signatories of the parties hereto as of the date first written above.

**MILTON HYDRO TELECOM INC.**

Per: \_\_\_\_\_  
Name: Donald R. Thorne  
Title: President

**MILTON HYDRO DISTRIBUTION INC.**

Per: \_\_\_\_\_  
Name: Mary-Jo Corkum  
Title: Vice President, Finance

## **SCHEDULE A**

### **Description of Services**

**1. “Accounting/Billing & Finance Services”, will include, as required:**

- (a) Accounting/billing: financial controls and compliance, financial reporting and analysis, annual budgets, financial operations, billing, collecting, capitalization and depreciation, inventory, labour charging, allocations and burdens, managing external audit and managing insurance programs (liability, D&O, facilities).
- (b) Finance services: financing including, banking, operating line of credit, cash flow management and investment of funds, financial guarantees, payroll services, taxation (PIL’s), and GST and PST remittances.

**2. “Management Services”, will include, as required:**

- (a) Management services: including but not limited to overseeing MHDI staff and contractors providing services to MHTI, taking direction from and reporting to MHTI Board of Directors and Milton Hydro Holdings Inc. Board of Directors, and risk and contract management.

**3. “Corporate Support Services”, will include, as required:**

- (a) Call centre services: call answering services and switchboard services.
- (b) IT services: personal computer systems support and communications support.
- (c) Safety services: safety program development, monitoring, reporting, implementation and support.

**4. “Streetlight Maintenance Services”, will include, as required:**

- (a) Streetlight Maintenance Services: all activities required to maintain streetlights for the Town of Milton including bulb/ballast replacement, trouble-shooting, secondary fault repairs, and management of third party contracts for re-lamping activities.

**5. “Sentinel Light Services”, will include, as required:**

- (a) Sentinel Light Services: installing new and maintaining sentinel light rental units; providing billing and customer service/collections services.

## **SCHEDULE B**

### **Description of Service Standards**

#### **Service Standards**

MHDI will adhere to industry standards, based on standards set by the Workplace Safety and Insurance Board, Electric Utility Safety Association, and Occupational Health & Safety Standards as applicable and in any case shall perform the Services in a good and workmanlike manner and to a standard of performance that a competent professional and diligent independent provider of the services in the same circumstances would reasonably be expected to provide. The obligations of MHDI hereunder shall be subject to any restrictions as may from time to time be set out in the ARC.

## SCHEDULE C

### MHDI Providing Services to MHTI Fees & Charges

	SERVICES	FEES	PERIOD OF FEE
1.	<b>Accounting/Billing &amp; Finance Services</b>	\$194.00	Monthly
2.	<b>Corporate Support Services</b>	\$20.00	Monthly
3.	<b>Management Services</b>	\$644.00 <i>Plus</i> Actual Rate based on Actual Hours (plus payroll burden)	Monthly  Hourly
4.	<b>Streetlight Maintenance Services</b>	Actual Lineman Rate based on Actual Hours (plus payroll burden)	Hourly
5.	<b>Sentinel Light Services</b>	Actual Lineman Rate based on Actual Hours (plus payroll burden) <i>Plus</i> \$1.00 per bill for Sentinel Light Rental Charges	Hourly  Monthly

Term & Conditions		
1	Regular Business Hours	8:00am to 4:30 pm weekdays, excluding holidays
2	Prices	Subject to Applicable Taxes
3	Payment	Net 30 days

1

2

## APPENDIX D – SERVICES AGREEMENT MHTI PROVIDES TO MHDI

**MILTON HYDRO DISTRIBUTION INC.**

**- and -**

**MILTON HYDRO TELECOM INC.**

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**SERVICES AGREEMENT**

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**April 30, 2003**

<p><b>An Agreement whereby Milton Hydro Telecom Inc. provides internet services and sentinel light rental services to Milton Hydro Distribution Inc.</b></p>
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## **SERVICES AGREEMENT**

THIS SERVICES AGREEMENT is made as of the 30<sup>th</sup> day of April 2003

B E T W E E N:

**MILTON HYDRO TELECOM INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHTI")

- and -

**MILTON HYDRO DISTRIBUTION INC.,**

a corporation incorporated pursuant  
to the laws of the Province of Ontario

(hereinafter referred to as "MHDI")

### **WHEREAS:**

1. Each of the Parties to this Agreement are corporations incorporated under the *Business Corporations Act* (Ontario);
2. MHDI carries on the business of distributing electricity within the Town of Milton, in the Province of Ontario and is a utility within the meaning of the *Affiliate Relationships Code*.
3. MHTI agrees to provide certain services to MHDI on the terms as set forth in this Agreement
4. MHTI and MHDI are affiliated with each other within the meaning of the *Business Corporations Act* (Ontario).

**NOW THEREFORE** in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Unless the context otherwise specifies or requires, for the purposes of this Agreement all capitalized terms herein shall have the meanings set forth below:

- (a) **"Affiliate"** with respect to a corporation, shall have the same meaning as is ascribed to such term in the *Business Corporations Act* (Ontario);

- (b) "ARC" means the Affiliate Relationships Code for electricity distributors and transmitters issued by the OEB;
- (c) "Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions mean this Services Agreement together with all Schedules attached hereto, as they may be amended from time to time;
- (d) "Business Day" means any day other than a Saturday, Sunday, statutory or bank holiday in the Province of Ontario;
- (e) "Claim" has the meaning ascribed to such term in **Section 4.4**;
- (f) "Confidential Information" has the meaning ascribed to such term in Section 1.2 of the ARC;
- (g) "Default" means in respect of Defaulting Party, an event set out in **Section 8.1**;
- (h) "Defaulting Party" has the meaning ascribed to such term in **Section 8.1**;
- (i) "Effective Date" means the date first written above;
- (j) "Event of Default" means a Default, the notice and cure periods (if any) respecting which have expired;
- (k) "Force Majeure Event" has the meaning ascribed to such term in **Section 11.1**;
- (l) "IMO" means the Independent Electricity Market Operator;
- (m) "Law" means any law, rule, regulation, code, order, writ, judgement, decree or other legal or regulatory determination by a court, regulatory agency, including the IMO and the OEB, or governmental authority of competent jurisdiction;
- (n) "OEB" means the Ontario Energy Board constituted pursuant to the terms of the Ontario Energy Board Act, 1998;
- (o) "Party" means a party to this Agreement and "Parties" means every party;
- (p) "Person" means an individual, corporation, partnership, joint venture, association, trust, pension fund, union, governmental agency, official, board, tribunal, ministry, commission or department;
- (q) "Personnel" means employees, agents, professional advisors, contractors and subcontractors;
- (r) "Prime Rate" means, for any day, an annual rate of interest equal to the rate of interest which MHDl principal bank establishes at its principal office in Toronto as the reference rate of interest to determine interest rates that it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest";

- (s) **"Services"** are Services that are provided under **Section 3.1** of this Agreement;
- (t) **"Term"** has the meaning ascribed thereto in **Section 2.1** of this Agreement.

## **1.2 Construction of Agreement**

In this Agreement:

- (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders;
- (b) all usage of the word "including" or the phrase "e.g.," in this Agreement shall mean "including, without limitation," throughout this Agreement;
- (c) any reference to a statute or code shall mean the statute or code in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced, from time to time, and any successor statute or code thereto, unless otherwise expressly provided;
- (d) any reference to a specific executive position or an internal division or department of a Party shall include any successor positions, divisions or departments having substantially the same responsibilities or performing substantially the same functions;
- (e) in the computation of time under this Agreement, except where a contrary intention is expressly stated, where there is a reference to a number of days between two events, the number of days shall be counted by excluding the day on which the first event happens and including the day on which the second event happens provided that in the event that the time for doing an act under this Agreement expires on a day which is not a Business Day, the act may be done on the next Business Day;
- (f) all dollar amounts are expressed in Canadian dollars;
- (g) the division of this Agreement into separate Articles, Sections, subsections and Schedules and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (h) words or abbreviations which have well known or trade meanings are used herein in accordance with their recognized meanings;
- (i) the parties to this Agreement each, either by its duly authorized officers or by its professional advisors, having participated in the preparation of this Agreement, do severally acknowledge that it is their intent that this Agreement is to be construed as if the parties were joint authors and is not to be construed against one party as if that party or that party's professional advisor was the sole or major author of this Agreement.

- (j) it being the intention of the parties in entering into this Agreement that there be full compliance with the ARC, it is the intention of the parties that this Agreement be interpreted to be consistent with the provisions contained in the ARC and that, for such purpose, any term used in this Agreement which is defined in the ARC and is not otherwise expressly defined in this Agreement shall have the meaning ascribed to such term in the ARC.

## ARTICLE 2 TERM

### 2.1 Term

Unless terminated in accordance with **Section 10.1** of this Agreement, this Agreement shall come into force on the Effective Date and shall continue in full force and effect for a period of five (5) years. Subject to delivery of notice as herein provided, at the end of the initial five (5) year term, the term of this Agreement shall be extended automatically for successive periods of one (1) year each unless either party gives notice in writing to the other of not less than ninety (90) days prior to the end of the then current term that the term of the Agreement is not to be extended beyond the end of the then current term.

## ARTICLE 3 MHTI SERVICES AND COVENANTS

### 3.1 Services

Subject to the terms, covenants and conditions contained in this Agreement, MHTI will provide, or cause to be provided, to MHDI the services set out in **Schedule “A”** (collectively the “**Services**”).

### 3.2 Service Standards

Subject to the terms, covenants and conditions contained in this Agreement, MHTI will provide, or cause to be provided, to MHDI the services to the standards set out in **Schedule “B”** (collectively the “**Service Standards**”).

### 3.3 Changes

MHTI and MHDI may, from time to time, agree to modifications to a service and to a standard agreed to be provided hereunder by negotiating appropriate changes to the descriptions of the service and the standard and the consideration in connection with such changes and shall initial and attach amended schedules hereto.

### 3.4 General MHTI Covenants

- (a) MHTI shall be responsible for obtaining all necessary licences and permits and for complying with all applicable federal, provincial and municipal laws, codes and regulations in connection with the provision of the Services and MHTI shall, when requested, provide MHDI with adequate evidence of its compliance with this **Section 3.4**;

- (b) MHTI shall maintain for the benefit of MHDI appropriate insurance concerning the operations and liabilities of MHTI relevant to this Agreement.

## ARTICLE 4 MUTUAL COVENANTS

### 4.1 Confidential Information

MHDI and its personnel shall not release Confidential Information to MHTI except in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board. Where MHDI shares employees with MHTI, MHTI and MHDI agree that they shall not release Confidential Information to any third party without the prior consent of the parties.

### 4.2 Maintain Records

MHDI and MHTI will maintain separate financial records and books of accounts in compliance with the Affiliate Relationships Code for Electricity Distributors and Transmitters prescribed by the Ontario Energy Board.

### 4.3 Notification of Changes of Circumstances

MHTI shall promptly give written notice to MHDI of any changes or prospective changes in circumstances that would materially affect the resources required for the performance of the Services, including any anticipated material change in the nature or level of business of MHTI, or any service arrangements contemplated with any third parties.

### 4.4 Notice of Claims, Etc.

MHTI shall promptly give written notice to MHDI, and MHDI shall promptly give notice to MHTI, of all material claims, proceedings, notice of regulatory non-compliance from any regulatory authority, disputes (including labour disputes) or litigation (collectively, "**Claims**") which it reasonably believes could have a material adverse effect on the fulfillment of any of the material terms hereof by MHTI or MHDI (whether or not any such Claim is covered by insurance) in respect of its own operations of which either of them is aware. Subject to compliance with the terms of any insurance policy pursuant to which either party may be entitled to indemnity in respect of any Claim, each Party shall provide the other Party with all information reasonably requested from time to time concerning the status of such Claims and any developments relating thereto. In the event that either Party is or may be insured with respect to any Claim, each Party will provide full co-operation as required by any insurance carrier for the purpose of processing or defending any such Claim.

### 4.5 Regulatory Change

If any change of Law after the date of this Agreement renders this Agreement illegal or unenforceable or if any provision contained in this Agreement is found by any authority of competent jurisdiction not to be in compliance with the ARC, the Parties shall forthwith enter into

good faith negotiations with the intent of entering into a replacement or amending Agreement to reflect compliance with any such change of law or ruling of non compliance with the ARC.

## ARTICLE 5 FEES AND COSTS

### 5.1 Fees

MHDI shall pay to MHTI the fees and charges set out in **Schedule "C"**. Fees are updated annually, on a calendar year basis, to reflect current rates.

### 5.2 Taxes

In addition to the fees, MHDI shall pay to MHTI an amount equal to any and all goods and services taxes, sales taxes, value-added taxes or any other taxes (excluding income taxes) properly eligible on the supply of services provided by a third party under this Agreement.

### 5.3 Late Payment

If MHDI fails to pay any amounts payable hereunder when due, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the Prime Rate plus two percent (2%).

## ARTICLE 6 REPRESENTATIONS AND WARRANTIES

### 6.1 Representations and Warranties of MHTI

MHTI represents and warrants to MHDI as follows and acknowledges that MHDI is relying on such representations and warranties in connection herewith:

- (a) MHTI is a corporation, duly incorporated, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHTI, enforceable against MHTI by MHDI in accordance with its terms; and
- (d) MHTI has the necessary resources and expertise to acquire or perform the Services.

### 6.2 Representations and Warranties of MHDI

MHDI represents and warrants to MHTI as follows and acknowledges that MHTI is relying on such representations and warranties in connection herewith:

- (a) MHDI is a company, duly organized, validly existing and in good standing under the laws of the Province of Ontario and it has the rights, powers and privileges to execute and deliver this Agreement and to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate actions;
- (c) this Agreement constitutes a legal, valid and binding obligation of MHDI, enforceable against MHDI by MHTI in accordance with its terms; and
- (d) MHDI is not an energy service provider within the meaning of the ARC.

### **6.3 Warranty**

- (a) MHTI warrants that the services it provides will be performed in a professional and workman like manner. MHTI warrants that any fault or defect due solely or indirectly to workmanship of MHTI shall be corrected as soon as is reasonably possible upon notification by MHDI at no cost to MHDI.

## **ARTICLE 7 INDEMNIFICATION**

### **7.1 Indemnification**

- (a) MHDI shall indemnify, defend and hold harmless MHTI, its' officers, directors, shareholder and employees (each a "**MHTI Indemnitee**") from and against any and all claims, demands, suits, losses, liabilities, damages, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest in respect of, any and all actions, suits, proceedings, assessments, judgements, awards, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (each an "**Indemnifiable Loss**"), asserted against or suffered by any MHTI Indemnitee relating to, or in connection with, or resulting from or arising out of the provision of the Services under this Agreement.
- (b) MHTI shall be deemed to hold the provisions of **Section 7.1(a)** that are for the benefit of the MHTI Indemnitees that are not party to this Agreement in trust for such persons as third party beneficiaries under this Agreement.

### **7.2 Limit of Liability**

- (a) MHDI agrees that MHTI liability, if any, to MHDI or any third party in connection with or arising under this Agreement, including without limitation, any liability arising from any act or omission of MHTI in the provision of the Services, whether arising in contract, tort, equity or otherwise, shall be limited to actions or liabilities resulting solely from the fraud or willful misconduct of MHTI in the provision of the Services and shall not exceed an amount equal to the total amount paid by MHDI to

MHTI under this Agreement for Services over the twelve month period preceding the date that the cause of action or claim giving rise to the liability first arose.

- (b) MHTI shall not be liable for any damages caused by delay in delivering or furnishing any Services referred to in this Agreement.

**7.3** Notwithstanding anything else to the contrary in this Agreement, the Parties agree that MHTI shall not be responsible for any sanctions, fines, penalties, or similar obligations imposed on MHDI, and MHDI agrees to indemnify and hold harmless MHTI from any such sanctions fines, penalties or similar obligations.

## **ARTICLE 8 DEFAULT**

### **8.1 Events of Default**

The occurrence of any one or more of the following events shall constitute a Default by a Party (the **“Defaulting Party”**) under this Agreement and shall constitute an Event of Default if such Default is not remedied prior to the expiry of the relevant notice period (if any) and the relevant cure period (if any) applicable to such Default as hereinafter set out:

- (a) if the Defaulting Party defaults in the payment of any amount due to the other Party under this Agreement and such default shall continue unremedied for sixty (60) days following notice in writing thereof to the Defaulting Party by the other Party; or
- (b) if the Defaulting Party fails in any material respect to perform or observe any of its other material obligations under this Agreement and such failure shall continue unremedied for a period of sixty (60) days following notice in writing thereof (giving particulars of the failure in reasonable detail) from the other Party to the Defaulting Party or such longer period as may be reasonably necessary to cure such failure (if such failure is capable of being cured), provided that the Defaulting Party:
  - (i) proceeds with all due diligence to cure or cause to be cured such failure; and
  - (ii) its proceedings can be reasonably expected to cure or cause to be cured such failure within a reasonable time frame acceptable to the other Party acting reasonably.

## **ARTICLE 9 REMEDIES**

### **9.1 Default Remedies**

- (a) Unless otherwise agreed to in writing, in the event of an Event of Default the non-defaulting Party may terminate this Agreement and all amounts payable by the defaulting Party to and including the date of termination hereunder shall become due and payable forthwith;

- (b) The remedies in this section are expressly in lieu of any or all of the remedies, which may be available to each of MHTI and MHDI in respect of or under this Agreement resulting from the furnishing, the failure to furnish or the quality of any Services.

## ARTICLE 10 TERMINATION

### 10.1 Termination

This Agreement shall terminate:

- (a) in accordance with the provisions of **Section 9.1**; or
- (b) in accordance with **Section 2.1** upon issuance of the notice of non-renewal as provided therein.

### 10.2 Notice of Termination

Any termination hereof pursuant to **Section 10.1** shall be by written notice of the terminating Party.

## ARTICLE 11 GENERAL

### 11.1 Force Majeure

No Party shall be liable for a failure or delay in the performance of its obligations pursuant to this Agreement:

- (a) provided that such failure or delay could not have been prevented by reasonable precautions;
- (b) provided that such failure or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, work around plans or other means; and
- (c) if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, riots, civil disorders, rebellions, strikes, lock outs or labour disruptions or revolutions in Canada, or any other similar causes beyond the reasonable control of such Party, (each a "**Force Majeure Event**").

Upon the occurrence of a Force Majeure Event, the non-performing Party shall be excused from any further performance of those of its obligations pursuant to this Agreement affected by the Force Majeure Event only for so long as:

- (a) such Force Majeure Event continues; and
- (b) such Party continues to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay.

The Party delayed by a Force Majeure Event shall:

- (a) immediately notify the other Parties by telephone (to be confirmed in writing within five (5) days of the inception of such delay) of the occurrence of a Force Majeure Event; and
- (b) describe in reasonable detail the circumstances causing the Force Majeure Event.

## **11.2 Dispute Resolution**

If any dispute arising in relation to an event of default under **Section 8.1(b)** or its remediation as contemplated by **Section 8.1(b)** cannot be resolved by negotiation between the Parties, then the dispute shall be referred to one arbitrator agreeable to and appointed by both Parties. If the Parties cannot agree on one arbitrator, the matter in dispute shall be referred to a panel of three arbitrators, one of which shall be appointed by MHTI, one appointed by MHDI, and the third appointed by the two arbitrators selected by the two Parties. The arbitrator or arbitrators shall receive such oral and written evidence as may be required to investigate the matter in dispute and to render a decision. The arbitrators shall be guided by this Agreement and the intent of this Agreement. The decision of the arbitrator or arbitrators shall be provided in writing to all of the Parties no later than thirty (30) days after the sole arbitrator or the third arbitrator has been appointed. The decision of the arbitrator or arbitrators shall be final and binding on the Parties.

## **11.3 Assignment**

Neither Party shall, without the written approval of the other Party hereto, which may be arbitrarily withheld in the sole discretion of either of them, assign or transfer its interest in this Agreement. This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Any purported assignment in contravention of this Agreement shall be void.

## **11.4 Notices**

- (a) All notices, requests, approvals, consents and other communications required or permitted under this Agreement shall be in writing and addressed as follows:

If to MHTI,

55 Thompson Road S  
Milton, ON  
L9T 6P7  
Attn: Donald R. Thorne, President  
Fax: 905-876-4611

If to MHDI,

55 Thompson Road S  
Milton, ON  
L9T 6P7  
Attn: Mary-Jo Corkum, Secretary/Treasurer  
Fax: 905-876-4611

and shall be sent by fax and the Party sending such notice shall telephone to confirm receipt. A copy of any such notice shall also be sent on the date such notice is transmitted by fax by registered express mail or courier with the capacity to verify receipt of delivery. Any Party may change its address or fax number for notification purposes by giving the other Party notice of the new address or fax number and the date upon which it will become effective in accordance with the terms of this Agreement. A notice shall be deemed to have been received as of the next Business Day following its transmission by fax.

### **11.5 Severability**

If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable or contrary to law, then the remaining provisions of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each such provision of this Agreement shall be valid and enforceable to the extent granted by law. If any clause is deemed unenforceable or contrary to law, the parties shall alter the said clause and this agreement to produce enforceability or compliance with law such that the intent of the original clause is maintained and such change or alteration may be established through the dispute resolution clause in this agreement.

### **11.6 Waiver**

No delay or omission by a Party to exercise any right or power it has under this Agreement or to object to the failure of any covenant of any other Party to be performed in a timely and complete manner, shall impair any such right or power or be construed as a waiver of any succeeding breach or any other covenant. All waivers must be in writing and signed by the Party waiving its rights.

### **11.7 Entire Agreement**

This Agreement constitutes the entire Agreement among the Parties with respect to the Services and there are no other representations, understandings or agreements, either oral or written, between the Parties other than as herein set forth.

### **11.8 Amendments**

No amendment to, or change, waiver or discharge of, any provision of this Agreement shall be valid unless in writing and signed by authorized representatives of each Party.

### **11.9 Governing Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties hereby agree that the courts of the Province of Ontario shall have exclusive jurisdiction over disputes under this Agreement, and the Parties agree that jurisdiction and venue in such courts is appropriate and irrevocably attach to the jurisdiction of such courts.

### **11.10 Survival**

The terms of **Article 7, Article 9** and **Article 11** shall survive the expiration of this Agreement or termination of this Agreement for any reason.

#### **11.11 Third Party Beneficiaries**

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties.

#### **11.12 Covenant of Further Assurances**

The Parties agree that, subsequent to the execution and delivery of this Agreement and without any additional consideration, the Parties shall execute and deliver or cause to be executed and delivered any further legal instruments and perform any acts which are or may become necessary to effectuate the purposes of this Agreement and to complete the transactions contemplated hereunder.

**IN WITNESS WHEREOF** this Agreement has been executed by the duly authorized signatories of the parties hereto as of the date first written above.

#### **MILTON HYDRO TELECOM INC.**

Per: \_\_\_\_\_  
Name: Donald R. Thorne  
Title: President

#### **MILTON HYDRO DISTRIBUTION INC**

Per: \_\_\_\_\_  
Name: Mary-Jo Corkum  
Title: Vice President, Finance

## **SCHEDULE A**

### **Description of Services**

**1. “Internet Services”, will include, as required:**

- (a) Internet Services: includes provision of internet services – to MHDI office premises.

**2. “Sentinel Light Rental Services”, will include, as required:**

- (a) Sentinel Light Rental Services: includes rental of sentinel lights located at MHDI premises.

## **SCHEDULE B**

### **Description of Service Standards**

#### **Service Standards**

MHTI will adhere to industry standards, based on standards set by the Workplace Safety & Insurance Board, Electric Utility Safety Association, and Occupational Health & Safety Standards as applicable and in any case shall perform the Services in a good and workmanlike manner and to a standard of performance that a competent professional and diligent independent provider of the services in the same circumstances would reasonably be expected to provide. The obligations of MHTI hereunder shall be subject to any restrictions as may from time to time be set out in the ARC.

**SCHEDULE C**

**MHTI Providing Services to MHDI**  
**Fees & Charges**

	<b>SERVICES</b>	<b>FEES</b>	<b>PERIOD OF FEE</b>
1.	<b>Internet Services</b>	\$1,600.00	Monthly
2.	<b>Sentinel Light Rental Services</b>	\$5.20 per light fixture (4 light fixtures presently)	Monthly

<b>Term &amp; Conditions</b>		
1	Regular Business Hours	8:00am to 4:30 pm weekdays, excluding holidays
2	Prices	Subject to Applicable Taxes
3	Payment	Net 30 days

1

2

## APPENDIX E – MILTON HYDRO 2009 – 12 – 31 TAX RETURNS

3

4

5

**SCIENTIFIC RESEARCH AND EXPERIMENTAL  
DEVELOPMENT (SR&ED) EXPENDITURES CLAIM****Use this form:**

- to provide technical information on your SR&ED projects;
- to calculate your SR&ED expenditures; and
- to calculate your qualified SR&ED expenditures for investment tax credits (ITC).

**To claim an ITC, use either:**

- Schedule T2SCH31, *Investment Tax Credit – Corporations*, or
- Form T2038(IND), *Investment Tax Credit (Individuals)*.

Your SR&ED claim must be filed within 12 months of the filing due date of your income tax return.

To help you fill out this form, use the T4088, *Guide to Form T661*, which is available on our Web site: [www.cra.gc.ca/sred](http://www.cra.gc.ca/sred).

**Part 1 – General information****Complete this part for the business making the claim.**

<b>010</b> Name of claimant		Enter one of the following:	
MILTON HYDRO DISTRIBUTION INC.		<div style="border: 1px solid black; padding: 2px; display: inline-block;">89573 0216 RC0001</div> Business Number (BN)	
Tax year From: <div style="border: 1px solid black; padding: 2px;">2009-01-01</div> Year   Month   Day To: <div style="border: 1px solid black; padding: 2px;">2009-12-31</div> Year   Month   Day		<div style="border: 1px solid black; height: 30px; margin-top: 20px;"></div> Social Insurance Number (SIN)	
<b>050</b> Total number of projects you are claiming this tax year:			
1			
<b>100</b> Contact person for the financial information		<b>105</b> Telephone number/extension	<b>110</b> Fax number
MARY-JO CORKUM		(905) 876-4611	
<b>115</b> Contact person for the technical information		<b>120</b> Telephone number/extension	<b>125</b> Fax number
Ron Brajovic		(905) 878-3483	

<b>151</b> If this claim is filed for a partnership, was Form T5013 filed? . . . . . 1 <input type="checkbox"/> Yes    2 <input type="checkbox"/> No			
If you answered <b>no</b> to line 151, complete lines 153, 156 and 157.			
<b>153</b>	Name of Partners	<b>156</b>	%
1			
2			
3			
4			
5			

**Part 2 – Project information**

See schedule

Complete a separate Part 2 for each project claimed this year.

CRA internal form identifier 060

**Section A – Project identification****200** Project title (and identification code if applicable)**202** Project start date

Year	Month
------	-------

**204** Completion or expected completion date

Year	Month
------	-------

**206** Field of science or technology code  
(See guide for list of codes)

Project history

**208** 1 ☐ Continuation of a previously claimed project**210** 1 ☐ First claim for the project**218** Was any of the work done jointly or in collaboration with other businesses? . . . . . 1 ☐ Yes 2 ☐ NoIf you answered **yes** to line 218, complete lines 220 and 221.**220** Names of the businesses**221** BN

1

2

3

The work was carried out (check any that apply)

**223** 1 ☐ In a laboratory**226** 1 ☐ In a commercial plant or facility**224** 1 ☐ In a dedicated research facility**228** 1 ☐ Others, specify**229**

Purpose of the work

**230** 1 ☐ To achieve technological advancement for the purpose of creating new or improving existing materials, devices, products or processes.  
(Go to Section B – Experimental development)**232** 1 ☐ For the advancement of scientific knowledge  
(Go to Section C – Basic or applied research)**Section B – Experimental development**

The technological advancement you are trying to achieve with this work will result in:

	Materials, devices, or products		Processes	
The creation of new	<b>235</b>	1 <input type="checkbox"/>	<b>236</b>	1 <input type="checkbox"/>
The improvement of existing	<b>237</b>	1 <input type="checkbox"/>	<b>238</b>	1 <input type="checkbox"/>

**240** What **technological** advancements were you trying to achieve? (*Maximum 35 lines*)**242** What **technological** obstacles did you have to overcome to achieve those advancements? (*Maximum 35 lines*)**244** What work did you perform **in the tax year** to overcome those technological obstacles? (Summarize the systematic investigation) (*Maximum 70 lines*)

**Part 2 – Project information (continued)**

CRA internal form identifier 060

**Section C – Basic or applied research****250** Describe the scientific knowledge that you were trying to advance. (*Maximum 35 lines*)**252** Summarize the work performed **in the tax year**, and explain how that work contributed to the advancement of scientific knowledge. (Summarize the systematic investigation) (*Maximum 70 lines*)**Section D – Additional project information**

Who prepared the responses for Section B or Section C?

**253** 1 ☐ Employee directly involved in the project **254** Name**255** 1 ☐ Other employee of the company **256** Name**257** 1 ☐ External consultant **258** Name **259** Firm

List the key individuals directly involved in the project and indicate their qualifications/experience.

<b>260</b>	Names	<b>261</b>	Qualifications/experience and position title
1			
2			
3			

**265** Are you claiming any salary or wages for SR&ED performed outside Canada? . . . . . 1 ☐ Yes 2 ☐ No**266** Are you claiming expenditures for SR&ED carried out on behalf of another party? . . . . . 1 ☐ Yes 2 ☐ No**267** Are you claiming expenditures for SR&ED performed by people other than your employees? . . . . . 1 ☐ Yes 2 ☐ NoIf you answered **yes** to line 267, complete lines 268 and 269.

<b>268</b>	Names of individuals or companies	<b>269</b>	BN
1			
2			

What evidence do you have to support your claim? (Check any that apply)

You do not need to submit the evidence with the claim. However, you are required to retain them in the event of a review.

**270** 1 ☐ Project planning documents**271** 1 ☐ Records of resources allocated to the project, time sheets**272** 1 ☐ Design of experiments**273** 1 ☐ Project records, laboratory notebooks**274** 1 ☐ Design, system architecture and source code**275** 1 ☐ Records of trial runs**276** 1 ☐ Progress reports, minutes of project meetings**277** 1 ☐ Test protocols, test data, analysis of test results, conclusions**278** 1 ☐ Photographs and videos**279** 1 ☐ Samples, prototypes, scrap or other artefacts**280** 1 ☐ Contracts**281** 1 ☐ Others, specify **282****Section E – Project cost**

Project expenditures claimed in the year:

**285** Salary or wages . . . . . \$**286** Materials consumed and transformed . . . . . \$**287** SR&ED contracts . . . . . \$**289** Overhead and other expenditures (if you use the traditional method in Part 3) . . . . . \$

**Part 3 – Calculation of SR&ED expenditures****What did you spend on your SR&ED projects?****Section A – Select the method to calculate the SR&ED expenditures**

I elect (choose) to use the following method to calculate my SR&ED expenditures and related investment tax credits (ITCs) for this tax year.  
I understand that my election is irrevocable (cannot be changed) for this tax year.

**160** ☒ I elect to use the proxy method  
(Tip: enter "0" on line 360. Complete Part 5 and no need to track any expenditure incurred for overhead)

**162** ☐ I choose to use the traditional method  
(Tip: Enter "0" on line 355. Complete line 360, and track any expenditure incurred for overhead)

**Section B – Calculation of allowable SR&ED expenditures (to the nearest dollar)**

## • SR&amp;ED portion of salary or wages of employees directly engaged in the SR&amp;ED:

a) Employees other than specified employees for work performed in Canada	<b>300</b> +	63,198
b) Specified employees for work performed in Canada	<b>305</b> +	
<b>Subtotal</b> (add lines 300 and 305)	<b>306</b> =	63,198
c) Employees other than specified employees for work performed outside Canada (subject to limitations – see guide)	<b>307</b> +	
d) Specified employees for work performed outside Canada (subject to limitations – see guide)	<b>309</b> +	

• Salary or wages identified on line 315 in prior years that were paid in this tax year	<b>310</b> +	
• Salary or wages incurred in the year but not paid within 180 days of the tax year end	<b>315</b>	
• Cost of materials consumed in performing SR&ED	<b>320</b> +	
• Cost of materials transformed in performing SR&ED	<b>325</b> +	
• Contract expenditures for SR&ED performed on your behalf:		
a) Arm's length contracts	<b>340</b> +	80,699
b) Non-arm's length contracts	<b>345</b> +	
• Lease costs of equipment used:		
a) All or substantially all (90% of the time or more) for SR&ED	<b>350</b> +	
b) Primarily (more than 50% of the time but less than 90%) for SR&ED. (Enter 50% of lease costs if you use the proxy method or enter "0" if you use the traditional method)	<b>355</b> +	
• Overhead and other expenditures (enter "0" if you use the proxy method)	<b>360</b> +	
Third-party payments (complete Form T1263*)	<b>370</b> +	
<b>Total current SR&amp;ED expenditures</b> (add lines 306 to 370; do not add line 315) (Tip: Corporations may need to adjust line 118 of schedule T2SCH1)	<b>380</b> =	143,897
• <b>Capital Expenditures</b> (see guide for what qualifies for SR&ED) (Tip: Do not include these capital expenditures on schedule T2SCH8)	<b>390</b> +	
<b>Total allowable SR&amp;ED expenditures</b> (add lines 380 and 390)	<b>400</b> =	143,897

**Section C – Calculation of pool of deductible SR&ED expenditures (to the nearest dollar)**

Amount from line 400	<b>420</b>	143,897
<b>Deduct</b>		
• provincial government assistance for expenditures included on line 400	<b>429</b> –	6,475
• other government assistance for expenditures included on line 400	<b>431</b> –	
• non-government assistance for expenditures included on line 400	<b>432</b> –	
• SR&ED ITCs applied and/or refunded in the prior year (see guide)	<b>435</b> –	9,384
• sale of SR&ED capital assets and other deductions	<b>440</b> –	
<b>Subtotal</b> (line 420 minus lines 429 to 440)	<b>442</b> =	128,038
<b>Add</b>		
• repayments of government and non-government assistance that previously reduced the SR&ED expenditure pool	<b>445</b> +	
• prior year's pool balance of deductible SR&ED expenditures (from line 470 of prior year T661)	<b>450</b> +	
• SR&ED expenditure pool transfer from amalgamation or wind-up	<b>452</b> +	
• amount of ITC recaptured in the prior year	<b>453</b> +	
<b>Amount available for deduction</b> (add lines 442 to 453) (enter positive amount only, include negative amount in income)	<b>455</b> =	128,038
• Deduction claimed in the year (Tip: Corporations should enter this amount on line 411 of schedule T2SCH1)	<b>460</b> –	128,038
<b>Pool balance of deductible SR&amp;ED expenditures to be carried forward to future years</b> (line 455 minus 460)	<b>470</b> =	

\* Form T1263, *Third-Party Payments for Scientific Research and Experimental Development (SR&ED)*

**Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes**

The resulting amount is used to calculate your refundable and/or non refundable ITCs.

Enter the breakdown between current and capital expenditures (to the nearest dollar)		Current Expenditures	Capital Expenditures
<b>Total expenditures for SR&amp;ED</b> (from line 380 and 390)	<b>492</b>	143,897	<b>496</b>
<b>Add</b>			
• payment of prior years' unpaid amounts (other than salary or wages)	<b>500</b> +		
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	<b>502</b> +	40,905	
• expenditures on shared-use equipment (see guide)			<b>504</b> +
• qualified expenditures transferred to you (complete Form T1146**)	<b>508</b> +		<b>510</b> +
<b>Subtotal</b> (add lines 492 to 508, and add lines 496 to 510)	<b>511</b> =	184,802	<b>512</b> =
<b>Deduct</b>			
• provincial government assistance	<b>513</b> -	8,316	<b>514</b> -
• other government assistance	<b>515</b> -		<b>516</b> -
• non-government assistance and contract payments	<b>517</b> -		<b>518</b> -
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	<b>520</b> -		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	<b>528</b> -		
• prescribed expenditures not allowed by regulations (see guide)	<b>530</b> -		<b>532</b> -
• other deductions (see guide)	<b>533</b> -		<b>535</b> -
• non-arm's length transactions			
– assistance allocated to you (complete Form T1145*)	<b>538</b> -		<b>540</b> -
– expenditures for non-arm's length SR&ED contracts (from line 345)	<b>541</b> -		
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	<b>542</b> -		<b>543</b> -
– qualified expenditures you transferred (complete Form T1146**)	<b>544</b> -		<b>546</b> -
<b>Subtotal</b> (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	<b>557</b> =	176,486	<b>558</b> =
<b>Qualified SR&amp;ED expenditures</b> (add lines 557 and 558)			<b>559</b> = 176,486
<b>Add</b>			
• repayments of assistance and contract payments made in the year			<b>560</b> +
<b>Total qualified SR&amp;ED expenditures for ITC purposes</b> (add lines 559 and 560)			<b>570</b> = 176,486

\* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*\*\* Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

**Part 5 – Calculation of prescribed proxy amount (PPA)****A notional amount representing your overhead and other expenditures.**

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162). You can only claim a PPA if you elected to use the proxy method for the year in Part 3 ( line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in section B.

**Section A – Salary base**

Salary or wages of employees other than specified employees (from line 300 and 307) ..... **810** + 63,198

**Deduct**

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 ..... **812** – 267

**Subtotal** (line 810 minus 812) ..... **814** = 62,931

**Salary or wages of specified employees**

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of Specified Employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	2,5 x A x B/365 A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less
1.					
(Enter total of column 6 on line 816)					<b>816</b> +

**Salary base** (total of lines 814 and 816) ..... **818** = 62,931

**Section B – Prescribed proxy amount (PPA)**

Enter 65% of the salary base (line 818 x 65%) ..... **820** = 40,905

Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you. ....

(See the guide for explanation and example of the overall cap on PPA)

**Part 6 – Additional information**

**Expenditures for SR&ED performed by you in Canada** (line 400 minus lines 307, 309, 340, 345, and 370) . . . . . **605** 63,198

From the total you entered on line 605, estimate the percentage of distribution of the sources of funds for SR&ED performed within your organization.

		Canadian (%)	Foreign (%)
Internal . . . . .	<b>600</b>	100.000	
Parent companies, subsidiaries, and affiliated companies . . . . .	<b>602</b>		<b>604</b>
Federal grants (do not include funds or tax credits from SR&ED tax incentives) . . . . .	<b>606</b>		
Federal contracts . . . . .	<b>608</b>		
Provincial funding . . . . .	<b>610</b>		
SR&ED contract work performed for other companies on their behalf . . . . .	<b>612</b>		<b>614</b>
Other funding (e.g., universities, foreign governments) . . . . .	<b>616</b>		<b>618</b>

Enter the number of SR&ED personnel:

Scientists and engineers . . . . .	<b>632</b>	
Technologists and technicians . . . . .	<b>634</b>	16
Managers and administrators . . . . .	<b>636</b>	
Other technical supporting staff . . . . .	<b>638</b>	

**Part 7 – Claim checklist**

To ensure your claim is complete, make sure you have:

1. used the current version of this form . . . . . ☒
2. entered the method you have chosen for reporting your SR&ED expenditures in Section A of Part 3 . . . . . ☒
3. completed Part 2 for each project . . . . . ☒
4. filed a completed Schedule T2SCH31 or Form T2038(IND) to claim ITCs on your qualified SR&ED expenditures . . . . . ☒
5. filed a completed Form T1145, T1146, T1174\* and/or T1263 including any required attachments, if applicable . . . . . ☒

To expedite the processing of your claim, make sure you have:

1. completed Form T2, *Corporation Income Tax Return* or Form T1, *Income Tax and Benefit Return* . . . . . ☒
2. filed the appropriate provincial and/or territorial tax credit forms, if applicable . . . . . ☒
3. retained documents to support the SR&ED expenditures you claimed . . . . . ☒
4. checked boxes 231 and 232 on page 2 of your T2 return to indicate attachment of Form T661 and Schedule T2SCH31 . . . . . ☒

\* Form T1174, *Agreement Between Associated Corporations to Allocate Salary or Wages of Specified Employees for Scientific Research and Experimental Development (SR&ED)*

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

**Part 8 – Certification**

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

<b>165</b> MARY-JO CORKUM		<b>170</b>
Name of authorized signing officer of the corporation or individual	Signature	Date
<b>175</b> KPMG LLP		
Name of person/firm who completed this form		

**Part 2 - Project information (continued)**

Project number 1

Complete a separate Part 2 for each project claimed this year.

CRA internal form identifier 060

**Section A – Project identification****200** Project title (and identification code if applicable)

MTH2009-01-02 Monitoring of Smart Meters in Sparse Networks

**202** Project start date

2008-08

Year Month

**204** Completion or expected completion date

2011-11

Year Month

**206** Field of science or technology code  
(See guide for list of codes)

2.02.07

Telecommunications

Project history

**208** 1 ☒ Continuation of a previously claimed project**210** 1 ☐ First claim for the project**218** Was any of the work done jointly or in collaboration with other businesses? ..... 1 ☐ Yes 2 ☒ NoIf you answered **yes** to line 218, complete lines 220 and 221.**220** Names of the businesses**221** BN

1

2

3

The work was carried out (check any that apply)

**223** 1 ☐ In a laboratory**226** 1 ☒ In a commercial plant or facility**224** 1 ☐ In a dedicated research facility**228** 1 ☐ Others, specify**229**

Purpose of the work

**230** 1 ☒ To achieve technological advancement for the purpose of creating new or improving existing materials, devices, products or processes.  
(Go to Section B – Experimental development)**232** 1 ☐ For the advancement of scientific knowledge  
(Go to Section C – Basic or applied research)**Section B – Experimental development**

The technological advancement you are trying to achieve with this work will result in:

	Materials, devices, or products		Processes	
The creation of new	<b>235</b>	1 <input type="checkbox"/>	<b>236</b>	1 <input type="checkbox"/>
The improvement of existing	<b>237</b>	1 <input checked="" type="checkbox"/>	<b>238</b>	1 <input type="checkbox"/>

**240** What **technological** advancements were you trying to achieve? (Maximum 35 lines)

Milton Hydro Inc. ("The Company", "Milton Hydro") is a local electricity distribution company which reliably delivers power to homes and businesses. Due to requirements imposed by the Minister of Energy of Ontario and the Ontario Energy Board (OEB), Milton Hydro must implement "smart metering" system by 2010. The smart metering system will include an Advanced Metering Infrastructure (AMI) and Meter Data Management and Meter Data Repository (MDM/R) functions. The AMI will consist of Advanced Metering Communication Device (AMCD), Advanced Metering Regional Collectors (AMRC), and Advanced Metering Control Computer (AMCC) within which regularly scheduled meter reads must be remotely collected, date-stamped, and transmitted to a control computer at the meter vendor's site, and eventually, to a centralized MDM/R located at the Independent Electricity System Operator (IESO).

Given the remote locations and large distances between customer sites in Milton Hydro's network, the use of phone line or fibre-optic cable to connect all smart meters was seen as economically unfeasible. A wireless-based smart metering system was seen as a potential alternative. However, given numerous technological challenges (issues with data integrity, lack of security over wireless transmission, excessive data response times, etc.) associated with

**240** What **technological** advancements were you trying to achieve? (*Maximum 35 lines*)

the proposed wireless-based system, Milton Hydro initiated a Scientific Research and Experimental Development (SR&ED) project.

This project represents a technological advancement in the fields of Electrical Engineering and Telecommunications. If this project is successful, Milton Hydro would have developed a communication method capable of retrieving data from smart meters that are physically distant from each other and relaying the captured meter reading from the AMI of Milton Hydro to the IESO main office of MDM/R with adequate levels of security and reliability.

**242** What **technological** obstacles did you have to overcome to achieve those advancements? (*Maximum 35 lines*)

Interval metering with remote automatic downloading of captured data is not a standard practice in the utilities industry. Even though there were efforts by some utility companies to automate the process, there were no established design standards that used commonly available equipment and components.

The technological obstacles of this project revolved around the following:

- Milton Hydro did not know which specific concepts could allow data transmission to attain consistently adequate levels of reliability despite numerous factors (signal attenuation due to large distances between antenna and transmitters, corruption due to weather/terrain, etc.) which can adversely affect the integrity of the wireless communications link.

- Due to the significant risks of data loss/corruption caused by various factors (poor integrity of wireless link, malfunctioning of field equipment, etc.), it was uncertain as to which specific concepts could effectively validate the accuracy and correctness of the incoming field data in order for the smart metering system to attain adequate levels of rate reliability (at least 98%).

- It was uncertain which specific communications and data management methods could adapt to the specific nature of Milton Hydro's smart metering system. For instance, it may often occur that specific meters are separated from each other for distances of 1 km over a 325 square km area. The technological challenges reside in the fact that the system must accurately report data with specific frequencies for each meter irrespective of their location.

**244** What work did you perform **in the tax year** to overcome those technological obstacles? (Summarize the systematic investigation) (*Maximum 70 lines*)

At the beginning of 2009, Milton Hydro had already partially installed a network of smart metering devices. These devices were placed in rural areas where separate meters could be up to 1km away from each other. Unlike the 24,500 smart meters operating within a 45 square km urban region, the smart meters in the rural area would need to successfully create a wireless mesh network amongst themselves over an area of over 325 square kilometres.

Milton Hydro conducted an investigation to determine how to ensure reliable data connectivity for rural areas such that geographically remote meters and the MDM/R data store could hold a consistent data session. It understood that because the meters worked in a true peer-to-peer mesh networking topography, the meter's software would attempt to find its optimal route to the collector hardware which would ultimately transmit the data to the MDM/R. One candidate solution for increasing the success rate of a data session connection and subsequent data transfer would be to increase the number of collector hardware. This way, more meters would be in range to transmit directly to the collector. Analysis of the subscriber locations indicated that meters may still be 1 km apart from each other. For these cases, there would need to be a

**244** What work did you perform in the tax year to overcome those technological obstacles? (Summarize the systematic investigation) (Maximum 70 lines)

much higher ratio of meters to collectors, which was not viable.

The Company sought a different solution candidate and hypothesized that meter to meter communication over large (e.g., > 1 km) distances may still be possible by increasing the signal strength. To do this, Milton Hydro reasoned that the addition of repeater hardware would be able to re-transmit peer data from one unit to the next. Prototype units were developed and placed in field tests.

The test results showed that while the range increased, the increase was insufficient to consistently connect with subscribers that were over a kilometre away from the next closest meter. Milton Hydro conducted further investigations into this issue and discovered that the range of the repeaters was limited by simple foliage. To counter that, it hypothesized that even though the transmitters worked in the 2.4 Ghz spectrum, which should have adequate range and power to broadcast past light obstacles such as foliage, establishing a line of sight connection between meters would allow for the repeaters to work to their full potential.

In developing this solution, the Company chose to strategically mount repeaters where line of sight between meters was established. At this point, the issue of powering the devices was introduced. Since each repeater needed to have constant power 24 hours per day, a reliable power source was required. Due to the always-on requirement, sources such as solar power that could be affixed to the repeater hardware would not be viable. Milton Hydro reasoned that since the meters and repeaters were physically close to wired distribution lines, it could develop a mechanism that would either allow for the connection of the repeater to a medium voltage transformer or directly to the line itself. The Company prototyped these power sources and both were effective at continuously powering the repeater hardware. Given this, both mechanisms were used depending on a particular meter's proximity to a transformer.

Milton Hydro began accumulating and analyzing the data. It was discovered that successful data transmissions were improving towards the acceptable rate (i.e., 98% or better transmission rate). However, there were notable gaps in some of the data that Milton Hydro deduced was due to hardware issues resulting from automatic firmware upgrades from the equipment manufacturer. These gaps caused missing data which prevented accurate measurement of consumption for billing purposes. The Company reasoned that it would be able to work around this hardware issue by developing a software component to programmatically analyze the data over the time that they were received to identify gaps so that it could calculate the correct consumption values. The development of the software application to analyze and correct the data was completed and is being tested.

The rural roll-out of the meters and its associated monitoring activities for data completeness and correctness will continue into FY2010.

## Section C – Basic or applied research

**250** Describe the scientific knowledge that you were trying to advance. (Maximum 35 lines)

**252** Summarize the work performed in the tax year, and explain how that work contributed to the advancement of scientific knowledge. (Summarize the systematic investigation) (*Maximum 70 lines*)

### Section D – Additional project information

Who prepared the responses for Section B or Section C?

**253** 1 ☐ Employee directly involved in the project **254** Name

**255** 1 ☐ Other employee of the company **256** Name

**257** 1 ☒ External consultant **258** Name **259** Firm  
KPMG LLP KPMG LLP

List the key individuals directly involved in the project and indicate their qualifications/experience.

<b>260</b>	Names	<b>261</b>	Qualifications/experience and position title
1	Brajovic, Ron		Engineering Manager
2	Krueger, Peter		Senior Technician
3	Holdrige, M.		Powerline Technician

**265** Are you claiming any salary or wages for SR&ED performed outside Canada? ..... 1 ☐ Yes 2 ☒ No

**266** Are you claiming expenditures for SR&ED carried out on behalf of another party? ..... 1 ☐ Yes 2 ☒ No

**267** Are you claiming expenditures for SR&ED performed by people other than your employees? ..... 1 ☒ Yes 2 ☐ No

If you answered **yes** to line 267, complete lines 268 and 269.

<b>268</b>	Names of individuals or companies	<b>269</b>	BN
1	D.L. Hannon Inc.		13276 0711 RC0001
2	Olameter		88411 5429 RC0001
3	Sturdy Power Lines Inc.		11429 0935 RC0001
4	Trilliant Inc.		89241 5514 RC0001

What evidence do you have to support your claim? (Check any that apply)

You do not need to submit the evidence with the claim. However, you are required to retain them in the event of a review.

<b>270</b> 1 <input checked="" type="checkbox"/> Project planning documents	<b>276</b> 1 <input checked="" type="checkbox"/> Progress reports, minutes of project meetings
<b>271</b> 1 <input checked="" type="checkbox"/> Records of resources allocated to the project, time sheets	<b>277</b> 1 <input checked="" type="checkbox"/> Test protocols, test data, analysis of test results, conclusions
<b>272</b> 1 <input type="checkbox"/> Design of experiments	<b>278</b> 1 <input type="checkbox"/> Photographs and videos
<b>273</b> 1 <input type="checkbox"/> Project records, laboratory notebooks	<b>279</b> 1 <input type="checkbox"/> Samples, prototypes, scrap or other artefacts
<b>274</b> 1 <input type="checkbox"/> Design, system architecture and source code	<b>280</b> 1 <input type="checkbox"/> Contracts
<b>275</b> 1 <input type="checkbox"/> Records of trial runs	<b>281</b> 1 <input checked="" type="checkbox"/> Others, specify <b>282</b> Invoices

### Section E – Project cost

Project expenditures claimed in the year:

<b>285</b> Salary or wages	63,198 \$
<b>286</b> Materials consumed and transformed	\$
<b>287</b> SR&ED contracts	80,699 \$
<b>289</b> Overhead and other expenditures (if you use the traditional method in Part 3)	\$

# T2 BAR CODE RETURN

Name: **MILTON HYDRO DISTRIBUTION INC.**

BN: **89573 0216 RC 0001**

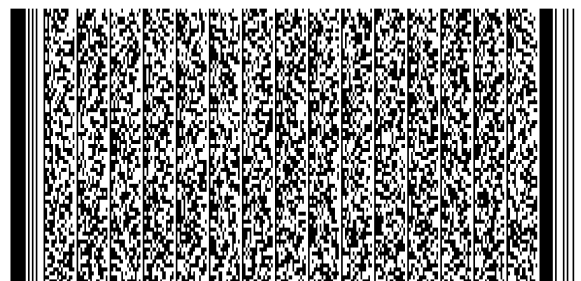
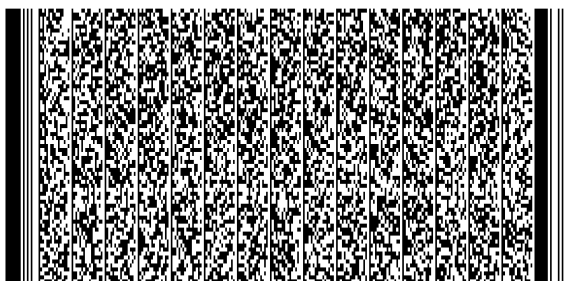
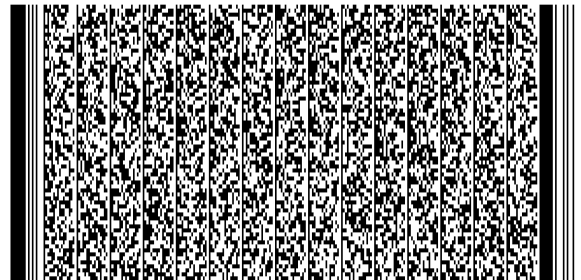
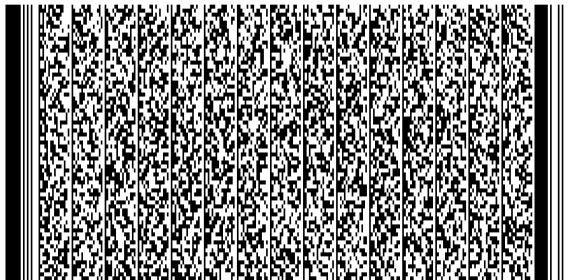
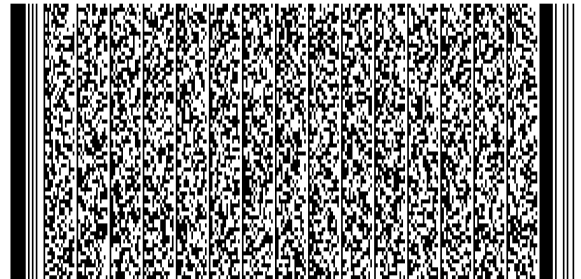
Tax Year Start: **2009-01-01**

Tax Year End: **2009-12-31**

For agency use  
[ 055 ]

For agency use  
[ 095 ] \_\_\_\_\_  
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X 031 032 060 508



This page must be sent to the Canada Revenue Agency

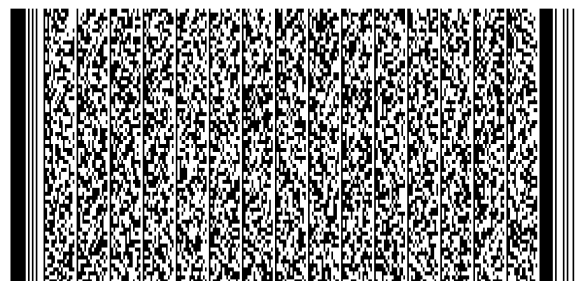
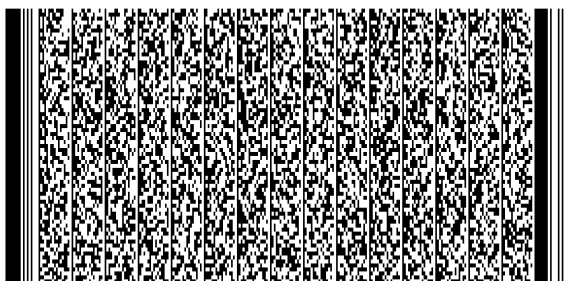
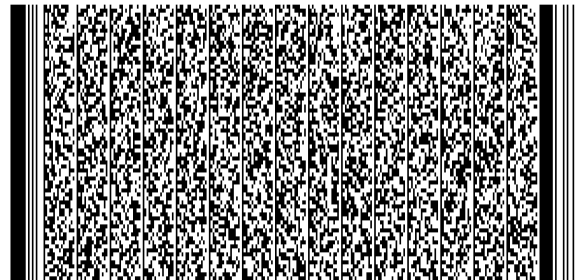
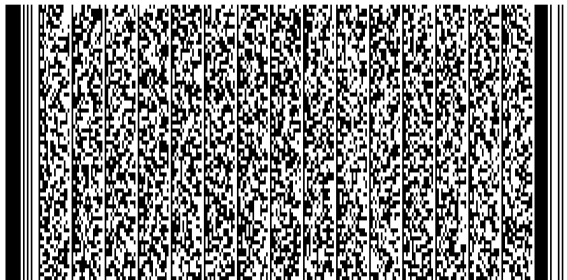
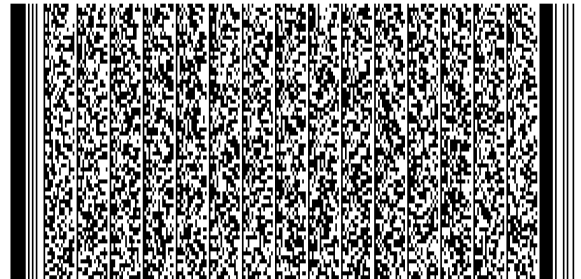
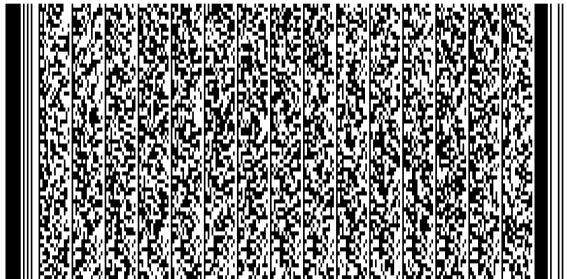
# T2 BAR CODE RETURN

**Name:** MILTON HYDRO DISTRIBUTION INC.

**BN:** 89573 0216 RC 0001

**Tax Year Start:** 2009-01-01

**Tax Year End:** 2009-12-31



This page must be sent to the Canada Revenue Agency

## T2 BAR CODE RETURN

**Name:** MILTON HYDRO DISTRIBUTION INC.

**BN:** 89573 0216 RC 0001

**Tax Year Start:** 2009-01-01

**Tax Year End:** 2009-12-31

Under the *Income Tax Act*, you must keep all records used to prepare your corporation income tax return, and provide this information to us upon request.

### Certification

I, MARY-JO CORKUM am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted on this return.

Net income (or loss) for income tax purposes from Schedule 001, financial statements or GIF1	\$	3 098 221
Part I tax payable	\$	548 643
Part II surtax payable	\$	0
Part III.1 tax payable	\$	0
Part IV tax payable	\$	0
Part IV.1 tax payable	\$	0
Part VI tax payable	\$	0
Part VI.1 tax payable	\$	0
Part XIII.1 tax payable	\$	0
Part XIV tax payable	\$	0
Net provincial and territorial tax payable	\$	472 742
Provincial tax on large corporations	\$	0
Enclosed payment	\$	111 967

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

(905)876-4611 VICE-PRESIDENT, FINANCE

Signature of an authorized signing officer of the corporation      Phone      Position, office or rank

Contact person, if different to authorized signing officer      Phone      Date

This page must be sent to the Canada Revenue Agency

# Federal Tax Instalments

## Federal tax instalments

For the taxation year ended 2010-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address:**

**Canada Revenue Agency**  
**875 Heron Road**  
**Ottawa ON K1A 1B1**

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the *Corporation Instalment Guide*.

## Monthly instalment workchart

Date	Monthly tax instalments	Instalments paid	Cumulative difference	Instalments payable
2010-01-31	82,042			82,042
2010-02-28	82,042			82,042
2010-03-31	87,957			87,957
2010-04-30	87,957			87,957
2010-05-31	87,957			87,957
2010-06-30	87,957			87,957
2010-07-31	87,957			87,957
2010-08-31	87,957			87,957
2010-09-30	87,957			87,957
2010-10-31	87,957			87,957
2010-11-30	87,957			87,957
2010-12-31	87,957			87,957
2011-01-31				86,972
2011-02-28				86,972
<b>Total</b>	<b>1,043,654</b>			<b>1,217,598</b>

Canada Revenue  
Agence du revenu  
du Canada**T2 CORPORATION INCOME TAX RETURN****200**

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Ontario (for tax years ending before 2009), Quebec, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

Parts, sections, subsections, paragraphs, and subparagraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see [www.cra.gc.ca](http://www.cra.gc.ca) or Guide T4012, *T2 Corporation – Income Tax Guide*.

**055 Do not use this area****Identification****Business Number (BN)** . . . . . **001** 89573 0216 RC0001**Corporation's name****002** MILTON HYDRO DISTRIBUTION INC.**Address of head office**

Has this address changed since the last time you filed your T2 return? . . . . . **010** 1 Yes ☒ 2 No ☐  
(If **yes**, complete lines 011 to 018.)

**011** 8069 Lawson Road

**012** City Province, territory, or state  
**015** MILTON **016** ON

Country (other than Canada) Postal code/Zip code  
**017** **018** L9T 5C4

**Mailing address (if different from head office address)**

Has this address changed since the last time you filed your T2 return? . . . . . **020** 1 Yes ☒ 2 No ☐  
(If **yes**, complete lines 021 to 028.)

**021** c/o MARY-JO CORKUM**022** 8069 Lawson Road

**023** City Province, territory, or state  
**025** MILTON **026** ON

Country (other than Canada) Postal code/Zip code  
**027** **028** L9T 5C4

**Location of books and records**

Has the location of books and records changed since the last time you filed your T2 return? . . . . . **030** 1 Yes ☒ 2 No ☐  
(If **yes**, complete lines 031 to 038.)

**031** 8069 Lawson Road

**032** City Province, territory, or state  
**035** MILTON **036** ON

Country (other than Canada) Postal code/Zip code  
**037** **038** L9T 5C4

**040 Type of corporation at the end of the tax year**

- 1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation  
2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)  
3 ☐ Public corporation

If the type of corporation changed during the tax year, provide the effective date of the change.

**043** YYYY MM DD**To which tax year does this return apply?**

Tax year start Tax year-end  
**060** 2009-01-01 **061** 2009-12-31  
YYYY MM DD YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year? . . . . . **063** 1 Yes ☐ 2 No ☒

If **yes**, provide the date control was acquired . . . . . **065** YYYY MM DD

Is the date on line 061 a deemed tax year-end in accordance with subsection 249(3.1)? . . . . . **066** 1 Yes ☐ 2 No ☒

Is the corporation a professional corporation that is a member of a partnership? . . . . . **067** 1 Yes ☐ 2 No ☒

Is this the first year of filing after:  
Incorporation? . . . . . **070** 1 Yes ☐ 2 No ☒  
Amalgamation? . . . . . **071** 1 Yes ☐ 2 No ☒

If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . . **072** 1 Yes ☐ 2 No ☒  
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . . **076** 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . **078** 1 Yes ☐ 2 No ☒

If an election was made under section 261, state the functional currency used . . . . . **079**

**Is the corporation a resident of Canada?**

**080** 1 Yes ☒ 2 No ☐ If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

**081**

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . **082** 1 Yes ☐ 2 No ☒  
If **yes**, complete and attach Schedule 91.

**If the corporation is exempt from tax under section 149, tick one of the following boxes:**

- 085** 1 ☐ Exempt under paragraph 149(1)(e) or (l)  
2 ☐ Exempt under paragraph 149(1)(j)  
3 ☐ Exempt under paragraph 149(1)(t)  
4 ☐ Exempt under other paragraphs of section 149

**Do not use this area**

**091** **092** **093** **094** **095** **096**  
**100**

**Attachments****Financial statement information:** Use GIFI schedules 100, 125, and 141.**Schedules** – Answer the following questions. For each **Yes** response, **attach** to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations? . . . . .	<b>150</b> <input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC? . . . . .	<b>160</b> <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit? . . . . .	<b>161</b> <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders? . . . . .	<b>151</b> <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents . . . . .	<b>162</b> <input type="checkbox"/>	11
If you answered <b>yes</b> to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee? . . . . .	<b>163</b> <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? . . . . .	<b>164</b> <input checked="" type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan? . . . . .	<b>165</b> <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? . . . . .	<b>166</b> <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned? . . . . .	<b>167</b> <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? . . . . .	<b>168</b> <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year? . . . . .	<b>169</b> <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ? . . . . .	<b>170</b> <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident? . . . . .	<b>171</b> <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares? . . . . .	<b>173</b> <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? . . . . .	<b>172</b> <input type="checkbox"/>	
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? . . . . .	<b>201</b> <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; gifts of cultural or ecological property; or gifts of medicine? . . . . .	<b>202</b> <input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? . . . . .	<b>203</b> <input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses? . . . . .	<b>204</b> <input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction? . . . . .	<b>205</b> <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year? . . . . .	<b>206</b> <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax? . . . . .	<b>207</b> <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance? . . . . .	<b>208</b> <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property? . . . . .	<b>210</b> <input type="checkbox"/>	10
Does the corporation have any resource-related deductions? . . . . .	<b>212</b> <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind? . . . . .	<b>213</b> <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction? . . . . .	<b>216</b> <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? . . . . .	<b>217</b> <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation? . . . . .	<b>218</b> <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation? . . . . .	<b>220</b> <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? . . . . .	<b>221</b> <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits? . . . . .	<b>227</b> <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit? . . . . .	<b>231</b> <input checked="" type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures? . . . . .	<b>232</b> <input checked="" type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000? . . . . .	<b>233</b> <input checked="" type="checkbox"/>	
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000? . . . . .	<b>234</b> <input checked="" type="checkbox"/>	
Is the corporation claiming a surtax credit? . . . . .	<b>237</b> <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions? . . . . .	<b>238</b> <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit? . . . . .	<b>242</b> <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? . . . . .	<b>243</b> <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? . . . . .	<b>244</b> <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax? . . . . .	<b>249</b> <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax? . . . . .	<b>250</b> <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund? . . . . .	<b>253</b> <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund? . . . . .	<b>254</b> <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.) . . . . .	<b>255</b> <input type="checkbox"/>	92

**Attachments – continued from page 2**

	Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates? . . . . .	<b>256</b>	T1134-A
Did the corporation have any controlled foreign affiliates? . . . . .	<b>258</b>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000? . . . . .	<b>259</b>	T1135
Did the corporation transfer or loan property to a non-resident trust? . . . . .	<b>260</b>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? . . . . .	<b>261</b>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? . . . . .	<b>262</b>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? . . . . .	<b>263</b>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED? . . . . .	<b>264</b>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year? . . . . .	<b>265</b> <input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC? . . . . .	<b>266</b>	T2002
Has the corporation revoked any previous election made under subsection 89(11)? . . . . .	<b>267</b>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year? . . . . .	<b>268</b> <input checked="" type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year? . . . . .	<b>269</b>	54

**Additional information**

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? . . . . .	<b>270</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is the corporation inactive? . . . . .	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter <b>yes</b> for first-time filers) . . . . .	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? . . . . .	<b>282</b>		
(Only complete if <b>yes</b> was entered at line 281)			
If the major business activity involves the resale of goods, show whether it is wholesale or retail . . . . .	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents. . . . .	<b>284</b>	HYDRO DISTRIBUTION	<b>285</b> 100.000 %
	<b>286</b>		<b>287</b> %
	<b>288</b>		<b>289</b> %
Did the corporation immigrate to Canada during the tax year? . . . . .	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year? . . . . .	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible? . . . . .	<b>293</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible . . . . .	<b>294</b>	YYYY MM DD	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year? . . . . .	<b>295</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL. . . . .	<b>300</b>	3,098,221	A
<b>Deduct:</b> Charitable donations from Schedule 2 . . . . .	<b>311</b>	3,800	
Gifts to Canada, a province, or a territory from Schedule 2 . . . . .	<b>312</b>		
Cultural gifts from Schedule 2 . . . . .	<b>313</b>		
Ecological gifts from Schedule 2 . . . . .	<b>314</b>		
Gifts of medicine from Schedule 2 . . . . .	<b>315</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 . . . . .	<b>320</b>		
Part VI.1 tax deduction * . . . . .	<b>325</b>		
Non-capital losses of previous tax years from Schedule 4 . . . . .	<b>331</b>		
Net capital losses of previous tax years from Schedule 4 . . . . .	<b>332</b>		
Restricted farm losses of previous tax years from Schedule 4 . . . . .	<b>333</b>		
Farm losses of previous tax years from Schedule 4 . . . . .	<b>334</b>		
Limited partnership losses of previous tax years from Schedule 4 . . . . .	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union . . . . .	<b>340</b>		
Prospector's and grubstaker's shares . . . . .	<b>350</b>		
Subtotal . . . . .		3,800	B
Subtotal (amount A minus amount B) (if negative, enter "0") . . . . .		3,094,421	C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions . . . . .	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D) . . . . .	<b>360</b>	3,094,421	
Income exempt under paragraph 149(1)(t) . . . . .	<b>370</b>		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) . . . . .		3,094,421	Z

\* This amount is equal to 3 times the Part VI.1 tax payable at line 724.

**Small business deduction****Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income from active business carried on in Canada from Schedule 7	400	3,098,221	A
Taxable income from line 360, <b>minus</b> 10/3 of the amount on line 632*, <b>minus</b> 3 times the amount on line 636**, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	405	3,094,421	B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

$$400,000 \times \frac{\text{Number of days in the tax year before 2009}}{\text{Number of days in the tax year}} = \dots 1$$

$$500,000 \times \frac{\text{Number of days in the tax year after 2008}}{\text{Number of days in the tax year}} = \dots 500,000 \quad 2$$

$$\text{Add amounts at lines 1 and 2} \quad \underline{\underline{500,000}} \quad 4$$

Business limit (see notes 1 and 2 below)	410	500,000	C
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- Notes:**
- For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.
  - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

**Business limit reduction:**

Amount C	500,000	x	415 ***	88,628	D	=	3,939,022	E
				11,250				

Reduced business limit (amount C <b>minus</b> amount E) (if negative, enter "0")	425	F
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**Small business deduction**

Amount A, B, C, or F whichever is the least	x	Number of days in the tax year before January 1, 2008	x	16 %	=	5
		Number of days in the tax year	365			
Amount A, B, C, or F whichever is the least	x	Number of days in the tax year after December 31, 2007	x	17 %	=	6
		Number of days in the tax year	365			
Total of amounts 5 and 6 – enter on line 9						430 G

\* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

**\*\*\* Large corporations**

- If the corporation is not associated with any corporations in both the current and the previous tax years, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**General tax reduction for Canadian-controlled private corporations****Canadian-controlled private corporations throughout the tax year**

Taxable income from line 360	3,094,421	A
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27	B	
Amount QQ from Part 13 of Schedule 27	C	
Amount used to calculate the credit union deduction from Schedule 17	D	
Amount from line 400, 405, 410, or 425, whichever is the least	E	
Aggregate investment income from line 440	F	
Total of amounts B to F	3,094,421	G
Amount A minus amount G (if negative, enter "0")	3,094,421	H
Amount H	3,094,421	x
Number of days in the tax year before January 1, 2008		x
7 %		=
Number of days in the tax year	365	I
Amount H	3,094,421	x
Number of days in the tax year after December 31, 2007, and before January 1, 2009		x
8.5 %		=
Number of days in the tax year	365	J
Amount H	3,094,421	x
Number of days in the tax year after December 31, 2008, and before January 1, 2010	365	x
9 %		=
Number of days in the tax year	365	278,498
Amount H	3,094,421	x
Number of days in the tax year after December 31, 2009, and before January 1, 2011		x
10 %		=
Number of days in the tax year	365	L
Amount H	3,094,421	x
Number of days in the tax year after December 31, 2010, and before January 1, 2012		x
11.5 %		=
Number of days in the tax year	365	L1
Amount H	3,094,421	x
Number of days in the tax year after 2011		x
13 %		=
Number of days in the tax year	365	L2
<b>General tax reduction for Canadian-controlled private corporations – Total of amounts I to L2</b>	278,498	M

Enter amount M on line 638.

**General tax reduction**

**Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.**

Taxable income from page 3 (line 360 or amount Z, whichever applies)		N
Lesser of amounts V and Y (line Z1) from Part 9 of Schedule 27	O	
Amount QQ from Part 13 of Schedule 27	P	
Amount used to calculate the credit union deduction from Schedule 17	Q	
Total of amounts O to Q		R
Amount N minus amount R (if negative, enter "0")		S
Amount S		x
Number of days in the tax year before January 1, 2008		x
7 %		=
Number of days in the tax year	365	T
Amount S		x
Number of days in the tax year after December 31, 2007, and before January 1, 2009		x
8.5 %		=
Number of days in the tax year	365	U
Amount S		x
Number of days in the tax year after December 31, 2008, and before January 1, 2010	365	x
9 %		=
Number of days in the tax year	365	V
Amount S		x
Number of days in the tax year after December 31, 2009, and before January 1, 2011		x
10 %		=
Number of days in the tax year	365	W
Amount S		x
Number of days in the tax year after December 31, 2010, and before January 2012		x
11.5 %		=
Number of days in the tax year	365	W1
Amount S		x
Number of days in the tax year after 2011		x
13 %		=
Number of days in the tax year	365	W2
<b>General tax reduction – Total of amounts T to W2</b>		X

Enter amount X on line 639.

**Refundable portion of Part I tax****Canadian-controlled private corporations throughout the tax year**

Aggregate investment income from Schedule 7 . . . . . **440** x 26 2 / 3 % = . . . . . A

Foreign non-business income tax credit from line 632 . . . . .

**Deduct:**

Foreign investment income from Schedule 7 . . . . . **445** x 9 1 / 3 % = . . . . .  
(if negative, enter "0") ▶ . . . . . B

Amount A **minus** amount B (if negative, enter "0") . . . . . C

Taxable income from line 360 . . . . . 3,094,421

**Deduct:**

Amount from line 400, 405, 410, or 425, whichever is the least . . . . .

Foreign non-business  
income tax credit

from line 632 . . . . . x 25 / 9 = . . . . .

Foreign business  
income tax credit

from line 636 . . . . . x 3 = . . . . .

3,094,421

x 26 2 / 3 % = . . . . . 825,179 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780) . . . . . 548,643

**Deduct:** Corporate surtax from line 600 . . . . .

Net amount . . . . . 548,643 ▶ . . . . . 548,643 E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least . . . . . **450** F

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the previous tax year . . . . . **460**

**Deduct:** Dividend refund for the previous tax year . . . . . **465**

**Add the total of:**

Refundable portion of Part I tax from line 450 above . . . . .

Total Part IV tax payable from Schedule 3 . . . . .

Net refundable dividend tax on hand transferred from a predecessor corporation on  
amalgamation, or from a wound-up subsidiary corporation . . . . . **480**

485

**Refundable dividend tax on hand at the end of the tax year** – Amount G **plus** amount H . . . . . **485**

**Dividend refund****Private and subject corporations at the time taxable dividends were paid in the tax year**

Taxable dividends paid in the tax year from line 460 of Schedule 3 . . . . . 1,000,000 x 1 / 3 . . . . . 333,333 I

Refundable dividend tax on hand at the end of the tax year from line 485 above . . . . . J

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784) . . . . .

**Part I tax**

**Base amount of Part I tax** – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38.00 % ..... **550** 1,175,880 A

**Corporate surtax calculation**

Base amount from line A above ..... 1,175,880 1

**Deduct:**

10 % of taxable income (line 360 or amount Z, whichever applies) ..... 309,442 2

Investment corporation deduction from line 620 below ..... 3

Federal logging tax credit from line 640 below ..... 4

Federal qualifying environmental trust tax credit from line 648 below ..... 5

For a mutual fund corporation or an investment corporation throughout the tax year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 ..... a

28.00 % of taxed capital gains ..... b

Part I tax otherwise payable ..... c

(line A plus lines C and D minus line F)

Total of lines 2 to 6 ..... 309,442 7

Net amount (line 1 minus line 7) ..... 866,438 8

**Corporate surtax\***

Line 8 866,438 x Number of days in the tax year before January 1, 2008 x 4 % = **600** B  
Number of days in the tax year 365

\* The corporate surtax is zero effective January 1, 2008.

Recapture of investment tax credit from Schedule 31 ..... **602** C

**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 ..... i

Taxable income from line 360 ..... 3,094,421

**Deduct:**

Amount from line 400, 405, 410, or 425, whichever is the least ..... 3,094,421

Net amount ..... 3,094,421 ii

**Refundable tax on CCPC's investment income** – 6 2 / 3 % of whichever is less: amount i or ii ..... **604** D

Subtotal (add lines A to D) ..... 1,175,880 E

**Deduct:**

Small business deduction from line 430 ..... 9

Federal tax abatement ..... **608** 309,442

Manufacturing and processing profits deduction from Schedule 27 ..... **616**

Investment corporation deduction ..... **620**

Taxed capital gains **624**

Additional deduction – credit unions from Schedule 17 ..... **628**

Federal foreign non-business income tax credit from Schedule 21 ..... **632**

Federal foreign business income tax credit from Schedule 21 ..... **636**

General tax reduction for CCPCs from amount M ..... **638** 278,498

General tax reduction from amount X ..... **639**

Federal logging tax credit from Schedule 21 ..... **640**

Federal qualifying environmental trust tax credit ..... **648**

Investment tax credit from Schedule 31 ..... **652** 39,297

Subtotal ..... 627,237 F

**Part I tax payable** – Line E minus line F ..... 548,643 G

Enter amount G on line 700.

**Summary of tax and credits****Federal tax**

Part I tax payable	700	548,643
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax 548,643

**Add provincial or territorial tax:**Provincial or territorial jurisdiction . . . **750** ON  
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta)

Provincial tax on large corporations (New Brunswick\* and Nova Scotia)

**760** 472,742**765**

472,742 ▶ 472,742

Total tax payable **770** 1,021,385 A

\* The New Brunswick tax on large corporations is eliminated effective January 1, 2009.

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	
Dividend refund	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18

Provincial and territorial refundable tax credits from Schedule 5

Tax instalments paid

**808****812****840** 909,418Total credits **890** 909,418 ▶ 909,418 B

Refund code

**894**

Overpayment

Balance (line A minus line B) 111,967

**Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information**910**

Branch number

**914**

Institution number

**918**

Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid . . . . . 111,967

Enclosed payment **898** 111,967. . . . . **896** 1 Yes ☐ 2 No ☒

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

**Certification**I, **950** CORKUM**951** MARY-JO**954** VICE-PRESIDENT, FINANCE

Last name in block letters

First name in block letters

Position, office, or rank

I am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

**955**

Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

**956**

(905) 876-4611

Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below**957**1 Yes ☒ 2 No ☐**958**

Name in block letters

**959**

Telephone number

**Language of correspondence – Langue de correspondance**

Indicate your language of correspondence by entering 1 for English or 2 for French.

Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

**990**

1

# Schedule of Instalment Remittances

Name of corporation contact MARY-JO CORKUM  
 Telephone number (905) 876-4611

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	INSTALMENTS ALLOCATED TO THE FEDERAL RETURN	909,418
<b>Total amount of instalments claimed (carry the result to line 840 of the T2 Return)</b>		<u>909,418</u> <b>A</b>
<b>Total instalments credited to the taxation year per T9</b>		<u>909,418</u> <b>B</b>

## Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				



Form identifier 100

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF1**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**Balance sheet information**

Account	Description	GIFI	Current year	Prior year
<b>Assets</b>				
	Total current assets	<b>1599</b> +	15,077,782	15,437,327
	Total tangible capital assets	<b>2008</b> +	42,917,668	38,628,023
	Total accumulated amortization of tangible capital assets	<b>2009</b> –		
	Total intangible capital assets	<b>2178</b> +		
	Total accumulated amortization of intangible capital assets	<b>2179</b> –		
	Total long-term assets	<b>2589</b> +	1,412,100	1,204,000
	* Assets held in trust	<b>2590</b> +		
	<b>Total assets</b> (mandatory field)	<b>2599</b> =	59,407,550	55,269,350
<b>Liabilities</b>				
	Total current liabilities	<b>3139</b> +	12,115,205	8,994,318
	Total long-term liabilities	<b>3450</b> +	19,377,152	18,641,448
	* Subordinated debt	<b>3460</b> +		
	* Amounts held in trust	<b>3470</b> +		
	<b>Total liabilities</b> (mandatory field)	<b>3499</b> =	31,492,357	27,635,766
<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field)	<b>3620</b> +	27,915,193	27,633,584
	<b>Total liabilities and shareholder equity</b>	<b>3640</b> =	59,407,550	55,269,350
<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field)	<b>3849</b> =	10,906,285	10,624,676

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Current Assets

## SCHEDULE 100

Form identifier 1599

Account	Description	GIFI	Current year	Prior year
<b>Cash and deposits</b>				
	* Cash and deposits	1000		2,687,449
	<b>Cash and deposits</b>		+	2,687,449
<b>Accounts receivable</b>				
	* Accounts receivable	1060	6,893,674	5,207,631
	<b>Accounts receivable</b>		+	5,207,631
<b>Inventories</b>				
	* Inventories	1120	919,065	709,143
	<b>Inventories</b>		+	709,143
<b>Due from/investment in related parties</b>				
	* Due from/investment in related parties	1400	10,996	2,636
	<b>Due from/investment in related parties</b>		+	2,636
<b>Other current assets</b>				
	* Other current assets	1480	6,880,103	6,210,363
	Future (deferred) income taxes	1481		428,000
	Prepaid expenses	1484	373,944	192,105
	<b>Other current assets</b>		+	6,830,468
	<b>Total current assets</b>	1599	= 15,077,782	15,437,327

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Tangible Capital Assets and Accumulated Amortization

**SCHEDULE 100**

Form identifier 2008/2009

Account	Description	GIFI	Tangible capital assets	Accumulated amortization	Prior year
<b>Other tangible capital assets</b>					
	* Other tangible capital assets .....	<b>1900</b>	+	42,917,668	38,628,023
	<b>Total</b>			<u>42,917,668</u>	
	<b>Total tangible capital assets</b> .....	<b>2008</b>	=	<u>42,917,668</u>	<u>38,628,023</u>
	<b>Total accumulated amortization of tangible capital assets</b> .....	<b>2009</b>	=		

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

# Long-term Assets

## SCHEDULE 100

Form identifier 2589

Account	Description	GIFI	Current year	Prior year
<b>Other long-term assets</b>				
	Future (deferred) income taxes .....	<b>2421</b>	1,412,100	1,204,000
	<b>Other long-term assets</b> .....	+	<u>1,412,100</u>	<u>1,204,000</u>
	<b>Total long-term assets</b> .....	<b>2589</b> =	<u>1,412,100</u>	<u>1,204,000</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Current Liabilities

## SCHEDULE 100

Form identifier 3139

Account	Description	GIFI	Current year	Prior year
	* Bank overdraft . . . . .	<b>2600</b> +	264,598	
<b>Amounts payable and accrued liabilities</b>				
	* Amounts payable and accrued liabilities . . . . .	<b>2620</b>	11,327,637	8,787,718
	<b>Amounts payable and accrued liabilities</b> . . . . .	+	<u>11,327,637</u>	<u>8,787,718</u>
	* Taxes payable . . . . .	<b>2680</b> +	143,470	
	* Current portion of long-term liability . . . . .	<b>2920</b> +	379,500	206,600
	<b>Total current liabilities</b> . . . . .	<b>3139</b> =	<u>12,115,205</u>	<u>8,994,318</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Long-term Liabilities

## SCHEDULE 100

Form identifier 3450

Account	Description	GIFI	Current year	Prior year
<b>Long-term debt</b>				
_____	* Long-term debt .....	<b>3140</b>	14,934,210	14,934,210
	<b>Long-term debt</b> .....		<u>14,934,210</u>	<u>14,934,210</u>
		+		
<b>Other long-term liabilities</b>				
_____	* Other long-term liabilities .....	<b>3320</b>	3,492,677	3,408,895
_____	Long-term obligations/commitments/capital leases .....	<b>3321</b>	155,482	233,934
_____	Reserves for guarantees, warranties, or indemnities .....	<b>3322</b>	794,783	64,409
	<b>Other long-term liabilities</b> .....		<u>4,442,942</u>	<u>3,707,238</u>
		+		
_____	<b>Total long-term liabilities</b> .....	<b>3450</b>	<u>19,377,152</u>	<u>18,641,448</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Shareholder Equity

SCHEDULE 100

Form identifier 3620

Account	Description	GIFI	Current year	Prior year
	* Common shares .....	3500 +	17,008,908	17,008,908
	* Retained earnings/deficit .....	3600 +	10,906,285	10,624,676
	<b>Total shareholder equity</b> .....	<b>3620 =</b>	<u>27,915,193</u>	<u>27,633,584</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Retained Earnings/Deficit

## SCHEDULE 100

Form identifier 3849

Account	Description	GIFI	Current year	Prior year
	* Retained earnings/deficit – start	3660 +	10,624,676	8,920,853
	* Net income/loss	3680 +	2,438,350	1,968,823
<b>Dividends declared</b>				
	* Dividends declared	3700	1,000,000	265,000
	<b>Dividends declared</b>	–	<u>1,000,000</u>	<u>265,000</u>
<b>Other items affecting retained earnings</b>				
	* Other items affecting retained earnings	3740	-1,156,741	
	<b>Other items affecting retained earnings</b>	+	<u>-1,156,741</u>	
	<b>Retained earnings/deficit – end</b>	3849 =	<u>10,906,285</u>	<u>10,624,676</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.



Form identifier 125

**GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**Income statement information**

Description	GIFI
Operating name . . . . .	<b>0001</b> _____
Description of the operation . .	<b>0002</b> _____
Sequence Number . . . . .	<b>0003</b> <u>01</u>

Account	Description	GIFI	Current year	Prior year
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**Income statement information**

Total sales of goods and services . . . . .	<b>8089</b> +	64,104,785	60,517,333
Cost of sales . . . . .	<b>8518</b> -	52,697,568	49,997,910
<b>Gross profit/loss</b>	<b>8519</b> =	11,407,217	10,519,423
Cost of sales . . . . .	<b>8518</b> +	52,697,568	49,997,910
Total operating expenses . . . . .	<b>9367</b> +	9,516,862	9,083,597
<b>Total expenses</b> (mandatory field)	<b>9368</b> =	62,214,430	59,081,507
Total revenue (mandatory field) . . . . .	<b>8299</b> +	65,623,103	61,864,377
Total expenses (mandatory field) . . . . .	<b>9368</b> -	62,214,430	59,081,507
<b>Net non-farming income</b>	<b>9369</b> =	3,408,673	2,782,870

**Farming income statement information**

Total farm revenue (mandatory field) . . . . .	<b>9659</b> +		
Total farm expenses (mandatory field) . . . . .	<b>9898</b> -		
<b>Net farm income</b>	<b>9899</b> =		

<b>Net income/loss before taxes and extraordinary items</b>	<b>9970</b> =	3,408,673	2,782,870
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**Extraordinary items and income (linked to Schedule 140)**

Extraordinary item(s) . . . . .	<b>9975</b> -		
Legal settlements . . . . .	<b>9976</b> -		
Unrealized gains/losses . . . . .	<b>9980</b> +		
Unusual items . . . . .	<b>9985</b> -		
Current income taxes . . . . .	<b>9990</b> -	1,036,250	811,047
Deferred income tax provision . . . . .	<b>9995</b> -	-65,927	3,000
Total – Other comprehensive income . . . . .	<b>9998</b> +		
<b>Net income/loss after taxes and extraordinary items</b> (mandatory field)	<b>9999</b> =	2,438,350	1,968,823

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Revenue

## SCHEDULE 125

Form identifier 8299

Account	Description	GIFI	Current year	Prior year
	* Trade sales of goods and services . . . . .	<b>8000</b> +	64,104,785	60,517,333
	<b>Total sales of goods and services</b> . . . . .	<b>8089</b> =	64,104,785	60,517,333
<b>Other revenue</b>				
	* Other revenue . . . . .	<b>8230</b>	1,518,318	1,347,044
	<b>Other revenue</b> . . . . .	+	1,518,318	1,347,044
	<b>Total revenue</b> . . . . .	<b>8299</b> =	65,623,103	61,864,377

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

# Cost of Sales

## SCHEDULE 125

Form identifier 8518

Account	Description	GIFI	Current year	Prior year	
	* Purchases/cost of materials . . . . .	8320	+	52,697,568	49,997,910
	Cost of sales . . . . .	8518	=	52,697,568	49,997,910
* Generic item					

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Operating Expenses

## SCHEDULE 125

Form identifier 9367

Account	Description	GIFI	Current year	Prior year
<b>Interest and bank charges</b>				
	* Interest and bank charges .....	<b>8710</b>	1,107,221	1,152,003
	<b>Interest and bank charges</b> .....		<u>1,107,221</u>	<u>1,152,003</u>
<b>Repairs and maintenance</b>				
	* Repairs and maintenance .....	<b>8960</b>	1,677,162	1,562,929
	<b>Repairs and maintenance</b> .....		<u>1,677,162</u>	<u>1,562,929</u>
<b>Other expenses</b>				
	* Other expenses .....	<b>9270</b>	2,968,831	2,744,202
	General and administrative expenses .....	<b>9284</b>	3,763,648	3,624,463
	<b>Other expenses</b> .....		<u>6,732,479</u>	<u>6,368,665</u>
	<b>Total operating expenses</b> .....	<b>9367</b>	<u>9,516,862</u>	<u>9,083,597</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

**NOTES CHECKLIST**

Corporation's name  MILTON HYDRO DISTRIBUTION INC.	Business Number  89573 0216 RC0001	Tax year-end Year Month Day 2009-12-31
--	--	--

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI) for Corporations* and Guide T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule, and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

**Part 1 – Information on the accountant preparing or reporting on the financial statements**

Does the accountant have a professional designation? ..... **095** 1 Yes ☒ 2 No ☐

Is the accountant connected\* with the corporation? ..... **097** 1 Yes ☐ 2 No ☒

\* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

**Note:** If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

**Part 2 – Type of involvement with the financial statements**

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report ..... 1 ☒

Completed a review engagement report ..... 2 ☐

Conducted a compilation engagement ..... 3 ☐

**Part 3 – Reservations**

If you selected option "1" or "2" under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? ..... **099** 1 Yes ☐ 2 No ☒

**Part 4 – Other information**

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options:

Prepared the tax return (financial statements prepared by client) ..... **110** 1 ☒

Prepared the tax return and the financial information contained therein  
(financial statements have not been prepared) ..... 2 ☐

Were notes to the financial statements prepared? ..... **101** 1 Yes ☒ 2 No ☐

If **yes**, complete lines 102 to 107 below:

Are any values presented at other than cost? ..... **102** 1 Yes ☐ 2 No ☒

Has there been a change in accounting policies since the last return? ..... **103** 1 Yes ☒ 2 No ☐

Are subsequent events mentioned in the notes? ..... **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? ..... **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? ..... **106** 1 Yes ☒ 2 No ☐

Is information regarding commitments mentioned in the notes? ..... **107** 1 Yes ☒ 2 No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? ..... **108** 1 Yes ☐ 2 No ☒

If **yes**, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? ..... **109** 1 Yes ☐ 2 No ☐

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****SCHEDULE 1**

Corporation's name	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125 ..... 2,438,350 A

**Add:**

Provision for income taxes – current	101	1,036,250	
Provision for income taxes – deferred	102	-65,927	
Amortization of tangible assets	104	3,074,079	
Charitable donations and gifts from Schedule 2	112	3,800	
Scientific research expenditures deducted per financial statements	118	143,897	
Non-deductible meals and entertainment expenses	121	3,625	
Reserves from financial statements – balance at the end of the year	126	364,892	
Subtotal of additions		4,560,616	4,560,616

**Other additions:****Miscellaneous other additions:**

600 section 12(1)(a) income	290	3,938,658	
603 Apprentice Credit Last Year FED		4,000	
Co-op/Apprentice ON CY		22,269	
Total	293	26,269	
604			
Subtotal of other additions	199	3,964,927	3,964,927
<b>Total additions</b>	<b>500</b>	<b>8,525,543</b>	<b>8,525,543</b>

**Deduct:**

Gain on disposal of assets per financial statements	401	475	
Capital cost allowance from Schedule 8	403	3,500,158	
SR&ED expenditures claimed in the year from Form T661 (line 460)	411	128,038	
Reserves from financial statements – balance at the beginning of the year	414	298,343	
Subtotal of deductions		3,927,014	3,927,014

**Other deductions:****Miscellaneous other deductions:**

700 section 20(1)(m) reserve	390	3,938,658	
704			
Total	394		
Subtotal of other deductions	499	3,938,658	3,938,658
<b>Total deductions</b>	<b>510</b>	<b>7,865,672</b>	<b>7,865,672</b>

**Net income (loss) for income tax purposes** – enter on line 300 of the T2 return ..... **3,098,221**

\* For reference purposes only

# Attached Schedule with Total

Line 390 – Amount for line 700

Title    Line 390 – Amount for line 700

Description	Amount	
Customer deposits - short term	379,500	00
Customer deposits - long term	3,559,158	00
Total	3,938,658	00

# Attached Schedule with Total

Line 290 – Amount for line 600

Title    Line 290 – Amount for line 600

Description	Amount	
Current portion of Customer Deposits	379,500	00
Long Term portion of Customer Deposits	3,559,158	00
Total	3,938,658	00

**CHARITABLE DONATIONS AND GIFTS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- For use by corporations to claim any of the following:
  - charitable donations;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land; or
  - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- Under proposed changes, the eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- Under proposed changes, a gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation – Income Tax Guide*.

**Part 1 – Charitable donations**

Charity/Recipient	Amount (\$100 or more only)
UNITED WAY OF MILTON	3,800
	Subtotal 3,800
	<b>Add:</b> Total donations of less than \$100 each
	Total donations in current tax year 3,800

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year			
<b>Deduct:</b> Charitable donations expired after five tax years* 239			
Charitable donations at the beginning of the tax year 240			
<b>Add:</b>			
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary 250			
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1) 210 3,800			
Subtotal (line 250 plus line 210)	3,800	3,800	3,800
<b>Deduct:</b> Adjustment for an acquisition of control (for donations made after March 22, 2004) 255			
Total charitable donations available	3,800 A	3,800	3,800
<b>Deduct:</b> Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return) 260 3,800	3,800	3,800	3,800
Charitable donations closing balance 280			

\* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

**Amounts carried forward – Charitable donations**

Year of origin:		Federal	Québec	Alberta
1 <sup>st</sup> prior year	2008-12-31			
2 <sup>nd</sup> prior year	2007-12-31			
3 <sup>rd</sup> prior year	2006-12-31			
4 <sup>th</sup> prior year	2005-12-31			
5 <sup>th</sup> prior year	2004-12-31			
6 <sup>th</sup> prior year*	2003-12-31			
7 <sup>th</sup> prior year	2002-12-31			
8 <sup>th</sup> prior year	2001-12-31			
9 <sup>th</sup> prior year	2001-09-30			
10 <sup>th</sup> prior year	2000-09-30			
11 <sup>th</sup> prior year	1999-09-30			
12 <sup>th</sup> prior year	1998-09-30			
13 <sup>th</sup> prior year	1997-09-30			
14 <sup>th</sup> prior year	1996-09-30			
15 <sup>th</sup> prior year	1995-09-30			
16 <sup>th</sup> prior year	1994-09-30			
17 <sup>th</sup> prior year	1993-09-30			
18 <sup>th</sup> prior year	1992-09-30			
19 <sup>th</sup> prior year	1991-09-30			
20 <sup>th</sup> prior year	1990-09-30			
21 <sup>st</sup> prior year*	1989-09-30			
<b>Total (to line A)</b>				

\* For the federal and Alberta, the 6<sup>th</sup> prior year gifts expire in the current year. For Québec, the 6<sup>th</sup> prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21<sup>st</sup> prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

**Part 2 – Calculation of the maximum allowable deduction for charitable donations**

Net income for tax purposes* <b>multiplied by</b> 75 %		2,323,666	B
Taxable capital gains arising in respect of gifts of capital property included in Part 1**	225	C	
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)	227	D	
The amount of the recapture of capital cost allowance in respect of charitable gifts	230		
Proceeds of disposition, less outlays and expenses**	E		
Capital cost**	F		
Amount E or F, whichever is less	235		
Amount on line 230 or 235, whichever is less	G		
Subtotal (add amounts C, D, and G)	H		
Amount H <b>multiplied by</b> 25 %	I		
Subtotal (amount B <b>plus</b> amount I)	J	2,323,666	
<b>Maximum allowable deduction for charitable donations</b> (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)	K	3,800	

\* For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

\*\* This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

**Part 3 – Gifts to Canada, a province, or a territory**

Gifts to Canada, a province, or a territory at the end of the previous tax year	.....		
<b>Deduct:</b> Gifts to Canada, a province, or a territory expired after five tax years	.....	<b>339</b>	
Gifts to Canada, a province, or a territory at the beginning of the tax year	.....	<b>340</b>	
<b>Add:</b> Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	.....	<b>350</b>	
Total current-year gifts made to Canada, a province, or a territory*	.....	<b>310</b>	
		Subtotal (line 350 <b>plus</b> line 310)	
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	.....	<b>355</b>	
Total gifts to Canada, a province, or a territory available	.....		
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 312 of the T2 return).	.....	<b>360</b>	
Gifts to Canada, a province, or a territory closing balance	.....	<b>380</b>	

\* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

**Part 4 – Gifts of certified cultural property**

	Federal	Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year	.....		
<b>Deduct:</b> Gifts of certified cultural property expired after five tax years*	<b>439</b>		
Gifts of certified cultural property at the beginning of the tax year	<b>440</b>		
<b>Add:</b> Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	<b>450</b>		
Total current-year gifts of certified cultural property	<b>410</b>		
Subtotal (line 450 <b>plus</b> line 410)			
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	<b>455</b>		
Total gifts of certified cultural property available			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 313 of the T2 return)	<b>460</b>		
Gifts of certified cultural property closing balance	<b>480</b>		

\* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

**Amount carried forward – Gifts of certified cultural property**

	Federal	Québec	Alberta
Year of origin:			
1 <sup>st</sup> prior year	2008-12-31		
2 <sup>nd</sup> prior year	2007-12-31		
3 <sup>rd</sup> prior year	2006-12-31		
4 <sup>th</sup> prior year	2005-12-31		
5 <sup>th</sup> prior year	2004-12-31		
6 <sup>th</sup> prior year*	2003-12-31		
7 <sup>th</sup> prior year	2002-12-31		
8 <sup>th</sup> prior year	2001-12-31		
9 <sup>th</sup> prior year	2001-09-30		
10 <sup>th</sup> prior year	2000-09-30		
11 <sup>th</sup> prior year	1999-09-30		
12 <sup>th</sup> prior year	1998-09-30		
13 <sup>th</sup> prior year	1997-09-30		
14 <sup>th</sup> prior year	1996-09-30		
15 <sup>th</sup> prior year	1995-09-30		
16 <sup>th</sup> prior year	1994-09-30		
17 <sup>th</sup> prior year	1993-09-30		
18 <sup>th</sup> prior year	1992-09-30		
19 <sup>th</sup> prior year	1991-09-30		
20 <sup>th</sup> prior year	1990-09-30		
21 <sup>st</sup> prior year*	1989-09-30		
<b>Total</b>			

\* For the federal and Alberta, the 6<sup>th</sup> prior year gifts expire in the current year. For Québec, the 6<sup>th</sup> prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21<sup>st</sup> prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

**Part 5 – Gifts of certified ecologically sensitive land**

	Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year . . . . .			
<b>Deduct:</b> Gifts of certified ecologically sensitive land expired after five tax years* . . . . .	<b>539</b>		
Gifts of certified ecologically sensitive land at the beginning of the tax year . . . . .	<b>540</b>		
<b>Add:</b> Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary . . . . .	<b>550</b>		
Total current-year gifts of certified ecologically sensitive land . . . . .	<b>510</b>		
Subtotal (line 550 plus line 510)			
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004) . . . . .	<b>555</b>		
Total gifts of certified ecologically sensitive land available . . . . .			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 314 of the T2 return) . . . . .	<b>560</b>		
Gifts of certified ecologically sensitive land closing balance . . . . .	<b>580</b>		

\* For the federal and Alberta, the gifts expire after five tax years. For Québec, gifts made in a tax year that ended before March 24, 2006, expire after five tax years and gifts made in a tax year that ended after March 23, 2006, expire after twenty tax years.

**Amounts carried forward – Gifts of certified ecologically sensitive land**

Year of origin:	Federal	Québec	Alberta
1 <sup>st</sup> prior year . . . . . 2008-12-31			
2 <sup>nd</sup> prior year . . . . . 2007-12-31			
3 <sup>rd</sup> prior year . . . . . 2006-12-31			
4 <sup>th</sup> prior year . . . . . 2005-12-31			
5 <sup>th</sup> prior year . . . . . 2004-12-31			
6 <sup>th</sup> prior year* . . . . . 2003-12-31			
7 <sup>th</sup> prior year . . . . . 2002-12-31			
8 <sup>th</sup> prior year . . . . . 2001-12-31			
9 <sup>th</sup> prior year . . . . . 2001-09-30			
10 <sup>th</sup> prior year . . . . . 2000-09-30			
11 <sup>th</sup> prior year . . . . . 1999-09-30			
12 <sup>th</sup> prior year . . . . . 1998-09-30			
13 <sup>th</sup> prior year . . . . . 1997-09-30			
14 <sup>th</sup> prior year . . . . . 1996-09-30			
15 <sup>th</sup> prior year . . . . . 1995-09-30			
16 <sup>th</sup> prior year . . . . . 1994-09-30			
17 <sup>th</sup> prior year . . . . . 1993-09-30			
18 <sup>th</sup> prior year . . . . . 1992-09-30			
19 <sup>th</sup> prior year . . . . . 1991-09-30			
20 <sup>th</sup> prior year . . . . . 1990-09-30			
21 <sup>st</sup> prior year* . . . . . 1989-09-30			
<b>Total</b> . . . . .			

\* For the federal and Alberta, the 6<sup>th</sup> prior year gifts expire in the current year. For Québec, the 6<sup>th</sup> prior year gifts made in a tax year that ended before March 24, 2006, expire in the current year and the 21<sup>st</sup> prior year gifts made in a tax year that ended after March 23, 2006, expire in the current year.

**Part 6 – Additional deduction for gifts of medicine**

	Federal	Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year . . . . .			
<b>Deduct:</b> Additional deduction for gifts of medicine expired after five tax years . . . . .	<b>639</b>		
Additional deduction for gifts of medicine at the beginning of the tax year . . . . .	<b>640</b>		
<b>Add:</b> Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>650</b>		
Additional deduction for gifts of medicine for the current year:			
Proceeds of disposition . . . . .	<b>602</b>	1	1
Cost of gifts of medicine . . . . .	<b>601</b>	2	2
Subtotal (line 1 <b>minus</b> line 2)	3	3	3
Line 3 <b>multiplied by</b> 50 % . . . . .	4	4	4
Eligible amount of gifts	<b>600</b>	5	5
Federal A _____ x $\left( \frac{B}{C} \right)$ = Additional deduction for gifts of medicine for the current year	<b>610</b>		
Québec A _____ x $\left( \frac{B}{C} \right)$ = Additional deduction for gifts of medicine for the current year			
Alberta A _____ x $\left( \frac{B}{C} \right)$ = Additional deduction for gifts of medicine for the current year			
where: <b>A</b> is the <b>lesser</b> of line 2 and line 4 <b>B</b> is the eligible amount of gifts (line 600) <b>C</b> is the proceeds of disposition (line 602)			
Subtotal (line 650 <b>plus</b> line 610)			
<b>Deduct:</b> Adjustment for an acquisition of control . . . . .	<b>655</b>		
Total additional deduction for gifts of medicine available . . . . .			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 315 of the T2 return) . . . . .	<b>660</b>		
Additional deduction for gifts of medicine closing balance . . . . .	<b>680</b>		

**Amounts carried forward – Additional deduction for gifts of medicine**

	Federal	Québec	Alberta
Year of origin:			
1 <sup>st</sup> prior year . . . . . 2008-12-31			
2 <sup>nd</sup> prior year . . . . . 2007-12-31			
3 <sup>rd</sup> prior year . . . . . 2006-12-31			
4 <sup>th</sup> prior year . . . . . 2005-12-31			
5 <sup>th</sup> prior year . . . . . 2004-12-31			
6 <sup>th</sup> prior year* . . . . . 2003-12-31			
<b>Total</b> . . . . .			

\* These donations expired in the current year.

**Part 7 – Gifts of musical instruments**

Gifts of musical instruments at the end of the previous tax year	_____	A
<b>Deduct:</b> Gifts of musical instruments expired after twenty tax years	_____	B
Gifts of musical instruments at the beginning of the tax year	_____	C
<b>Add:</b>		
Gifts of musical instruments transferred on an amalgamation or the wing-up of a subsidiary	_____	D
Total current-year gifts of musical instruments	_____	E
	Subtotal (line D <b>plus</b> line E)	F
<b>Deduct:</b> Adjustment for an acquisition of control	_____	G
Total gifts of musical instruments available	_____	H
<b>Deduct:</b> Amount applied against taxable income	_____	I
Gifts of musical instruments closing balance	_____	J

**Amounts carried forward – Gifts of musical instruments**

Year of origin:		Québec
1 <sup>st</sup> prior year	2008-12-31	_____
2 <sup>nd</sup> prior year	2007-12-31	_____
3 <sup>rd</sup> prior year	2006-12-31	_____
4 <sup>th</sup> prior year	2005-12-31	_____
5 <sup>th</sup> prior year	2004-12-31	_____
6 <sup>th</sup> prior year*	2003-12-31	_____
7 <sup>th</sup> prior year	2002-12-31	_____
8 <sup>th</sup> prior year	2001-12-31	_____
9 <sup>th</sup> prior year	2001-09-30	_____
10 <sup>th</sup> prior year	2000-09-30	_____
11 <sup>th</sup> prior year	1999-09-30	_____
12 <sup>th</sup> prior year	1998-09-30	_____
13 <sup>th</sup> prior year	1997-09-30	_____
14 <sup>th</sup> prior year	1996-09-30	_____
15 <sup>th</sup> prior year	1995-09-30	_____
16 <sup>th</sup> prior year	1994-09-30	_____
17 <sup>th</sup> prior year	1993-09-30	_____
18 <sup>th</sup> prior year	1992-09-30	_____
19 <sup>th</sup> prior year	1991-09-30	_____
20 <sup>th</sup> prior year	1990-09-30	_____
21 <sup>st</sup> prior year*	1989-09-30	_____
<b>Total</b>		=====

\* These gifts expired in the current year.

Canada

Canada Revenue  
Agency Agence du revenu  
du Canada**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND  
PART IV TAX CALCULATION****SCHEDULE 3**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- This schedule is for the use of any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "1" under column B if the payer corporation is connected.
- Enter in column F1, the amount of dividends received reported in column 240 that are eligible.
- Under column F2, enter the code that applies to the deductible taxable dividend.

**Part 1 – Dividends received during the taxation year****Do not include dividends received from foreign non-affiliates.**

Complete if payer corporation is connected

Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)	A	B	C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD	E Non-taxable dividend under section 83
<b>200</b>		<b>205</b>	<b>210</b>	<b>220</b>	<b>230</b>
1		2			

Total

**Note:** If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

If payer corporation is not connected,  
leave these columns blank.

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	F1 Eligible dividends (included in column F)	F2	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions $F \times 1 / 3 *$
<b>240</b>			<b>250</b>	<b>260</b>	<b>270</b>
1					

Total (enter amount of column F on line 320 of the T2 return)

					<b>J</b>
--	--	--	--	--	----------

For dividends received from connected corporations: Part IV tax equals:  $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

\* Life insurers are not subject to Part IV tax on subsection 138(6) dividends.  
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax before deductions (amount J in Part 1) . . . . .

**Deduct:**

Part IV.I tax payable on dividends subject to Part IV tax . . . . . **320**

Subtotal . . . . .

**Deduct:**

Current-year non-capital loss claimed to reduce Part IV tax . . . . . **330**

Non-capital losses from previous years claimed to reduce Part IV tax . . . . . **335**

Current-year farm loss claimed to reduce Part IV tax . . . . . **340**

Farm losses from previous years claimed to reduce Part IV tax . . . . . **345**

Total losses applied against Part IV tax . . . . . x 1 / 3 = . . . . .

Part IV tax payable (enter amount on line 712 of the T2 return) . . . . . **360**

**Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund**

A	B	C	D	D1
Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations	Eligible dividends (included in column D)
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	
1 MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001	2009-12-31	1,000,000	
2				

**Note**

If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

**Total** 1,000,000

Total taxable dividends paid in the taxation year to other than connected corporations . . . . . **450**

Eligible dividends (included in line 450) . . . . . **450a**

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450) . . . . . **460** 1,000,000

**Part 4 – Total dividends paid in the taxation year**

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) . . . . . 1,000,000

Other dividends paid in the taxation year (total of 510 to 540) . . . . .

Total dividends paid in the taxation year . . . . . **500** 1,000,000

**Deduct:**

Dividends paid out of capital dividend account . . . . . **510**

Capital gains dividends . . . . . **520**

Dividends paid on shares described in subsection 129(1.2) . . . . . **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year . . . . . **540**

Subtotal . . . . . ▶ . . . . .

Total taxable dividends paid in the taxation year for purposes of a dividend refund . . . . . 1,000,000

Canada Revenue  
Agence du revenu  
du Canada**SCHEDULE 5****TAX CALCULATION SUPPLEMENTARY – CORPORATIONS**

Corporation's name	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule if, during the tax year, the corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1); or
  - is claiming provincial or territorial tax credits or rebates (see Part 2).
- Regulations mentioned in this schedule are from the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide*.
- Enter the regulation number in field 100 of Part 1.

**Part 1 – Allocation of taxable income**

<b>100</b>	402	Corporations not specified	Enter the regulation that applies (402 to 413).		
A Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *	B Total salaries and wages paid in jurisdiction	C (B x taxable income**) / G	D Gross revenue	E (D x taxable income**) / H	F Allocation of taxable income (C + E) x 1/2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador 003 1 Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador offshore 004 1 Yes <input type="checkbox"/>	104		144		
Prince Edward Island 005 1 Yes <input type="checkbox"/>	105		145		
Nova Scotia 007 1 Yes <input type="checkbox"/>	107		147		
Nova Scotia offshore 008 1 Yes <input type="checkbox"/>	108		148		
New Brunswick 009 1 Yes <input type="checkbox"/>	109		149		
Quebec 011 1 Yes <input type="checkbox"/>	111		151		
Ontario 013 1 Yes <input checked="" type="checkbox"/>	113		153		
Manitoba 015 1 Yes <input type="checkbox"/>	115		155		
Saskatchewan 017 1 Yes <input type="checkbox"/>	117		157		
Alberta 019 1 Yes <input type="checkbox"/>	119		159		
British Columbia 021 1 Yes <input type="checkbox"/>	121		161		
Yukon 023 1 Yes <input type="checkbox"/>	123		163		
Northwest Territories 025 1 Yes <input type="checkbox"/>	125		165		
Nunavut 026 1 Yes <input type="checkbox"/>	126		166		
Outside Canada 027 1 Yes <input type="checkbox"/>	127		167		
<b>Total</b>	<b>129</b> <b>G</b>		<b>169</b> <b>H</b>		

\* "Permanent establishment" is defined in Regulation 400(2).

\*\* Starting in 2009, if the corporation has income or loss from an international banking centre; the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*.**Notes:**

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see line 760 of the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.

**Part 2 – Ontario tax payable, tax credits, and rebates**

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
3,094,421		3,094,421	390,719

**Ontario basic income tax** (from Schedule 500) . . . . . **270** 433,219

**Deduct:** Ontario small business deduction (from schedule 500) . . . . . **402** 42,500

Subtotal (if negative, enter "0") 390,719 ▶ 390,719 A6

**Add:**

Surtax re Ontario small business deduction (from Schedule 500) . . . . . **272** 42,500

Ontario additional tax re Crown royalties (from Schedule 504) . . . . . **274**

Ontario transitional tax debits (from Schedule 506) . . . . . **276**

Recapture of Ontario research and development tax credit (from Schedule 508) . . . . . **277**

Subtotal 42,500 ▶ 42,500 B6

Subtotal (amount A6 **plus** amount B6) 433,219 C6

**Deduct:**

Ontario resource tax credit (from Schedule 504) . . . . . **404**

Ontario tax credit for manufacturing and processing (from Schedule 502) . . . . . **406**

Ontario foreign tax credit (from Schedule 21) . . . . . **408**

Ontario credit union tax reduction (from Schedule 500) . . . . . **410**

Ontario transitional tax credits (from Schedule 506) . . . . . **414** 263

Ontario political contributions tax credit (from Schedule 525) . . . . . **415**

Subtotal 263 ▶ 263 D6

Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") 432,956 E6

Ontario research and development tax credit (from Schedule 508) . . . . . **416** 8,316

Ontario corporate income tax payable before Ontario corporate minimum tax credit (amount E6 **minus** amount on line 416) (if negative, enter "0") . . . . . 424,640 F6

**Deduct:**

Ontario corporate minimum tax credit (from schedule 510) . . . . . **418**

Ontario corporate income tax payable (amount F6 **minus** amount on line 418) (if negative, enter "0") . . . . . 424,640 G6

**Add:**

Ontario corporate minimum tax (from Schedule 510) . . . . . **278**

Ontario special additional tax on life insurance corporations (from Schedule 512) . . . . . **280**

Ontario capital tax (from Schedule 514 or Schedule 515, whichever applies) . . . . . **282** 70,371

Subtotal 70,371 ▶ 70,371 H6

Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) . . . . . 495,011 I6

**Deduct:**

Ontario qualifying environmental trust tax credit . . . . . **450**

Ontario co-operative education tax credit (from Schedule 550) . . . . . **452** 4,599

Ontario apprenticeship training tax credit (from Schedule 552) . . . . . **454** 17,670

Ontario computer animation and special effects tax credit (from Schedule 554) . . . . . **456**

Ontario film and television tax credit (from Schedule 556) . . . . . **458**

Ontario production services tax credit (from Schedule 558) . . . . . **460**

Ontario interactive digital media tax credit (from Schedule 560) . . . . . **462**

Ontario sound recording tax credit (from Schedule 562) . . . . . **464**

Ontario book publishing tax credit (from Schedule 564) . . . . . **466**

Ontario innovation tax credit (from Schedule 566) . . . . . **468**

Ontario business-research institute tax credit (from Schedule 568) . . . . . **470**

Subtotal 22,269 ▶ 22,269 J6

**Net Ontario tax payable or refundable credit** (amount I6 **minus** amount J6) . . . . . **290** 472,742 K6

(if a credit, enter a negative amount) Include this amount on line 255.

**Summary**

Enter the total net tax payable or refundable credits for all provinces and territories at line 255.

**Net provincial and territorial tax payable or refundable credits** . . . . . **255** 472,742

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

**CAPITAL COST ALLOWANCE (CCA)**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Net adjustments**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate %	9 Recapture of capital cost allowance (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (column 7 <b>multiplied</b> by column 8; or a lower amount) (line 403 of Schedule 1)****	12 Undepreciated capital cost at the end of the year (column 6 <b>plus</b> column 7 <b>minus</b> column 11)
<b>200</b>		<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1. 1		28,817,645			0		28,817,645	4	0	0	1,152,706	27,664,939
2. 8		3,289,124	1,132,085		0	566,043	3,855,166	20	0	0	771,033	3,650,176
3. 10		182,238	342,202		476	170,863	353,101	30	0	0	105,930	418,034
4. 45	Computers	30,964			0		30,964	45	0	0	13,934	17,030
5. 47		14,461,258	3,782,045		743	1,890,651	16,351,909	8	0	0	1,308,153	16,934,407
6. 95	CIP	1,186,930	1,374,901		1,186,930	93,986	1,280,915	0	0	0		1,374,901
7. 50		40,150			0		40,150	55	0	0	22,083	18,067
8. 12	Software		72,246		0	36,123	36,123	100	0	0	36,123	36,123
9. 13	Leasehold Improvements		280,817		0	140,409	140,408	N/A	0	0	28,082	252,735
10. 52	Computers after January 27, 200		62,114		0		62,114	100	0	0	62,114	
<b>Total</b>		48,008,309	7,046,410		1,188,149	2,898,075	50,968,495				3,500,158	50,366,412

**Note:** Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed.

Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

- \* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).
- \*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.
- \*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.
- \*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

# Attached Schedule with Total

Tax return – Other – Amount

Title   Tax return – Other – Amount

Description	Amount	
Land addition for accounting	2,218,529	71
Amounts recorded as additions for tax, but as regulatory assets for acctng	-711,226	00
Total	1,507,303	71

**SCHEDULE 9****RELATED AND ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporations(s)

	Name  <b>100</b>	Country of residence (if other than Canada)  <b>200</b>	Business Number (Canadian corporation only) (see note 1)  <b>300</b>	Relationship code (see note 2)  <b>400</b>	Number of common shares owned  <b>500</b>	% of common shares owned  <b>550</b>	Number of preferred shares owned  <b>600</b>	% of preferred shares owned  <b>650</b>	Book value of capital stock  <b>700</b>
1.	MILTON HYDRO HOLDINGS INC.		86499 6764 RC0001	1					
2.	MILTON HYDRO TELECOM INC.		86499 6566 RC0001	3					
3.	MILTON HYDRO SERVICES INC.		89573 0414 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

# Continuity of financial statement reserves (not deductible)

## Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefits	233,934			78,452	155,482
2	Regulator Assets	64,409		145,001		209,410
3						
	Reserves from Part 2 of Schedule 13					
	<b>Totals</b>	298,343		145,001	78,452	364,892

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.

The total closing balance should be entered on line 126 of Schedule 1 as an addition.

**SCHEDULE 14****MISCELLANEOUS PAYMENTS TO RESIDENTS**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- This schedule must be completed by all corporations who made the following payments to residents of Canada: royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

	Name of recipient <b>100</b>	Address of recipient <b>200</b>	Royalties <b>300</b>	Research and development fees <b>400</b>	Management fees <b>500</b>	Technical assistance fees <b>600</b>	Similar payments <b>700</b>
1	MILTON HYDRO HOLDINGS II	53 THOMPSON ROAD SOUTH			111,364		
		MILTON					
		ON					
		L9T 4N9					

T2 SCH 14 (99)

Canada

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO  
ALLOCATE THE BUSINESS LIMIT**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group. Include non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act* (ITA) not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the association code that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless code 5 applies)
- 2 – CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 – Non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which code 1 does not apply because of a subsection 256(2) election made by a "third corporation"

**Column 4:** Enter the business limit for the year of each corporation in the associated group. The business limit is computed at line 4 on page 4 of each respective corporation's T2 return.

**Column 5:** Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A falls within the range for the calendar year to which the agreement applies:

Calendar year	Acceptable range
2006	maximum \$300,000
2007	\$300,001 to \$400,000

Calendar year	Acceptable range
2008	maximum \$400,000
2009	\$400,001 to \$500,000

If the calendar year to which this agreement applies is after 2009, ensure that the total at line A does not exceed \$500,000.

**Allocating the business limit**

Date filed (do not use this area) .....

**025**

Year Month Day

Enter the calendar year to which the agreement applies .....

**050**

Year

2009

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....

**075**1 Yes ☐2 No ☒

	1 Names of associated corporations  <b>100</b>	2 Business Number of associated corporations  <b>200</b>	3 Asso- ciation code  <b>300</b>	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %  <b>350</b>	6 Business limit allocated* \$  <b>400</b>
1	MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	1	500,000	100.0000	500,000
2	MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001	1	500,000		
3	MILTON HYDRO TELECOM INC.	86499 6566 RC0001	1	500,000		
4	MILTON HYDRO SERVICES INC.	89573 0414 RC0001	1	500,000		
<b>Total</b>					<b>100.0000</b>	<b>500,000</b>

**A**

**Business limit reduction under subsection 125(5.1) of the ITA**

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "Large corporation amount" at line 415 of the T2 return. If the corporation is a member of an associated group\*\* of corporations in the current tax year, the amount at line 415 of the T2 return is equal to  $0.225\% \times (A - \$10,000,000)$  where, "A" is the total of taxable capital employed in Canada\*\*\* of each corporation in the associated group for its last tax year ending in the preceding calendar year.

\* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. If the tax year straddles January 1, 2009, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit that would have been determined for the first tax year ending in the calendar year, if \$500,000 was used in allocating the amounts among associated corporations and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year. Otherwise, the business limit for the second (or subsequent) tax year(s) will be equal to the lesser of the business limit determined for the first tax year ending in the calendar year and the business limit determined for the second (or subsequent) tax year(s) ending in the same calendar year.

\*\* The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

\*\*\* "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the ITA.



## INVESTMENT TAX CREDIT – CORPORATIONS

## General information

1. For use by a corporation that during a tax year:
  - earned an investment tax credit (ITC);
  - is claiming a deduction against its Part I tax payable;
  - is claiming a refund of credit earned during the current tax year;
  - is claiming a carryforward of credit from previous tax years;
  - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - is requesting a credit carryback; or
  - is subject to a recapture of ITC.
2. References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations*. References to interpretation bulletins and information circulars are to the latest versions.
3. The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward for credits earned in tax years that end after 1997 and did not expire before 2008 and a ten-year carryforward for credits earned in tax years that end before 1998. The apprenticeship job creation tax credit can only be carried back to tax years that end after May 1, 2006.
4. Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
  - qualified property (Parts 4 to 7);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). Complete and file Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
5. Attach a completed copy of this schedule with the *T2 Corporation Income Tax Return*.
6. For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*.
7. For information on SR&ED, see Interpretation Bulletin IT-151 (**consolidated**), *Scientific Research and Experimental Development Expenditures*; Information Circular 86-4, *Scientific Research and Experimental Development*; Brochure RC4472, *Overview of the Scientific Research and Experimental Development Program (SR&ED) Tax Incentive Program*; Brochure RC4467, *Support for your R&D in Canada* and T4088, *Guide to Form T661 Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

## Detailed information

1. For the purpose of this schedule, "**investment**" means:  
The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
2. An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
3. Property acquired has to be "available for use" before a claim for an ITC can be made.
4. Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which the expenditures or capital costs were incurred.
5. Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. For more information, see Interpretation Bulletin IT-151. Special rules apply to specified and limited partners.
6. For SR&ED expenditures, the expression "in Canada" includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone.

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**Part 1 – Investments, expenditures and percentages**

	Specified percentage
<b>Investments</b>	
Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region	10 %
<b>Expenditures</b>	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
<b>Note:</b> If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 20 % rate.	
If you are a corporation that is not a CCPC that incurred qualified expenditures for SR&ED in any area in Canada	20 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures	10 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

**Part 2 – Determination of a qualifying corporation**

Is the corporation a qualifying corporation? **101** 1 Yes ☐ 2 No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and the taxable income (before any loss carrybacks) for its previous tax year cannot be more than its qualifying income limit for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

**Note:** A CCPC calculating a refundable ITC, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- any combination of persons referred to in a) or b) above.

**Part 3 – Corporations in the farming industry**

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? **102** 1 Yes ☐ 2 No ☒

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations*. Enter contributions on line 350 of Part 8.

**QUALIFIED PROPERTY****Part 4 – Eligible investments for qualified property from the current tax year**

CCA* class number	Description of investment	Date available for use	Location used (province or territory)	Amount of investment
105	110	115	120	125

\*CCA: capital cost allowance

**Total investment** – enter in formula on line 240 in Part 5**Part 5 – Calculation of current-year credit and account balances – ITC from investments in qualified property**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **210** .....

Credit expired\* ..... **215** .....

Subtotal ..... **220** .....

ITC at the beginning of the tax year .....

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **230** .....

ITC from repayment of assistance ..... **235** .....

Total current-year credit: total of column 125 ..... x 10 % = **240** .....

Credit allocated from a partnership ..... **250** .....

Subtotal ..... **260** .....

Total credit available .....

**Deduct:**

Credit deducted from Part I tax (enter on line B1 in Part 30) ..... **260** .....

Credit carried back to the previous year(s) (from Part 6) ..... A

Credit transferred to offset Part VII tax liability ..... **280** .....

Subtotal ..... **280** .....

Credit balance before refund ..... B

**Deduct:**

Refund of credit claimed on investments from qualified property (from Part 7) ..... **310** .....

**ITC closing balance of investments from qualified property** ..... **320** .....

\* The credit expires after 20 tax years if it was earned in a tax year ending after 1997 and did not expire before 2008 and 10 tax years if it was earned in a tax year ending before 1998.

**Part 6 – Request for carryback of credit from investments in qualified property**

	Year	Month	Day		
1st previous tax year				..... Credit to be applied	<b>901</b> .....
2nd previous tax year				..... Credit to be applied	<b>902</b> .....
3rd previous tax year				..... Credit to be applied	<b>903</b> .....
<b>Total</b> (enter on line A in Part 5)					.....

**Part 7 – Calculation of refund for qualifying corporations on investments from qualified property**

Current-year ITCs (total of lines 240 and 250 in Part 5) ..... C

Credit balance before refund (amount B from Part 5) ..... D

**Refund** ( 40 % of amount C or D, whichever is less) ..... E

Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

Name of corporation  MILTON HYDRO DISTRIBUTION INC.	Business Number  89573 0216 RC0001	Tax year-end Year Month Day 2009-12-31
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**SR&ED****Part 8 – Qualified expenditures for SR&ED****Current expenditures**Current expenditures (from line 557 on Form T661) ..... 176,486**Add:**Contributions to agricultural organizations for SR&ED under  
paragraph 37(1)(a)\* .....**Deduct:**

Government and non-government assistance\* .....

Contributions to agricultural organizations for SR&amp;ED\* .....

Current expenditures (including contributions to agricultural organizations for SR&ED)\* ..... 176,486 **350** 176,486Capital expenditures (from line 558 on Form T661) ..... **360** .....Repayments made in the year (from line 560 on Form T661) ..... **370** .....**Total** (this must equal the amount from line 570 on Form T661)\* ..... **380** 176,486

\* Do not file form T661 if you are only claiming contributions made to agricultural organizations for SR&amp;ED.

**Part 9 – Components of the SR&ED expenditure limit calculation****Part 9 only applies if the corporation is a CCPC.****Note:** A CCPC that calculates SR&ED expenditure limit, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? ..... **385** 1 Yes ☒ 2 No ☐Complete lines 390, 395 and 398, if you answered **no** to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).a) Enter your taxable income for the previous tax year\* (prior to any loss carry-backs applied). ..... **390** .....b) Enter your reduced business limit\*\* for the current tax year\* (this amount cannot be more than the amount at line 4 on page 4 of the T2 return). ..... **395** .....c) Enter your taxable capital employed in Canada for the previous tax year minus \$10 million. If this amount is nil or negative, enter "0". ..... **398** .....  
If this amount is over \$40 million, enter \$40 million.\* If either of the tax years referred to at line 390 or 395 is less than 51 weeks, multiply the taxable income or the business limit by the following result: 365 divided by the number of days in these tax years. For details on the expression "Reduced business limit," see line 652 of the *T2 Corporation – Income Tax Guide*.

\*\* If the corporation is claiming only a portion of the business limit from line 4 on page 4 of the T2 return because of its association with other corporations, calculate your reduced business limit as if the corporation was not associated in the current tax year. Enter the result at line 395.

**Part 10 – Calculation of SR&ED expenditure limit for a CCPC****For stand-alone corporations:****Calculation 1:** Tax year ends before February 26, 2008.
$$[(\$6,000,000 \text{ minus } (10 \times (\text{line 390 from Part 9 or } \$400,000, \text{ whichever is more}))) \times ((\text{line 395 from Part 9}) \text{ divided by line 4 on page 4 of the T2 return})]$$
**Calculation 2:** Tax year starts after February 26, 2008 and ends before January 1, 2010.
$$[(\$7,000,000 \text{ minus } (10 \times (\text{line 390 from Part 9 or } \$400,000, \text{ whichever is more}))) \times ((\$40,000,000 \text{ minus line 398 from Part 9}) \text{ divided by } \$40,000,000)]$$
**Calculation 3:** Tax year includes February 26, 2008.

AA + [(BB minus AA) x (CC divided by DD)] where,

**AA =** [(\$6,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x ((line 395 from Part 9) divided by line 4 on page 4 of the T2 return)];

**BB =** [(\$7,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x (((\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000)];
**CC =** number of days in the tax year after February 25, 2008;**DD =** number of days in the tax year.**Calculation 4:** Tax year starts after December 31, 2009.
$$[(\$8,000,000 \text{ minus } (10 \times (\text{line 390 from Part 9 or } \$500,000, \text{ whichever is more}))) \times ((\$40,000,000 \text{ minus line 398 from Part 9}) \text{ divided by } \$40,000,000)]$$
**Calculation 5:** Tax year includes January 1, 2010.

EE + [(FF minus EE) x (GG divided by HH)] where,

**EE =** [(\$7,000,000 minus (10 x (line 390 from Part 9 or \$400,000, whichever is more))) x (((\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000)];

**FF =** [(\$8,000,000 minus (10 x (line 390 from Part 9 or \$500,000, whichever is more))) x (((\$40,000,000 minus line 398 from Part 9) divided by \$40,000,000)];
**GG =** number of days in the tax year after December 31, 2009;**HH =** number of days in the tax year.

Enter the amount from Calculation 1, 2, 3, 4 or 5, whichever is applicable

\*G

**For associated corporations:**

If associated, the allocation of the SR&amp;ED expenditure limit as provided on Schedule 49

**400**

\*H

**Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:**

$$\text{Line G or H} \times \frac{\text{Number of days in the tax year}}{365} =$$

I

**Your SR&ED expenditure limit for the year** (enter the amount from line G, H, or I, whichever applies)**410**

\* Amount G or H cannot be more than \$3,000,000 (\$2,000,000 if tax year ending before February 26, 2008).

**Part 11 – Calculation of investment tax credits on SR&ED expenditures**

Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)\* ..... **420** ..... x 35 % = ..... J

Line 350 minus line 410 (if negative, enter "0") ..... **430** ..... 176,486 x 20 % = ..... 35,297 K

Line 410 minus line 350 (if negative, enter "0") ..... L

Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above\* ..... **440** ..... x 35 % = ..... M

Line 360 minus line L (if negative, enter "0") ..... **450** ..... x 20 % = ..... N

**Repayments** (amount from line 370 in Part 8) .....

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

**460** ..... x 35 % = .....  
**480** ..... x 20 % = .....  
 Total ..... ► ..... O

**Current-year SR&ED ITC** (total of lines J, K, M, N, and O; enter on line 540 in Part 12) ..... 35,297

\* For corporations that are not CCPCs, enter "0" on lines J and M.

**Part 12 – Calculation of current-year credit and account balances – ITC from SR&ED expenditures**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **510** .....  
 Credit expired\* ..... **515** .....  
 Subtotal ..... ► ..... **520** .....

ITC at the beginning of the tax year ..... **520** .....

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **530** .....  
 Total current-year credit ..... **540** ..... 35,297  
 Credit allocated from a partnership ..... **550** .....  
 Subtotal ..... 35,297 ► ..... 35,297

Total credit available ..... 35,297

**Deduct:**

Credit deducted from Part I tax (enter on line B2 in Part 30) ..... **560** ..... 35,297  
 Credit carried back to the previous year(s) (from Part 13) ..... P  
 Credit transferred to offset Part VII tax liability ..... **580** .....  
 Subtotal ..... 35,297 ► ..... 35,297

Credit balance before refund ..... Q

**Deduct:**

Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ..... **610** .....

**ITC closing balance on SR&ED** ..... **620** .....

\* The credit expires after 20 tax years if it was earned in a tax year ending after 1997 and did not expire before 2008 and 10 tax years if it was earned in a tax year ending before 1998.

**Part 13 – Request for carryback of credit from SR&ED expenditures**

	Year	Month	Day		
1st previous tax year				..... Credit to be applied	<b>911</b> .....
2nd previous tax year				..... Credit to be applied	<b>912</b> .....
3rd previous tax year				..... Credit to be applied	<b>913</b> .....
<b>Total</b> (enter on line P in Part 12)					.....

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**Part 14 – Calculation of refund of ITC for qualifying corporations – SR&ED**

Complete this part only if you are a qualifying corporation as determined at line 101.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? ..... **650** 1 Yes ☐ 2 No ☒

Credit balance before refund (amount Q from Part 12) ..... R

Current-year ITC (lines 540 plus 550 from Part 12 **minus** line O from Part 11) ..... S

Refundable credits (amount R or S, whichever is less)\* ..... T

Amount J from Part 11 ..... U

**Subtract:** Amount T or U, whichever is less ..... V

Net amount (if negative, enter "0") ..... W

Amount W ..... x 40 % ..... X

**Add:** Amount V ..... Y

**Refund of ITC** (amounts X **plus** Y – enter this, or a lesser amount, on line 610 in Part 12) ..... Z

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

\* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount must be multiplied by 40%.  
Claim this, or a lesser amount, as your refund of ITC on line Z.

**Part 15 – Calculation of refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED**

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined in Part 2.

Credit balance before refund (amount Q from Part 12) ..... AA

Amount J from Part 11 ..... BB

**Subtract:** Amount AA or BB, whichever is less ..... CC

Net amount (if negative, enter "0") ..... DD

Amount M from Part 11 ..... EE

Amount DD or EE, whichever is less ..... x 40 % ..... FF

**Add :** Amount CC above ..... GG

**Refund of ITC** (amounts FF **plus** GG) ..... HH

Enter HH, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

**RECAPTURE – SR&ED****Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED**

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, if the credit was earned in a tax year ending after 1997, or in any of the 10 previous tax years, if the credit was earned in a tax year ending before 1998;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

**Note**

The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

**Calculation 1 – If you meet all of the above conditions**

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case)	Amount from column 700 or 710, whichever is less
<b>700</b>	<b>710</b>	
1.		

**Subtotal** (enter this amount on line LL in Part 17) \_\_\_\_\_

II

**Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at line JJ in Part 16.**

<b>A</b> Rate percentage that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement	<b>B</b> Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition	<b>C</b> Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.)
<b>720</b>	<b>730</b>	<b>740</b>

Name of corporation	Business Number	Tax year-end YearMonthDay
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

## - Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&amp;ED (continued) -

**Calculation 2 (continued) – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line JJ below.**

<p><b>D</b></p> <p>Amount determined by the formula <b>(A x B) - C</b></p>	<p><b>E</b></p> <p>ITC earned by the transferee for the qualified expenditures that were transferred</p>	<p><b>F</b></p> <p>Amount from column D or E, whichever is less</p>
	<p><b>750</b></p>	

**Subtotal** (enter this amount on line MM in Part 17) \_\_\_\_\_ JJ

### - Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line KK below.

Corporate partner's share of the excess of SR&ED ITC (amount to be reported on line NN in Part 17) **760** \_\_\_\_\_ KK

**- Part 17 – Total recapture of SR&ED investment tax credit**

Recaptured ITC for calculation 1 from line II in Part 16	LL
Recaptured ITC for calculation 2 from line JJ in Part 16 above	MM
Recaptured ITC for calculation 3 from line KK in Part 16 above	NN
<b>Total recapture of SR&amp;ED investment tax credit</b> – Add lines LL, MM and NN	<b>OO</b>
Enter amount OO at line A1 in Part 29.	

**PRE-PRODUCTION MINING****Part 18 – Pre-production mining expenditures****Exploration information**

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

List of minerals
<b>800</b>

For each of the minerals reported in column 800 above, identify each project, mineral title, and mining division where title is registered. If there is no mineral title, identify the project and mining division only.

Project name	Mineral title	Mining division
<b>805</b>	<b>806</b>	<b>807</b>

**Pre-production mining expenditures \***

Pre-production mining expenditures that the corporation incurred in the tax year for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting	<b>810</b>	PP
Geological, geophysical, or geochemical surveys	<b>811</b>	QQ
Drilling by rotary, diamond, percussion, or other methods	<b>812</b>	RR
Trenching, digging test pits, and preliminary sampling	<b>813</b>	SS

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping	<b>820</b>	TT
Sinking a mine shaft, constructing an adit, or other underground entry	<b>821</b>	UU

Other pre-production mining expenditures incurred in the tax year:

Description	Amount
<b>825</b>	<b>826</b>

Add amounts at column 826 V V

Total pre-production mining expenditures (add amounts PP to VV) **830**

**Deduct:** Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above **832**

Excess (line 830 minus line 832) (if negative, enter "0") W W

**Add:** Repayments of government and non-government assistance **835** X X

**Pre-production mining expenditures** (amount WW plus amount XX) Y Y

\* A pre-production mining expenditure is defined under subsection 127(9) and does not include an amount renounced under subsection 66(12.6).

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**Part 19 – Calculation of current-year credit and account balances – ITC from pre-production mining expenditures**

ITC at the end of the previous tax year .....

**Deduct:**Credit deemed as a remittance of co-op corporations ..... **841**Credit expired\* ..... **845**Subtotal ..... **850**ITC at the beginning of the tax year ..... **850****Add:**Credit transferred on amalgamation or wind-up of subsidiary ..... **860**Expenditures from line YY in Part 18 ..... **870** x 10 % = ..... **880**

Total credit available .....

**Deduct:**Credit deducted from Part I tax (enter on line B3 in Part 30) ..... **885**

Credit carried back to the previous year(s) (from Part 20) ..... CCC

Subtotal ..... **890****ITC closing balance from pre-production mining expenditures** ..... **890**

\* The credit is eligible for a 20 year carryforward effective for credits earned in 2003 and later tax years.

**Part 20 – Request for carryback of credit from pre-production mining expenditures**

1st previous tax year

Year	Month	Day

2nd previous tax year

3rd previous tax year

..... Credit to be applied **921**..... Credit to be applied **922**..... Credit to be applied **923****Total** (enter on line CCC in Part 19) .....

**APPRENTICESHIP JOB CREATION****Part 21 – Calculation of total current-year credit – ITC from apprenticeship job creation expenditures**

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.)

..... **611** 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice. Also enter the name of the eligible trade, the eligible salary and wages\* payable for employment after May 1, 2006, and 10% of this amount. Then enter the lesser of 10% of eligible salary and wages or \$2,000.

	A Contract number (SIN or name of apprentice)  <b>601</b>	B Name of eligible trade  <b>602</b>	C Eligible salary and wages*  <b>603</b>	D Column C x 10 %  <b>604</b>	E Lesser of column D or \$ 2,000  <b>605</b>
1.	531737203	Lineworker	59,235	5,924	2,000
2.	522793132	Lineworker	50,083	5,008	2,000
3.					
<b>Total current-year credit (enter at line 640)</b>					<b>4,000</b>

\* Net of any other government or non-government assistance received or to be received.

**Part 22 – Calculation of current-year credit and account balances – ITC from apprenticeship job creation expenditures**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **612** \_\_\_\_\_  
 Credit expired after 20 tax years ..... **615** \_\_\_\_\_  
 Subtotal ..... **625** \_\_\_\_\_

ITC at the beginning of the tax year .....

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **630** \_\_\_\_\_  
 ITC from repayment of assistance ..... **635** \_\_\_\_\_  
 Total current-year credit (total of column 605) ..... **640** 4,000  
 Credit allocated from a partnership ..... **655** \_\_\_\_\_  
 Subtotal ..... 4,000 ▶ 4,000

Total credit available ..... 4,000

**Deduct:**

Credit deducted from Part I tax (enter on line B4 in Part 30) ..... **660** 4,000  
 Credit carried back to the previous year(s) (from Part 23) ..... DDD  
 Subtotal ..... 4,000 ▶ 4,000

**ITC closing balance from apprenticeship job creation expenditures** ..... **690** \_\_\_\_\_

**Part 23 – Request for carryback of credit from apprenticeship job creation expenditures**

Carryback of this credit is restricted to tax years ending after May 1, 2006.

	Year	Month	Day		
1st previous tax year				..... Credit to be applied	<b>931</b> _____
2nd previous tax year				..... Credit to be applied	<b>932</b> _____
3rd previous tax year				..... Credit to be applied	<b>933</b> _____
<b>Total (enter on line DDD in Part 22)</b>					_____

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**CHILD CARE SPACES****Part 24 – Eligible child care spaces expenditures**

Enter the eligible expenditures that the corporation incurred after March 18, 2007, to create licensed child care spaces for the children of the employees and, potentially, for other children. The corporation is not a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures;

acquired or incurred only to create new child care spaces at a licensed child care facility.

**Cost of depreciable property from the current tax year**

CCA* class number	Description of investment	Date available for use	Amount of investment
<b>665</b>	<b>675</b>	<b>685</b>	<b>695</b>
1.			
Total cost of depreciable property from the current tax year			<b>715</b> <span style="float: right;">EEE</span>
<b>Add:</b> Specified child care start-up expenditures from the current tax year			<b>705</b> <span style="float: right;">FFF</span>
Total gross eligible expenditures for child care spaces (line 715 <b>plus</b> line 705)			<span style="float: right;">GGG</span>
<b>Deduct:</b> Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line GGG)			<b>725</b> <span style="float: right;">HHH</span>
Excess (amount GGG <b>minus</b> amount HHH) (if negative, enter "0")			<span style="float: right;">III</span>
<b>Add:</b> Repayments of government and non-government assistance			<b>735</b> <span style="float: right;">JJJ</span>
<b>Total eligible expenditures for child care spaces</b> (amount III <b>plus</b> amount JJJ)			<b>745</b>

\* CCA: capital cost allowance

**Part 25 – Calculation of current-year credit – ITC from child care spaces expenditures**

The credit is equal to 25% of eligible child care spaces expenditures incurred after March 18, 2007, to a maximum of \$10,000 per child care space created in a licensed child care facility.

Eligible expenditures (line 745) ..... x 25 % = KKK

Number of child care spaces ..... **755** x \$ 10,000 = LLL

**ITC from child care spaces expenditures** (amount KKK or LLL, whichever is less) ..... MMM

**Part 26 – Calculation of current-year credit and account balances – ITC from child care spaces expenditures**

ITC at the end of the previous tax year .....

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **765**

Credit expired after 20 tax years ..... **770**

Subtotal ..... **775**

ITC at the beginning of the tax year ..... **775**

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **777**

Total current-year credit (amount MMM above) ..... **780**

Credit allocated from a partnership ..... **782**

Subtotal ..... **790**

Total credit available .....

**Deduct:**

Credit deducted from Part I tax (enter on line B5 in Part 30) ..... **785**

Credit carried back to the previous year(s) (from Part 27) ..... NNN

Subtotal ..... **790**

**ITC closing balance from child care spaces expenditures** ..... **790**

**Part 27 – Request for carryback of credit from child care space expenditures**

	Year	Month	Day		
1st previous tax year	2008	12	31	..... Credit to be applied	<b>941</b>
2nd previous tax year	2007	12	31	..... Credit to be applied	<b>942</b>
3rd previous tax year	2006	12	31	..... Credit to be applied	<b>943</b>
				<b>Total</b> (enter on line NNN in Part 26)	

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**RECAPTURE – CHILD CARE SPACES****Part 28 – Calculating the recapture of ITC for corporations and corporate partnerships – Child care spaces**

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))

792 ZZZ

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC

795

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property

797

Amount from line 795 or line 797, whichever is less

OOO

**Corporate partnerships**

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line PPP below.

Corporate partner's share of the excess of ITC 799 PPP

**Total recapture of child care spaces investment tax credit** – Add lines ZZZ, OOO, and PPP

Enter amount QQQ on line A2 in Part 29.

QQQ

**Part 29 – Total recapture of investment tax credit**

Recaptured SR&ED ITC from line OO in Part 17 A1

Recaptured child care spaces ITC from line QQQ in Part 28 above A2

**Total recapture of investment tax credit** – Add lines A1 and A2

Enter amount A3 on line 602 of the T2 return.

A3

**Part 30 – Total ITC deducted from Part I tax**

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) B1

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) 35,297 B2

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19) B3

ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22) 4,000 B4

ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26) B5

**Total ITC deducted from Part I tax** (add lines B1, B2, B3, B4, and B5) 39,297 B6

Enter amount B6 at line 652 of the T2 return.

# Summary of Investment Tax Credit Carryovers

## Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

### Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	4,000	4,000			
Prior years Taxation year		ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2008-12-31					
2007-12-31					
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-09-30					
2000-09-30					*
1999-09-30					
1998-09-30					
1997-09-30					
1996-09-30					
1995-09-30					
1994-09-30					
1993-09-30					
1992-09-30					
1991-09-30					
1990-09-30					*
	<b>Total</b>				

B+C+D+G

Total ITC utilized 4,000

\* The **ITC end of year** includes the amount of ITC expired from the 10<sup>th</sup> preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20<sup>th</sup> preceding year if it is after December 31, 1997. Note that this credit will only expire at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 of the subsequent fiscal year.

# Summary of Investment Tax Credit Carryovers

## Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

### Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	35,297	35,297			
Prior years					
Taxation year		ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2008-12-31					
2007-12-31					
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-09-30					
2000-09-30					*
1999-09-30					
1998-09-30					
1997-09-30					
1996-09-30					
1995-09-30					
1994-09-30					
1993-09-30					
1992-09-30					
1991-09-30					
1990-09-30					*
<b>Total</b>					

B+C+D+G

Total ITC utilized 35,297

\* The **ITC end of year** includes the amount of ITC expired from the 10<sup>th</sup> preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20<sup>th</sup> preceding year if it is after December 31, 1997. Note that this credit will only expire at the beginning of the subsequent fiscal period. Consequently, this amount will be posted on line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 of the subsequent fiscal year.

**TAXABLE CAPITAL EMPLOYED IN CANADA – LARGE CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If you are filing a provincial capital tax return with your *T2 Corporation Income Tax Return*, also file a completed Schedule 33 with the return no later than six months from the end of the tax year.
- This schedule may contain changes that had not yet become law at the time of publishing.

If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

**Part 1 – Capital**

**Add** the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	<b>101</b>	364,892	
Capital stock (or members' contributions if incorporated without share capital)	<b>103</b>	17,008,908	
Retained earnings	<b>104</b>	10,906,285	
Contributed surplus	<b>105</b>		
Any other surpluses	<b>106</b>		
Deferred unrealized foreign exchange gains	<b>107</b>		
All loans and advances to the corporation	<b>108</b>	18,872,868	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	<b>109</b>		
Any dividends declared but not paid by the corporation before the end of the year	<b>110</b>		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	<b>111</b>		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	<b>112</b>		
Subtotal		47,152,953	47,152,953 A

**Deduct** the following amounts:

Deferred tax debit balance at the end of the year	<b>121</b>	1,412,100	
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	<b>122</b>		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, as long as the amount may reasonably be regarded as being included in any of lines 101 to 112 above	<b>123</b>		
The amount of deferred unrealized foreign exchange losses at the end of the year	<b>124</b>		
Subtotal		1,412,100	1,412,100 B
<b>Capital for the year</b> (amount A minus amount B) (if negative, enter "0")	<b>190</b>		45,740,853

**Note:** Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined for lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Do not include amounts owing to the member or to other corporations that are members of the partnership.
- Amounts are determined at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

**Part 2 – Investment allowance****Add** the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	384,939
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	
An interest in a partnership (see note 1 below)	407	
<b>Investment allowance for the year</b> (add lines 401 to 407)	<b>490</b>	<b>384,939</b>

**Notes:**

- Where the corporation has an interest in a partnership or in tiered partnerships, consider the following:
  - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
  - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's tax year; and
  - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

**Part 3 – Taxable capital**

Capital for the year (line 190)	45,740,853	C
<b>Deduct:</b> Investment allowance for the year (line 490)	384,939	D
<b>Taxable capital for the year</b> (amount C minus amount D) (if negative, enter "0")	<b>500</b>	<b>45,355,914</b>

**Part 4 – Taxable capital employed in Canada****To be completed by a corporation that was resident in Canada at any time in the year**

Taxable capital for the year (line 500)	45,355,914	x	Taxable income earned in Canada	610	3,094,421	=	<b>Taxable capital employed in Canada</b>	690	45,355,914
			Taxable income		3,094,421				

- Notes:**
- Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
  - Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
  - In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

**To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada**

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	701
--	-----

**Deduct** the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711
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Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada	712
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Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713
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Total deductions (add lines 711, 712, and 713) **E**

<b>Taxable capital employed in Canada</b> (line 701 minus amount E) (if negative, enter "0")	<b>790</b>
--	------------

**Note:** Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

**Part 5 – Calculation for purposes of the small business deduction**

**This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.**

Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . . F

**Deduct:** . . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") H

**Calculation for purposes of the small business deduction** (amount H x 0.00225) . . . . . I

Enter this amount at line 415 of the T2 return

# Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title    Part 1 – All loans and advances to the corporation

Description	Amount	
Current portion of customer deposits	379,500	00
Long term portion of customer deposits	3,559,158	00
Note payable	14,934,210	00
Total	18,872,868	00

**SHAREHOLDER INFORMATION**

Name of corporation	Business Number	Tax year end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

**Provide only one number per shareholder**

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	<b>100</b>	<b>200</b>	<b>300</b>	<b>350</b>	<b>400</b>	<b>500</b>
1	MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

**GENERAL RATE INCOME POOL (GRIP) CALCULATION**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

On: 2009-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

**Eligibility for the various additions**

Answer the following questions to determine the corporation's eligibility for the various additions:

**2006 addition**

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
  2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006?  
Enter the date and go directly to question 4 2006-12-31
  3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☐ Yes ☐ No
- If the answer to question 3 is yes, complete Part "GRIP addition for 2006".**

**Change in the type of corporation**

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
  5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No
- If the answer to question 5 is yes, complete Part 4.**

**Amalgamation (first year of filing after amalgamation)**

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
- If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.**
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
- If the answer to question 7 is yes, complete Part 4.**
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
- If the answer to question 8 is yes, complete Part 3.**

**Winding-up**

9. Corporations that wound-up a subsidiary ☐ Yes ☒ No
- If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.**
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
- If the answer to question 10 is yes, complete Part 4.**
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
- If the answer to question 11 is yes, complete Part 3.**

**Part 1 – Calculation of general rate income pool (GRIP)**

GRIP at the end of the previous tax year	100	6,270,677	A
Taxable income for the year (DICs enter "0") *	110	3,094,421	B
Income for the credit union deduction * (amount E in Part 3 of Schedule 17)	120		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less *	130		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140		
Subtotal (add lines 120, 130, and 140)			C
Income taxable at the general corporate rate (line B minus line C) (if negative enter "0")	150	3,094,421	
After-tax income (line 150 x general rate factor for the tax year ** 0.68 )	190	2,104,206	D
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (add lines 200 and 210)			E
GRIP addition:			
Becoming a CCPC (line PP from Part 4)	220		
Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4)	230		
Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4)	240		
Subtotal (add lines 220, 230, and 240)			F
Subtotal (add lines A, D, E, and F)		8,374,883	G
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
<b>Note:</b> If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.			
Subtotal (line 300 minus line 310)			H
GRIP before adjustment for specified future tax consequences (line G minus line H) (amount can be negative)	490	8,374,883	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2)	560		
<b>GRIP at the end of the tax year</b> (line 490 minus line 560)	590	8,374,883	

Enter this amount on line 160 of Schedule 55.

\* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

\*\* The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 for tax years that straddle these dates.

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years**

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

**First previous tax year** 2008-12-31

Taxable income before specified future tax consequences from the current tax year	J1	2,737,829	
Enter the following amounts before specified future tax consequences from the current tax year:			
Income for the credit union deduction (amount E in Part 3 of Schedule 17)	K1		
Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less	L1		
Aggregate investment income (line 440 of the T2 return)	M1		
Subtotal (add lines K1, L1, and M1)			N1
Subtotal (line J1 minus line N1) (if negative, enter "0")		2,737,829	O1

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)**

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . . P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction

(amount E in Part 3 of Schedule 17) . . . Q1

Amount on line 400, 405, 410, or 425

of the T2 return, whichever is less . . . R1

Aggregate investment income

(line 440 of the T2 return) . . . S1

Subtotal (add lines Q1, R1, and S1) T1

Subtotal (line P1 minus line T1) (if negative, enter "0") U1

Subtotal (line O1 minus line U1) (if negative, enter "0") V1

**GRIP adjustment for specified future tax consequences to the first previous tax year**(line V1 multiplied by the general rate factor for the tax year 0.68 ) . . . . . **500****Second previous tax year 2007-12-31**

Taxable income before specified future tax consequences from

the current tax year . . . . . 3,689,447 J2

Enter the following amounts before specified future tax

consequences from the current tax year:

Income for the credit union deduction

(amount E in Part 3 of Schedule 17) . . . K2

Amount on line 400, 405, 410, or 425

of the T2 return, whichever is less . . . L2

Aggregate investment income

(line 440 of the T2 return) . . . M2

Subtotal (add lines K2, L2, and M2) N2

Subtotal (line J2 minus line N2) (if negative, enter "0") 3,689,447 O2

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . . P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction

(amount E in Part 3 of Schedule 17) . . . Q2

Amount on line 400, 405, 410, or 425

of the T2 return, whichever is less . . . R2

Aggregate investment income

(line 440 of the T2 return) . . . S2

Subtotal (add lines Q2, R2, and S2) T2

Subtotal (line P2 minus line T2) (if negative, enter "0") U2

Subtotal (line O2 minus line U2) (if negative, enter "0") V2

**GRIP adjustment for specified future tax consequences to the second previous tax year**(line V2 multiplied by the general rate factor for the tax year 0.68 ) . . . . . **520**

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)**Third previous tax year 2006-12-31Taxable income before specified future tax consequences from  
the current tax year . . . . . 2,794,307 J3Enter the following amounts before specified future tax  
consequences from the current tax year:Income for the credit union deduction  
(amount E in Part 3 of Schedule 17) . . . . .                      K3Amount on line 400, 405, 410, or 425  
of the T2 return, whichever is less . . . . .                      L3Aggregate investment income  
(line 440 of the T2 return) . . . . .                      M3Subtotal (add lines K3, L3, and M3)                      ▶                      N3Subtotal (line J3 minus line N3) (if negative, enter "0") 2,794,307 ▶ 2,794,307 O3**Future tax consequences that occur for the current year**

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences . . . . .                      P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction  
(amount E in Part 3 of Schedule 17) . . . . .                      Q3Amount on line 400, 405, 410, or 425  
of the T2 return, whichever is less . . . . .                      R3Aggregate investment income  
(line 440 of the T2 return) . . . . .                      S3Subtotal (add lines Q3, R3, and S3)                      ▶                      T3Subtotal (line P3 minus line T3) (if negative, enter "0")                      ▶                      U3Subtotal (line O3 minus line U3) (if negative, enter "0")                      V3**GRIP adjustment for specified future tax consequences to the third previous tax year**(line V3 multiplied by the general rate factor for the tax year 0.68 ) . . . . . 540**Total GRIP adjustment for specified future tax consequences to previous tax years:**(add lines 500, 520, and 540) (if negative, enter "0") . . . . .                      W

Enter amount W on line 560.

**Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up  
(predecessor or subsidiary was a CCPC or a DIC in its last tax year)**nb. 1 Post-amalgamation ☐ Post-wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . .                      AAEligible dividends paid by the corporation in its last tax year . . . . .                      BBExcessive eligible dividend designations made by the corporation in its last tax year . . . . .                      CCSubtotal (line BB minus line CC)                      ▶                      DD**GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)**(line AA minus line DD) . . . . .                      EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.



**Part 5 – General rate factor for the tax year**

Complete this part to calculate the general rate factor for the tax year. Calculate your results to four decimal places.

$$\frac{0.68}{\text{number of days in the tax year before January 1, 2010}} \times \frac{365}{\text{number of days in the tax year}} = 0.6800 \text{ QQ}$$

$$\frac{0.69}{\text{number of days in the tax year in 2010}} \times \frac{365}{\text{number of days in the tax year}} = \text{RR}$$

$$\frac{0.7}{\text{number of days in the tax year in 2011}} \times \frac{365}{\text{number of days in the tax year}} = \text{SS}$$

$$\frac{0.72}{\text{number of days in the tax year after December 31, 2011}} \times \frac{365}{\text{number of days in the tax year}} = \text{TT}$$

$$\text{General rate factor for the tax year (total of lines QQ to TT)} = \underline{\underline{0.6800}} \text{ UU}$$

**PART III.1 TAX ON EXCESSIVE ELIGIBLE DIVIDEND DESIGNATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

**Do not use this area**

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool Calculation (LRIP)*; whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- Parts, subsections, and paragraphs mentioned in this schedule refer to the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

**Part 1 – Canadian-controlled private corporations and deposit insurance corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3		
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	1,000,000	
Total taxable dividends paid in the tax year	<b>100</b>	1,000,000
Total eligible dividends paid in the tax year	<b>150</b>	
GRIP at the end of the year (line 590 on Schedule 53) (if negative, enter "0")	<b>160</b>	8,374,883
Excessive eligible dividend designation (line 150 <b>minus</b> line 160)		A
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b>		
(line A <b>multiplied</b> by 20%)	x 20 %	<b>190</b>
Enter the amount from line 190 at line 710 of the T2 return.		

**Part 2 – Other corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3		
Taxable dividends paid in the tax year <b>included</b> in Schedule 3		
Total taxable dividends paid in the tax year	<b>200</b>	
Total excessive eligible dividend designations in the tax year (line A of Schedule 54)		B
<b>Part III.1 tax on excessive eligible dividend designations – Other corporations</b>		
(line B <b>multiplied</b> by 20%)	x 20 %	<b>290</b>
Enter the amount from line 290 at line 710 of the T2 return.		

**ONTARIO CORPORATION TAX CALCULATION**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- References to subsections and paragraphs are from the federal *Income Tax Act*.
- This schedule is a worksheet only and does not have to be filed with your *T2 Corporation Income Tax Return*.

**Part 1 – Calculation of Ontario basic rate of tax for the year**

Number of days in the tax year before July 1, 2010	365	x	14.00 %	=	14.00000 %	A1
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2010 and before July 1, 2011		x	12.00 %	=	%	A2
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2011 and before July 1, 2012		x	11.50 %	=	%	A3
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2012 and before July 1, 2013		x	11.00 %	=	%	A4
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2013		x	10.00 %	=	%	A5
Number of days in the tax year	365					

**Ontario basic rate of tax for the year** (total of rates A1 to A5) 14.00000 ► 14.00000 % A6

**Part 2 – Calculation of Ontario basic income tax**

Ontario taxable income \* 3,094,421 B

**Ontario basic income tax:** amount B multiplied by Ontario basic rate of tax for the year (rate A6 from Part 1) 433,219 C

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit, in addition to Ontario basic income tax, or has Ontario corporate minimum tax, Ontario special additional tax on life insurance corporations or Ontario capital tax payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

\* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, from the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

**Part 3 – Ontario small business deduction (OSBD)**

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)					3,098,221	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)					3,094,421	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	x	500,000	=	500,000	3
			500,000			
			line 4 on page 4 of the T2 return			
Enter the least of amounts 1, 2, and 3					500,000	D
Ontario domestic factor:	Ontario taxable income *		3,094,421.00	=	1.00000	E
	taxable income earned in all provinces and territories **		3,094,421			
Ontario small business income (amount D multiplied by amount E)					500,000	F

Number of days in the tax year before July 1, 2010	365	x	8.50 %	=	8.50000 %	G1
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2010 and before July 1, 2011		x	7.50 %	=	%	G2
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2011 and before July 1, 2012		x	7.00 %	=	%	G3
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2012 and before July 1, 2013		x	6.50 %	=	%	G4
Number of days in the tax year	365					
Number of days in the tax year after June 30, 2013		x	5.50 %	=	%	G5
Number of days in the tax year	365					

OSBD rate for the year (total of rates G1 to G5) 8.50000 % G6

**Ontario small business deduction:** amount F multiplied by OSBD rate for the year (rate G6) 42,500 H

Enter amount H on line 402 of Schedule 5.

\* Enter amount B from Part 2.

\*\* Includes the offshore jurisdictions for Nova Scotia, and Newfoundland and Labrador.

**Part 4 – Calculation of surtax re Ontario small business deduction**

Complete this part if the corporation is claiming the OSBD, and its adjusted taxable income, **plus** the adjusted taxable income of each corporation with which the corporation was associated during its tax year, is greater than \$500,000. If the corporation is a member of an associated group, complete Schedule 501, *Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax re Ontario Small Business Deduction*.

**Note:** You do not need to complete this part if the corporation's tax year begins after June 30, 2010.

Adjusted taxable income *	3,094,421	I
Adjusted taxable income of all associated corporations (amount from line 500 of Schedule 501)	5,522	J
Aggregate adjusted taxable income (amount I <b>plus</b> amount J)	3,099,943	K

**Deduct:**

Ontario business limit	500,000	
Subtotal (amount K <b>minus</b> Ontario business limit) (if negative, enter "0" on this line and on line P)	2,599,943	L

Small business surtax rate for the year:

Number of days in the tax year before July 1, 2010	365	x	4.25 %	=	4.25 %	M
Number of days in the tax year	365					

**Note:** For days in the tax year after June 30, 2010, the small business surtax rate is reduced to 0%.

<b>Multiply:</b> Amount L	x	% on line M	=	110,498	N
Amount N	x	Ontario small business income (amount F from Part 3)		500,000	
		500,000	=	110,498	O

<b>Surtax re Ontario small business deduction:</b> lesser of amount O and OSBD (amount H in Part 3)	42,500	P
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Enter amount P on line 272 of Schedule 5.

\* Adjusted taxable income is equal to the corporation's taxable income or taxable income earned in Canada for the year **plus** the amount of the corporation's adjusted Crown royalties for the year **minus** the amount of the corporation's notional resource allowance for the year (from Schedule 504, *Ontario Resource Tax Credit and Ontario Additional Tax re Crown Royalties*).

If the tax year of the corporation is less than 51 weeks, **multiply** the adjusted taxable income of the corporation for the year by 365 and **divide** by the number of days in the tax year.

**Part 5 – Ontario adjusted small business income**

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Amount D in Part 3	500,000	Q
Surtax payable (amount P from Part 4)	42,500	
Ontario domestic factor (amount E from Part 3) x OSBD rate (rate G6 from Part 3)	8.50000 %	0.08500
		= 500,000
		R

**Note:** Enter "0" on line R for tax years beginning after June 30, 2010

<b>Ontario adjusted small business income</b> (amount Q <b>minus</b> amount R) (if negative, enter "0")		S
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Enter amount S on line U in Part 6 or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.



**ONTARIO ADJUSTED TAXABLE INCOME OF ASSOCIATED CORPORATIONS TO  
DETERMINE SURTAX RE ONTARIO SMALL BUSINESS DEDUCTION**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- For use by Canadian-controlled private corporations (CCPCs) to report the adjusted taxable income of all corporations (Canadian and foreign) with which the filing corporation was associated at any time during the tax year.
- Include the adjusted taxable income for the tax year of the associated corporation that ends at or before the date of the filing corporation's tax year-end.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations*	Business number of associated corporations**	Tax year-end	Adjusted taxable income *** (if loss, enter "0")
	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>
1	MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001	2009-12-31	
2	MILTON HYDRO TELECOM INC.	86499 6566 RC0001	2009-12-31	5,522
3	MILTON HYDRO SERVICES INC.	89573 0414 RC0001	2009-12-31	
<b>Total</b>				<b>500</b> 5,522

Enter the total adjusted taxable income from line 500 on line J in Part 4 of Schedule 500, *Ontario Corporation Tax Calculation*.

\* Subsection 256(2) of the federal *Income Tax Act* may deem the filing corporation to be associated with another corporation, because both corporations are associated with a third corporation. If so, do not list the other corporation, nor the third corporation if it is not a CCPC or has elected under subsection 256(2) of the federal Act not to be associated for purposes of section 125 of the federal Act.

\*\* Enter "NR" if a corporation is not registered.

\*\*\* **Rules for adjusted taxable income:**

- If the associated corporation's tax year ends after December 31, 2008, its adjusted taxable income is equal to its taxable income or taxable income earned in Canada **plus** its adjusted Crown royalties **minus** its notional resource allowance for the year.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's adjusted taxable income by 365 and **divide** by the number of days in the associated corporation's tax year.
- If the associated corporation has two or more tax years ending in the filing corporation's tax year, enter the last tax year-end date on line 300 and, for the entry on line 400, **multiply** the sum of the adjusted taxable income for each of those tax years by 365, and **divide** by the total number of days in all of those tax years.

**ONTARIO TRANSITIONAL TAX DEBITS AND CREDITS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Complete this schedule if you are a specified corporation that is subject to the Ontario transitional tax debit or claiming the Ontario transitional tax credit.
- Unless otherwise noted, references to parts, subsections, paragraphs, subparagraphs, and clauses are from the federal *Income Tax Act*.
- For more information on how to complete this schedule, see Guide T4012, *T2 Corporation – Income Tax Guide*.
- File this schedule with the *T2 Corporation Income Tax Return*.
- **Specified corporation** is defined under subsection 46(5) of the *Taxation Act, 2007* (Ontario) as a corporation:
  - that is not exempt at or immediately before its transition time from tax payable under Part I of the federal Act;
  - that has a tax year that ends before 2009 and a tax year that includes January 1, 2009; or has a tax year that begins after 2008 and a tax year that is deemed to end on December 31, 2008, under subsection 249(3) of the federal Act;
  - that has a permanent establishment (PE) in Ontario at its transition time;
  - that had a PE in Ontario at any time in its last tax year ending before 2009, and was subject to tax under Part II of the *Corporations Tax Act* (Ontario) for that tax year; and
  - whose assets have not been distributed in an eligible pre-2009 windup.
- A specified corporation also includes, under subsection 51(1) of the *Taxation Act, 2007* (Ontario), the parent corporation of an eligible post-2008 windup and the new corporation of an eligible amalgamation.
- A specified corporation may be subject to the Ontario transitional tax debit if:
  - the corporation's total federal balance is more than the total Ontario balance at the end of the tax year; or
  - the corporation has a post-2008 scientific research and experimental development (SR&ED) balance, as defined under subsection 49(2) of the *Taxation Act, 2007* (Ontario), and a federal SR&ED transitional balance, as defined under subsection 49(4) of the *Taxation Act, 2007* (Ontario), at the end of the tax year.
- A specified corporation may be able to claim the Ontario transitional tax credit if:
  - the corporation's total Ontario balance is more than the total federal balance at the end of the tax year; or
  - the corporation has an unused transitional tax credit balance from previous tax years.
- Transition time is defined under subsection 46(1) of the *Taxation Act, 2007* (Ontario) as:
  - the beginning of the corporation's first tax year that starts after 2008 if the previous tax year is deemed under subsection 249(3) of the federal Act to end on the last day of 2008, or
  - the beginning of the corporation's tax year that includes the beginning of 2009 in any other case.
- An eligible amalgamation refers to an amalgamation or merger of a particular corporation and one or more other corporations to form a new corporation where:
  - the amalgamation or merger occurs after December 31, 2008, and does not occur at the new corporation's transition time;
  - the new corporation has a PE in Ontario immediately after the amalgamation or merger;
  - the particular corporation has a PE in Ontario immediately before the amalgamation or merger;
  - the particular corporation is a specified corporation at its transition time or at any time before the amalgamation or merger;
  - the amalgamation or merger occurs in the amortization period of the new corporation;
  - the amortization period of the new corporation does not end immediately after the beginning of its reference period; and
  - the amortization period of the particular corporation does not end before the amalgamation or merger.
- An eligible post-2008 windup means the windup of a subsidiary corporation into its parent corporation under subsection 88(1) where:
  - the completion time of the windup is after December 31, 2008, and the time immediately after the completion time is within the amortization periods of the subsidiary and parent;
  - the parent's tax year during which it received the assets of the subsidiary ends after December 31, 2008;
  - the subsidiary has a PE in Ontario during its tax year ending at the completion time; and
  - the parent has a PE in Ontario during its tax year in which it received the assets from the subsidiary.
- An eligible pre-2009 windup means the windup of a subsidiary under subsection 88(1) where:
  - the completion time of the windup is after December 31, 2008, and the parent's tax year (during which it received the assets of the subsidiary) ended before January 1, 2009; or
  - the completion time of the windup is before January 1, 2009, and the parent's tax year (during which it received the assets of the subsidiary) ended after December 31, 2008.
- The completion time of a windup is the end of the tax year of the subsidiary during which the subsidiary distributes its assets to the parent for the purposes of paragraph 88(1)(e.2).
- A specified pre-2009 transfer under section 52 of the *Taxation Act, 2007* (Ontario) is a transfer of property between corporations not at arm's length that changes the total federal or Ontario balance of either the transferee or the transferor and that occurs:
  - before 2009;
  - at different values under the *Corporations Tax Act* (Ontario) and the federal Act;
  - in a tax year ending after 2008 for either the transferee or the transferor corporation, and that corporation is a specified corporation; and
  - in a tax year of the other corporation ending before 2009, in which the other corporation has a PE in Ontario.

**Part 1 – Total federal balance**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3).

If this is the first year after amalgamation, include the total of all amounts from the predecessor corporations that had a PE in Ontario immediately before the amalgamation.

If the corporation is a life insurer or a non-resident corporation, do not include the amounts under the additional rules in subsection 48(8) of the *Taxation Act, 2007* (Ontario).

For other tax years, go to Part 3.

**Federal balances at the end of the previous tax year** (tax year ending in 2008)

Total undepreciated capital cost of depreciable properties (total of column 220 from Schedule 8, <i>Capital Cost Allowance (CCA)</i> )	110	48,008,309
Charitable donations not yet deducted from income (from line 280 of Schedule 2, <i>Charitable Donations and Gifts</i> ) (see Note 1)	112	
Gifts to Canada, a province, or a territory (from line 380 of Schedule 2) (see Note 1)	114	
Gifts of certified cultural property (from line 480 of Schedule 2) (see Note 1)	116	
Gifts of certified ecologically sensitive land (from line 580 of Schedule 2) (see Note 1)	118	
Gifts of medicine (from line 680 of Schedule 2) (see Note 1)	120	
Cumulative eligible capital (from line 300 of Schedule 10, <i>Cumulative Eligible Capital Deduction</i> )	122	
Federal SR&ED expenditure pool (from line 470 of Form T661, <i>Scientific Research and Experimental Development (SR&amp;ED) Expenditures Claim</i> ) (see Note 2 and Note 3)	124	
Cumulative Canadian exploration expense (from line 249 of Schedule 12, <i>Resource-Related Deductions</i> ) (see Note 2)	128	
Cumulative Canadian development expense (from line 349 of Schedule 12) (see Note 2)	130	
Cumulative Canadian oil and gas property expense (from line 449 of Schedule 12) (see Note 2)	132	

**Federal balances at the beginning of the current tax year**

Non-capital losses (from line 102 of Schedule 4, <i>Corporation Loss Continuity and Application</i> , of the current tax year) (see Note 2 and Note 4)	134	
Net capital losses (from line 200 of Schedule 4 of the current tax year x 50 %) (see Note 2 and Note 4)	136	

**Amounts included in the calculation of the Ontario income tax in the previous tax year**

Total reserves deducted under paragraph 20(1)(l), (l.1), (m), (m.1), (n), or (o), subsection 32(1), section 61.4 or subparagraph 138(3)(a)(i), (ii), or (iv) of the federal Act, as it applies for the purposes of the <i>Corporations Tax Act</i> (Ontario)	150	
One half of the total reserves deducted under subparagraph 40(1)(a)(iii) or 44(1)(e)(iii) of the federal Act, as it applies under the <i>Corporations Tax Act</i> (Ontario)	152	
Other discretionary deductions claimed for Ontario income tax, but not claimed federally in the tax years ending after December 12, 2006, and before the transition time	154	

**Other amounts**

Total adjusted cost base of partnership interests owned by the corporation, under the federal Act, at the beginning of the tax year	160	
Gain from a "negative" adjusted cost base of a partnership interest under subsection 40(3) of the federal Act, as it applies under the <i>Corporations Tax Act</i> (Ontario), as if all partnership interests were disposed of at the beginning of the tax year	162	
Amount of farming income specified under paragraph 28(1)(b) in the previous tax year	164	
Federal balance before election (total of lines 110 to 164)		48,008,309 A

**Deduct:**

Lesser of amount D or amount E from Part 4, if an election is made	170	
<b>Total federal balance</b> (amount A minus line 170)	180	48,008,309

Enter amount on line 300 in Part 3.

Note 1: Enter "0" if the corporation was non-resident immediately before its transition time.

Note 2: Enter "0" if control of the corporation was acquired at transition time.

Note 3: Do not include the SR&amp;ED expenditure pool earned before control of the corporation was last acquired.

Note 4: Do not include losses that arose before control of the corporation was last acquired.

**Part 2 – Total Ontario balance**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3).

If this is the first year after amalgamation, include the total of all amounts from the predecessor corporations that had a PE in Ontario immediately before the amalgamation.

If the corporation is a life insurer or a non-resident corporation, do not include the amounts under the additional rules in subsection 48(8) of the *Taxation Act, 2007* (Ontario).

For other tax years, go to Part 3.

**Ontario balances at the end of the previous tax year** (tax year ending in 2008)

Total undepreciated capital cost of depreciable properties (total of column 13 from Ontario Schedule 8, <i>Ontario Capital Cost Allowance</i> )	210	48,008,309
Charitable donations (amount I from Ontario <i>Schedule 2, Ontario Charitable Donations and Gifts</i> ) (see Note 1)	212	
Gifts to Canada, a province, or a territory (total of closing balance amounts from parts 3 and 5 of Ontario Schedule 2) (see Note 1)	214	
Gifts of certified cultural property (closing balance amount from Part 6 of Ontario Schedule 2) (see Note 1)	216	
Gifts of certified ecologically sensitive land (closing balance amount from Part 7 of Ontario Schedule 2) (see Note 1)	218	
Gifts of medicine (see Note 1)	220	
Cumulative eligible capital (amount Q from Ontario <i>Schedule 10, Ontario Cumulative Eligible Capital Deduction</i> )	222	
Ontario SR&ED expenditure pool (line 480 from Ontario <i>CT23 Schedule 161, Ontario Scientific Research and Experimental Development Expenditures</i> ) (see Note 2 and Note 3)	224	
Adjusted Ontario SR&ED incentive balance (see Note 2 and Note 5)	226	9,384
Cumulative Canadian exploration expense (closing balance of Regular Expenses from Part 2 of Ontario <i>Schedule 12, Ontario Exploration Expenses</i> ) (see Note 2)	228	
Cumulative Canadian development expense (closing balance of Regular Expenses, Canadian CCDE Expenses, from Part 3 of Ontario Schedule 12) (see Note 2)	230	
Cumulative Canadian oil and gas property expense (closing balance of Regular Expenses from Part 4 of Ontario Schedule 12) (see Note 2)	232	
Non-capital losses (from line 709 of Ontario <i>Corporations Tax Return CT8 or CT23 Corporations Tax and Annual Return</i> ) (see Note 2 and Note 4)	234	
Net capital losses (from line 719 of CT8 or CT23 x 50 %) (see Note 2 and Note 4)	236	

**Amounts included in the calculation of the federal income tax in the previous tax year**

Total reserves deducted under paragraph 20(1)(l), (l.1), (m), (m.1), (n), or (o), subsection 32(1), section 61.4 or subparagraph 138(3)(a)(i), (ii), or (iv)	250	
One half of the total reserves deducted under subparagraph 40(1)(a)(iii) or 44(1)(e)(iii)	252	

**Other amounts**

Total adjusted cost base of partnership interests owned by the corporation, for the purposes of the <i>Corporations Tax Act</i> (Ontario), at the beginning of the tax year	260	
Gain from a "negative" adjusted cost base of a partnership interest under subsection 40(3) determined as if all partnership interests were disposed of at the beginning of the tax year	262	
Amount of farming income in the previous tax year specified under paragraph 28(1)(b) of the federal Act, as it applies for the purposes of the <i>Corporations Tax Act</i> (Ontario)	264	
<b>Total Ontario balance</b> (total of lines 210 to 264)	280	48,017,693

Enter amount on line 340 in Part 3.

Note 1: Enter "0" if the corporation was non-resident immediately before its transition time.

Note 2: Enter "0" if control of the corporation was acquired at transition time.

Note 3: Do not include the SR&amp;ED expenditure pool earned before control of the corporation was last acquired.

Note 4: Do not include losses that arose before control of the corporation was last acquired.

Note 5: The adjusted Ontario SR&ED incentive balance under subsection 49(7) of the *Taxation Act, 2007* (Ontario) is the total of federal investment tax credits that:

- have been earned and are available without restriction to the corporation;
  - are attributable to qualifying Ontario SR&ED expenditures;
  - have not been deducted under subsection 127(5) or (6) of the federal Act; and
  - do not expire in the first tax year ending in 2009 under the 10-year carryforward limit,
- divided** by the relevant Ontario allocation factor as calculated in Part 11.

**Part 3 – Total federal balance and total Ontario balance at the end of the tax year****Total federal balance:**

Total federal balance (amount from line 180 in Part 1) or total federal balance at the end of the previous tax year (line 330)

300 48,008,309

**Add:**

Amount from eligible amalgamation\*

310

Amount from eligible post-2008 windup\*

315

Amount from eligible pre-2009 windup\*

320

Amount from specified pre-2009 transfers\*

325

Total federal balance at the end of the tax year 48,008,309 **330** 48,008,309**Total Ontario balance:**

Total Ontario balance (from line 280 in Part 2) or total Ontario balance at the end of the previous tax year (line 370)

340 48,017,693

**Add:**

Amount from eligible amalgamation\*

350

Amount from eligible post-2008 windup\*

355

Amount from eligible pre-2009 windup\*

360

Amount from specified pre-2009 transfers\*

365

Total Ontario balance at the end of the tax year 48,017,693 **370** 48,017,693Transitional balance at the end of the tax year (line 330 minus line 370) **390** -9,384

If line 390 is positive, the corporation may be subject to a transitional tax debit. Complete Part 7 of this schedule.

If line 390 is negative, the corporation may be eligible to claim a transitional tax credit. Complete Part 8 of this schedule.

\* See page 1 for definitions of eligible amalgamation, eligible post-2008 windup, eligible pre-2009 windup, and specified pre-2009 transfers. To calculate these amounts, you can use *Schedule 507, Ontario Transitional Tax Debits and Credits Calculation*.**Part 4 – Election to reduce federal SR&ED expenditure pool**

This election may be made if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3).

Are you making an election under clause (b) of the definition of "I" in paragraph 1 of subsection 48(4) of the *Taxation Act, 2007* (Ontario)?

400

1 Yes ☐2 No ☒If you answered **no** to the question at line 400, go to Part 5. If you answered **yes** to the question at line 400, complete the following calculation:

Federal SR&amp;ED expenditure pool closing balance at the end of the previous tax year (amount from line 124 in Part 1) B

**Deduct:**

Adjusted Ontario SR&amp;ED incentive balance at the end of the previous tax year

(amount from line 226 in Part 2)

1

Ontario SR&amp;ED expenditure pool closing balance at the end of the previous tax year

(amount from line 224 in Part 2)

2

Subtotal (amount 1 plus amount 2) C

Subtotal (amount B minus amount C) (if negative, enter "0") D

Federal balance before election (amount A from Part 1)

**Deduct:**

Total Ontario balance (amount from line 280 in Part 2)

Subtotal (if negative, enter "0") E

Enter the lesser of amount D and amount E on line 170 in Part 1.

**Part 5 – Reference period and amortization period****Reference period**

The reference period of a corporation starts at the beginning of the corporation's first tax year ending after December 31, 2008, and ends on whichever date is earlier:

- five calendar years after the time immediately before the corporation's first tax year ending after December 31, 2008; or
- December 31, 2013.

Number of days in the corporation's reference period\*

(do not include February 29, 2008, and February 29, 2012) . . . **410** 1,825

\* The number of days in the corporation's reference period is 1825 unless:

- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3). In this case, count the number of days from the beginning of the 2009 tax year to December 31, 2013; or
- the corporation was incorporated or amalgamated after January 1, 2009. In this case, count the number of days from the date of incorporation or date of amalgamation to December 31, 2013.

**Amortization period**

The amortization period starts at the beginning of the corporation's reference period and ends on whichever date is earlier:

- the end of the corporation's reference period; or
- the early termination date as indicated under line 430.

Number of days in the amortization period that are

in the tax year\*\* (do not include February 29, 2008,  
or February 29, 2012) . . . . . **420** 365

\*\* The number of days in the amortization period that are in the tax year is the number of days in the tax year unless:

- the tax year-end is later than the end of the reference period. In this case, count the number of days from the beginning of the tax year to the end of the reference period; or
- the corporation terminates the amortization period before the end of the tax year. In this case, count the number of days from the beginning of the tax year to the day of early termination.

**Early termination of the amortization period**

The amortization period of the corporation usually coincides with the corporation's reference period. However, if the corporation's amortization period ends in the tax year and before the reference period, tick the applicable box below to indicate the reason for the early termination.

**430** The corporation:

- 1 ☐ – ceases to have a permanent establishment in Ontario in the tax year for any reason other than an eligible amalgamation or eligible post-2008 windup.
- 2 ☐ – becomes exempt from tax under Part I of the federal Act immediately after the end of the tax year.
- 3 ☐ – elects under subsection 47(2) of the *Taxation Act, 2007* (Ontario) to prepay the transitional tax debit.  
**Note:** The Ontario Allocation Factor, calculated in Part 6, has to be at least 90% or the amount on line 390 in Part 3 is not more than \$10,000.
- 4 ☐ – does not object to early termination of the amortization period and accelerated payment of the transitional tax credit, under subsection 46(3) of the *Taxation Act, 2007* (Ontario).  
**Note:** Amount T in Part 8 cannot be more than \$1,000.

If you ticked one of the above boxes:

- enter the date of the early termination, if the date is different from the tax year-end and you ticked box 1 at line 430 . . . . . **435** \_\_\_\_\_
- enter the number of days remaining in the corporation's reference period that are on or after the first day of the tax year (do not include February 29, 2008, or February 29, 2012) . . . . . **440** \_\_\_\_\_

**Part 6 – Calculation of Ontario allocation factor (OAF)**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation and enter the result on line F:

Ontario taxable income\* \_\_\_\_\_ = \_\_\_\_\_  
Taxable income\*\* \_\_\_\_\_

Ontario allocation factor (OAF) . . . . . 1.00000 F

\* Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary - Corporations*. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

\*\* Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."

**Part 7 – Transitional tax debits**

Complete this part if the amount on line 390 in Part 3 is positive.

Amount from line 390 in Part 3 .....                      G  
 Amount G x 14 % .....                      H  
 Amount H x OAF (from line F in Part 6) 1.00000 .....                      I

Number of days from line 440 in Part 5 (if applicable) or  
 number of days in the corporation's reference period  
 that are in the tax year (do not include  
 February 29, 2008, or February 29, 2012)

365

=

0.20000 J

Number of days in the corporation's  
 reference period from line 410 in Part 5

1,825

Transitional tax debits before tax on elected reduced SR&ED pool (amount I multiplied by amount J) .....                      K

Post-2008 SR&ED balance at the end of  
 the year (amount HH from Part 12) ..... **460**                     

Federal SR&ED transitional balance at the  
 end of the year (amount QQ from Part 14) ..... **470**                     

Tax on elected reduced SR&ED pool (the lesser of lines 460 and 470) .....                      L

**Total transitional tax debits** (amount K plus amount L) .....                      M

Enter amount M on line 276 of Schedule 5.

**Part 8 – Transitional tax credits**

Complete this part if the amount on line 390 in Part 3 is negative.

Amount C6 from Schedule 5 ..... 433,219 N

**Deduct:**

Ontario resource tax credit (from line 404 of Schedule 5) .....                     

Ontario tax credit for manufacturing and processing  
 (from line 406 of Schedule 5) .....                     

Ontario foreign tax credit (from line 408 of Schedule 5) .....                     

Ontario credit union tax reduction (from line 410 of Schedule 5) .....                     

Subtotal                                            O

Subtotal (amount N minus amount O) 433,219 P

Number of days in the amortization period that  
 are in the tax year (from line 420 in Part 5)

365

=

1.00000 Q

Number of days in the tax year (do not include  
 February 29, 2008, or February 29, 2012)

365

Ontario tax payable for purposes of the current year transitional credit (amount P multiplied by amount Q) ..... **510** 433,219

Amount from line 390 in Part 3 (enter as a positive amount) ..... 9,384 R

Amount R x 14 % ..... 1,314 S

Amount S x OAF (from line F in Part 6) ..... 1,314 T

Number of days from line 440  
 (if applicable) or line 420 in Part 5

365

=

0.20000 U

Number of days in the corporation's  
 reference period on line 410 in Part 5

1,825

Current-year transitional tax credit (amount T multiplied by amount U) ..... **520** 263

Ontario tax payable for purposes of the unused transitional tax credit carryforward  
 (line 510 minus line 520) (if negative, enter "0") ..... **530** 432,956

**Transitional tax credit:**

Lesser of amounts on line 510 and 520 ..... 263 V

Lesser of unused transitional tax credit available (amount Y from Part 9) and amount on line 530 .....                      W

**Transitional tax credit** (amount V plus amount W) ..... 263 X

Enter amount X on line 414 of Schedule 5.

**Part 9 – Unused transitional tax credit**

Unused transitional tax credit carryforward from previous year  
(amount from line 580 of the previous year)\* .....

1

**Add:**

Unused transitional tax credit transferred from a predecessor corporation or a  
subsidiary on an eligible amalgamation or an eligible post-2008 windup\* .....

560

2

Unused transitional tax credit available (amount 1 **plus** amount 2) .....

Y

**Add:**

Current-year transitional tax credit (amount from line 520 in Part 8) .....

263

Z

Subtotal (amount Y **plus** amount Z) .....

263

3

**Deduct:**

Transitional tax credit applied (amount X from Part 8) .....

263

AA

**Unused transitional tax credit** (available for later years) (amount 3 **minus** amount AA) .....

580

\* Enter "0" if this is the first tax year ending after 2008.

Complete parts 10 to 14 if the corporation or a predecessor made an election in Part 4 at the transition time.

**Part 10 – Federal current SR&ED limit and federal current SR&ED deficit**

Current SR&ED expenditures in the year under paragraph 37(1)(a) .....

610

Capital SR&ED expenditures in the year under paragraph 37(1)(b) .....

614

Repayment of assistance under paragraph 37(1)(c) .....

618

Investment tax credit recaptured under subsections 127(27), (29), and (34)  
in the previous tax year .....

624

Subtotal (total of lines 610 to 624) .....

BB

**Deduct:**

Assistance under paragraph 37(1)(d) .....

638

Investment tax credits deducted under paragraph 37(1)(e) .....

644

Subtotal (line 638 **plus** line 644) .....

CC

**Federal current SR&ED limit or federal current SR&ED deficit** (amount BB **minus** amount CC) .....

650

If the amount on line 650 is positive, enter it on line II In Part 13.

If the amount on line 650 is negative, enter it as a positive amount on line DD in Part 12.

**Part 11 – Relevant OAF**

Enter on line 660 whichever of the following amounts is greatest:

– the corporation's OAF for the tax year that includes its transition time  
(from line F in Part 6) .....

%

– the greatest of the corporation's OAFs for a tax year ending in 2006, 2007, and 2008  
as determined under subsection 12(1) of the *Corporations Tax Act* (Ontario) .....

%

– the greatest of the weighted OAFs\* of the corporation and its  
designated corporations\*\* for 2006, 2007, and 2008 .....

%

**Relevant OAF** .....

660

%

\* The weighted OAF for two or more corporations for their tax years ending in 2006, 2007, or 2008 is the total of the following for each corporation:

– the corporation's OAF as determined under subsection 12(1) of the *Corporations Tax Act* (Ontario) for the tax year **multiplied** by the corporation's and its share of partnerships' qualified Ontario SR&ED expenditures in the tax year, **divided** by the total of all the corporations' and their shares of partnerships' qualified Ontario SR&ED expenditures in the tax year.

Qualified Ontario SR&ED expenditure is defined in section 11.2 of the *Corporations Tax Act* (Ontario).

\*\* A designated corporation in respect of a particular corporation is:

- 1) a corporation that amalgamated with the particular corporation under section 87;
- 2) a corporation that wound up into the particular corporation under subsection 88(1); or
- 3) a designated corporation to a corporation identified in 1) or 2).

**Part 12 – Post-2008 SR&ED balance**

Federal current SR&ED deficit for the year (amount from line 650 in Part 10, if negative) (enter as a positive amount) . . . . . DD

SR&ED expenditure amount deducted in the year under subsection 37(1) . . . . . **670**

**Deduct:**

Cumulative post-2008 SR&ED limit at the end of the year (amount LL from Part 13) . . . . . **675**

Subtotal (line 670 **minus** line 675) (if negative, enter "0") **▶** EE

Subtotal (amount DD **plus** amount EE) FF

Amount FF x 14 % GG

**Post-2008 SR&ED balance at the end of the year** (amount GG **multiplied** by line 660 from Part 11) . . . . . HH

Enter amount HH on line 460 in Part 7.

**Part 13 – Cumulative post-2008 SR&ED limit at the end of the year**

Federal current SR&ED limit for the year (amount from line 650 in Part 10, if positive) . . . . . II

Total of all federal SR&ED limits from previous tax years ending after December 31, 2008 . . . . . **700**

Subtotal (line II **plus** line 700) JJ

Total of all amounts deducted under subsection 37(1) for previous tax years ending after December 31, 2008 . . . . . **705**

Total of all transitional tax debits on elected reduced SR&ED pool calculated under subsection 48(3) of the *Taxation Act, 2007* (Ontario) in the previous years (total of line L in Part 7 for previous years) . . . . . **710**

**Deduct:**

Amounts included in line 710 that are reasonably attributable to the federal current SR&ED deficit for the year . . . . . **715**

Subtotal (line 710 **minus** line 715) **720**

Line 720 = **▶** KK

Relevant OAF (from line 660 in Part 11) x 14 %

Subtotal (line 705 **minus** amount KK) **▶** **730**

**Cumulative post-2008 SR&ED limit at the end of the year** (amount JJ **minus** line 730) (if negative, enter "0") . . . . . LL

Enter amount LL on line 675 in Part 12.

**Part 14 – Federal SR&ED transitional balance at the end of the year**

Amount from line 170 in Part 1\* . . . . . **735** MM

Relevant OAF\* (from line 660) **multiplied** by amount MM . . . . . NN

Amount NN x 14 % **▶** OO

Federal SR&ED transitional balance transferred on an eligible amalgamation or an eligible post-2008 wind-up . . . . . **740**

Subtotal (amount OO **plus** line 740) PP

**Deduct:**

Total of all transitional tax debits on elected reduced SR&ED pool calculated under subsection 48(3) of the *Taxation Act, 2007* (Ontario) in the previous years (total of line L in Part 7 for previous years) . . . . . **750**

**Federal SR&ED transitional balance at the end of the year** (amount PP **minus** line 750) . . . . . QQ

Enter amount QQ on line 470 in Part 7.

\* For tax years ending after 2009, enter the amount from line 170 and the relevant OAF from the 2009 tax year.

**ONTARIO RESEARCH AND DEVELOPMENT TAX CREDIT**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule to:
  - calculate an Ontario research and development tax credit (ORDTC);
  - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
  - carry back an ORDTC to reduce Ontario corporate income tax payable in any of the three previous tax years, but not to a tax year that ends before January 1, 2009;
  - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
  - transfer an ORDTC after an amalgamation or windup; or
  - calculate a recapture of the ORDTC.
- The ORDTC is a 4.5% non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year that ends after December 31, 2008.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Attach a completed copy of this schedule to the *T2 Corporation Income Tax Return*.

**Part 1 – Ontario SR&ED expenditure pool**

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	184,802	A
<b>Deduct:</b> Government assistance, non-government assistance, or a contract payment for eligible expenditures	105		B
Net eligible expenditures for the tax year (amount A minus amount B) (if negative, enter "0")		184,802	C
<b>Add:</b> Eligible expenditures transferred to the corporation by another corporation	110		D
Subtotal (amount C plus amount D)		184,802	E
<b>Deduct:</b> Eligible expenditures the corporation transferred to another corporation	115		F
<b>Ontario SR&amp;ED expenditure pool</b> (amount E minus amount F) (if negative, enter "0")	120	184,802	G

**Part 2 – Calculation of the current part of the ORDTC**

Ontario SR&ED expenditure pool (amount G in Part 1)	184,802	x	4.50 %	=	200	8,316	H	
ORDTC allocated to a corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *					205		I	
* If there is a disposal or change of use of eligible property, see Part 6								
Repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure other than for first term or second term shared-use equipment	210	x	4.50 %	=	215		J	
Repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure for first term or second term shared-use equipment	220	x	1 / 4	=		x	4.50 % = 225	K
<b>Current part of the ORDTC</b> (total of amounts H to K)					230	8,316	L	

**Part 3 – Calculation of ORDTC available for deduction and ORDTC balance**

ORDTC balance at the end of the previous tax year ..... M

**Deduct:** ORDTC expired after 20 tax years ..... **300** NORDTC at the beginning of the tax year (amount M **minus** amount N) ..... **305** O**Add:**ORDTC transferred on amalgamation or windup ..... **310** P

Current part of ORDTC (amount L in Part 2) ..... 8,316 Q

Are you waiving all or part of the  
current part of the ORDTC? ..... **315** Yes 1 ☐ No 2 ☒If you answered **yes** at line 315, enter the amount of  
the tax credit waived on line 320.If you answered **no** at line 315, enter "0" on line 320.**Deduct:** Waiver of the current part of the ORDTC ..... **320** RSubtotal (amount Q **minus** amount R) ..... 8,316 ▶ ..... 8,316 S

ORDTC available for deduction (total of amounts O, P and S) ..... 8,316 ▶ ..... 8,316 T

**Deduct:**ORDTC claimed \* (Enter amount U on line 416 of Schedule 5, *Tax Calculation*  
*Supplementary – Corporations*) ..... 8,316 U

ORDTC carried back to a previous tax year (from Part 4) ..... V

Subtotal (amount U **plus** amount V) ..... 8,316 ▶ ..... 8,316 W**ORDTC balance at the end of the tax year** (amount T **minus** amount W) ..... **325** X

\* This amount cannot be more than the lesser of the following amounts:

- ORDTC available for deduction (amount T); or
- Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 of Schedule 5).

**Part 4 – Request for carryback of tax credit**

	Year	Month	Day			
1 <sup>st</sup> previous tax year	2008-12-31			..... Credit to be applied	<b>901</b>	.....
2 <sup>nd</sup> previous tax year	2007-12-31			..... Credit to be applied	<b>902</b>	.....
3 <sup>rd</sup> previous tax year	2006-12-31			..... Credit to be applied	<b>903</b>	.....
<b>Total</b> (enter amount on line V in Part 3)						.....

**Part 5 – Analysis of tax credit available for carryforward by tax year of origin**

You can complete this part to show all the credits from preceding tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first)			Credit available	Tax year of origin (earliest tax year first)			Credit available
Year	Month	Day		Year	Month	Day	
1990-09-30				2000-09-30			
1991-09-30				2001-09-30			
1992-09-30				2001-12-31			
1993-09-30				2002-12-31			
1994-09-30				2003-12-31			
1995-09-30				2004-12-31			
1996-09-30				2005-12-31			
1997-09-30				2006-12-31			
1998-09-30				2007-12-31			
1999-09-30				2008-12-31			
				2009-12-31			

Current tax year

**Total** (equals line 325 in Part 3) \_\_\_\_\_

The amount available from the 20th preceding tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

**Part 6 – Calculation of a recapture of ORDTC**

You will have a recapture of ORDTC in a tax year when you meet **all** of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act, 2007* (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which incorporates the particular property previously referred to.

**Note:** The recapture **does not apply** if you disposed of the property to a non-arm's length purchaser who intended to use it all or substantially all for SR&ED in Ontario. When the non-arm's length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical federal investment tax credit (ITC) rate \* of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

\* Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

**Calculation 1 – If you meet all of the above conditions**

Y	Z	AA
Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above	Amount calculated using the federal ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case)	Amount from column 700 or 710, whichever is less
<b>700</b>	<b>710</b>	
1.		

Subtotal (enter amount BB, on line KK in Part 7) \_\_\_\_\_ **BB**

**Calculation 2** – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line II.

CC	DD	EE
The rate percentage that the transferee used to determine its federal ITC for a qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act	The proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition	The amount, if any, already provided for in Calculation 1 (this allows for the situation where only part of the cost of a property is transferred for an agreement under subsection 127(13) of the federal Act)
<b>720</b>	<b>730</b>	<b>740</b>
1.		

FF	GG	HH
Amount determined by the formula (CC x DD) – EE (using the columns above)	The federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column FF or GG, whichever is less
	<b>750</b>	
1.		

Subtotal (enter amount II on line LL below) \_\_\_\_\_ **II**

### Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205 in Part 2. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line JJ.

Corporate partner's share of the excess of ORDTC (enter amount JJ at line NN below) ..... **760** \_\_\_\_\_ **JJ**

### Part 7 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount from line BB)	.....	_____	KK
Recaptured federal ITC for Calculation 2 (amount from line II above)	.....	_____	LL
Amount KK <b>plus</b> amount LL	.....	=====	x 23.56 % = _____ MM
<b>Add:</b> Corporate partner's share of the excess of ORDTC for Calculation 3 (amount from line JJ above)	.....	_____	NN
<b>Recapture of ORDTC</b> (amount MM <b>plus</b> amount NN) (enter amount OO on line 277 of Schedule 5)	.....	=====	OO

## Schedule A - Worksheet for eligible expenditures incurred by the corporation in Ontario for the current taxation year

This worksheet allows you to report the amount of eligible expenditures entered on Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim* which represents eligible expenditures as defined in section 127 of the *Income Tax Act* (ITA) with regard to scientific research and experimental development (SR&ED) **carried on in Ontario and attributable to a permanent establishment in Ontario of a corporation.**

Data on the worksheet is calculated based on the amounts on Form T661, but will have to be adjusted according to the rules of Ontario, if applicable, in particular when the corporation has had a permanent establishment in more than one jurisdiction. This data will be used when calculating Schedule 508 and Schedule 566.

Enter the breakdown between current and capital expenditures		Current Expenditures	Capital Expenditures
<b>Total expenditures for SR&amp;ED</b>		143,897	
<b>Add</b>			
• payment of prior years' unpaid expenses (other than salary or wages)	+		
• prescribed proxy amount (Enter "0" if you use the traditional method)	+	40,905	
• expenditures on shared-use equipment			+
• other additions	+		+
<b>Subtotal</b>	=	184,802	=
<b>Less</b>			
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end	-		
• amounts paid in respect of an SR&ED contract to a person or partnership that is not taxable supplier	-		
• prescribed expenditures not allowed by regulations	-		
• other deductions	-		
• non-arm's length transactions			
- expenditures for non-arm's length SR&ED contracts	-		
- purchases (limited to costs) of goods and services from non-arm's length suppliers	-		
<b>Subtotal</b>	=	184,802	= II
<b>Total eligible expenditures incurred by the corporation in Ontario in the tax year (add amount I and II)</b>			= 184,802 III

Enter amount III on line 100 of Schedule 508.

**ONTARIO CORPORATE MINIMUM TAX**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario).
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  - 4) a congregation or business agency to which section 143 of the federal Act applies;
  - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

**Part 1 – Determination of CMT applicability**

Total assets of the corporation at the end of the tax year *	<b>112</b>	59,407,550
Share of total assets from partnership(s) and joint venture(s) *	<b>114</b>	
Total assets of associated corporations (amount from line 450 on Schedule 511)	<b>116</b>	20,522,382
Total assets (total of lines 112 to 116)		79,929,932
Total revenue of the corporation for the tax year **	<b>142</b>	65,623,103
Share of total revenue from partnership(s) and joint venture(s) **	<b>144</b>	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	<b>146</b>	2,165,659
Total revenue (total of lines 142 to 146)		67,788,762

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

**\* Rules for total assets**

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the *Taxation Act, 2007* (Ontario) and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the *Taxation Act, 2007* (Ontario).

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the *Taxation Act, 2007* (Ontario) and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the *Taxation Act, 2007* (Ontario).

**Part 2 – Calculation of adjusted net income/loss for CMT purposes**

Net income/loss per financial statements *		<b>210</b>	2,438,350
<b>Add</b> (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	<b>220</b>	1,036,250	
Provision for deferred income taxes (debits)/cost of future income taxes	<b>222</b>		
Equity losses from corporations	<b>224</b>		
Financial statement loss from partnerships and joint ventures	<b>226</b>		
Dividends deducted as interest expense on financial statements (subsection 57(2) of the <i>Taxation Act, 2007</i> (Ontario)), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	<b>230</b>		
<b>Other additions</b> (see note below):			
Share of adjusted net income of partnerships and joint ventures **	<b>228</b>		
Total patronage dividends received, not already included in net income/loss	<b>232</b>		
<b>281</b>	<b>282</b>		
<b>283</b>	<b>284</b>		
	Subtotal	1,036,250	1,036,250 A
<b>Deduct</b> (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	<b>320</b>		
Provision for deferred income taxes (credits)/benefit of future income taxes	<b>322</b>	65,927	
Equity income from corporations	<b>324</b>		
Financial statement income from partnerships and joint ventures	<b>326</b>		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	<b>330</b>		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	<b>332</b>		
Gain on donation of listed security or ecological gift	<b>340</b>		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	<b>342</b>		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	<b>344</b>		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	<b>346</b>		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	<b>348</b>		
<b>Other deductions</b> (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	<b>328</b>		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	<b>334</b>		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	<b>336</b>		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	<b>338</b>		
<b>381</b>	<b>382</b>		
<b>383</b>	<b>384</b>		
<b>385</b>	<b>386</b>		
<b>387</b>	<b>388</b>		
<b>389</b>	<b>390</b>		
	Subtotal	65,927	65,927 B
Adjusted net income/loss for CMT purposes (line 210 <b>plus</b> amount A <b>minus</b> amount B)		<b>490</b>	3,408,673

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

**Note**

In accordance with *Ontario Regulation 37/09*, in calculating net income for CMT purposes, accounting income should be adjusted to remove unrealized gains and losses on mark-to-market property, as well as foreign currency gains and losses on assets, that are included in income for accounting purposes but not in income for income tax purposes. In later years, accounting income is adjusted in arriving at net income for CMT purposes by including these gains or losses when they are realized.

These realized gains and losses apply to the disposition of mark-to-market property:

- that is not capital property in the year;
- that is capital property and realized in the year or the preceding tax year that ends after March 22, 2007.

The mark-to-market rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

**\* Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.
- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

**Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)**

- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.
- \*\* The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the *Taxation Act, 2007* (Ontario).
- \*\*\* A joint election will be considered made under subsection 60(1) of the *Taxation Act, 2007* (Ontario) if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- \*\*\*\* A joint election will be considered made under subsection 60(2) of the *Taxation Act, 2007* (Ontario) if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- \*\*\*\*\* A joint election will be considered made under subsection 61(1) of the *Taxation Act, 2007* (Ontario) if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

**Part 3 – Calculation of CMT payable**

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) . . . . . **515** 3,408,673

**Deduct:**

CMT loss available (amount R from Part 7) . . . . .

**Minus:** Adjustment for an acquisition of control \* . . . . . **518**

Adjusted CMT loss available . . . . . **C**

Net income subject to CMT calculation (if negative, enter "0") . . . . . **520** 3,408,673

Amount from line 520 3,408,673 x  $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$   $\frac{365}{365}$  x 4 % = 136,347 1

Amount from line 520 3,408,673 x  $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$   $\frac{365}{365}$  x 2.7 % = 2

Subtotal (amount 1 plus amount 2) . . . . . 136,347 3

Gross CMT: amount on line 3 above x OAF \*\* . . . . . **540** 136,347

**Deduct:**

Foreign tax credit for CMT purposes \*\*\* . . . . . **550**

CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0") . . . . . 136,347 D

**Deduct:**

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) . . . . . 424,640

Net CMT payable (if negative, enter "0") . . . . . **E**

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

\* Portion of CMT loss available that exceeds the adjusted net income for the tax year from business(es) continued from before the acquisition of control. See subsection 58(3) of the *Taxation Act, 2007* (Ontario).

\*\*\* Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

**\*\* Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income \*\*\*\* = Taxable income \*\*\*\*\*

Ontario allocation factor . . . . . 1.00000 F

\*\*\*\* Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

\*\*\*\*\* Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."

**Part 4 – Calculation of CMT credit carryforward**

CMT credit carryforward at the end of the previous tax year *	.....	G
<b>Deduct:</b>		
CMT credit expired *	..... <b>600</b>	
CMT credit carryforward at the beginning of the current tax year * (see note below)	.....	<b>620</b>
<b>Add:</b>		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	.....	<b>650</b>
CMT credit available for the tax year (amount on line 620 <b>plus</b> amount on line 650)	.....	H
<b>Deduct:</b>		
CMT credit deducted in the current tax year (amount P from Part 5)	.....	I
	Subtotal (amount H <b>minus</b> amount I)	J
<b>Add:</b>		
Net CMT payable (amount E from Part 3)	.....	
SAT payable (amount O from Part 6 of Schedule 512)	.....	
	Subtotal	K
CMT credit carryforward at the end of the tax year (amount J <b>plus</b> amount K)	.....	<b>670</b> L

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

**Note:** If you entered an amount on line 620 or line 650, complete Part 6.

**Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable**

CMT credit available for the tax year (amount H from Part 4)	.....	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	..... 424,640	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	..... 136,347	2
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	.....	3
Gross SAT (line 460 from Part 6 of Schedule 512)	.....	4
The <b>greater</b> of amounts 3 and 4	.....	5
	<b>Deduct:</b> line 2 or line 5, whichever applies:	6
	Subtotal (if negative, enter "0")	288,293 N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	..... 424,640	
<b>Deduct:</b>		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 <b>minus</b> line 450 from Schedule 5)	..... 22,269	
	Subtotal (if negative, enter "0")	402,371 O
CMT credit deducted in the current tax year (least of amounts M, N, and O)	.....	P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? ..... **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the *Taxation Act, 2007* (Ontario).

**Part 6 – Analysis of CMT credit available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	<b>680</b>
9th previous tax year	<b>681</b>
8th previous tax year	<b>682</b>
7th previous tax year	<b>683</b>
6th previous tax year	<b>684</b>
5th previous tax year	<b>685</b>
4th previous tax year	<b>686</b>
3rd previous tax year	<b>687</b>
2nd previous tax year	<b>688</b>
1st previous tax year	<b>689</b>
Total **	

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

**Part 7 – Calculation of CMT loss carryforward**

CMT loss carryforward at the end of the previous tax year \* . . . . . Q

**Deduct:**

CMT loss expired \* . . . . . **700**

CMT loss carryforward at the beginning of the tax year \* (see note below) . . . . . **720**

**Add:**

CMT loss transferred on an amalgamation under section 87 of the federal Act \*\* (see note below) . . . . . **750**

CMT loss available (line 720 **plus** line 750) . . . . . R

**Deduct:**

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . .

Subtotal (if negative, enter "0") . . . . . S

**Add:**

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . . **760**

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . . **770** T

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

\*\* Do not transfer a loss on a vertical amalgamation under subsection 87(2.11) of the federal Act or other amalgamation of a parent and its subsidiary.

**Note:** If you entered an amount on line 720 or line 750, complete Part 8.

**Part 8 – Analysis of CMT loss available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	<b>810</b>	<b>820</b>
9th previous tax year	<b>811</b>	<b>821</b>
8th previous tax year	<b>812</b>	<b>822</b>
7th previous tax year	<b>813</b>	<b>823</b>
6th previous tax year	<b>814</b>	<b>824</b>
5th previous tax year	<b>815</b>	<b>825</b>
4th previous tax year	<b>816</b>	<b>826</b>
3rd previous tax year	<b>817</b>	<b>827</b>
2nd previous tax year	<b>818</b>	<b>828</b>
1st previous tax year		<b>829</b>
Total ***		

\* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

\*\* Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

\*\*\* The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS  
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1	MILTON HYDRO HOLDINGS INC.	86499 6764 RC0001	17,548,467	2,113,637
2	MILTON HYDRO TELECOM INC.	86499 6566 RC0001	2,973,904	52,022
3	MILTON HYDRO SERVICES INC.	89573 0414 RC0001	11	0
<b>Total</b>			<b>450</b> 20,522,382	<b>550</b> 2,165,659

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

**\* Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

**ONTARIO CAPITAL TAX ON OTHER THAN FINANCIAL INSTITUTIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Complete this schedule for a corporation with a permanent establishment in Ontario at any time in the tax year and that is a corporation other than a financial institution. The Ontario capital tax on other than financial institutions is levied under section 64 of the *Taxation Act, 2007* (Ontario).
- To complete this schedule, you have to complete Schedule 33, *Part I.3 Tax on Large Corporations*. File completed copies of both schedules with the *T2 Corporation Income Tax Return* within six months of the end of the tax year.
- A corporation is exempt from Ontario capital tax if it was one of the following:
  - 1) a corporation that is liable to the special additional tax according to section 74 of the *Corporations Tax Act* (Ontario);
  - 2) a credit union;
  - 3) a deposit insurance corporation according to section 137.1 of the federal *Income Tax Act*;
  - 4) a family farm corporation for the year as defined by subsection 64(3) of the *Taxation Act, 2007* (Ontario), other than a corporation for which a determination has been made under subsection 31(2) of the federal Act;
  - 5) a family fishing corporation, as defined by subsection 64(3) of the *Taxation Act, 2007* (Ontario); or
  - 6) a corporation exempt from income tax according to section 149 of the federal Act.

**Part 1 – Taxable capital of a corporation resident in Canada other than a financial institution**

Amount A from Part 1 of Schedule 33	100	47,152,953	
<b>Add:</b>			
Accumulated other comprehensive income at the end of the year	105		
		Subtotal	47,152,953 ▶ 47,152,953 A
<b>Deduct:</b>			
Amount B from Part 1 of Schedule 33	110	1,412,100	
Amount on line 490 from Part 2 of Schedule 33	115	384,939	
		Subtotal	1,797,039 ▶ 1,797,039 B
<b>Taxable capital</b> (amount A minus amount B) (if negative, enter "0")	120	45,355,914	

**Part 2 – Capital deduction**

Complete this part only if the corporation is associated.

Are you electing under subsection 83(2) of the *Taxation Act, 2007* (Ontario)? 190 1 Yes ☐ 2 No ☒If you answered **no** to the question at line 190, complete line 220. If you answered **yes** to the question at line 190, complete line 305 by using Schedule 516, *Capital Deduction Election of Associated Group for the Allocation of Net Deduction*, to calculate the amount to be entered on line 300.

Taxable capital (from line 120) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (from line 790 in Part 4 of Schedule 33)	200	45,355,914	x	15,000,000 \$	=	Capital deduction	220	14,080,133
Taxable capital or taxable capital employed in Canada of every corporation with a permanent establishment in Canada and associated for the last tax year *	210	48,319,055						

\* This amount includes the filing corporation's taxable capital or taxable capital employed in Canada. Do not include an amount from a financial institution or corporation that is exempt from capital tax under Division E of the *Taxation Act, 2007* (Ontario) or Part III of the *Corporations Tax Act* (Ontario).

Allocation of net deduction (from line 600 for the filing corporation from Schedule 516)	300		=	Capital deduction	305	
Ontario allocation factor (OAF) (amount I in Part 3)						

**Part 3 – Ontario capital tax payable**

Taxable capital (enter amount from line 120 in Part 1) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (enter amount from line 790 in Part 4 of Schedule 33), whichever applies . . . . . **320** 45,355,914

**Deduct:**  
Capital deduction (Enter \$15,000,000 if the corporation is not associated. Otherwise, enter the amount from line 220 or line 305, whichever applies, from Part 2) . . . . . 14,080,133 B

Net amount (line 320 **minus** amount B) (if negative, enter "0") . . . . . 31,275,781 C

Amount C 31,275,781 x  $\frac{\text{Number of days in the tax year before January 1, 2010}}{\text{Number of days in the tax year}}$   $\frac{365}{365}$  x 0.00225 = 70,371 D

Amount C 31,275,781 x  $\frac{\text{Number of days in the tax year after December 31, 2009 and before July 1, 2010}}{\text{Number of days in the tax year}}$   $\frac{365}{365}$  x 0.00150 = E

Subtotal (amount D **plus** amount E) 70,371 F

Amount F 70,371 x OAF (amount on line I) 1.00000 = 70,371 G

Amount G 70,371 x  $\frac{\text{Number of days in the tax year}^*}{365}$   $\frac{365}{365}$  = 70,371 H

**Deduct:**  
Capital tax credit for manufacturers (enter amount J from Part 4) . . . . . **350**

**Ontario capital tax payable** (amount H **minus** line 350) (if negative, enter "0") . . . . . **400** 70,371

Enter amount from line 400 on line 282 of Schedule 5, *Tax Calculation Supplementary - Corporations*.

\* Enter either 365 if there are at least 51 weeks in the tax year, or the number of days in the year, whichever applies.

**Calculation of the Ontario allocation factor (OAF)**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line I.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation and enter the result on line I:

$$\frac{\text{Ontario taxable income}^{**}}{\text{Taxable income}^{***}} = \underline{\hspace{2cm}}$$

**Ontario allocation factor** . . . . . 1.00000 I

\*\* Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

\*\*\* Enter the taxable income amount from line 360 or line Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."

**Part 4 – Capital tax credit for manufacturers**

Ontario manufacturing labour cost\* **405** x 100 = **420** %  
Total Ontario labour cost\*\* **410**

If the percentage on line 420 is 20% or less, enter "0" on line J.  
If the percentage on line 420 is at least 50%, enter amount H from Part 3 on line J.  
If the percentage on line 420 is more than 20% but less than 50%, complete the following calculation and enter the result on line J:

$\frac{(\text{percentage from line 420}) - 20\%}{30\%} \times 30.000\%$  x 70,371 Amount H from Part 3 =                     

**Capital tax credit for manufacturers** . . . . . J

Enter amount J on line 350 in Part 3

\* As defined in subsection 83.1(4) of the *Taxation Act, 2007* (Ontario)  
\*\* As defined in subsection 83.1(5) of the *Taxation Act, 2007* (Ontario)

**ONTARIO SPECIALTY TYPES**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule to identify the specialty type of a corporation carrying on business in the province of Ontario through a permanent establishment if:
  - its tax year includes January 1, 2009;
  - the tax year is the first year after incorporation or an amalgamation; or
  - there is a change to the specialty type.
- If none of the listed specialty types applies, tick box 99 "Other."
- Unless otherwise noted, references to sections, subsections, and clauses are from the *Taxation Act, 2007* (Ontario).

**Specialty types****100** Identify the specialty type that applies to your corporation:

- ☐ 01 Family farm corporation – See subsection 64(3).
- ☐ 02 Family fishing corporation – See subsection 64(3).
- ☐ 03 Mortgage investment corporation – See subsection 130.1(6) of the federal *Income Tax Act*.
- ☐ 04 Credit union – See subsection 137(6) of the federal Act.
- ☐ 06 Bank – See subsection 248(1) of the federal Act.
- ☐ 08 Financial institution prescribed by regulation only – See clause 66(2)(f).
- ☐ 09 Registered securities dealer – See subsection 248(1) of the federal Act.
- ☐ 10 Farm feeder finance co-operative corporation
- ☐ 11 Insurance corporation – See subsection 248(1) of the federal Act.
- ☐ 12 Mutual insurance – See subsection 27(2) of the *Taxation Act, 2007* (Ontario) and paragraph 149(1)(m) of the federal Act.
- ☐ 13 Specialty mutual insurance
- ☐ 14 Mutual fund corporation – See subsection 131(8) of the federal Act.
- ☐ 15 Bare trustee corporation
- ☐ 16 Professional corporation (incorporated professional only) – See subsection 248(1) of the federal Act.
- ☐ 17 Limited liability corporation
- ☐ 18 Generator of electrical energy for sale, or producer of steam for use in the generation of electrical energy for sale – See subsection 33(7).
- ☒ 19 Hydro successor, municipal electrical utility, or subsidiary of either – See subsection 91.1(1) and section 88 of the *Electricity Act, 1998* (Ontario).
- ☐ 20 Producer and seller of steam for uses other than for the generation of electricity – See subsection 33(7).
- ☐ 21 Mining corporation
- ☐ 22 Non-resident corporation
- ☐ 99 Other (if none of the previous descriptions apply)

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the *Business Corporations Act* (BCA) or *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the Ontario *Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up to date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit [www.ServiceOntario.ca](http://www.ServiceOntario.ca).
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

**Part 1 – Identification**

<b>100</b> Corporation's name (exactly as shown on the MGS public record) MILTON HYDRO DISTRIBUTION INC.			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent <b>Ontario</b>	<b>110</b> Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2000-08-30	<b>120</b> Ontario Corporation No. 1437315	

**Part 2 – Head or registered office address (P.O. box not acceptable)**

<b>200</b> Care of (if applicable)			
<b>210</b> Street number 8069	<b>220</b> Street name Lawson Road	<b>230</b> Suite number	
<b>240</b> Additional address information			
<b>250</b> Municipality (e.g., city, town) Milton	<b>260</b> Province/state ON	<b>270</b> Country CA	<b>280</b> Postal/zip code L9T 5C4

**Part 3 – Change identifier**

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS with respect to names, addresses for service, and the date elected/appointed and date ceased of the directors and five most senior officers, or the corporation's mailing address or language of preference? Obtain a Corporation Profile Report to review the information shown for the corporation on the public record maintained by the MGS. For more information, visit [www.ServiceOntario.ca](http://www.ServiceOntario.ca).

**300** ☐ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."  
☐ 2 If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

**Part 4 – Certification**

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

**450** CORKUM **451** MARY-JO  
 Last name First name  
**454** \_\_\_\_\_  
 Middle name(s)

**460** ☐ 2 Please enter one of the following numbers in this box for the above-named person: enter 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

### Part 5 – Mailing address

<b>500</b>	<input type="checkbox"/>	Please enter one of the following numbers in this box:			1 - Show no mailing address on the MGS public record.
					2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.
					3 - The corporation's complete mailing address is as follows:
<b>510</b>	Care of (if applicable)				
<b>520</b>	Street number	<b>530</b>	Street name	<b>540</b>	Suite number
<b>550</b>	Additional address information				
<b>560</b>	Municipality (e.g., city, town)	<b>570</b>	Province/state	<b>580</b>	Country
				<b>590</b>	Postal/zip code

### Part 6 – Language of preference

<b>600</b>	<input type="checkbox"/>	Indicate your language preference by entering <b>1</b> for English or <b>2</b> for French. This is the language of preference recorded on the MGS public record for communication with the corporation. This may be different from line 990 on the T2 return.
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**ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is \$1,000 for each qualifying work placement ending before March 27, 2009, and \$3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

**Part 1 – Corporate information**

<b>110</b> Name of person to contact for more information	<b>120</b> Telephone number including area code
MARY-JO CORKUM	(905) 876-4611
Is the claim filed for a CETC earned through a partnership? . . . . . <b>150</b> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If you answered <b>yes</b> to the question at line 150, what is the name of the partnership? . . . . . <b>160</b>	
Enter the percentage of the partnership's CETC allocated to the corporation . . . . . <b>170</b> %	
* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.	

**Part 2 – Eligibility**

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . <b>200</b>	1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)? . . . . . <b>210</b>	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If you answered <b>no</b> to question 1 or <b>yes</b> to question 2, then the corporation is <b>not eligible</b> for the CETC.	

**Part 3 – Eligible percentage for determining the eligible amount**

Corporation's salaries and wages paid in the previous tax year \* ..... **300** 1,200,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is \$400,000 or less, enter 15% on line 310.
- If line 300 is \$600,000 or more, enter 10% on line 310.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\% - \left[ 5\% \times \left( \frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

**Eligible percentage for determining the eligible amount** ..... **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is \$400,000 or less, enter 30% on line 312.
- If line 300 is \$600,000 or more, enter 25% on line 312.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\% - \left[ 5\% \times \left( \frac{\text{amount on line 300} - \$400,000}{\$200,000} \right) \right]$$

**Eligible percentage for determining the eligible amount** ..... **312** 25.000 %

\* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

**Part 4 – Calculation of the Ontario co-operative education tax credit**

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

<b>A</b> Name of university, college, or other eligible educational institution  <b>400</b>		<b>B</b> Name of qualifying co-operative education program  <b>405</b>	
1.	Cambrian College	Power Line Technician Program	
2.	Sheridan College	Business Admin-Accounting Co-op	
3.			
<b>C</b> Name of student  <b>410</b>		<b>D</b> Start date of WP (see note 1 below)  <b>430</b>	<b>E</b> End date of WP (see note 2 below)  <b>435</b>
1.	Nathanial Murray	2009-09-08	2009-12-18
2.	Cheryl Gilles	2009-09-10	2009-12-22
3.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

**Part 4 – Calculation of the Ontario co-operative education tax credit (continued)**

	<b>F1</b> Eligible expenditures before March 27, 2009 (see note 1 below)  <b>450</b>	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	<b>F2</b> Eligible expenditures after March 26, 2009 (see note 1 below)  <b>452</b>	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	<b>X</b> Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	<b>Y</b> Total number of consecutive weeks of the student's WP (see note 3 below)
1.		%	10,330	25.000 %		
2.		%	8,064	25.000 %		
3.		%		%		

	<b>G</b> Eligible amount (eligible expenditures <b>multiplied</b> by eligible percentage) (see note 2 below)  <b>460</b>	<b>H</b> Maximum CETC per WP (see note 3 below)  <b>462</b>	<b>I</b> CETC on eligible expenditures (column G or H, whichever is less)  <b>470</b>	<b>J</b> CETC on repayment of government assistance (see note 4 below)  <b>480</b>	<b>K</b> CETC for each WP (column I or column J)  <b>490</b>
1.	2,583	3,000	2,583		2,583
2.	2,016	3,000	2,016		2,016
3.					

<b>Ontario co-operative education tax credit</b> (total of amounts in column K) <b>500</b>					<b>4,599 L</b>
--	--	--	--	--	----------------

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L \_\_\_\_\_ x percentage on line 170 in Part 1 \_\_\_\_\_ % = \_\_\_\_\_ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

**Note 1:** Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

**Note 2:** Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

**Note 3:** If the WP ends before March 27, 2009, the maximum credit amount for the WP is \$1,000.

If the WP begins after March 26, 2009, the maximum credit amount for the WP is \$3,000.

If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

$(\$1,000 \times X/Y) + [\$3,000 \times (Y - X)/Y]$

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009,  
and "Y" is the total number of consecutive weeks of the student's WP.

**Note 4:** When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

**ONTARIO APPRENTICESHIP TRAINING TAX CREDIT**

Name of corporation	Business Number	Tax year-end Year Month Day
MILTON HYDRO DISTRIBUTION INC.	89573 0216 RC0001	2009-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. Before March 27, 2009, the maximum credit for each apprentice is \$5,000 per year to a maximum credit of \$15,000 over the first 36-month period of the qualifying apprenticeship. After March 26, 2009, the maximum credit for each apprentice is \$10,000 per year to a maximum credit of \$40,000 over the first 48-month period of the qualifying apprenticeship. The maximum credit amount is prorated for an employment period of an apprentice that straddles March 26, 2009.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if incurred before March 27, 2009; and
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if incurred after March 26, 2009.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario); and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009* or the *Apprenticeship and Certification Act, 1998* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Make sure you keep a copy of the training agreement or contract of apprenticeship to support your claim. Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*.
- File this schedule with your *T2 Corporation Income Tax Return*.

**Part 1 – Corporate information (please print)**

<b>110</b> Name of person to contact for more information	<b>120</b> Telephone number including area code
MARY-JO CORKUM	(905) 876-4611

Is the claim filed for an ATTC earned through a partnership? \* ..... **150** 1 Yes ☐ 2 No ☒

If **yes** to the question at line 150, what is the name of the partnership? ..... **160** .....

Enter the percentage of the partnership's ATTC allocated to the corporation ..... **170** ..... %

\* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

**Part 2 – Eligibility**

1. Did the corporation have a permanent establishment in Ontario in the tax year? .....	<b>200</b>	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
2. Was the corporation exempt from tax under Part III of the <i>Taxation Act, 2007</i> (Ontario)? .....	<b>210</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

**Part 3 – Specified percentage**Corporation's salaries and wages paid in the previous tax year \* ..... **300** 1,200,000

For eligible expenditures incurred before March 27, 2009:

- If line 300 is \$400,000 or less, enter 30% on line 310.
- If line 300 is \$600,000 or more, enter 25% on line 310.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 310 using the following formula:

$$\text{Specified percentage} = 30\% - \left[ 5\% \times \left( \frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

**Specified percentage** ..... **310** 25.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is \$400,000 or less, enter 45% on line 312.
- If line 300 is \$600,000 or more, enter 35% on line 312.
- If line 300 is more than \$400,000 and less than \$600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[ 10\% \times \left( \frac{\text{amount on line 300} - 400,000}{200,000} \right) \right]$$

**Specified percentage** ..... **312** 35.000 %

\* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

**Part 4 – Calculation of the Ontario apprenticeship training tax credit**

Complete a **separate entry** for each apprentice that is in a qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

A Trade code	B Apprenticeship program/ trade name	C Name of apprentice				
<b>400</b>	<b>405</b>	<b>410</b>				
1. 434a	Lineworker	Craig Gadd				
2. 434a	Lineworker	Ryan Hurren				
3.						
D Original contract or training agreement number		E Original registration date of apprenticeship contract or training agreement (see note 1 below)	F Start date of employment as an apprentice in the tax year (see note 2 below)	G End date of employment as an apprentice in the tax year (see note 3 below)		
<b>420</b>		<b>425</b>	<b>430</b>	<b>435</b>		
1. PA6612		2007-09-24	2009-01-01	2009-12-31		
2. PA1389		2007-09-24	2009-01-01	2009-12-31		
3.						

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

**Part 4 – Calculation of the Ontario apprenticeship training tax credit (continued)**

	<b>H1</b> Number of days employed as an apprentice in the tax year before March 27, 2009 (see note 1 below)	<b>H2</b> Number of days employed as an apprentice in the tax year after March 26, 2009 (see note 1 below)	<b>H3</b> Number of days employed as an apprentice in the tax year (column H1 <b>plus</b> column H2)	<b>I</b> Maximum credit amount for the tax year (see note 2 below)
	<b>441</b>	<b>442</b>	<b>440</b>	<b>445</b>
1.	85	280	365	8,835
2.	85	280	365	8,835
3.				

	<b>J1</b> Eligible expenditures before March 27, 2009 (see note 3 below)	<b>J2</b> Eligible expenditures after March 26, 2009 (see note 3 below)	<b>J3</b> Eligible expenditures for the tax year (column J1 <b>plus</b> column J2)	<b>K</b> Eligible expenditures <b>multiplied</b> by specified percentage (see note 4 below)
	<b>451</b>	<b>452</b>	<b>450</b>	<b>460</b>
1.	16,435	54,646	71,081	23,235
2.	11,841	48,258	60,099	19,850
3.				

	<b>L</b> ATTC on eligible expenditures (lesser of columns I and K)	<b>M</b> ATTC on repayment of government assistance (see note 5 below)	<b>N</b> ATTC for each apprentice (column L or column M, whichever applies)
	<b>470</b>	<b>480</b>	<b>490</b>
1.	8,835		8,835
2.	8,835		8,835
3.			

<b>Ontario apprenticeship training tax credit</b> (total of amounts in column N) <b>500</b>			<b>17,670 O</b>
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or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O \_\_\_\_\_ x percentage on line 170 in Part 1 \_\_\_\_\_ % = \_\_\_\_\_ **P**

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, add the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

**Note 1:** When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.

For H1: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

For H2: The days employed as an apprentice must be within 48 months of the registration date provided in column E.

**Note 2:** Maximum credit = (\$5,000 x H1/365\*) + (\$10,000 x H2/365\*)

\* 366 days, if the tax year includes February 29

**Note 3:** Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

For J1: Eligible expenditures before March 27, 2009, must be for services provided by the apprentice during the first 36 months of the apprenticeship program.

For J2: Eligible expenditures after March 26, 2009, must be for services provided by the apprentice during the first 48 months of the apprenticeship program.

**Note 4:** Calculate the amount in column K as follows:

Column K = (J1 x line 310) + (J2 x line 312)

**Note 5:** Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year.

Complete a **separate entry** for each repayment of government assistance.

## EXHIBIT 5 – COST OF CAPITAL AND CAPITAL STRUCTURE

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### APPENDIX A – PROMISSORY NOTE – TOWN OF MILTON

### APPENDIX B – DEBENTURE CERTIFICATE – INFRASTRUCTURE ONTARIO

### APPENDIX C – DEBENTURE CERTIFICATE – INFRASTRUCTURE ONTARIO

## OVERVIEW

Milton Hydro was incorporated September 30, 2000 in accordance with the requirements of the *Electricity Act, 1998*, S.O. 1998, c.15, Schedule. A.

Milton Hydro is 100% owned by the Corporation of the Town of Milton.

The Town of Milton Hydro holds an unsecured promissory note from Milton Hydro in the amount of \$14,934,210 bearing interest at the rate of 7.25% per annum commencing October 1, 2001, payable on demand with 30 days notice. The Town of Milton has waived their right to demand payment before January 1, 2011. Interest on the promissory note is \$1,082,730 per year. A copy of the promissory note is attached to this Exhibit as Appendix A.

Share capital consists of 2,000 common shares in the amount of \$17,008,909.

Milton Hydro entered into a financing agreement dated as of November 12, 2009 with Ontario Infrastructure Projects Corporation ("OIPC"), pursuant to which OIPC agreed to make financing available to Milton Hydro up to \$15,752,257 to fund capital projects. The Financing Agreement terminates on November 12, 2014. On January 6, 2010, OIPC provided \$3.50 million to Milton Hydro in short term financing of which \$3.157 million was issued as debentures (long term) on April 1, 2010. On July 15, 2010, Milton Hydro issued an additional \$4.0 million in debentures (which included the remaining short term financing of \$343,000). OIPC's lending rates are updated frequently in line with OIPC's cost of borrowing in the capital markets. Rates on debentures are fixed for the entire life of the loan once the debenture is purchased by Infrastructure Ontario. Terms are offered in both a short-term floating monthly construction rate and long-term debentures from 5- to 40-years which match the useful life of asset. Infrastructure Ontario's loan pricing recognizes the unique fundamental credit character of each eligible client sector and continues to provide equitable access to affordable financing rates. Pricing is based on the relative long term credit strengths of each eligible client sector, recognizing the varying degrees of government involvement and the security afforded to Infrastructure Ontario. Copies of the Financing Agreements currently in place are attached to this Exhibit as Appendix B and Appendix C.

1    **Capital Structure:**

2    Milton Hydro has a current deemed capital structure of 60% debt with a return of 7.25%, and  
3    40% equity with a return of 9% as approved in the 2010 IRM rate decision EB-2009-0204.

4    Milton Hydro has prepared this rate application with a deemed capital structure of 56% Long  
5    Term Debt, 4% Short Term Debt, and 40% Equity in accordance with the Report of the Board  
6    on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation for Ontario Electricity Distributors  
7    dated December 20, 2006 and the Report of the Board on Cost of Capital for Ontario's  
8    Regulated Utilities date December 11, 2009, ("Cost of Capital Report").

9    **Return on Equity:**

10   Milton Hydro is requesting a return on equity ("ROE") for the 2011 Test year of 9.85% in  
11   accordance with the Cost of Capital Parameter Updates for 2010 Cost of Service Applications  
12   issued by the OEB on February 24, 2010. Milton Hydro understands that the OEB will be  
13   finalizing the ROE for 2011 rates based on January 2011 market interest rate information.  
14   Milton Hydro will adjust the ROE of 9.85% to the revised published rate adopted by the OEB.

15   **Cost of Debt: Long Term**

16   Milton Hydro is requesting a return on Long Term Debt for the 2011 Test Year of 5.18% which is  
17   the weighted average of the actual debt rate, 7.25%, on the promissory note with the Town of  
18   Milton and Long Term Financing from the Ontario Infrastructure Projects Corporation at an  
19   average rate of 4.57%. The following Table 1 sets out Milton Hydro's calculation of its weighted  
20   average cost of capital.

**Table 1 -  
Weighted Average Cost of Capital**

Date of Debt		Amount	Rate	Interest
October 1, 2000	Town of Milton	14,934,210	5.87%	876,638
April 1, 2010	Infrastructure Ont.	235,000	3.02%	7,097
April 1, 2010	Infrastructure Ont.	2,741,906	4.49%	123,112
July 15, 2010	Infrastructure Ont.	3,915,012	4.84%	189,487
December 1, 2010	Infrastructure Ont.	2,925,000	5.19%	151,808
June 1, 2011 (7 mo)	Infrastructure Ont.	3,037,200	5.29%	93,723
		27,788,328		1,441,864
Weighted Average Cost of Capital				5.19%

Milton Hydro used the long term debt rate of 5.87% for its affiliated debt in the calculation of the weighted average cost of capital for the 2011 Test Year. Milton Hydro understands that the OEB will be finalizing the long term debt rate for 2011 rates based on January 2011 market interest rate information. Milton Hydro will adjust the long term debt rate of 5.87% to the revised published rate adopted by the OEB.

#### **Cost of Debt: Short Term**

Milton Hydro is requesting a return on Short Term Debt for the 2011 Test year of 2.07% in accordance with the Cost of Capital Parameter Updates for 2010 Cost of Service Applications issued by the OEB on February 24, 2010. Milton Hydro understands that the OEB will be finalizing the short term debt for 2011 rates based on January 2011 market interest rate information. Milton Hydro will adjust the Short Term Debt rate of 2.07% to the revised published rate adopted by the OEB.

#### **Rate Base and Rate of Return**

The following Table 2 details Milton Hydro's rate base, deemed debt/equity ratios, deemed rate of return, actual debt/equity ratios and actual rates of returns for 2005 Actual, 2006 Board Approved, 2006 Actual, 2007 Actual, 2008 Actual, 2009 Actual, the 2010 Bridge Year and the 2011 Test Year Forecast.

**Table 2 -  
Capitalization and Cost of Capital**

<b>2005 Actual</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	50.0%	\$ 19,228,053	7.25%	\$ 1,394,034
Short Term Debt	0.0%	\$ -	0.00%	\$ -
Total Debt	50.0%	\$ 19,228,053	7.25%	\$ 1,394,034
<b>Equity</b>				
Common Equity	50.0%	\$ 19,228,053	9.00%	\$ 1,730,525
Preferred Shares	0.0%	\$ -	0.00%	\$ -
Total Equity	50.0%	\$ 19,228,053	9.00%	\$ 1,730,525
Total	100.0%	\$ 38,456,105	8.13%	\$ 3,124,559
<b>2006 Board Approved</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	50.0%	\$ 17,680,736	7.25%	\$ 1,281,853
Short Term Debt	0.0%	\$ -	0.00%	\$ -
Total Debt	50.0%	\$ 17,680,736	7.25%	\$ 1,281,853
<b>Equity</b>				
Common Equity	50.0%	\$ 17,680,736	9.00%	\$ 1,591,266
Preferred Shares	0.0%	\$ -	0.00%	\$ -
Total Equity	50.0%	\$ 17,680,736	9.00%	\$ 1,591,266
Total	100.0%	\$ 35,361,471	8.13%	\$ 2,873,120
<b>2006 Actual</b>				
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long Term Debt	50.0%	\$ 19,849,295	7.25%	\$ 1,439,074
Short Term Debt	0.0%	\$ -	0.00%	\$ -
Total Debt	50.0%	\$ 19,849,295	7.25%	\$ 1,439,074
<b>Equity</b>				
Common Equity	50.0%	\$ 19,849,295	9.00%	\$ 1,786,437
Preferred Shares	0.0%	\$ -	0.00%	\$ -
Total Equity	50.0%	\$ 19,849,295	9.00%	\$ 1,786,437
Total	100.0%	\$ 39,698,589	8.13%	\$ 3,225,510

2007 Actual					
	(%)	(\$)	(%)	(\$)	
<b>Debt</b>					
Long Term Debt	50.0%	\$ 21,027,361	7.25%	\$ 1,524,484	
Short Term Debt	0.0%	\$ -	0.00%	\$ -	
Total Debt	50.0%	\$ 21,027,361	7.25%	\$ 1,524,484	
<b>Equity</b>					
Common Equity	50.0%	\$ 21,027,361	9.00%	\$ 1,892,462	
Preferred Shares	0.0%	\$ -	0.00%	\$ -	
Total Equity	50.0%	\$ 21,027,361	9.00%	\$ 1,892,462	
Total	100.0%	\$ 42,054,722	8.13%	\$ 3,416,946	

1

2008 Actual					
	(%)	(\$)	(%)	(\$)	
<b>Debt</b>					
Long Term Debt	53.3%	\$ 23,740,511	7.25%	\$ 1,721,187	
Short Term Debt	0.0%	\$ -	0.00%	\$ -	
Total Debt	53.3%	\$ 23,740,511	7.25%	\$ 1,721,187	
<b>Equity</b>					
Common Equity	46.7%	\$ 20,800,786	9.00%	\$ 1,872,071	
Preferred Shares	0.0%	\$ -	0.00%	\$ -	
Total Equity	46.7%	\$ 20,800,786	9.00%	\$ 1,872,071	
Total	100.0%	\$ 44,541,297	8.07%	\$ 3,593,258	

2

2009 Actual					
	(%)	(\$)	(%)	(\$)	
<b>Debt</b>					
Long Term Debt	56.7%	\$ 27,330,215	7.25%	\$ 1,981,441	
Short Term Debt	0.0%	\$ -	0.00%	\$ -	
Total Debt	56.7%	\$ 27,330,215	7.25%	\$ 1,981,441	
<b>Equity</b>					
Common Equity	43.3%	\$ 20,871,222	9.00%	\$ 1,878,410	
Preferred Shares	0.0%	\$ -	0.00%	\$ -	
Total Equity	43.3%		9.00%	\$ 1,878,410	
Total	100.0%	\$ 48,201,437	8.01%	\$ 3,859,851	

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2010 Bridge Year					
	(%)	(\$)	(%)	(\$)	
<b>Debt</b>					
Long Term Debt	60.0%	\$ 33,395,668	5.32%	\$ 1,776,105	
Short Term Debt	0.0%	\$ -	0.00%	\$ -	
Total Debt	60.0%	\$ 33,395,668	5.32%	\$ 1,776,105	
<b>Equity</b>					
Common Equity	40.0%	\$ 22,263,779	9.00%	\$ 2,003,740	
Preferred Shares	0.0%	\$ -	0.00%	\$ -	
Total Equity	40.0%	\$ 22,263,779	9.00%	\$ 2,003,740	
Total	100.0%	\$ 55,659,447	6.79%	\$ 3,779,845	

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2011 Test Year					
	(%)	(\$)	(%)	(\$)	
<b>Debt</b>					
Long Term Debt	56.0%	\$ 34,799,786	5.19%	\$ 1,805,670	
Short Term Debt	4.0%	\$ 2,485,699	2.07%	\$ 51,454	
Total Debt	60.0%	\$ 37,285,485	4.98%	\$ 1,857,124	
<b>Equity</b>					
Common Equity	40.0%	\$ 24,856,990	9.85%	\$ 2,448,414	
Preferred Shares	0.0%	\$ -	0.00%	\$ -	
Total Equity	40.0%	\$ 24,856,990	9.85%	\$ 2,448,414	
Total	100.0%	\$ 62,142,475	6.93%	\$ 4,305,537	

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## APPENDIX A – PROMISSORY NOTE – TOWN OF MILTON



# **MILTON HYDRO DISTRIBUTION INC.**

P.O. BOX 189, 55 THOMPSON ROAD SOUTH, MILTON, ONTARIO L9T 4N9  
TELEPHONE (905) 876-4611 • FAX (905) 876-2044

*original hand delivered  
to Town 7/23/01*

## **PROMISSORY NOTE**

**Principal Sum: C\$14,934,210**

**FOR VALUE RECEIVED**, the undersigned hereby unconditionally promises to pay to the order of The Corporation of the Town of Milton (the "Town") on demand by the Town the principal sum of **FOURTEEN MILLION, NINE HUNDRED AND THIRTY-FOUR THOUSAND, TWO HUNDRED AND TEN DOLLARS (\$14,934,210)** in lawful money of Canada at 43 Brown Street, Milton, Ontario or such other place as the Town may designate by notice in writing to the undersigned and to pay interest on the Principal Sum from October 1, 2001 at the rate of 7.25% per annum calculated and accruing on the principal amount remaining unpaid and overdue interest, if any, until the Principal Sum is repaid to the Town. Interest shall be calculated and payable quarterly in arrears on the last day of March, June, September and December at the same address. Interest both before and after default and judgment on the principal amount and overdue interest shall be payable at the aforementioned rate. For greater certainty, no interest shall accrue or be payable by the undersigned to the Town on the Principal Sum from the date hereof until October 1, 2001.

All payments or any part thereof may be extended, rearranged, renewed or postponed by the Town. No delay or failure by the Town to exercise any right or remedy against the undersigned shall be construed as a waiver of that or any right or remedy nor shall any waiver hereunder be deemed to be a waiver of subsequent default. The Town may, at any time, in accordance with the provisions of The Corporation of the Town of Milton By-law No. 74-2000 and after consultation with the undersigned and upon 30 days written notice, replace this promissory note for one or more debt instruments of the undersigned with any change to any provision hereunder, including reducing or increasing the rate of interest payable on the principal amount owing at the time of replacement, setting a date on which the principal amount hereunder is due and payable or adjusting the principal sum payable hereunder, all as evidenced by the written acceptance of said debt instrument or instruments by the Treasurer of the Town and the Secretary-Treasurer of Milton Hydro Distribution Inc.

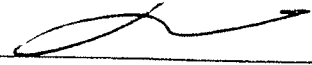
The undersigned hereby waives presentment, demand, protest or other notice of every kind in the enforcement of this promissory note. All amounts owing hereunder will be paid by the undersigned without regard for any equities between the undersigned and the Town or any right of set-off or cross-claim.

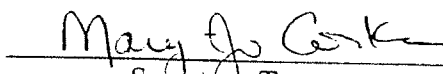
In the event of a default hereunder, the undersigned agrees to pay all expenses, including without limitation, reasonable legal fees (on a solicitor and his own client basis), incurred by the Town in endeavoring to enforce its rights hereunder. All such amounts shall bear interest at the rate mentioned above.

This promissory note is non-negotiable and non-assignable without the prior written consent of the undersigned.

DATED at Milton, Ontario, as of the 23<sup>rd</sup> day of July, 2001

**MILTON HYDRO DISTRIBUTION INC.**

By:   
President

By:   
Secretary-Treasurer

APPENDIX B - DEBENTURE CERTIFICATE – INFRASTRUCTURE  
ONTARIO

Town of Milton  
Regional Municipality of Halton  
and Province of Ontario

) IN THE MATTER OF A Financing Agreement  
) between Milton Hydro Distribution Inc. and  
) Ontario Infrastructure Projects Corporation  
) dated November 12th, 2009 in the aggregate  
) principal amount of \$15,752,257.00  
) (herein the "Financing Agreement") and  
) in the matter of the issue of debentures on  
) April 1st, 2010 to Ontario Infrastructure  
) Projects Corporation pursuant to the terms  
) of the Financing Agreement (herein the  
) "Debentures")  
)

### **AFFIDAVIT**

I, Mary-Jo Corkum, of the Town of Oakville, in the Regional Municipality of Halton and Province of Ontario make oath and say as follows:

1. I am the Vice-President Finance of Milton Hydro Distribution Inc. and as such have personal knowledge of the matters deposed to herein.
2. The issue of the Debentures is duly authorized by a resolution of the Board of Directors of Milton Hydro Distribution Inc. dated March 22nd, 2010. The said resolution is in full force and effect un-amended as at the date hereof.
3. Now shown to me and marked as Exhibit "A" to this my affidavit is a true copy of the Debentures to be issued to Ontario Infrastructure Projects Corporation the said Debentures having been signed by me and by Frank Lasowski in his capacity as President & CEO of Milton Hydro Distribution Inc. The signatures of Frank Lasowski and Mary-Jo Corkum appearing on the said Debentures are the personal signatures as endorsed by us on the said Debentures in our capacity as officers of Milton Hydro Distribution Inc. after having received all necessary authorizations to execute the said Debentures on behalf of Milton Hydro Distribution Inc. and to affix the corporate seal thereto.

4. Milton Hydro Distribution Inc. is not a party to any litigation or judicial or administrative proceeding of any kind now existing, pending or threatened that in any manner seeks to or would restrain, enjoin, delay or otherwise interfere with the issue of the Debentures or that would substantially impair the ability of Milton Hydro Distribution Inc. to meet its obligations as they fall due or that in any manner questions the validity and enforceability of the Financing Agreement or the authority under which the Debentures have been or will be authorized or the capacity of any officer of Milton Hydro Distribution Inc. authorized to execute or issue any documents in connection with the Financing Agreement or the Debentures.

5. This affidavit is sworn by me in support of a corporate opinion to be rendered to Ontario Infrastructure Projects Corporation by Ronald Flannagan, Q.C. concerning issue of the said Debentures pursuant to the terms of the Financing Agreement: I hereby state that the facts deposed to herein are true as at the date hereof and may be relied upon by Ronald Flannagan, Q.C. without qualification in support of the above referenced corporate opinion to be rendered by him.

SWORN BEFORE me at )

the Town of Milton )

in the Regional Municipality of )

Halton this 30<sup>th</sup>, day of March, )

2010 )

  
A Commissioner, etc. )

Mary-Jo Corkum

## DEBENTURE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS DEBENTURE MUST NOT TRADE THE DEBENTURE BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) APRIL 1, 2010, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

### MILTON HYDRO DISTRIBUTION INC.

#### SECURED DEBENTURE DUE APRIL 1, 2025

*This is Exhibit 'A' to the affidavit of  
Mary Jo Cartum sworn before me on the  
30th day of March, 2010*

No. 2010-04-1-01

Cdn.\$2,880,057.00

*[Signature]*  
A Commissioner E.E.C.

Milton Hydro Distributions Inc. (hereinafter referred to in such capacity as the "Borrower"), for value received, hereby acknowledges itself liable and indebted and promises to pay to ONTARIO INFRASTRUCTURE PROJECTS CORPORATION or its registered assigns by April 1, 2025 the principal sum of Two Million Eight Hundred Eighty Thousand Fifty Seven Dollars (\$2,880,057.00) in lawful money of Canada by semi-annual payments on the 1st day of October and the 1st day of April in each of the years 2010 to 2025, both inclusive, in the amounts set forth in the attached Schedule A which forms part of this Debenture (the "Payment Schedule") and to pay interest on the said principal sum from time to time outstanding from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on this Debenture, whichever is later, at a rate of interest set forth in the Payment Schedule in arrears on the 1st day of October and the 1<sup>st</sup> day of April in each of the years 2010 to 2025 (each a "Payment Date") with the first payment due on October 1, 2010. Upon default interest shall be paid at the rate specified in the attached Schedule B which forms part of this Debenture. The applicable rate of interest, the payment of principal and interest and the principal balance outstanding under this Debenture in each year are shown in the Payment Schedule.

This Debenture is one of the Borrower's Secured Debentures originally authorized in the aggregate principal amount of Cdn.\$2,880,057.00 pursuant to the financing agreement (the "Financing Agreement") dated as of November 12, 2009 and made between the Borrower and Ontario Infrastructure Projects Corporation (herein called "OIPC"). Capitalized terms not defined herein shall have the meanings assigned to them in the Financing Agreement.

For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period

Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the liability of the Borrower for payment of the Debenture, the terms, conditions, covenants and warranties upon which the Debenture is issued and held, and the rights and remedies of the holder of the Debenture issued thereunder and of the Borrower in respect thereof, all to the same effect as if the provisions of the Financing Agreement were herein set out, to all of which provisions the holder hereof by acceptance hereof assents.

The undersigned authorizes the registered holder of this Debenture to record on the reverse of this Debenture or on any attachment to this Debenture all repayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the registered holder on this Debenture or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the registered holder to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount and interest.

In case an Event of Default (as defined in the Financing Agreement) shall occur and be continuing, the full unpaid principal amount of this Debenture, together with interest accrued thereon, may become or be declared due before stated maturity by the registered holder of this Debenture in its sole discretion.

This Debenture is also subject to the conditions set forth in the attached Schedule B.

This Debenture shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language.

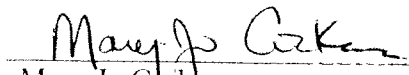
Les parties aux présentes ont déclaré qu'elles ont exigé que le présent certificat, de même que tous les documents s'y rapportant, soient rédigés en anglais.



**IN WITNESS HEREOF** the Borrower has caused this Debenture to be executed and delivered as of the 1st day of April 2010.

**MILTON HYDRO DISTRIBUTION INC.**

By:

  
Name: Mary-Jo Corkum  
Title: Vice President, Finance

By:

  
Name: Frank Lasowski  
Title: President & CEO

## SCHEDULE A

### Amortizing Debenture Schedule

Organization Name	Milton Hydro Distribution Inc.
Principal Amount	\$2,880,057.00
Annual Interest Rate	4.49%
Loan Term (Year)	15
Debenture Date (m/d/yyyy)	4/1/2010
Maturity Date (m/d/yyyy)	4/1/2025
Payment Frequency	Semi Annual
Loan Type	Amortizing

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
10/1/2010	\$132,966.67	\$68,309.39	\$64,657.28	\$2,811,747.61
4/1/2011	\$132,966.67	\$69,842.94	\$63,123.73	\$2,741,904.67
10/3/2011	\$132,966.67	\$71,410.91	\$61,555.76	\$2,670,493.76
4/2/2012	\$132,966.67	\$73,014.09	\$59,952.58	\$2,597,479.67
10/1/2012	\$132,966.67	\$74,653.25	\$58,313.42	\$2,522,826.42
4/1/2013	\$132,966.67	\$76,329.22	\$56,637.45	\$2,446,497.20
10/1/2013	\$132,966.67	\$78,042.81	\$54,923.86	\$2,368,454.39
4/1/2014	\$132,966.67	\$79,794.87	\$53,171.80	\$2,288,659.52
10/1/2014	\$132,966.67	\$81,586.26	\$51,380.41	\$2,207,073.26
4/1/2015	\$132,966.67	\$83,417.88	\$49,548.79	\$2,123,655.38
10/1/2015	\$132,966.67	\$85,290.61	\$47,676.06	\$2,038,364.77
4/1/2016	\$132,966.67	\$87,205.38	\$45,761.29	\$1,951,159.39
10/3/2016	\$132,966.67	\$89,163.14	\$43,803.53	\$1,861,996.25
4/3/2017	\$132,966.67	\$91,164.85	\$41,801.82	\$1,770,831.40
10/2/2017	\$132,966.67	\$93,211.51	\$39,755.16	\$1,677,619.89
4/2/2018	\$132,966.67	\$95,304.10	\$37,662.57	\$1,582,315.79
10/1/2018	\$132,966.67	\$97,443.68	\$35,522.99	\$1,484,872.11
4/1/2019	\$132,966.67	\$99,631.29	\$33,336.38	\$1,385,240.82
10/1/2019	\$132,966.67	\$101,868.01	\$31,098.66	\$1,283,372.81
4/1/2020	\$132,966.67	\$104,154.95	\$28,811.72	\$1,179,217.86
10/1/2020	\$132,966.67	\$106,493.23	\$26,473.44	\$1,072,724.63

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Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
4/1/2021	\$132,966.67	\$108,884.00	\$24,082.67	\$963,840.63
10/1/2021	\$132,966.67	\$111,328.45	\$21,638.22	\$852,512.18
4/1/2022	\$132,966.67	\$113,827.77	\$19,138.90	\$738,684.41
10/3/2022	\$132,966.67	\$116,383.20	\$16,583.47	\$622,301.21
4/3/2023	\$132,966.67	\$118,996.01	\$13,970.66	\$503,305.20
10/2/2023	\$132,966.67	\$121,667.47	\$11,299.20	\$381,637.73
4/1/2024	\$132,966.67	\$124,398.90	\$8,567.77	\$257,238.83
10/1/2024	\$132,966.67	\$127,191.66	\$5,775.01	\$130,047.17
4/1/2025	\$132,966.73	\$130,047.17	\$2,919.56	50.00
Total	\$3,989,000.16	\$2,880,057.00	\$1,108,943.16	

## CONDITIONS AND DEFINITIONS

**Schedule B** to the Secured Debenture dated as of April 1, 2010 issued by the Borrower in favour of Ontario Infrastructure Projects Corporation

### 1. **Definitions**

"Net Present Value" will be calculated based on the following formulae: For Amortizing Debenture –  $[\text{loan payment} / (r/2)] * (1 - 1/(1 + (r/2))^n)$ , where "r" is the prevailing lending rate less an appropriate basis point deduction for costs incurred and "n" is the number of semi-annual periods to maturity.

"Prime Rate" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Bank of Montreal and The Toronto-Dominion Bank (the "Reference Banks") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

### 2. **Form and Registration of the Debenture**

(a) The Debenture is a direct and secured obligation of the Borrower and shall have priority over all unsecured senior debt obligations of the Borrower.

(b) The Borrower shall maintain at its designated office a register in respect of the Debenture in which shall be recorded the names and addresses of the registered holders and in which particulars of the cancellation, exchanges, substitutions and transfers of the Debenture, may be recorded and the Borrower is authorized to use electronic, magnetic or other media for records of or related to the Debenture or for copies of them.

### 3. **Title**

The Borrower shall not be bound to see to the execution of any trust affecting the ownership of this Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Borrower shall deem and treat the registered holder of this Debenture as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of the registered holder shall be valid and effectual to discharge the liability of the Borrower on the Debenture to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Borrower. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on the Debenture registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Borrower.

### 4. **Payments of Principal and Interest**

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(a) The record date for purposes of payment of principal of and interest on the Debenture is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including a maturity date. Principal of and interest on the Debenture are payable by the Borrower to the persons registered as holders in the register on the relevant record date. The Borrower shall not be required to register any transfer, exchange or substitution of the Debenture during the period from any record date to the corresponding Payment Date.

(b) The Borrower shall make all payments in respect of semi-annual combined principal and interest on the Debenture on each Payment Date commencing on October 1, 2010 (other than in respect of the final payment of principal and outstanding interest which the Borrower shall pay on the final maturity date upon presentation and surrender of this Debenture) in lawful money of Canada by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as to which the registered holder and the Borrower may agree.

(c) The Borrower shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Payment Schedule for such amount plus 200 basis points or Prime Rate plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Borrower shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.

(d) Whenever it is necessary to compute any amount of interest in respect of the Debenture for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

(e) Delivery of payments in respect of principal of and interest on the Debenture as provided on the Payment Schedule shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day"), and if any date for delivery of payment is not a Toronto Business Day, payment as specified on the Payment Schedule shall be made on the next following Toronto Business Day.

(f) The Debenture is transferable or exchangeable at the office of the Treasurer of the Borrower upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Borrower and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture, a new Debenture will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

(g) The Borrower shall issue and deliver a new Debenture in exchange or substitution for the Debenture outstanding on the register with the same maturity and of like form which has become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall

have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, stolen or destroyed Debenture) furnished the Borrower with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Borrower in its discretion; and (iii) surrendered to the Borrower any mutilated or defaced Debenture in respect of which the new Debenture is to be issued in substitution.

(h) The Debenture(s) issued upon any registration of transfer or exchange or in substitution for the Debenture(s) or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debenture(s) or part thereof and shall be so dated and shall bear the same maturity date and shall be subject to the same terms and conditions as the Debenture(s) in respect of which the transfer, exchange or substitution is effected.

(i) The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debenture(s), shall be borne by the Borrower. When the Debenture is surrendered for transfer or exchange the Treasurer of the Borrower shall: (i) in the case of an exchange, cancel and destroy the Debenture surrendered for exchange; (ii) in the case of an exchange, certify the cancellation and destruction in the register; and (iii) enter in the register particulars of the new Debenture issued in exchange.

(j) Reasonable fees for the substitution of a new Debenture for the Debenture that is lost, stolen, mutilated, defaced or destroyed may be imposed by the Borrower. Where new Debentures are issued in substitution in these circumstances the Borrower shall: (i) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (ii) certify the deemed cancellation and destruction in the register; (iii) enter in the register particulars of the new Debentures issued in substitution; and (iv) make a notation of any indemnities provided.

## **5. Notices**

Except as otherwise expressly provided herein, any notice required to be given to a registered holder of the Debenture will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Borrower or any registered holder is required to give any notice in connection with the Debenture on or before any day and that day is not a Toronto Business Day then such notice may be given on the next following Toronto Business Day.

## **6. Time**

Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

## **7. Assignment and Benefit of Debenture**

The Borrower may not assign its rights or transfer its obligations under this Debenture without the prior written consent of the registered holder of the Debenture. The registered holder of this Debenture may assign or transfer its rights under this Debenture without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower.

This Debenture enures to the benefit of and binds the Borrower and the registered holder of the Debenture and their respective successors and permitted assigns.

**8. Amendment**

Any amendment to this Debenture shall be in writing signed by each of the Borrower and the registered holder of the Debenture except that any waiver of any provision of this Debenture or consent to any departure by the Borrower herefrom, shall be effective if the same is in writing and signed by the registered holder of the Debenture.

**9. No Waiver**

No failure on the part of the registered holder to exercise, and no delay in exercising, any right under the Debenture shall operate as a waiver thereof; nor shall any single or partial exercise of any right under the Debenture preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**10. Waiver of Protest**

The Borrower waives diligence, demand, presentment, protest and notice of any kind and agrees that it will not be necessary for the registered holder to first initiate suit in order to enforce payment of this Debenture pursuant to the terms and conditions of this Debenture.

**11. Termination of Financing Agreement**

If OIPC elects to terminate its obligations under the financing agreement entered into between the parties, OIPC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the Net Present Value of the Debenture, the Borrower shall pay the difference between these two amounts to OIPC.

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## DEBENTURE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS DEBENTURE MUST NOT TRADE THE DEBENTURE BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) APRIL 1, 2010, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

### MILTON HYDRO DISTRIBUTION INC.

### SECURED DEBENTURE DUE APRIL 1, 2015

No. 2010-04-01-02

Cdn.\$285,000.00

Milton Hydro Distributions Inc. (hereinafter referred to in such capacity as the "Borrower"), for value received, hereby acknowledges itself liable and indebted and promises to pay to ONTARIO INFRASTRUCTURE PROJECTS CORPORATION or its registered assigns by APRIL 1, 2015 the principal sum of Two Hundred Eighty Five Thousand Dollars (\$285,000.00) in lawful money of Canada by semi-annual payments on the 1st day of October and the 1st day of April in each of the years 2010 to 2015, both inclusive, in the amounts set forth in the attached Schedule A which forms part of this Debenture (the "Payment Schedule") and to pay interest on the said principal sum from time to time outstanding from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on this Debenture, whichever is later, at a rate of interest set forth in the Payment Schedule in arrears on the 1st day of October and the 1<sup>st</sup> day of April in each of the years 2010 to 2015 (each a "Payment Date") with the first payment due on October 1, 2010. Upon default interest shall be paid at the rate specified in the attached Schedule B which forms part of this Debenture. The applicable rate of interest, the payment of principal and interest and the principal balance outstanding under this Debenture in each year are shown in the Payment Schedule.

This Debenture is one of the Borrower's Secured Debentures originally authorized in the aggregate principal amount of Cdn.\$285,000.00 pursuant to the financing agreement (the "Financing Agreement") dated as of November 12, 2009 and made between the Borrower and Ontario Infrastructure Projects Corporation (herein called "OIPC"). Capitalized terms not defined herein shall have the meanings assigned to them in the Financing Agreement.

For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period

Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the

  
108

liability of the Borrower for payment of the Debenture, the terms, conditions, covenants and warranties upon which the Debenture is issued and held, and the rights and remedies of the holder of the Debenture issued thereunder and of the Borrower in respect thereof, all to the same effect as if the provisions of the Financing Agreement were herein set out, to all of which provisions the holder hereof by acceptance hereof assents.

The undersigned authorizes the registered holder of this Debenture to record on the reverse of this Debenture or on any attachment to this Debenture all repayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the registered holder on this Debenture or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the registered holder to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount and interest.

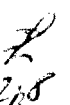
In case an Event of Default (as defined in the Financing Agreement) shall occur and be continuing, the full unpaid principal amount of this Debenture, together with interest accrued thereon, may become or be declared due before stated maturity by the registered holder of this Debenture in its sole discretion.

This Debenture is also subject to the conditions set forth in the attached Schedule B.

This Debenture shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language.

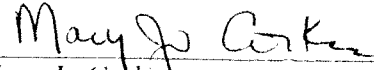
Les parties aux présentes ont déclaré qu'elles ont exigé que le présent certificat, de même que tous les documents s'y rapportant, soient rédigés en anglais.



**IN WITNESS HEREOF** the Borrower has caused this Debenture to be executed and delivered as of the 1st day of April 2010.

**MILTON HYDRO DISTRIBUTION INC.**

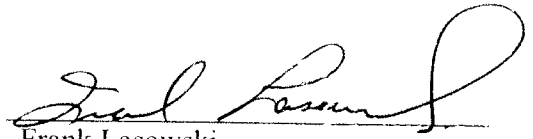
By:



Name: Mary-Jo Corkum

Title: Vice President, Finance

By:



Name: Frank Lasowski

Title: President & CEO

## SCHEDULE A

### Amortizing Debenture Schedule

Organization Name	Milton Hydro Distribution Inc.
Principal Amount	\$285,000.00
Annual Interest Rate	3.92%
Loan Term (Years)	5
Debenture Date (m/d/yyyy)	4/1/2010
Maturity Date (m/d/yyyy)	4/1/2015
Payment Frequency	Semi Annual
Loan Type	Amortizing

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
10/1/2010	\$30,920.12	\$26,616.62	\$4,303.50	\$258,383.38
4/1/2011	\$30,320.12	\$27,018.53	\$3,301.59	\$231,364.85
10/3/2011	\$30,920.12	\$27,426.51	\$3,493.61	\$203,938.34
4/2/2012	\$30,920.12	\$27,840.65	\$3,079.47	\$176,097.69
10/1/2012	\$30,920.12	\$28,261.04	\$2,659.08	\$147,836.65
4/1/2013	\$30,920.12	\$28,687.79	\$2,232.33	\$119,149.86
10/1/2013	\$30,920.12	\$29,120.97	\$1,799.15	\$90,027.89
4/1/2014	\$30,920.12	\$29,560.70	\$1,359.42	\$60,467.19
10/1/2014	\$30,920.12	\$30,007.07	\$913.05	\$30,460.12
4/1/2015	\$30,920.07	\$30,460.12	\$459.95	\$0.00
Total	\$309,201.15	\$285,000.00	\$24,201.15	

*Handwritten initials: R/P*

## CONDITIONS AND DEFINITIONS

**Schedule B** to the Secured Debenture dated as of April 1, 2010 issued by the Borrower in favour of Ontario Infrastructure Projects Corporation

### 1. **Definitions**

"Net Present Value" will be calculated based on the following formulae: For Amortizing Debenture –  $[\text{loan payment} / (r/2)] * (1 - 1 / (1 + (r/2))^n]$ , where "r" is the prevailing lending rate less an appropriate basis point deduction for costs incurred and "n" is the number of semi-annual periods to maturity.

"Prime Rate" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Bank of Montreal and The Toronto-Dominion Bank (the "Reference Banks") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

### 2. **Form and Registration of the Debenture**

(a) The Debenture is a direct and secured obligation of the Borrower and shall have priority over all unsecured senior debt obligations of the Borrower.

(b) The Borrower shall maintain at its designated office a register in respect of the Debenture in which shall be recorded the names and addresses of the registered holders and in which particulars of the cancellation, exchanges, substitutions and transfers of the Debenture, may be recorded and the Borrower is authorized to use electronic, magnetic or other media for records of or related to the Debenture or for copies of them.

### 3. **Title**

The Borrower shall not be bound to see to the execution of any trust affecting the ownership of this Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Borrower shall deem and treat the registered holder of this Debenture as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of the registered holder shall be valid and effectual to discharge the liability of the Borrower on the Debenture to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Borrower. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on the Debenture registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Borrower.

### 4. **Payments of Principal and Interest**

*[Handwritten signature]*

(a) The record date for purposes of payment of principal of and interest on the Debenture is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including a maturity date. Principal of and interest on the Debenture are payable by the Borrower to the persons registered as holders in the register on the relevant record date. The Borrower shall not be required to register any transfer, exchange or substitution of the Debenture during the period from any record date to the corresponding Payment Date.

(b) The Borrower shall make all payments in respect of semi-annual combined principal and interest on the Debenture on each Payment Date commencing on October 1, 2010 (other than in respect of the final payment of principal and outstanding interest which the Borrower shall pay on the final maturity date upon presentation and surrender of this Debenture) in lawful money of Canada by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as to which the registered holder and the Borrower may agree.

(c) The Borrower shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Payment Schedule for such amount plus 200 basis points or Prime Rate plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Borrower shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.

(d) Whenever it is necessary to compute any amount of interest in respect of the Debenture for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

(e) Delivery of payments in respect of principal of and interest on the Debenture as provided on the Payment Schedule shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day"), and if any date for delivery of payment is not a Toronto Business Day, payment as specified on the Payment Schedule shall be made on the next following Toronto Business Day.

(f) The Debenture is transferable or exchangeable at the office of the Treasurer of the Borrower upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Borrower and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture, a new Debenture will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

(g) The Borrower shall issue and deliver a new Debenture in exchange or substitution for the Debenture outstanding on the register with the same maturity and of like form which has become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall

have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, stolen or destroyed Debenture) furnished the Borrower with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Borrower in its discretion; and (iii) surrendered to the Borrower any mutilated or defaced Debenture in respect of which the new Debenture is to be issued in substitution.

(h) The Debenture(s) issued upon any registration of transfer or exchange or in substitution for the Debenture(s) or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debenture(s) or part thereof and shall be so dated and shall bear the same maturity date and shall be subject to the same terms and conditions as the Debenture(s) in respect of which the transfer, exchange or substitution is effected.

(i) The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debenture(s), shall be borne by the Borrower. When the Debenture is surrendered for transfer or exchange the Treasurer of the Borrower shall: (i) in the case of an exchange, cancel and destroy the Debenture surrendered for exchange; (ii) in the case of an exchange, certify the cancellation and destruction in the register; and (iii) enter in the register particulars of the new Debenture issued in exchange.

(j) Reasonable fees for the substitution of a new Debenture for the Debenture that is lost, stolen, mutilated, defaced or destroyed may be imposed by the Borrower. Where new Debentures are issued in substitution in these circumstances the Borrower shall: (i) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (ii) certify the deemed cancellation and destruction in the register; (iii) enter in the register particulars of the new Debentures issued in substitution; and (iv) make a notation of any indemnities provided.

## **5. Notices**

Except as otherwise expressly provided herein, any notice required to be given to a registered holder of the Debenture will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Borrower or any registered holder is required to give any notice in connection with the Debenture on or before any day and that day is not a Toronto Business Day then such notice may be given on the next following Toronto Business Day.

## **6. Time**

Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

## **7. Assignment and Benefit of Debenture**

The Borrower may not assign its rights or transfer its obligations under this Debenture without the prior written consent of the registered holder of the Debenture. The registered holder of this Debenture may assign or transfer its rights under this Debenture without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower.

This Debenture enures to the benefit of and binds the Borrower and the registered holder of the Debenture and their respective successors and permitted assigns.

**8. Amendment**

Any amendment to this Debenture shall be in writing signed by each of the Borrower and the registered holder of the Debenture except that any waiver of any provision of this Debenture or consent to any departure by the Borrower herefrom, shall be effective if the same is in writing and signed by the registered holder of the Debenture.

**9. No Waiver**

No failure on the part of the registered holder to exercise, and no delay in exercising, any right under the Debenture shall operate as a waiver thereof; nor shall any single or partial exercise of any right under the Debenture preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**10. Waiver of Protest**

The Borrower waives diligence, demand, presentment, protest and notice of any kind and agrees that it will not be necessary for the registered holder to first initiate suit in order to enforce payment of this Debenture pursuant to the terms and conditions of this Debenture.

**11. Termination of Financing Agreement**

If OIPC elects to terminate its obligations under the financing agreement entered into between the parties, OIPC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the Net Present Value of the Debenture, the Borrower shall pay the difference between these two amounts to OIPC.

APPENDIX C - DEBENTURE CERTIFICATE – INFRASTRUCTURE  
ONTARIO

Town of Milton  
Regional Municipality of Halton  
and Province of Ontario

) IN THE MATTER OF A Financing Agreement  
) between Milton Hydro Distribution Inc. and  
) Ontario Infrastructure Projects Corporation  
) dated November 12th, 2009 and amended  
) by Amending Agreement dated June 24th,  
) 2010 in the aggregate principal amount of  
) \$15,752,257.00  
) (herein the "Financing Agreement") and  
) in the matter of the issue of a debenture on  
) July 15th, 2010 to Ontario Infrastructure  
) Projects Corporation (Debenture No.  
) 07-15-2010) pursuant to the terms  
) of the Financing Agreement (herein the  
) "Debenture")  
)

### **AFFIDAVIT**

I, Mary-Jo Corkum, of the Town of Oakville, in the Regional Municipality of Halton and Province of Ontario make oath and say as follows:

1. I am the Vice-President Finance of Milton Hydro Distribution Inc. and as such have personal knowledge of the matters deposed to herein.
2. The issue of the Debenture is duly authorized by a resolution of the Board of Directors of Milton Hydro Distribution Inc. dated June 28th, 2010 a true copy of which is now shown to me and marked Exhibit "A" to this my Affidavit. The said resolution is in full force and effect un-amended as at the date hereof.
3. Now shown to me and marked as Exhibit "B" to this my Affidavit is a true copy of the Debenture identified as Debenture No. 07-15-2010 to be issued to Ontario Infrastructure Projects Corporation in the principal amount of Canadian \$4,000,000.00 the said Debenture having been signed by me and by Frank Lasowski in his capacity as President & CEO of Milton Hydro Distribution Inc. The signatures of Frank Lasowski and Mary-Jo Corkum appearing on the said

Debenture are the personal signatures as endorsed by us on the said Debenture in our capacity as officers of Milton Hydro Distribution Inc. after having received all necessary authorizations to execute the said Debenture on behalf of Milton Hydro Distribution Inc. and to affix the corporate seal thereto.

4. Milton Hydro Distribution Inc. is not a party to any litigation or judicial or administrative proceeding of any kind now existing, pending or threatened that in any manner seeks to or would restrain, enjoin, delay or otherwise interfere with the issue of the Debenture or that would substantially impair the ability of Milton Hydro Distribution Inc. to meet its obligations as they fall due or that in any manner questions the validity and enforceability of the Financing Agreement or the authority under which the Debenture has been or will be authorized or the capacity of any officer of Milton Hydro Distribution Inc. authorized to execute or issue any documents in connection with the Financing Agreement or the Debenture.


5. Now shown to me and marked as Exhibit "C" to this my Affidavit is a true copy of the Shareholder Direction (Unanimous Shareholder Agreement) referenced in paragraph 4 of the Officers' Certificate signed by me and by Frank Lasowski on the 8th, day of October, 2009 in connection with the Financing Agreement entered into with Ontario Infrastructure Projects Corporation. The said Shareholder Direction is in full force and effect as at the date hereof. Shareholder Approval was duly granted pursuant to Article 5.2(j) of the Shareholder Direction to increase the borrowing limit for Milton Hydro Distribution Inc. to \$22,252,257.00 and to authorize Milton Hydro Distribution Inc. to "provide such security and execute such documentation as may be required to complete such financing" as evidenced by correspondence dated April 9th, 2010 from the Town of Milton to Milton Hydro Distribution Inc. to my attention enclosing Staff Report Disposition Sheet concerning Report Number CORS-021-10 dated February 25th, 2010: a true copy of the said correspondence dated April 9th,

6. As at the date hereof the total borrowings by Milton Hydro Distribution Inc., inclusive of the current Debenture to be issued to Ontario Infrastructure Projects Corporation aggregate less than the approved borrowing limit in the amount of \$22,252,257.00.

7. This Affidavit is sworn by me in support of a corporate opinion to be rendered to Ontario Infrastructure Projects Corporation by Ronald Flannagan, Q.C. concerning issue of the said Debenture pursuant to the terms of the Financing Agreement: I hereby state that the facts deposed to herein are true as at the date hereof and may be relied upon by Ronald Flannagan, Q.C. without qualification in support of the above referenced corporate opinion to be rendered by him.

) ) ) ) ) ) ) ) )

Mary Jo Corkum

  
A Commissioner, etc.

**RESOLUTION OF MILTON HYRO DISTRIBUTION ("Borrower")**

**CAPITAL PROJECTS – FINANCING**

WHEREAS the Borrower entered into a financing agreement (the "Financing Agreement") dated as of November 12, 2009 with Ontario Infrastructure Projects Corporation ("OIPC"), pursuant to which OIPC agreed to provide short-term financing and long-term financing to the Borrower;

AND WHEREAS the By-law of the Borrower empowers the Board or person(s) authorized by the Board to borrow from time to time such sums for the use of the Borrower;

AND WHEREAS the Borrower is required to issue secured debentures (the "Debentures") to OIPC on certain pre-determined dates provided in the Financing Agreement in order to use the proceeds from the issuance of the Debentures to repay the short-term financing provided to the Borrower by OIPC under the Financing Agreement;

AND WHEREAS it is proposed that the Borrower issue debentures (the "Debentures") in a principal amount not exceeding \$4,000,000.00 substantially in the form attached hereto as Schedule "A";

AND WHEREAS it is in the best interests of the Borrower to issue the Debentures;

NOW THEREFORE BE IT RESOLVED THAT:

1. the Borrower is hereby authorized to issue the Debentures, which Debentures (i) shall be in the principal amount of not more than \$4,000,000.00 in Canadian dollars, (ii) shall bear interest calculated in such manner as determined and approved by any two of the President & CEO, Vice President, Finance, or Chair of the Board of Directors of the Borrower (each an "Authorized Person") (such determination and approval to be conclusively evidenced by the execution of the Debentures), and (iii) shall have such other terms and conditions as are

described in the terms and conditions attached to the said Debentures substantially in the form attached hereto as Schedule "A";

2. any two Authorized Persons are hereby authorized and directed, for and on behalf of the Borrower, to negotiate the terms and conditions of the Debentures and such other documentation as is required in connection therewith;

3. the Borrower is hereby authorized to execute, deliver and perform its obligations under the Debentures, such authorization to be conclusively evidenced by the execution of the Debentures;

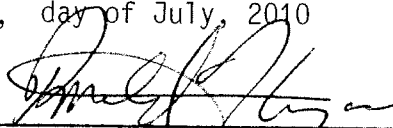
4. any two Authorized Persons are hereby authorized and directed, for and on behalf of the Borrower, to execute under the corporate seal of the Borrower and deliver the Debentures substantially in the form attached hereto as Schedule "A", with such amendments and variations thereto as may be negotiated by such Authorized Persons, and/or which such Authorized Persons may approve, such approval to be conclusively evidenced by the execution and delivery of the Debentures by such Authorized Persons;

5. any one Authorized Person is hereby authorized and directed, for and on behalf of the Borrower, to execute under the corporate seal of the Borrower and deliver all such further agreements, instruments, amendments, certificates and other documents and to do all such other acts or things as such Authorized Person may determine to be necessary or advisable in connection with the transactions contemplated by this resolution, the execution of any such document or the doing of any such other act or thing by such Authorized Person being conclusive evidence of such determination.

Dated this 28th day of June, 2010

**Moved by: Reid Frank**  
**Seconded by: Barry Lee**

This is Exhibit "A" to the Affidavit of Mary-Jo Corkum sworn before me this  
9th, day of July, 2010

  
\_\_\_\_\_  
A Commissioner, etc.

## DEBENTURE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS DEBENTURE MUST NOT TRADE THE DEBENTURE BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JULY 15, 2010, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

### MILTON HYDRO DISTRIBUTION INC.

### SECURED DEBENTURE DUE JULY 15, 2035

No. 07-15-2010

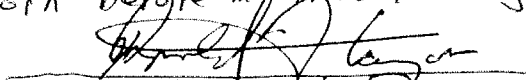
Cdn.\$4,000,000.00

Milton Hydro Distributions Inc. (hereinafter referred to in such capacity as the "Borrower"), for value received, hereby acknowledges itself liable and indebted and promises to pay to ONTARIO INFRASTRUCTURE PROJECTS CORPORATION or its registered assigns by July 15, 2035 the principal sum of Four Million Dollars (\$4,000,000.00) in lawful money of Canada by semi-annual payments on the 15<sup>th</sup> day of January and the 15<sup>th</sup> day of July in each of the years 2011 to 2035, both inclusive, in the amounts set forth in the attached Schedule A which forms part of this Debenture (the "Payment Schedule") and to pay interest on the said principal sum from time to time outstanding from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on this Debenture, whichever is later, at a rate of interest set forth in the Payment Schedule in arrears on the 15<sup>th</sup> day of January and the 15<sup>th</sup> day of July in each of the years 2011 to 2035 (each a "Payment Date") with the first payment due on January 15, 2011. Upon default interest shall be paid at the rate specified in the attached Schedule B which forms part of this Debenture. The applicable rate of interest, the payment of principal and interest and the principal balance outstanding under this Debenture in each year are shown in the Payment Schedule.

This Debenture is one of the Borrower's Secured Debentures originally authorized in the aggregate principal amount of Cdn.\$4,000,000.00 pursuant to the financing agreement dated as of November 12, 2009, as amended by amending agreement dated as of June 24, 2010 (the "Financing Agreement") and made between the Borrower and Ontario Infrastructure Projects Corporation (herein called "OIPC"). Capitalized terms not defined herein shall have the meanings assigned to them in the Financing Agreement.

For the purposes of disclosure pursuant to the *Interest Act* (Canada), the yearly rate of interest which is equivalent to a rate of interest payable in respect of the principal for any period of less than a year may be determined by multiplying the rate of interest for such period by a fraction, the numerator of which is the actual number of days in a year commencing on and including the first day in such period and ending on but excluding the corresponding day in the next calendar year and the denominator of which is the actual number of days in such period.

This is Exhibit "B" to The Affidavit of Mary-Jo Corkum  
sworn before me this 9th day of July, 2010.

  
A Commissioner of the Court



Reference is hereby expressly made to the Financing Agreement and all instruments supplemental thereto for a statement and description of, among other things, the liability of the Borrower for payment of the Debenture, the terms, conditions, covenants and warranties upon which the Debenture is issued and held, and the rights and remedies of the holder of the Debenture issued thereunder and of the Borrower in respect thereof, all to the same effect as if the provisions of the Financing Agreement were herein set out, to all of which provisions the holder hereof by acceptance hereof assents.

The undersigned authorizes the registered holder of this Debenture to record on the reverse of this Debenture or on any attachment to this Debenture all repayments of principal and interest and the unpaid balance of principal from time to time. The undersigned agrees that in the absence of manifest error the record kept by the registered holder on this Debenture or any attachment shall be conclusive evidence of the matters recorded, provided that the failure of the registered holder to record or correctly record any amount or date shall not affect the obligation of the undersigned to pay the outstanding principal amount and interest.

In case an Event of Default (as defined in the Financing Agreement) shall occur and be continuing, the full unpaid principal amount of this Debenture, together with interest accrued thereon, may become or be declared due before stated maturity by the registered holder of this Debenture in its sole discretion.

This Debenture is also subject to the conditions set forth in the attached Schedule B.

This Debenture shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language.

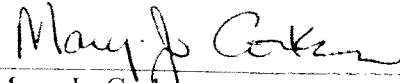
Les parties aux présentes ont déclaré qu'elles ont exigé que le présent certificat, de même que tous les documents s'y rapportant, soient rédigés en anglais.

mc  
2/11

**IN WITNESS HEREOF** the Borrower has caused this Debenture to be executed and delivered as of the 15<sup>th</sup> day of July 2010.

**MILTON HYDRO DISTRIBUTION INC.**

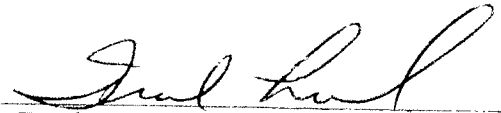
By:



Name: Mary-Jo Corkum

Title: Vice President, Finance

By:



Name: Frank Lasowski

Title: President & CEO

  
7/15/10

## SCHEDULE A

### Amortizing Debenture Schedule

Organization Name	Milton Hydro Distribution Inc.
Principal Amount	\$4,000,000.00
Annual Interest Rate	4.84%
Loan Term (Years)	25
Debenture Date (mm-dd-yyyy)	7/15/2010
Maturity Date (mm-dd-yyyy)	7/16/2035
Payment Frequency	Semi Annual
Loan Type	Amortizing

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
1/17/2011	\$138,786.36	\$41,986.36	\$96,800.00	\$3,958,013.64
7/15/2011	\$138,786.36	\$43,002.43	\$95,783.93	\$3,915,011.21
1/16/2012	\$138,786.36	\$44,043.09	\$94,743.27	\$3,870,968.12
7/16/2012	\$138,786.36	\$45,108.93	\$93,677.43	\$3,825,859.19
1/15/2013	\$138,786.36	\$46,200.57	\$92,585.79	\$3,779,658.62
7/15/2013	\$138,786.36	\$47,318.62	\$91,467.74	\$3,732,340.00
1/15/2014	\$138,786.36	\$48,463.73	\$90,322.63	\$3,683,876.27
7/15/2014	\$138,786.36	\$49,636.55	\$89,149.81	\$3,634,239.72
1/15/2015	\$138,786.36	\$50,837.76	\$87,948.60	\$3,583,401.96
7/15/2015	\$138,786.36	\$52,068.03	\$86,718.33	\$3,531,333.93
1/15/2016	\$138,786.36	\$53,328.08	\$85,458.28	\$3,478,005.85
7/15/2016	\$138,786.36	\$54,618.62	\$84,167.74	\$3,423,387.23
1/16/2017	\$138,786.36	\$55,940.39	\$82,845.97	\$3,367,446.84
7/17/2017	\$138,786.36	\$57,294.15	\$81,492.21	\$3,310,152.69
1/15/2018	\$138,786.36	\$58,680.06	\$80,105.70	\$3,251,472.63
7/16/2018	\$138,786.36	\$60,100.74	\$78,685.62	\$3,191,371.29
1/15/2019	\$138,786.36	\$61,555.17	\$77,231.19	\$3,129,816.12
7/15/2019	\$138,786.36	\$63,044.81	\$75,741.55	\$3,066,771.31
1/15/2020	\$138,786.36	\$64,570.49	\$74,215.87	\$3,002,200.82
7/15/2020	\$138,786.36	\$66,133.10	\$72,653.26	\$2,936,067.72
1/15/2021	\$138,786.36	\$67,733.52	\$71,052.84	\$2,868,334.20

Payment Date	Total Payment	Principal Amount	Interest Amount	Principal Balance
7/15/2021	\$138,786.36	\$69,372.67	\$69,413.69	\$2,798,961.53
1/17/2022	\$138,786.36	\$71,051.49	\$67,734.87	\$2,727,910.04
7/15/2022	\$138,786.36	\$72,770.94	\$66,015.42	\$2,655,139.10
1/15/2023	\$138,786.36	\$74,531.99	\$64,254.37	\$2,580,607.11
7/17/2023	\$138,786.36	\$76,335.67	\$62,450.69	\$2,504,271.44
1/15/2024	\$138,786.36	\$78,182.69	\$60,603.37	\$2,426,088.45
7/15/2024	\$138,786.36	\$80,075.02	\$58,711.34	\$2,346,013.43
1/15/2025	\$138,786.36	\$82,012.83	\$56,773.53	\$2,264,000.60
7/15/2025	\$138,786.36	\$83,997.55	\$54,788.81	\$2,180,003.05
1/15/2026	\$138,786.36	\$86,030.29	\$52,756.07	\$2,093,972.76
7/15/2026	\$138,786.36	\$88,112.22	\$50,674.14	\$2,005,860.54
1/15/2027	\$138,786.36	\$90,244.53	\$48,541.83	\$1,915,616.01
7/15/2027	\$138,786.36	\$92,428.45	\$46,357.91	\$1,823,187.56
1/17/2028	\$138,786.36	\$94,665.22	\$44,121.14	\$1,728,522.34
7/17/2028	\$138,786.36	\$96,956.12	\$41,830.24	\$1,631,566.22
1/15/2029	\$138,786.36	\$99,302.46	\$39,483.90	\$1,532,283.76
7/16/2029	\$138,786.36	\$101,705.58	\$37,080.78	\$1,430,558.18
1/15/2030	\$138,786.36	\$104,166.85	\$34,619.51	\$1,326,391.33
7/15/2030	\$138,786.36	\$106,687.69	\$32,098.67	\$1,219,703.64
1/15/2031	\$138,786.36	\$109,269.53	\$29,516.83	\$1,110,434.11
7/15/2031	\$138,786.36	\$111,913.85	\$26,872.51	\$998,520.26
1/15/2032	\$138,786.36	\$114,622.17	\$24,164.19	\$883,898.09
7/15/2032	\$138,786.36	\$117,396.03	\$21,390.33	\$766,502.06
1/17/2033	\$138,786.36	\$120,237.01	\$18,549.35	\$646,265.05
7/15/2033	\$138,786.36	\$123,146.75	\$15,639.61	\$523,118.30
1/16/2034	\$138,786.36	\$126,126.90	\$12,659.46	\$396,991.40
7/17/2034	\$138,786.36	\$129,179.17	\$9,607.19	\$267,812.23
1/15/2035	\$138,786.36	\$132,305.20	\$6,481.06	\$135,506.93
7/16/2035	\$138,786.20	\$135,506.93	\$3,279.27	\$0.00
Total	\$6,939,317.84	\$4,000,000.00	\$2,939,317.84	

07/16/2035

## CONDITIONS AND DEFINITIONS

**Schedule B to the Secured Debenture dated as of July 15, 2010 issued by the Borrower in favour of Ontario Infrastructure Projects Corporation**

### 1. **Definitions**

"**Net Present Value**" will be calculated based on the following formulae: For Amortizing Debenture  $- [\text{loan payment} : (r/2)] * (1 - 1 / (1 + (r/2)) ^ n]$ , where "r" is the prevailing lending rate less an appropriate basis point deduction for costs incurred and "n" is the number of semi-annual periods to maturity.

"**Prime Rate**" means, on any day, the annual rate of interest which is the arithmetic mean of the prime rates announced from time to time by the five major Canadian Schedule I banks, as of the issue date of this Debenture, Royal Bank of Canada, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, Bank of Montreal and The Toronto-Dominion Bank (the "Reference Banks") as their reference rates in effect on such day for Canadian dollar commercial loans made in Canada. If fewer than five of the Reference Banks quote a prime rate on such days, the "Prime Rate" shall be the arithmetic mean of the rates quoted by the remaining Reference Banks.

### 2. **Form and Registration of the Debenture**

(a) The Debenture is a direct and secured obligation of the Borrower and shall have priority over all unsecured senior debt obligations of the Borrower.

(b) The Borrower shall maintain at its designated office a register in respect of the Debenture in which shall be recorded the names and addresses of the registered holders and in which particulars of the cancellation, exchanges, substitutions and transfers of the Debenture, may be recorded and the Borrower is authorized to use electronic, magnetic or other media for records of or related to the Debenture or for copies of them.

### 3. **Title**

The Borrower shall not be bound to see to the execution of any trust affecting the ownership of this Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Borrower shall deem and treat the registered holder of this Debenture as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of the registered holder shall be valid and effectual to discharge the liability of the Borrower on the Debenture to the extent of the sum or sums so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Borrower. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on the Debenture registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Borrower.

### 4. **Payments of Principal and Interest**

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(a) The record date for purposes of payment of principal of and interest on the Debenture is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date including a maturity date. Principal of and interest on the Debenture are payable by the Borrower to the persons registered as holders in the register on the relevant record date. The Borrower shall not be required to register any transfer, exchange or substitution of the Debenture during the period from any record date to the corresponding Payment Date.

(b) The Borrower shall make all payments in respect of semi-annual combined principal and interest on the Debenture on each Payment Date commencing on January 15, 2011 (other than in respect of the final payment of principal and outstanding interest which the Borrower shall pay on the final maturity date upon presentation and surrender of this Debenture) in lawful money of Canada by pre-authorized debit in respect of such interest and principal to the credit of the registered holder on such terms as to which the registered holder and the Borrower may agree.

(c) The Borrower shall pay to the registered holder interest on any overdue amount of principal or interest in respect of any Debenture, both before and after default and judgment, at a rate per annum equal to the greater of the rate specified on the Payment Schedule for such amount plus 200 basis points or Prime Rate plus 200 basis points, calculated on a daily basis from the date such amount becomes overdue for so long as such amount remains overdue and the Borrower shall pay to the registered holder any and all costs incurred by the registered holder as a result of the overdue payment.

(d) Whenever it is necessary to compute any amount of interest in respect of the Debenture for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

(e) Delivery of payments in respect of principal of and interest on the Debenture as provided on the Payment Schedule shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Toronto Business Day"), and if any date for delivery of payment is not a Toronto Business Day, payment as specified on the Payment Schedule shall be made on the next following Toronto Business Day.

(f) The Debenture is transferable or exchangeable at the office of the Treasurer of the Borrower upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Borrower and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture, a new Debenture will be delivered as directed by the transferee, in the case of a transfer or as directed by the registered holder in the case of an exchange.

(g) The Borrower shall issue and deliver a new Debenture in exchange or substitution for the Debenture outstanding on the register with the same maturity and of like form which has become lost, stolen, mutilated, defaced or destroyed, provided that the applicant therefor shall

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have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a lost, stolen or destroyed Debenture) furnished the Borrower with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Borrower in its discretion; and (iii) surrendered to the Borrower any mutilated or defaced Debenture in respect of which the new Debenture is to be issued in substitution.

(h) The Debenture(s) issued upon any registration of transfer or exchange or in substitution for the Debenture(s) or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debenture(s) or part thereof and shall be so dated and shall bear the same maturity date and shall be subject to the same terms and conditions as the Debenture(s) in respect of which the transfer, exchange or substitution is effected.

(i) The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debenture(s), shall be borne by the Borrower. When the Debenture is surrendered for transfer or exchange the Treasurer of the Borrower shall: (i) in the case of an exchange, cancel and destroy the Debenture surrendered for exchange; (ii) in the case of an exchange, certify the cancellation and destruction in the register; and (iii) enter in the register particulars of the new Debenture issued in exchange.

(j) Reasonable fees for the substitution of a new Debenture for the Debenture that is lost, stolen, mutilated, defaced or destroyed may be imposed by the Borrower. Where new Debentures are issued in substitution in these circumstances the Borrower shall: (i) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (ii) certify the deemed cancellation and destruction in the register; (iii) enter in the register particulars of the new Debentures issued in substitution; and (iv) make a notation of any indemnities provided.

## **5. Notices**

Except as otherwise expressly provided herein, any notice required to be given to a registered holder of the Debenture will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Borrower or any registered holder is required to give any notice in connection with the Debenture on or before any day and that day is not a Toronto Business Day then such notice may be given on the next following Toronto Business Day.

## **6. Time**

Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

## **7. Assignment and Benefit of Debenture**

The Borrower may not assign its rights or transfer its obligations under this Debenture without the prior written consent of the registered holder of the Debenture. The registered holder of this Debenture may assign or transfer its rights under this Debenture without the prior written consent of the Borrower by giving thirty (30) days notice of such assignment or transfer to the Borrower.

*[Handwritten initials and marks]*

This Debenture enures to the benefit of and binds the Borrower and the registered holder of the Debenture and their respective successors and permitted assigns.

**8. Amendment**

Any amendment to this Debenture shall be in writing signed by each of the Borrower and the registered holder of the Debenture except that any waiver of any provision of this Debenture or consent to any departure by the Borrower herefrom, shall be effective if the same is in writing and signed by the registered holder of the Debenture.

**9. No Waiver**

No failure on the part of the registered holder to exercise, and no delay in exercising, any right under the Debenture shall operate as a waiver thereof; nor shall any single or partial exercise of any right under the Debenture preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**10. Waiver of Protest**

The Borrower waives diligence, demand, presentment, protest and notice of any kind and agrees that it will not be necessary for the registered holder to first initiate suit in order to enforce payment of this Debenture pursuant to the terms and conditions of this Debenture.

**11. Termination of Financing Agreement**

If OIPC elects to terminate its obligations under the financing agreement entered into between the parties, OIPC, at its discretion, shall assess any losses that it may incur as a result of the termination as follows: if on the date of termination the outstanding principal balance on the Debenture is less than the Net Present Value of the Debenture, the Borrower shall pay the difference between these two amounts to OIPC.

1/18/18

\* Shareholder Direction  
- consolidated as @ Jan 30, 2009

Consolidated By-law No. 076-2000, as amended by By-law Nos. 96-2000, 31-2003, 004-2007, 018-2009

## THE CORPORATION OF THE TOWN OF MILTON

### BY-LAW NO. 076 - 2000

BEING A BY-LAW TO AUTHORIZE THE EXECUTION OF THE SHAREHOLDERS DIRECTION DOCUMENT RELATING TO MILTON HYDRO HOLDING INC.

**WHEREAS** the Council of the Corporation of the Town of Milton passed By-law No. 51-2000 being a by-law to transfer the employees, assets, liabilities, rights and obligations of the Milton Hydro-Electric Commission associated with the distribution, transmission and retailing of electricity to a Business Corporations Act (Ontario) corporation to be incorporated under Section 142(1) of The Electricity Act, 1998;

**AND WHEREAS** the Council of the Corporation of the Town of Milton deems it appropriate to establish certain principles of governance relating to the Corporation without restricting the powers of the Board to manage or supervise the management of the Corporation, except as expressly provided for in a Shareholder Direction;

**AND WHEREAS** the Council of the Corporation of the Town of Milton deems it appropriate to enter into a Shareholder Direction.

**NOW THEREFORE** the Council of the Corporation of the Town of Milton hereby enacts as follows:

1. THAT the Mayor and Clerk are hereby authorized to execute the Shareholder Direction attached hereto as Schedule "A" and forming a part of this By-law.
2. THAT the Shareholders Direction Document shall not come into force until September 30<sup>th</sup>, 2000.

**READ A FIRST, SECOND AND THIRD TIME and FINALLY PASSED** this 18th day of September, 2000.

\_\_\_\_\_  
"G.A. Krantz" Mayor  
G.A. Krantz

\_\_\_\_\_  
"H. Lisi" Town Clerk  
H. Lisi

This is Exhibit "C" to the Affidavit of Mary-Jo Corkum sworn before me this 9th, day of July, 2010.

\_\_\_\_\_  
A Commissioner, etc.

**TOWN OF MILTON**

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**SHAREHOLDER DIRECTION  
RELATING TO  
MILTON HYDRO HOLDING INC.**

---

**September 30, 2000**

**Prepared by:**

**Smith Lyons  
Suite 5800, Scotia Plaza  
40 King Street West  
Toronto M5H 3Z7**

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## SHAREHOLDER DIRECTION

**WHEREAS** Milton Hydro Holding Inc. (the “**Corporation**”) is a corporation existing under the *Business Corporations Act* (Ontario);

**AND WHEREAS** the Town of Milton (the “**Shareholder**”) is the beneficial owner of all of the issued shares of the Corporation;

**AND WHEREAS** the Corporation and the Subsidiaries (together, “**Milton Hydro**”) are the successors to the electricity business of Milton Hydro-Electric Commission (the “**Business**”);

**AND WHEREAS** the Business is subject to the provisions of the *Energy Competition Act, 1998*, S.O. c. 15, as such statute may be amended or re-enacted from time to time;

**AND WHEREAS** the Shareholder wishes to establish certain principles of governance relating to the Corporation without restricting the powers of the Board to manage or supervise the management of the Corporation, except as expressly provided for in this Direction;

**NOW THEREFORE THIS DIRECTION WITNESSES:**

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Direction, in addition to the terms defined in the recitals, the following terms will have the meanings set out below:

- (a) “**Board**” means the board of directors of the Corporation;
- (b) “**body corporate**” means a firm, partnership, unincorporated association, joint venture, body corporate, corporation, bank, trust, pension fund, union, governmental agency, board, tribunal, ministry or commission or other legal entity of any kind whatsoever, but excludes an individual or natural person;
- (c) “**Business Plan**” means a three-year business plan and budget for the Corporation and the Subsidiaries prepared and approved in accordance with **Section 6.1**;
- (d) “**Chair**” means the Director of the Corporation, elected annually as Chair of the Board by the Board; {Amended by By-law No. 018-2009}

- (e) **"Distribution Company"** means Milton Hydro Distribution Inc. any other Subsidiaries that carry on the business described in **Section 3.2** and that owns any distribution system, structures, equipment or property used for that purpose;
- (f) **"Financial Statements"** means, for any particular period, audited or unaudited (as stipulated in this Direction), consolidated or unconsolidated (as stipulated in this Direction), comparative financial statements of the Corporation consisting of not less than a balance sheet, a statement of income and retained earnings, a statement of changes in financial position, a report or opinion of the Auditor (in the case of audited Financial Statements) and such other statements, reports, notes and information prepared in accordance with generally accepted accounting principles (consistently applied) and as are required in accordance with any applicable law;
- (g) **"OBCA"** means the *Business Corporations Act* (Ontario), as such statute may be amended or re-enacted from time to time;
- (h) **"person"** includes an individual, a natural person or a body corporate;
- (i) **"Regulator"** means the Ontario Energy Board, the Independent Electricity Market Operator and each other governmental or regulatory authority having jurisdiction over Milton Hydro;
- (j) **"Subsidiary"** means, with respect to the Corporation, any body corporate of which more than 50% of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by the Corporation, and includes any body corporate in like relation to a Subsidiary;
- (k) **Subsidiaries** includes Milton Hydro Distribution Inc., Milton Hydro Services Inc., Milton Hydro Telecom Inc. and any other Subsidiary that may be incorporated or acquired from time to time; and
- (l) **"third party"** means a person who deals at arm's length (as interpreted by the *Income Tax Act* (Canada)) with the Corporation or the Subsidiaries;
- (m) **"Vice Chair"** means the Director of the Corporation, elected annually as Vice Chair of the Board, by the Board. {Amended by By-law No. 018-2009}

## **ARTICLE 2 OBJECTIVES AND PRINCIPLES**

### **2.1 Purpose**

The purpose of this Direction is to express the Shareholder's fundamental principles regarding the Business and to set out the Board's accountability and responsibility to, and relationship with, the Shareholder. Except as provided in Section 5.2, this Declaration is not intended to constitute a unanimous shareholder declaration under the OBCA or to formally restrict the exercise of the powers of the Board or the board of any subsidiary.

### **2.2 Shareholder Objectives**

The Shareholder's objective is that the Board supervise the management of Milton Hydro in a manner that:

- (a) operates Milton Hydro on a "for profit" basis;
- (b) takes due consideration of the financial objectives established by the Shareholder;
- (c) protects the investment of the Shareholder by managing the exposure of Milton Hydro to risks inherent to the Business through the development of a strategic planning process and risk management strategy;
- (d) provides the Shareholder with its desired rate of return on its investment;
- (e) provides adequate reporting to the Shareholder;
- (f) establishes and maintains appropriate financial and capital structures for the Corporation and the Subsidiaries giving due consideration to the rate of return permitted by the Ontario Energy Board;
- (g) provides energy services beneficial to energy consumers in the Town of Milton; and
- (h) provides energy services in an environmentally responsible manner.

### **2.3 Rates Charged by the Distribution Company**

- (a) The Board shall approve the rates chargeable to the customers of the Distribution Company which shall be subject to further review and approval by the Regulator.

## **ARTICLE 3 BUSINESS OF MILTON HYDRO**

### **3.1 Business of Milton Hydro**

Subject to the ongoing ability of Milton Hydro to meet the financial objectives of the Shareholder set out in this Direction and to **Section 3.2** and **Section 5.2**, the Corporation and its Subsidiaries other than the Distribution Company may, upon the due authorization of the Board, engage in any business activity permitted by law and by Milton Hydro's Regulators, including:

- (a) selling (i) through the Corporation, (ii) through a third party, (iii) through a Subsidiary, or through a combination of the foregoing, electricity to every person connected to the distribution system of the Distribution Company;
- (b) owning, operating or having an ownership interest in an electricity generation facility;
- (c) retailing electricity;
- (d) distributing or retailing gas or any other energy product which is carried through pipes or wires to the user;
- (e) business activities that develop or enhance the ability of Milton Hydro to carry on any of the activities contemplated by **subsections 3.1(c)** or **(d)** or **subsection 3.2(b)**;
- (f) business activities, the principal purpose of which is to use more effectively the assets of the distribution system of the Distribution Company, including meter installation and reading services, and billing services;
- (g) managing or operating a public utility or sewage services;
- (h) renting or selling hot water heaters;
- (i) providing services relating to improving energy efficiency; and
- (j) using the real property that Milton Hydro has the right to use for the purpose of providing telecommunications services, or entering into agreements with any third party, including Subsidiaries, authorizing such third party or Subsidiaries to use such real property for the purpose of providing telecommunications services.

### **3.2 Business of the Distribution Company**

For greater certainty, subject to **Section 5.2** the Distribution Company may engage only in the following business activities:

- (a) selling (i) directly, (ii) through a third party, (iii) through a Subsidiary, or (iv) through a combination of the foregoing, electricity to every person connected to the distribution system of the Distribution Company;
- (b) transmitting or distributing electricity;
- (c) business activities, the principal purpose of which is to use more effectively the assets of the distribution system of the Distribution Company, including meter installation and reading services, and billing and collection services;
- (d) using the real property that the Distribution Company has the right to use for the purpose of providing telecommunications services, or entering into agreements with any third party, including Subsidiaries, authorizing such third party or Subsidiaries to use such real property for the purpose of providing telecommunications services.

### **3.3 Geographical Scope**

The business activities of Milton Hydro shall be carried out within the Province of Ontario.

## **ARTICLE 4 OPERATION AND CONTROL**

### **4.1 Board of Directors and Responsibilities**

The Board of the Corporation shall consist of up to eight directors to be nominated by the Council of the Town of Milton, two of whom shall be members of the Council of the Town of Milton. Subject to any matters requiring approval of the Shareholder pursuant to this Direction, the Board will supervise the management of the business and affairs of the Corporation. The Board will govern itself in accordance with the standards of care set out in the OBCA. The Board will meet at least four times per year and preferably once each quarter. {Amended by By-law No. 018-2009}

### **4.2 Board of Directors of Subsidiaries**

Subject to any matters requiring approval of the Shareholder pursuant to this Direction, the business and affairs of the Subsidiaries will be managed or supervised by their respective boards of directors. The Corporation will elect the directors of the Subsidiaries in accordance with the provisions of the Ontario Energy Board's Affiliate Relationships Code for Electricity Distributors and Transmitters, as such code may be amended, supplemented or replaced from time to time. The board of directors of Milton Hydro Distribution Inc. shall consist of three directors, two of whom shall be members of the Board and one of whom shall not be a member of the Board. The board of directors

of Milton Hydro Services Inc. shall consist of three directors, all of whom shall be members of the Board. The board of directors of Milton Hydro Telecom Inc. shall consist of two directors, both of whom shall be members of the Board.

#### **4.3 Qualifications of Directors**

A majority of the Board and the board of directors of each Subsidiary will be residents of Canada. In electing directors to the Board, the Shareholder will give due regard to the qualifications of candidates and ensure that the Board cumulatively possesses qualifications that will contribute to the success of the Business, and each director shall have a reputation for personal honesty, integrity and common sense and possess some of the following:

- (a) experience with financial and business management;
- (b) background in government regulation and or regulated industries;
- (c) knowledge of the energy industry;
- (d) background in large systems operations and management;
- (e) experience with employee union relations and workplace health and safety;
- (f) knowledge of corporate governance;
- (g) experience with consumer relations; and
- (h) understanding of and familiarity with existing operations of Milton Hydro and/or the Town of Milton community.

#### **4.4 Vacancies**

The Town of Milton policy respecting citizen appointments to boards and committees shall apply as it relates to the appointment and recruitment of citizens to the Board. As such, all citizen appointments to vacancies on the Board shall be conducted by the Town of Milton under the Town's citizen committee appointment process. If a member of the board of directors of any Subsidiary ceases to be a director for any reason, the Corporation will cause the vacancy to be filled as soon as reasonably possible. {As amended by By-law No. 018-2009}

#### **4.5 Term**

- (a) The term of office for each director will be three years with the exception of the first directors elected to the Board. The term of office for a director who is a member of Town Council shall be his or her term on Council.

The directors will be appointed pursuant to section 4.4 of this Direction on a rotating basis with the two or three directors being appointed in each subsequent year. Any member of the Board, including a member of the first Board, may be re-appointed for additional three-year terms. The positions of Chair and Vice-Chair shall be elected annually by the Board and term limits for these positions be a maximum of three continual years. The terms of the first members of the Board will be as follows: {Amended by By-law 004-2007}

Name	Term
Director A	One Year
Director B	One Year
Director C	Two Years
Director D	Two Years
Director E	Three Years
Director F	Three Years
Director G (Town Council Representative)	Term of Appointing Council (Amended by By- law 004-2007)
Director H (Independent Director)	Three Years {Amended by By-law 96-2000}

Pursuant to section 4.1 of the Shareholder Direction, two members of the Council of the Town of Milton shall be appointed as members of the Board, and six additional directors shall be nominated by the Council of the Town of Milton.

(b) Notwithstanding subsection (a) above:

- (i) director positions that expired September, 2008 shall be subject to the reappointment process outlined in Section 4.4 of this Direction for the term commencing April 1, 2009 and expiring at the end of March, 2011;
- (ii) director positions expiring at the 2009 Annual General Meeting shall be subject to the reappointment process outlined in Section 4.4 of this Direction for the term commencing April 1, 2009 with two terms to expire at the end of March, 2012 and one of the terms to expire at the end of March, 2010;

- (iii) the director position expiring at the 2010 Annual General Meeting shall expire at the end of March, 2010, and shall be subject to the reappointment process outlined in section 4.4 of this Direction;  
{Amended by By-law No. 018-2009}

#### **4.6 Conflict of Interest Policy**

The directors and officers of the Corporation and the Subsidiaries will strictly abide by the requirements of the OBCA and the Corporation in respect of conflicts of interest, including any requirements in respect of disclosure and abstention from voting.

#### **4.7 Confidentiality**

The Shareholder and the directors and officers of the Corporation and the Subsidiaries (each a "**Receiving Party**") will ensure that no confidential information of the Shareholder or Milton Hydro is disclosed or otherwise made available to any person, except to the extent that:

- (a) disclosure to a Receiving Party's employees or agents is necessary for the performance of any Receiving Party's duties and obligations under this Direction;
- (b) disclosure is required in the course of judicial proceedings or pursuant to law; or
- (c) the confidential information becomes part of the public domain (other than through unauthorized disclosure by the Receiving Party).

#### **4.8 Remuneration**

The remuneration of the members of the Board for their respective services as directors of the Corporation will be as determined by the Shareholder from time to time. Initially, each director of the Corporation and a Subsidiary will be paid \$5,000 per annum for his or her services, plus \$400 for each meeting of the Board or board of directors of a Subsidiary attended. Directors of the Subsidiaries who are also members of the Board will not receive an annual fee, in addition to the annual fee received for being a member of the Board, for being a member of the board of directors of the Subsidiary. The Chair will be paid \$7,500 per annum for his or her services, plus \$400 for each meeting of the Board attended. Effective January 1, 2009, the base and meeting allowance compensation for members of the Board shall be increased annually to be consistent with Town of Milton Councillors' salary adjustments.  
{Amended by By-law No. 018-2009}

## **ARTICLE 5 SHAREHOLDER MATTERS**

### **5.1 Decisions of the Shareholder**

The following will apply to any approvals or decisions that the Shareholder must provide:

- (a) approvals and decisions will be subject to duly passed resolution of Town of Milton Council and shall be evidenced in writing by the Town of Milton's Town Clerk, or as otherwise determined by the Shareholder; and
- (b) no approval will be given unless the Corporation has given reasonable advance notice in writing of the need for approval and has provided such information as is reasonably necessary for the Shareholder to make an informed decision regarding the subject matter requiring approval.

### **5.2 Matters Requiring Shareholder Approval**

Neither the Corporation nor any Subsidiary will, without the approval of the Shareholder:

- (a) amend its articles or make, amend or repeal any by-law;
- (b) issue, or enter into any agreement to issue, any shares of any class, or any securities convertible into any shares of any class;
- (c) redeem, purchase for cancellation or otherwise retire any of its outstanding shares;
- (d) sell or otherwise dispose of, by conveyance, transfer, lease, sale and leaseback, or other transaction, all or substantially all of its assets or undertaking;
- (e) amalgamate (except for amalgamation with one or more Subsidiaries), apply to continue as a body corporate under the laws of another jurisdiction, merge, consolidate or reorganize, or approve or effect any plan of arrangement, in each case whether statutory or otherwise;
- (f) appointing the Auditor;
- (g) make any change to the number of directors comprising the Board;
- (h) engage or participate in energy retailing activities;

- (i) establish any requirement for capital contributions by the Shareholder or any property developer;
- (j) borrow money or provide any financial assistance to any Subsidiary (whether by guarantee or otherwise) in the amount exceeding \$5,000,000 or grant a security interest in or otherwise encumber its assets;
- (k) enter into strategic business alliances, partnerships, joint ventures or arrangement for the sharing of profits with any person that would require capital contributions exceeding \$1,000,000;
- (l) incorporate any Subsidiary;
- (m) change the remuneration of members of the Board or the board of directors of any Subsidiary;
- (n) acquire all or substantially all of the assets, undertaking or securities of a distributor (as defined in the *Electricity Act, 1998*);
- (o) invest funds in publicly-traded securities other than government bonds, guaranteed investment certificates or other short-term debt instruments;
- (p) assume any financial obligation which would increase the debt/equity ratio of the Corporation and the Subsidiaries on a consolidated basis above the ratio of 50:50;
- (q) take or institute proceedings for any winding-up, arrangement, reorganization or dissolution;
- (r) create new classes of shares or reorganize, consolidate, subdivide or otherwise change its outstanding securities;
- (s) enter into any transaction or take any action that requires shareholder approval pursuant to the OBCA;
- (t) provide any financial assistance, whether by guarantee or otherwise, to any person not dealing at arm's length to it, or any of its directors or officers;
- (u) enter into gas or electricity trading arrangements or derivative strategies;
- (v) make any capital expenditure in an amount exceeding \$1,000,000 except expenditures that are included in the current Business Plan; or

- (w) make any decision that would materially adversely affect the tax or regulatory status of the Corporation or any Subsidiary.

## **ARTICLE 6 REPORTING**

### **6.1 Business Plan**

Not later than 45 days prior to the end of each fiscal year, the Board will approve and submit to the Chief Administrative Officer and the Chief Financial Officer of the Shareholder a business plan for the next three fiscal years which shall include the business plans for each of the Subsidiaries for the next three fiscal years (the "**Business Plan**"). The Business Plan will be prepared on a consistent basis with the Business Plan then in effect. The Corporation will carry on its business and operations in accordance with the Business Plan which will include, in respect of the period covered by such plan:

- (a) the strategic direction and any new business initiatives which Milton Hydro will undertake;
- (b) an operating and capital expenditure budget for the next fiscal year and an operating and capital expenditure projection for each fiscal year thereafter, including the resources necessary to implement the Business Plan;
- (c) pro forma unconsolidated Financial Statements for each fiscal year, including projected dividend payments to the Shareholder;
- (d) an acquisition budget setting forth the nature and type of capital expenditures proposed to be made in the following fiscal year, supported by explanations, notes and information upon which the budget was based;
- (e) energy conservation programs and environmental plans; and
- (f) any material variances from the Business Plan then in effect.

### **6.2 Quarterly Reports**

Within 60 days after the end of each fiscal quarter, the Board will prepare (on a consistent basis with the previous fiscal quarter) and submit to the Chief Administrative Officer of the Shareholder a quarterly report. The quarterly report will include, in respect of the immediately preceding fiscal quarter:

- (a) quarterly unaudited consolidated Financial Statements;

- (b) such explanations, notes and information as is required to explain and account for any material variances between the actual results from operations and the budgeted amounts set forth in the current Business Plan;
- (c) information that is likely to materially affect the Shareholder's financial objectives or energy policies or customers' perceptions or opinions regarding Milton Hydro;
- (d) information regarding any matter, occurrence or other event which is a material breach or violation of any law; and
- (e) any such additional information as the Shareholder may specify from time to time.

### **6.3 Access to Records**

The duly appointed representatives of the Shareholder as designated by the Chief Administrative Officer or the Director of Corporate Services and Treasurer of the Town of Milton shall have unrestricted access to the books and records of the Corporation and the Subsidiaries during normal business hours. Such representatives shall treat all information of Milton Hydro with the same level of care and confidentiality as any confidential information of the Shareholder.

### **6.4 Audit**

The Corporation's consolidated and unconsolidated Financial Statements will be audited annually. The auditor of the Corporation (the "**Auditor**") will be appointed by the Shareholder. The Treasurer of the Town of Milton, or his or her designate, shall be a member of the Board's Audit Committee. {Amended by By-law No. 018-2009}

### **6.5 Accounting**

The Corporation will, in consultation with the Auditor, adopt and use the accounting policies and procedures which may be approved by the Board from time to time and all such policies and procedures will be in accordance with generally accepted accounting principles and applicable regulatory requirements.

### **6.6 Annual Financial Statements**

The Board will cause the Auditor to deliver, as soon as practicable and in any event within 90 days after the end of each fiscal year, the audited consolidated Financial Statements of the Corporation for consideration by the Shareholder.

**6.7 Annual General Meeting {Amended by By-law 31-2003}**

- (a) That Milton Hydro schedule an Annual General Meeting in co-operation with the Chief Administrative Officer for the Town of Milton within 30 days of the completion of the audited year end financial statements.
- (b) That the Annual General Meeting be held in accordance with the requirements of the *Business Corporations Act* and that invitations be extended to the Shareholders of Milton Hydro (Town Council), the Milton Hydro Board of Directors, The Chief Administrative Officer and the Director of Corporate Services for the Town of Milton.
- (c) That the Agenda of the Annual General Meeting include the following:
  - (i) Receipt of the report from the Chair and/or President of Milton Hydro on the activities of the corporation and its subsidiaries;
  - (ii) Consideration and approval of the annual audited financial statements;
  - (iii) Appointment of directors;
  - (iv) Appointment of auditor;
  - (v) Approval of Annual Report for public distribution to accompany the financial statements and a plan for its distribution; and
  - (vi) Any other items as requested by the "shareholder".

**ARTICLE 7  
FINANCIAL PERFORMANCE**

**7.1 Financial Performance**

The Board will use its best efforts to ensure that Milton Hydro meets the financial performance standards set out in this **Article 7**.

**7.2 Credit Rating**

The Distribution Company shall maintain a financial structure that will achieve a rating of no less than A- as defined by CBRS Inc.

**7.3 Dividend Policy**

Subject to any law, the Board shall declare dividends consistent with the financial performance objectives established by the shareholder from time to time.

#### **7.4 Operations Policy**

Milton Hydro will:

- (a) employ the most efficient cost structure available for like businesses;
- (b) mandate the creation and implementation of cost reduction programs to ensure that distribution costs are minimized; and
- (c) maximize the return on the Shareholder's equity by achieving the maximum allowable rate of return permitted by the Regulator within the guidelines set out under Section 2.3.

### **ARTICLE 8 AMENDMENTS**

#### **8.1 Amendments**

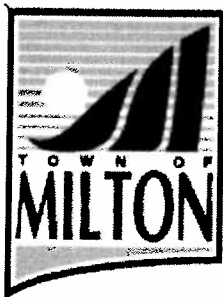
This Direction may be amended solely at the discretion of the Shareholder. The Shareholder will provide prior written notice to the Board of any proposed amendments to this Direction.

**DATED** at Milton as of this 30<sup>th</sup> day of September, 2000

#### **TOWN OF MILTON**

Per: "G.A. Krantz"  
Mayor

Per: "H. Lisi"  
Clerk



**Town of Milton**  
150 Mary Street  
Milton, Ontario  
L9T 6Z5

Phone 905-878-7252  
Fax 905-878-6995  
www.milton.ca

April 9, 2010

Milton Hydro Distribution Inc.  
55 Thompson Road  
Milton ON  
L9T 6P7

ATT: Mary-Jo Corkum CA  
Vice President, Finance

Dear Mary-Jo,

RE: Borrowing Limit Amendment – Staff Report CORS-021-10

Please be advised that the Administration and Planning Standing Committee, at their meeting held on March 22, 2010, considered the aforementioned topic and the following recommendation was made and ratified by Milton Council at their meeting held on March 29, 2010:

**THAT the Council resolution of September 28, 2009 outlined in staff report CORS-081-09 regarding an increase in the borrowing limit for Milton Hydro from \$8,000,000 to \$22,252,257 be amended by adding "And that Milton Hydro Distribution Inc. provide such security and execute such documentation as may be required to complete such financing."**

Please accept a certified copy of Staff Report Disposition Sheet showing the amended recommendation, for your records.

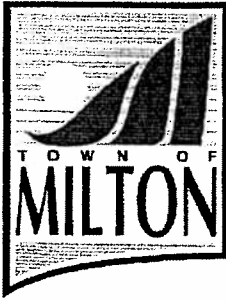
Yours very truly,

Shelly van Empel  
Legislative Administrator  
Executive Services Dept.

/sve

This is Exhibit "D" to the Affidavit of Mary-Jo  
Corkum sworn before me this 9th, day of July, 2010.

  
A Commissioner, etc.



## THE TOWN OF MILTON STAFF REPORT DISPOSITION SHEET

Report Number: CORS-021-10

Report Date:

Feb. 25, 2010

Author(s): Linda Leeds

Date to Council/Cte:

AP – Mar. 22/10

THAT the Council resolution of September 28, 2009 outlined in staff report CORS-081-09 regarding an increase in the borrowing limit for Milton Hydro from \$8,000,000 to \$22,252,257 be amended by adding **"And that Milton Hydro Distribution Inc. provide such security and execute such documentation as may be required to complete such financing."**

**\*\*The bolded portion represents the change to Report CORS-081-09\*\***

Certified a true copy  
Dated at the Town of Milton  
this 9<sup>th</sup> day of APR, 2010.  
.....[Signature].....  
Deputy Clerk

## EXHIBIT 6 – CALCULATION OF REVENUE SUFFICIENCY/DEFICIENCY

### INDEX

OVERVIEW .....	1
Revenue Requirement: .....	1
Table 1 - Calculation of Revenue Deficiency .....	2
Summary of Drivers – 2010 Bridge Year to 2011 Test Year .....	3
APPENDIX A – 2011 REVENUE REQUIREMENT WORKFORM	

1    **OVERVIEW**

2    The information in this Exhibit supports Milton Hydro's request in this Application for an increase  
3    in its revenue requirement to supports its proposed capital and operating budgets for 2011;  
4    service its debt; pay its deemed PILs; and earn its allowed ROE.

5    Milton Hydro's has determined that its Revenue Deficiency for the 2011 Test Year is  
6    \$1,690,053. The detailed calculation of Milton Hydro's revenue deficiency is set out in Table 1  
7    and provides the calculations for the 2011 Test Year at Existing 2010 Approved rates and the  
8    2011 Test Year Revenue Requirement. Milton Hydro's revenue deficiency calculation does not  
9    include the following, which are discussed elsewhere in this Application and are treated either  
10    as recoveries of regulatory assets or liabilities on the balance sheet, or as energy related costs  
11    recorded in the OEB prescribed Retail Settlement Variance Accounts:

- 12        • Recovery of Deferral and Variance Account balances;
- 13        • Other electricity charges which include the electricity commodity, provincial benefit,  
14            transmission charges, wholesale market charges and special purpose charge.

15    **Revenue Requirement:**

16    Milton Hydro's revenue requirement is comprised of the following components:

- 17        • Operation, Maintenance, and Administration Expense
- 18        • Amortization Expense
- 19        • PILs and Income Tax, and
- 20        • Return on Rate Base (Debt Interest Expense + Return on Equity)

21    Milton Hydro derives its service revenue requirement primarily through distribution rates  
22    charged to customers. Other revenues are received from approved specific service charges;  
23    rent from electric property; late payment charges; interest; and other miscellaneous sources.  
24    These other revenues, described in detail in Exhibit 3, are treated as offsets against Milton  
25    Hydro's service revenue requirement to calculate the base revenue requirement upon which  
26    class-specific distribution rates are calculated.

27    Milton Hydro has cross referenced Table XX – Calculation of Revenue Deficiency to the Exhibits  
28    in this Application that support Milton Hydro's revenue deficiency. Milton Hydro has included  
29    the OEB 2011 Revenue Requirement Workform as Appendix A to this Exhibit.

**Table 1 -  
Calculation of Revenue Deficiency**

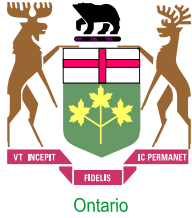
Description	2010 Bridge Year Actual	2011 Test Year Existing Rates	2011 Test Year Required Revenue	Reference
<b>Revenue</b>				
Revenue Deficiency			1,690,053	
Distribution Revenue includes Smart Meter Rev. Req.	13,536,171	11,918,130	11,918,130	Exhibit 8/Table 4
Other Operating Revenue (Net)	1,304,407	1,453,649	1,453,649	Exhibit 3/Table 29
<b>Total Revenue</b>	<b>14,840,578</b>	<b>13,371,779</b>	<b>15,061,832</b>	
<b>Costs and Expenses</b>				
Administrative & General, Billing & Collecting	4,081,901	4,403,240	4,403,240	Exhibit 4/Table 7 - Detailed
Operation & Maintenance	2,166,850	2,111,739	2,111,739	Exhibit 4/Table 7 - Detailed
Depreciation & Amortization	3,953,062	3,616,371	3,616,371	Exhibit 4/Table 39
Property Taxes	0	0	0	
Capital Taxes	30,495	0	0	
Deemed Interest	1,776,105	1,857,124	1,857,124	Exhibit 5/Table 2
<b>Total Costs and Expenses</b>	<b>12,008,412</b>	<b>11,988,474</b>	<b>11,988,474</b>	
Less OCT Included Above	30,495	0	0	
<b>Total Costs and Expenses Net of OCT</b>	<b>12,038,907</b>	<b>11,988,474</b>	<b>11,988,474</b>	
<b>Utility Income Before Income Taxes</b>	<b>2,801,672</b>	<b>1,383,305</b>	<b>3,073,358</b>	
<b>Income Taxes:</b>				
Corporate Income Taxes	879,778	188,838	624,945	Exhibit 4/Table 41
<b>Total Income Taxes</b>	<b>879,778</b>	<b>188,838</b>	<b>624,945</b>	
<b>Utility Net Income</b>	<b>1,921,894</b>	<b>1,194,467</b>	<b>2,448,414</b>	
<b>Capital Tax Expense Calculation:</b>				
Total Rate Base	55,659,447	62,142,475	62,142,475	Exhibit 2/Table 1
Exemption	0	0	0	
Deemed Taxable Capital	<b>55,659,447</b>	<b>62,142,475</b>	<b>62,142,475</b>	
Ontario Capital Tax	30,495	0	0	
<b>Income Tax Expense Calculation:</b>				
Accounting Income	2,801,672	1,383,305	3,073,358	
Tax Adjustments to Accounting Income	230,924	-651,498	-651,498	Exhibit 4/Table 41
<b>Taxable Income</b>	<b>3,032,596</b>	<b>731,807</b>	<b>2,421,860</b>	
<b>Income Tax Expense</b>	<b>879,778</b>	<b>188,838</b>	<b>624,945</b>	
<b>Tax Rate Reflecting Tax Credits</b>	<b>29.01%</b>	<b>25.80%</b>	<b>25.80%</b>	
<b>Actual Return on Rate Base:</b>				
Rate Base	55,659,447	62,142,475	62,142,475	
Interest Expense	1,776,105	1,857,124	1,857,124	Exhibit 5/Table 2
Net Income	1,921,894	1,194,467	2,448,414	
<b>Total Actual Return on Rate Base</b>	<b>3,697,998</b>	<b>3,051,591</b>	<b>4,305,537</b>	
<b>Actual Return on Rate Base</b>	<b>6.64%</b>	<b>4.91%</b>	<b>6.93%</b>	Exhibit 5/Table 2
<b>Required Return on Rate Base:</b>				
Rate Base	55,659,447	62,142,475	62,142,475	
<b>Return Rates:</b>				
Return on Debt (Weighted)	5.32%	4.98%	4.98%	Exhibit 5/Table 2
Return on Equity	9.00%	9.85%	9.85%	
Deemed Interest Expense	1,776,105	1,857,124	1,857,124	Exhibit 5/Table 2
Return On Equity	2,003,740	2,448,414	2,448,414	Exhibit 5/Table 2
<b>Total Return</b>	<b>3,779,845</b>	<b>4,305,537</b>	<b>4,305,537</b>	
<b>Expected Return on Rate Base</b>	<b>6.79%</b>	<b>6.93%</b>	<b>6.93%</b>	
<b>Revenue Deficiency After Tax</b>	<b>81,847</b>	<b>1,253,946</b>	<b>0</b>	
<b>Revenue Deficiency Before Tax</b>	<b>115,294</b>	<b>1,690,053</b>	<b>0</b>	
<b>Tax Exhibit</b>			<b>2011</b>	
Deemed Utility Income			2,448,414	
Tax Adjustments to Accounting Income			(651,498)	
<b>Taxable Income prior to adjusting revenue to PILs</b>			<b>1,796,915</b>	
Tax Rate			25.80%	Exhibit 4/Table 41
Total PILs before gross up			<b>463,682</b>	
<b>Grossed up PILs</b>			<b>624,945</b>	

**Summary of Drivers – 2010 Bridge Year to 2011 Test Year**

The various key cost drivers are discussed in detail in Exhibit 4 – Operating Costs. The key cost drivers are as follows:

- Increase in Return on Rate Base due to growth related increases in capital investments.
- Increase due to the recognition of a full year wages for staffing hired in 2010 – two Protection and Control staff, a Director of Operations, an Engineering Technician, a Labourer, an apprentice Lineman and a Meter Supervisor.
- Three new employees to be hired in the 2011 Test Year – an Accounting Clerk, a Customer Service Representative and an apprentice Lineman.
- Increase in Regulatory costs for the preparation of this Application.
- Operating costs related to smart meters – meter reading upon disposition of the smart meter variance accounts 1555 and 1556.
- General union wage increases of 2.75% January 1<sup>st</sup> and 0.25% April 1<sup>st</sup> of each year and a \$0.25 per hour adjustment to the Lineman hourly rate January 1<sup>st</sup> of each year.
- General management wage increase of 3%.
- General increase in growth related costs such as postage and stationary.

## APPENDIX - 2011 REVENUE REQUIREMENT WORKFORM



## REVENUE REQUIREMENT WORK FORM

Name of LDC:  (1)  
 File Number:   
 Rate Year:  Version: 2.11

### Table of Content

<u>Sheet</u>	<u>Name</u>
A	<a href="#">Data Input Sheet</a>
1	<a href="#">Rate Base</a>
2	<a href="#">Utility Income</a>
3	<a href="#">Taxes/PILS</a>
4	<a href="#">Capitalization/Cost of Capital</a>
5	<a href="#">Revenue Sufficiency/Deficiency</a>
6	<a href="#">Revenue Requirement</a>
7A	<a href="#">Bill Impacts -Residential</a>
7B	<a href="#">Bill Impacts - GS &lt; 50 kW</a>

#### Notes:

- (1) Pale green cells represent inputs
- (2) Pale yellow cells represent drop=down lists
- (3) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (4) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.**

#### **Copyright**

*This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*



## REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137  
Rate Year: 2011

Data Input									
Initial Application		(7)				Per Board Decision			
<b>1 Rate Base</b>									
Gross Fixed Assets (average)	\$101,943,529			\$	101,943,529		\$101,943,529		
Accumulated Depreciation (average)	(\$50,054,695)	(5)		-\$	50,054,695		(\$50,054,695)		
<b>Allowance for Working Capital:</b>									
Controllable Expenses	\$6,514,979			\$	6,514,979		\$6,514,979		
Cost of Power	\$61,842,630			\$	61,842,630		\$61,842,630		
Working Capital Rate (%)	15.00%				15.00%		15.00%		
<b>2 Utility Income</b>									
<b>Operating Revenues:</b>									
Distribution Revenue at Current Rates	\$11,918,130								
Distribution Revenue at Proposed Rates	\$13,608,183								
<b>Other Revenue:</b>									
Specific Service Charges	\$36,869								
Late Payment Charges	\$156,670								
Other Distribution Revenue	\$1,215,110								
Other Income and Deductions	\$45,000								
<b>Operating Expenses:</b>									
OM+A Expenses	\$6,514,979			\$	6,514,979		\$6,514,979		
Depreciation/Amortization	\$3,616,371			\$	3,616,371		\$3,616,371		
Property taxes									
<b>Capital taxes</b>									
Other expenses									
<b>3 Taxes/PILs</b>									
<b>Taxable Income:</b>									
Adjustments required to arrive at taxable income	(\$651,498)	(3)							
<b>Utility Income Taxes and Rates:</b>									
Income taxes (not grossed up)	\$448,398								
Income taxes (grossed up)	\$624,945								
Capital Taxes		(6)					(6)		
Federal tax (%)	16.50%								
Provincial tax (%)	11.75%								
Income Tax Credits	(\$59,231)								
<b>4 Capitalization/Cost of Capital</b>									
<b>Capital Structure:</b>									
Long-term debt Capitalization Ratio (%)	56.0%								
Short-term debt Capitalization Ratio (%)	4.0%	(2)			(2)		(2)		
Common Equity Capitalization Ratio (%)	40.0%								
Preferred Shares Capitalization Ratio (%)									
	100.0%								
<b>Cost of Capital</b>									
Long-term debt Cost Rate (%)	5.19%								
Short-term debt Cost Rate (%)	2.07%								
Common Equity Cost Rate (%)	9.85%								
Preferred Shares Cost Rate (%)									

### Notes:

Data inputs are required on on this Sheet A. Data Input Sheet, and on Sheets 7A and 7B, for Bill Impacts. Data on this input sheet complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to

(1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)

(2) 4.0% unless an Applicant has proposed or been approved for another amount.

(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Not applicable as of July 1, 2010

(7) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.



## REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.

File Number: EB-2010-0137

Rate Year: 2011

Rate Base									
Line No.	Particulars	Initial Application							Per Board Decision
1	Gross Fixed Assets (average) (3)	\$101,943,529		\$ -		\$101,943,529		\$ -	\$101,943,529
2	Accumulated Depreciation (average) (3)	(\$50,054,695)		\$ -		(\$50,054,695)		\$ -	(\$50,054,695)
3	Net Fixed Assets (average) (3)	\$51,888,834		\$ -		\$51,888,834		\$ -	\$51,888,834
4	Allowance for Working Capital (1)	\$10,253,641		\$ -		\$10,253,641		\$ -	\$10,253,641
5	<b>Total Rate Base</b>	<b>\$62,142,475</b>		<b>\$ -</b>		<b>\$62,142,475</b>		<b>\$ -</b>	<b>\$62,142,475</b>

(1) Allowance for Working Capital - Derivation									
6	Controllable Expenses	\$6,514,979		\$ -		\$6,514,979		\$ -	\$6,514,979
7	Cost of Power	\$61,842,630		\$ -		\$61,842,630		\$ -	\$61,842,630
8	Working Capital Base	\$68,357,609		\$ -		\$68,357,609		\$ -	\$68,357,609
9	Working Capital Rate % (2)	15.00%		0.00%		15.00%		0.00%	15.00%
10	Working Capital Allowance	\$10,253,641		\$ -		\$10,253,641		\$ -	\$10,253,641

### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137  
Rate Year: 2011

Version: 2.11

Utility income					
Line No.	Particulars	Initial Application			Per Board Decision
<b>Operating Revenues:</b>					
1	Distribution Revenue (at Proposed Rates)	\$13,608,183	(\$13,608,183)	\$ -	\$ -
2	Other Revenue (1)	\$1,453,649	(\$1,453,649)	\$ -	\$ -
3	Total Operating Revenues	\$15,061,832	(\$15,061,832)	\$ -	\$ -
<b>Operating Expenses:</b>					
4	OM+A Expenses	\$6,514,979	\$ -	\$6,514,979	\$6,514,979
5	Depreciation/Amortization	\$3,616,371	\$ -	\$3,616,371	\$3,616,371
6	Property taxes	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$10,131,350	\$ -	\$10,131,350	\$10,131,350
10	Deemed Interest Expense	\$1,857,124	(\$1,857,124)	\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$11,988,474	(\$1,857,124)	\$10,131,350	\$10,131,350
12	Utility income before income taxes	\$3,073,358	(\$13,204,709)	(\$10,131,350)	(\$10,131,350)
13	Income taxes (grossed-up)	\$624,945	\$ -	\$624,945	\$624,945
14	Utility net income	\$2,448,414	(\$13,204,709)	(\$10,756,295)	(\$10,756,295)

### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>				
	Specific Service Charges	\$36,869	\$ -	\$ -	\$ -
	Late Payment Charges	\$156,670	\$ -	\$ -	\$ -
	Other Distribution Revenue	\$1,215,110	\$ -	\$ -	\$ -
	Other Income and Deductions	\$45,000	\$ -	\$ -	\$ -
	Total Revenue Offsets	\$1,453,649	\$ -	\$ -	\$ -



## REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.  
 File Number: EB-2010-0137  
 Rate Year: 2011

### Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$2,448,414		\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$651,498)		\$ -	(\$651,498)
3	Taxable income	<u>\$1,796,915</u>		<u>\$ -</u>	<u>(\$651,498)</u>
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$448,398		\$448,398	\$448,398
5	Capital taxes	\$ - (1)		\$ - (1)	\$ - (1)
6	Total taxes	<u>\$448,398</u>		<u>\$448,398</u>	<u>\$448,398</u>
7	Gross-up of Income Taxes	<u>\$176,547</u>		<u>\$176,547</u>	<u>\$176,547</u>
8	Grossed-up Income Taxes	<u>\$624,945</u>		<u>\$624,945</u>	<u>\$624,945</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$624,945</u>		<u>\$624,945</u>	<u>\$624,945</u>
10	Other tax Credits	(\$59,231)		(\$59,231)	(\$59,231)
<u>Tax Rates</u>					
11	Federal tax (%)	16.50%		16.50%	16.50%
12	Provincial tax (%)	<u>11.75%</u>		<u>11.75%</u>	<u>11.75%</u>
13	Total tax rate (%)	<u>28.25%</u>		<u>28.25%</u>	<u>28.25%</u>

### Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)



## REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.

File Number: EB-2010-0137

Rate Year: 2011

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$34,799,786	5.19%	\$1,805,670
2	Short-term Debt	4.00%	\$2,485,699	2.07%	\$51,454
3	Total Debt	60.00%	\$37,285,485	4.98%	\$1,857,124
	Equity				
4	Common Equity	40.00%	\$24,856,990	9.85%	\$2,448,414
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$24,856,990	9.85%	\$2,448,414
7	Total	100.00%	\$62,142,475	6.93%	\$4,305,537

		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$62,142,475	0.00%	\$ -

Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	5.19%	\$ -
9	Short-term Debt	0.00%	\$ -	2.07%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	9.85%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$62,142,475	0.00%	\$ -

#### Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



**REVENUE REQUIREMENT WORK FORM**  
 Name of LDC: Milton Hydro Distribution Inc.  
 File Number: EB-2010-0137  
 Rate Year: 2011

Version: 2.11

Revenue Sufficiency/Deficiency							
Line No.	Particulars	Initial Application		Per Board Decision		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,690,053		(\$2,125,845)		\$10,131,350
2	Distribution Revenue	\$11,918,130	\$11,918,131	\$11,918,130	\$15,734,029	\$ -	(\$10,131,350)
3	Other Operating Revenue	\$1,453,649	\$1,453,649	\$ -	\$ -	\$ -	\$ -
4	Offsets - net						
4	<b>Total Revenue</b>	<b>\$13,371,779</b>	<b>\$15,061,832</b>	<b>\$11,918,130</b>	<b>\$13,608,183</b>	<b>\$ -</b>	<b>\$ -</b>
5	Operating Expenses	\$10,131,350	\$10,131,350	\$10,131,350	\$10,131,350	\$10,131,350	\$10,131,350
6	Deemed Interest Expense	\$1,857,124	\$1,857,124	\$ -	\$ -	\$ -	\$ -
	<b>Total Cost and Expenses</b>	<b>\$11,988,474</b>	<b>\$11,988,474</b>	<b>\$10,131,350</b>	<b>\$10,131,350</b>	<b>\$10,131,350</b>	<b>\$10,131,350</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$1,383,305</b>	<b>\$3,073,358</b>	<b>\$1,786,780</b>	<b>\$3,476,833</b>	<b>(\$10,131,350)</b>	<b>(\$10,131,350)</b>
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$651,498)	(\$651,498)	(\$651,498)	(\$651,498)	\$ -	\$ -
9	<b>Taxable Income</b>	<b>\$731,807</b>	<b>\$2,421,860</b>	<b>\$1,135,282</b>	<b>\$2,825,335</b>	<b>(\$10,131,350)</b>	<b>(\$10,131,350)</b>
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%	28.25%	28.25%
11	<b>Income Tax on Taxable Income</b>	<b>\$206,735</b>	<b>\$684,175</b>	<b>\$320,717</b>	<b>\$798,157</b>	<b>(\$2,862,106)</b>	<b>(\$2,862,106)</b>
12	<b>Income Tax Credits</b>	<b>(\$59,231)</b>	<b>(\$59,231)</b>	<b>(\$59,231)</b>	<b>(\$59,231)</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>\$1,235,801</b>	<b>\$2,448,414</b>	<b>\$1,525,294</b>	<b>(\$10,756,295)</b>	<b>(\$7,269,244)</b>	<b>(\$10,756,295)</b>
14	<b>Utility Rate Base</b>	<b>\$62,142,475</b>	<b>\$62,142,475</b>	<b>\$62,142,475</b>	<b>\$62,142,475</b>	<b>\$62,142,475</b>	<b>\$62,142,475</b>
	Deemed Equity Portion of Rate Base	\$24,856,990	\$24,856,990	\$ -	\$ -	\$ -	\$ -
15	Income/Equity Rate Base (%)	4.97%	9.85%	0.00%	0.00%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.85%	9.85%	0.00%	0.00%	0.00%	0.00%
17	Sufficiency/Deficiency in Return on Equity	-4.88%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	4.98%	6.93%	2.45%	0.00%	-11.70%	0.00%
19	Requested Rate of Return on Rate Base	6.93%	6.93%	0.00%	0.00%	0.00%	0.00%
20	Sufficiency/Deficiency in Rate of Return	-1.95%	0.00%	2.45%	0.00%	-11.70%	0.00%
21	Target Return on Equity	\$2,448,414	\$2,448,414	\$ -	\$ -	\$ -	\$ -
22	Revenue Deficiency/(Sufficiency)	\$1,212,613	\$0	(\$1,525,294)	\$ -	\$7,269,244	\$ -
23	<b>Gross Revenue</b>	<b>\$1,690,053 (1)</b>		<b>(\$2,125,845) (1)</b>		<b>\$10,131,350 (1)</b>	
	<b>Deficiency/(Sufficiency)</b>						

**Notes:**

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



## REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.  
 File Number: EB-2010-0137  
 Rate Year: 2011

### Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$6,514,979		\$6,514,979	
2	Amortization/Depreciation	\$3,616,371		\$3,616,371	
3	Property Taxes	\$ -		\$ -	
4	Capital Taxes	\$ -		\$ -	
5	Income Taxes (Grossed up)	\$624,945		\$624,945	
6	Other Expenses	\$ -		\$ -	
7	Return				
	Deemed Interest Expense	\$1,857,124		\$ -	
	Return on Deemed Equity	\$2,448,414		\$ -	
8	Distribution Revenue Requirement before Revenues	<u>\$15,061,832</u>		<u>\$10,756,295</u>	
9	Distribution revenue	\$13,608,183		\$ -	
10	Other revenue	<u>\$1,453,649</u>		<u>\$ -</u>	
11	<b>Total revenue</b>	<u>\$15,061,832</u>		<u>\$ -</u>	
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$0</u>	(1)	<u>(\$10,756,295)</u>	(1)

#### Notes

(1) Line 11 - Line 8



## REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.

File Number: EB-2010-0137

Rate Year: 2011

### Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 13.7100	1	\$ 13.71	\$ 15.3600	1	\$ 15.36	\$ 1.65	12.04%
2 Smart Meter Rate Adder	monthly	\$ 2.1600	1	\$ 2.16	-\$ 0.4319	1	-\$ 0.43	-\$ 2.59	-120.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0128	800	\$ 10.24	\$ 0.0143	800	\$ 11.44	\$ 1.20	11.72%
6 Low Voltage Rate Adder	per kWh	\$ 0.0003	800	\$ 0.24	\$ 0.0002	800	\$ 0.16	-\$ 0.08	-33.33%
7 Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider			800	\$ -		800	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0039	800	-\$ 3.12	-\$ 0.0007	800	-\$ 0.53	\$ 2.59	-82.88%
12				\$ -			\$ -	\$ -	
13				\$ -			\$ -	\$ -	
14				\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 23.23			\$ 25.99	\$ 2.76	11.90%
17 RTSR - Network	per kWh	\$ 0.0059	828.08	\$ 4.89	\$ 0.0055	828.953	\$ 4.55	-\$ 0.34	-6.95%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	828.08	\$ 3.89	\$ 0.0046	828.953	\$ 3.85	-\$ 0.04	-1.15%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 32.01			\$ 34.39	\$ 2.38	7.43%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	828.08	\$ 4.31	\$ 0.0052	828.953	\$ 4.31	\$ 0.00	0.11%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	828.08	\$ 1.08	\$ 0.0013	828.953	\$ 1.08	\$ 0.00	0.11%
22 Special Purpose Charge	per kWh	\$ 0.0004	828.08	\$ 0.31	\$ 0.0004	828.953	\$ 0.31	\$ 0.00	0.11%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	828.08	\$ 5.80	\$ 0.0070	828.953	\$ 5.80	\$ 0.01	0.11%
25 Energy		\$ -	828.08	\$ -	\$ -	828.953	\$ -	\$ -	
26 Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
27 Energy Second Block	per kWh	\$ 0.0750	228.08	\$ 17.11	\$ 0.0750	228.953	\$ 17.17	\$ 0.07	0.38%
28 Total Bill (before Taxes)				\$ 99.85			\$ 102.31	\$ 2.46	2.46%
29 HST		13%		\$ 12.98	13%		\$ 13.30	\$ 0.32	2.46%
30 Total Bill (including Sub-total B)				\$ 112.83			\$ 115.61	\$ 2.78	2.46%
31 Loss Factor (%)	Note 1		3.51%			3.62%			

#### Notes:

Note 1: Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



# REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137  
Rate Year: 2011

## General Service < 50 kW

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 14.7000	1	\$ 14.70	\$ 16.7800	1	\$ 16.78	\$ 2.08	14.15%
2 Smart Meter Rate Adder	monthly	\$ 2.1600	1	\$ 2.16	-\$ 0.4319	1	-\$ 0.43	-\$ 2.59	-120.00%
3 Service Charge Rate Adder(s)		\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
4 Service Charge Rate Rider(s)		\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0156	2000	\$ 31.20	\$ 0.0178	2000	\$ 35.60	\$ 4.40	14.10%
6 Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0002	2000	\$ 0.40	\$ -	0.00%
7 Volumetric Rate Adder(s)		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
9 Smart Meter Disposition Rider		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
10 LRAM & SSM Rider		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0037	2000	-\$ 7.40	-\$ 0.0008	2000	-\$ 1.53	\$ 5.87	-79.31%
12		\$ -		\$ -	\$ -		\$ -	\$ -	
13		\$ -		\$ -	\$ -		\$ -	\$ -	
14		\$ -		\$ -	\$ -		\$ -	\$ -	
15		\$ -		\$ -	\$ -		\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 41.06			\$ 50.82	\$ 9.76	23.76%
17 RTSR - Network	per kWh	\$ 0.0054	2070.2	\$ 11.18	\$ 0.0050	2072.38	\$ 10.40	-\$ 0.78	-6.95%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	2070.2	\$ 8.69	\$ 0.0041	2072.38	\$ 8.59	-\$ 0.10	-1.15%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 60.93			\$ 69.81	\$ 8.88	14.57%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2070.2	\$ 10.77	\$ 0.0052	2072.38	\$ 10.78	\$ 0.01	0.11%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2070.2	\$ 2.69	\$ 0.0013	2072.38	\$ 2.69	\$ 0.00	0.11%
22 Special Purpose Charge	per kWh	\$ 0.0004	2070.2	\$ 0.77	\$ 0.0004	2072.38	\$ 0.77	\$ 0.00	0.11%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2070.2	\$ 14.49	\$ 0.0070	2072.38	\$ 14.51	\$ 0.02	0.11%
25 Energy		\$ -	2070.2	\$ -	\$ -	2072.38	\$ -	\$ -	
26 First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
27 Second Block	per kWh	\$ 0.0750	1470.2	\$ 110.27	\$ 0.0750	1472.38	\$ 110.43	\$ 0.16	0.15%
28 Total Bill (before Taxes)				\$ 239.17			\$ 248.24	\$ 9.07	3.79%
29 HST		13%		\$ 31.09	13%		\$ 32.27	\$ 1.18	3.79%
30 Total Bill (including Sub-total B)				\$ 270.26			\$ 280.51	\$ 10.25	3.79%
31 Loss Factor	Note 1		3.51%				3.62%		

### Notes:

Note 1: See Note 1 from Sheet 1A. Bill Impacts - Residential

## EXHIBIT 7 – COST ALLOCATION

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## APPENDIX A – 2011 TEST YEAR COST ALLOCATION STUDY

## COST ALLOCATION OVERVIEW

On September 15, 2006, the OEB issued its directions on Cost Allocation Methodology for Electricity Distributors (the “Directions”). On November 15, 2006, the Board issued the Cost Allocation Informational Filing Guidelines for Electricity Distributors (“the Guidelines”), the Cost Allocation Model (the “Model”) and User Instructions (the “Instructions”) for the Model. Milton Hydro prepared a cost allocation informational filing consistent with the Directions, the Guidelines, the Model and the Instructions. Milton Hydro submitted this filing to the OEB on January 15, 2007.

One of the main objectives of the filing was to provide information on any apparent cross-subsidization among a distributor’s rate classifications. It was felt that this would give an indication of cross-subsidization from one class to another and this information would be useful as a tool in future rate applications.

For the purpose of this Application, Milton Hydro has updated the Board-approved Cost Allocation Model, previously filed with the OEB, to reflect 2011 Test Year costs, customer counts and 2011 Test Year customer class weather normalized forecasted data for the Residential, General Service <50 KW, General Service >50 – 999 kW and the non-weather normalized forecasted data for the remaining classes. Milton Hydro has also removed the “cost” and “revenue” associated with transformer ownership allowance from the updated cost allocation study.

## SUMMARY OF RESULTS

The data used in the 2011 Test Year Cost Allocation Model is consistent with Milton Hydro’s cost data that supported its 2006 OEB-approved distribution rates. Consistent with the Guidelines, Milton Hydro’s assets, based on the 2011 Test Year forecast, were broken out into primary and secondary distribution functions using the same breakout percentages as in the original cost allocation informational filing. The breakout of assets, capital contributions, depreciation, accumulated depreciation, customer data and load data by primary, line transformer and secondary categories were developed from the best data available to Milton Hydro, its engineering records, and its customer and financial information systems at the time of

filing the 2006 cost allocation informational filing. The updated 2011 Test Year Cost Allocation Model is included in this Exhibit as Appendix A.

Capital contributions, depreciation and accumulated depreciation by USoA is consistent with the information provided in the 2011 Test Year continuity statement shown in Exhibit 2. The rate class customer data used in the updated cost allocation study is consistent with the 2011 Test Year customer forecast provided in Exhibit 3.

Milton Hydro has updated the appropriate sections of the Model with its 2011 Test Year data for the Trial Balance, Target Net Income, PILs, Interest, Specific Service Charges, Revenue Requirement and Rate Base. In addition, Milton Hydro updated the miscellaneous data for kilometers of roads with distribution lines, 2010 OEB-approved fixed distribution rates and smart meter adder. Customer data has been updated to Milton Hydro's 2011 Test Year load forecast, Billing, Bad Debts, Late Payment, Meter Capital and Meter Readings.

The load profiles for each class are the same as used in the original informational filing provided by Hydro One but have been scaled to match the 2011 load forecast. The following Table 1 outlines the 2011 test year load forecast scaling factors used by rate class.

**Table 1 -  
Load Profile Scaling Percentages**

<b>Class</b>	<b>2004 Weather Normal Values used in Information Filing (kWh)</b>	<b>2011 Weather Normal Values (kWh)</b>	<b>Scaling Factor</b>
Residential	180,727,341	258,520,606	1.43
GS < 50 kW	63,397,758	75,044,767	1.18
GS >50 to 999 kW	164,770,833	187,300,109	1.14
GS >1000 to 4999 kW	119,214,676	94,342,584	0.79
Large Use	84,667,930	78,821,751	0.93
Sentinel Lights	197,795	167,188	0.85
Street Lighting	3,780,661	6,320,787	1.67
Unmetered and Scattered	942,956	1,519,815	1.61
<b>Total</b>	<b>617,699,951</b>	<b>702,037,607</b>	<b>1.14</b>

The results of a cost allocation study are typically presented in the form of revenue to cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue

collected by rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

Milton Hydro's Cost Allocation results based on the 2011 Test Year data is set out in Table 2 below.

**Table 2 -  
2011 Test Year Cost Allocation Results**

Class	Revenue Requirement - 2011 Cost Allocation Model (A)	2011 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2011 Cost Allocation Model	Total Revenue (B)	Revenue Cost Ratio (A)/(B)
Residential	9,317,733	8,865,654	951,506	9,817,161	105.4%
GS < 50 kW	1,984,035	1,797,243	185,596	1,982,839	99.9%
GS >50 to 999 kW	2,165,183	1,609,356	191,823	1,801,179	83.2%
GS >1000 to 4999 kW	622,047	662,382	52,972	715,355	115.0%
Large Use	524,425	602,506	37,265	639,771	122.0%
Sentinel Lights	26,739	3,098	1,884	4,982	18.6%
Street Lighting	374,779	20,504	27,583	48,087	12.8%
Unmetered and Scattered	46,891	47,439	5,021	52,460	111.9%
<b>TOTAL</b>	<b>15,061,832</b>	<b>13,608,183</b>	<b>1,453,649</b>	<b>15,061,832</b>	

## PROPOSED ADJUSTMENTS TO COST ALLOCATION

On November 28, 2007, the OEB issued its "Report on Application of Cost Allocation for Electricity Distributors" ("Cost Allocation Report"). In the Cost Allocation Report, the OEB established what it considered to be the appropriate ranges of revenue to cost ratios which are summarized in Table 3 below. In addition, Table 3 also provides the results of the 2011 Test Year Cost Allocation Study and Milton Hydro's proposed 2011 Test Year revenue to cost ratios. The 2011 Test Year Cost Allocation Study indicates that there continues to be cross subsidization across customer classes.

**Table 3 -  
Milton Hydro's Proposed Revenue to Cost Ratios**

Class	2011 Test Year Cost Allocation Study	Milton Hydro Proposed Targets	Board Target Low	Board Target High
Residential	105.4%	103.6%	85%	115%
GS < 50 kW	99.9%	99.9%	80%	120%
GS >50 to 999 kW	83.2%	90.0%	80%	180%
GS >1000 to 4999 kW	115.0%	110.0%	80%	180%
Large Use	122.0%	110.0%	85%	115%
Sentinel Lights	18.6%	44.3%	70%	120%
Street Lighting	12.8%	41.4%	70%	120%
Unmetered and Scattered	111.9%	110.0%	80%	120%

Milton Hydro is proposing to re-align its revenue to cost ratios by adjusting the allocations of revenue among rate classes in order to ensure that all customer classes have a revenue to cost ratio of no more than +/- 10% of unity, except the Street Lighting customer classe. The Street Lighting customer class revenue to cost ratio was moved to within 50% of its current revenue to cost ratio of 12.8% and the bottom of the OEB target range of 70%. This has resulted in a revised revenue to cost ratio of 41.4%. Milton Hydro proposes to adjust the Street Lighting revenue to cost ratio to 70% in its 2012 Distribution Rate Application. Milton Hydro has adjusted the Sentinel Light customer class to within 50% of its current revenue to cost ratio of 18.6% and the bottom of the OEB target range of 70%. This has resulted in a revised revenue to cost ratio of 44.3%. Milton Hydro proposes to adjust the Sentinel Light revenue to cost ratio to 70% in its 2012 Distribution Rate Application. The General Service >1,000- 4,999 kW, the Large user and the Unmetered/Scattered Load customer classes revenue to cost ratios are being adjusted down to 110.0% to maintain Milton Hydro's objective of having all customer class revenue to cost ratios within +/- 10% of unity. The General Service > 50 – 999 kW customer class revenue to cost ratio is being adjust up from 83.2% to 90% in order to maintain Milton Hydro's objective of having all customer class revenue to cost ratios within +/- 10% of unity.

The additional revenue pick up from the General Service >50 – 999, Street Lighting and Sentinel Light customer classes has been applied to the remaining customer classes to reduce the revenue to cost ratios to 110% and in the case of the Residential customer class to reduce this class revenue to cost ratio from 105.4% to 103.6%. Milton Hydro submits that this approach to reduce the Residential closer to unity is appropriate given the current focus on Residential electricity bills as evidenced by the July 5, 2010 letter from the Minister of Energy

and Infrastructure directing the OEB to “resume work in relation to low-income energy customers” and further evidenced by the OEB’s Residential customer service-related amendments to Codes.

**OEB Required Tables:**

In accordance with the Filing Guidelines dated June 28, 2010, Milton Hydro has provided the following Cost Allocation tables as set out in the Filing Guidelines at Appendix 2-O.

**Appendix 2-O a) -  
Allocated Cost**

<b>Classes</b>	<b>Cost Allocated in 2006 Informational Filing</b>	<b>%</b>	<b>Cost Allocated in Test Year Study (Column 7A)</b>	<b>%</b>
Residential	5,358,896	54.94%	9,317,733	61.86%
GS< 50kW	1,289,836	13.22%	1,984,035	13.17%
GS > 50 - 999 kW	1,708,476	17.52%	2,165,183	14.38%
GS > 1000 - 4999 kW	526,345	5.40%	622,047	4.13%
Large Users	421,280	4.32%	524,425	3.48%
Streetlights	327,716	3.36%	374,779	2.49%
Sentinel Lights	53,863	0.55%	26,739	0.18%
Unmetered & Scattered	67,004	0.69%	46,891	0.31%
<b>Total</b>	<b>9,753,416</b>	<b>100%</b>	<b>15,061,832</b>	<b>100%</b>

**Appendix 2-O b) -  
Calculated Class Revenues**

	Column 7B	Column 7C	Column 7D	Column 7E
<b>Classes</b>	<b>L.F x current approved rates</b>	<b>L.F x existing rates x (1 + d)</b>	<b>L.F. x proposed rates</b>	<b>Miscellaneous Revenue</b>
Residential	7,764,594	8,865,654	8,699,058	951,506
GS< 50kW	1,574,036	1,797,243	1,797,243	185,596
GS > 50 - 999 kW	1,409,483	1,609,356	1,756,842	191,823
GS > 1000 - 4999 kW	580,119	662,382	631,279	52,972
Large Users	527,679	602,506	539,603	37,265
Streetlights	17,958	20,504	127,633	27,583
Sentinel Lights	2,713	3,098	9,966	1,884
Unmetered & Scattered	41,548	47,439	46,559	5,021
<b>Total</b>	<b>11,918,130</b>	<b>13,608,183</b>	<b>13,608,183</b>	<b>1,453,649</b>

**Appendix 2-O c) -  
Re-balancing Revenue-to-Cost Ratios**

	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios
<b>Classes</b>	<b>Most Recent Year: 2006</b>	<b>= (Column 7C + Column 7E) / (Column 7A)</b>	<b>=(Column 7D + column 7E)/(Column 7A)</b>
Residential	102.3	105.4	103.6
GS< 50kW	110.9	99.9	99.9
GS > 50 - 999 kW	79.1	83.2	90.0
GS > 1000 - 4999 kW	156.7	115.0	110.0
Large Users	139.8	122.0	110.0
Streetlights	9.0	12.8	41.4
Sentinel Lights	11.0	18.6	44.3
Unmetered & Scattered	64.8	111.9	110.0

**Appendix 2-O d) -  
Proposed Revenue to Cost Ratios**

Classes	2011	2012	2013	Policy Range
	%	%	%	%
Residential	103.6%	101.8%		85-115
GS< 50kW	99.9%	99.9%		80-120
GS > 50 - 999 kW	90.0%	95.0%		80-180
GS > 1000 - 4999 kW	110.0%	105.0%		80-180
Large Users	110.0%	105.0%		85-115
Streetlights	41.4%	70.0%		70-120
Sentinel Lights	44.3%	70.0%		70-120
Unmetered & Scattered	110.0%	105.0%		80-120

As required in the Filing Guidelines, Milton Hydro has included the 2011 Test Year Cost Allocation Sheet O-1 Revenue to cost | RR including the transformer ownership allowance in Table 4 below.

Table 4 -

Original Input Sheet O-1 Revenue to cost | RR



2011 COST ALLOCATION INFORMATION FILING

Milton Hydro Distribution Inc

EB-2010-0137

July 30, 2010

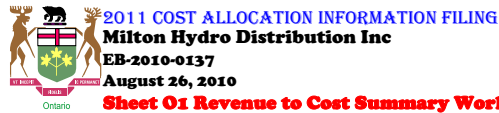
Sheet O1 Revenue to Cost Summary Worksheet - Second Run Milton Run 2 (no Bulk)

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential	2 GS <50	3 GS>50-Regular	5 1000kW to 4999kW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Legacy USL									
crev mi	Distribution Revenue (sale)	\$13,864,703	\$8,727,972	\$1,813,081	\$1,798,191	\$742,337	\$592,005	\$127,724	\$16,834	\$46,559									
	Miscellaneous Revenue (mi)	\$1,453,649	\$951,506	\$185,596	\$191,823	\$52,972	\$37,265	\$27,583	\$1,884	\$5,021									
	Total Revenue	\$15,318,352	\$9,679,478	\$1,998,677	\$1,990,014	\$795,309	\$629,270	\$155,307	\$18,718	\$51,580									
di cu ad dep INPUT INT	Expenses																		
	Distribution Costs (di)	\$1,993,215	\$1,065,701	\$248,503	\$410,086	\$104,260	\$99,267	\$55,371	\$4,726	\$5,301									
	Customer Related Costs (cu)	\$2,193,731	\$1,644,143	\$366,677	\$118,337	\$32,847	\$2,210	\$16,972	\$2,692	\$9,852									
	General and Administration (ad)	\$2,584,552	\$1,668,118	\$378,184	\$329,552	\$85,487	\$63,810	\$45,499	\$4,602	\$9,300									
	Depreciation and Amortization (dep)	\$3,616,371	\$2,148,078	\$435,101	\$593,285	\$165,188	\$148,623	\$109,789	\$6,726	\$9,581									
	PIUs (INPUT)	\$624,945	\$372,459	\$74,719	\$99,725	\$29,010	\$26,177	\$20,013	\$1,126	\$1,717									
	Interest	\$1,857,124	\$1,106,821	\$222,039	\$296,348	\$86,208	\$77,790	\$59,471	\$3,345	\$5,102									
	Total Expenses	\$12,869,938	\$8,005,319	\$1,725,225	\$1,847,332	\$503,001	\$417,878	\$307,115	\$23,216	\$40,852									
	Direct Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
	NI	Allocated Net Income (NI)	\$2,448,414	\$1,459,221	\$292,735	\$390,702	\$113,656	\$102,558	\$78,406	\$4,410	\$6,726								
	Revenue Requirement (includes NI)	\$15,318,351	\$9,464,540	\$2,017,959	\$2,238,034	\$616,657	\$520,436	\$385,522	\$27,625	\$47,578									
	Revenue Requirement Input equals Output																		
	Rate Base Calculation																		
	Net Assets																		
dp gp accum dep co	Distribution Plant - Gross	\$133,688,445	\$76,223,199	\$16,317,179	\$24,226,394	\$6,345,191	\$5,878,106	\$4,049,434	\$284,510	\$364,432									
	General Plant - Gross	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655									
	Accumulated Depreciation	(\$50,054,695)	(\$28,297,028)	(\$6,115,274)	(\$9,172,958)	(\$2,466,189)	(\$2,287,268)	(\$1,476,900)	(\$105,008)	(\$134,072)									
	Capital Contribution	(\$41,422,169)	(\$22,652,969)	(\$5,167,264)	(\$8,420,559)	(\$1,919,335)	(\$1,827,982)	(\$1,214,408)	(\$105,215)	(\$114,437)									
	Total Net Plant	\$51,888,834	\$30,818,735	\$6,215,102	\$8,374,709	\$2,408,506	\$2,178,353	\$1,655,794	\$95,057	\$142,578									
COP	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
	Cost of Power (COP)	\$61,842,630	\$22,773,131	\$6,610,708	\$16,499,303	\$8,310,657	\$6,943,423	\$556,799	\$14,728	\$133,881									
	OM&A Expenses	\$6,771,498	\$4,377,962	\$993,365	\$857,975	\$222,595	\$165,287	\$117,843	\$12,019	\$24,453									
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
	Subtotal	\$68,614,128	\$27,151,093	\$7,604,073	\$17,357,278	\$8,533,251	\$7,108,710	\$674,642	\$26,747	\$158,333									
	Working Capital	\$10,292,119	\$4,072,664	\$1,140,611	\$2,603,592	\$1,279,988	\$1,066,307	\$101,196	\$4,012	\$23,750									
	Total Rate Base	\$62,180,953	\$34,891,398	\$7,355,713	\$10,978,300	\$3,688,494	\$3,244,660	\$1,756,991	\$99,069	\$166,328									
	Rate Base Input equals Output																		
	Equity Component of Rate Base	\$24,872,381	\$13,956,559	\$2,942,285	\$4,391,320	\$1,475,398	\$1,297,864	\$702,796	\$39,628	\$66,531									
	Net Income on Allocated Assets	\$2,448,414	\$1,674,159	\$273,452	\$142,682	\$292,308	\$211,392	(\$151,809)	(\$4,498)	\$10,727									
Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
Net Income										\$2,448,414	\$1,674,159	\$273,452	\$142,682	\$292,308	\$211,392	(\$151,809)	(\$4,498)	\$10,727	
RATIOS ANALYSIS																			
REVENUE TO EXPENSES %											100.00%	102.27%	99.04%	88.92%	128.97%	120.91%	40.28%	67.76%	108.41%
EXISTING REVENUE MINUS ALLOCATED COSTS											\$1	\$214,938	(\$19,282)	(\$248,020)	\$178,653	\$108,834	(\$230,215)	(\$8,908)	\$4,001
RETURN ON EQUITY COMPONENT OF RATE BASE											9.84%	12.00%	9.29%	3.25%	19.81%	16.29%	-21.60%	-11.35%	16.12%

As required in the Filing Guidelines, Milton Hydro has included the 2011 Test Year Cost Allocation Sheet O-1 Revenue to cost | RR removing the transformer ownership allowance in Table 5 below.

**Table 5 -**  
**Revised per Filing Guidelines – Input Sheet O-1 Revenue to cost | RR**



**Sheet O1 Revenue to Cost Summary Worksheet - Second Run Milton Run 2 (no Bulk)**

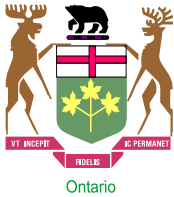
**Class Revenue, Cost Analysis, and Return on Rate Base**

		1	2	3	5	6	7	8	9
Rate Base Assets	Total	Residential	GS <50	GS>50-Regular	1000kW to 499kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
crev	Distribution Revenue (sale)	\$13,608,183	\$8,865,654	\$1,797,243	\$1,609,356	\$662,382	\$20,504	\$3,098	\$47,439
mi	Miscellaneous Revenue (mi)	\$1,453,649	\$951,506	\$185,596	\$191,823	\$52,972	\$37,265	\$1,884	\$5,021
	<b>Total Revenue</b>	<b>\$15,061,832</b>	<b>\$9,817,161</b>	<b>\$1,982,839</b>	<b>\$1,801,179</b>	<b>\$715,355</b>	<b>\$639,771</b>	<b>\$4,982</b>	<b>\$52,460</b>
	<b>Expenses</b>								
di	Distribution Costs (di)	\$1,736,696	\$911,383	\$213,107	\$353,056	\$104,260	\$99,267	\$47,095	\$4,519
cu	Customer Related Costs (cu)	\$2,193,731	\$1,644,143	\$366,677	\$118,337	\$32,847	\$2,210	\$16,972	\$2,692
ad	General and Administration (ad)	\$2,584,552	\$1,675,629	\$379,656	\$313,731	\$90,877	\$67,799	\$43,033	\$9,394
dep	Depreciation and Amortization (dep)	\$3,616,371	\$2,148,078	\$435,101	\$593,285	\$165,188	\$148,623	\$109,789	\$6,726
INPUT	PILs (INPUT)	\$624,945	\$372,459	\$74,719	\$99,725	\$29,010	\$26,177	\$20,013	\$1,126
INT	Interest	\$1,857,124	\$1,106,821	\$222,039	\$296,348	\$86,208	\$77,790	\$59,471	\$3,345
	<b>Total Expenses</b>	<b>\$12,613,419</b>	<b>\$7,858,512</b>	<b>\$1,691,301</b>	<b>\$1,774,481</b>	<b>\$508,391</b>	<b>\$421,867</b>	<b>\$226,373</b>	<b>\$40,165</b>
	<b>Direct Allocation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
NI	Allocated Net Income (NI)	\$2,448,414	\$1,459,221	\$292,735	\$390,702	\$113,656	\$102,558	\$78,406	\$6,726
	<b>Revenue Requirement (includes NI)</b>	<b>\$15,061,832</b>	<b>\$9,317,733</b>	<b>\$1,984,035</b>	<b>\$2,165,183</b>	<b>\$622,047</b>	<b>\$524,425</b>	<b>\$374,779</b>	<b>\$46,891</b>
	<b>Revenue Requirement Input equals Output</b>								
	<b>Rate Base Calculation</b>								
	<b>Net Assets</b>								
dp	Distribution Plant - Gross	\$133,688,445	\$76,223,199	\$16,317,179	\$24,226,394	\$6,345,191	\$5,878,106	\$4,049,434	\$284,510
gp	General Plant - Gross	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770
accum dep	Accumulated Depreciation	(\$50,054,695)	(\$28,297,028)	(\$6,115,274)	(\$9,172,958)	(\$2,466,189)	(\$2,287,266)	(\$1,476,900)	(\$105,008)
co	Capital Contribution	(\$41,422,169)	(\$22,652,969)	(\$5,167,264)	(\$8,420,559)	(\$1,919,335)	(\$1,827,982)	(\$1,214,408)	(\$105,215)
	<b>Total Net Plant</b>	<b>\$51,888,834</b>	<b>\$30,818,735</b>	<b>\$6,215,102</b>	<b>\$8,374,709</b>	<b>\$2,408,506</b>	<b>\$2,178,353</b>	<b>\$1,655,794</b>	<b>\$95,057</b>
	<b>Directly Allocated Net Fixed Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
COP	Cost of Power (COP)	\$61,842,630	\$22,773,131	\$6,610,708	\$16,499,303	\$8,310,657	\$6,943,423	\$556,799	\$14,728
	OM&A Expenses	\$6,514,979	\$4,231,155	\$959,441	\$785,124	\$227,985	\$169,276	\$107,100	\$11,133
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Subtotal</b>	<b>\$68,357,609</b>	<b>\$27,004,285</b>	<b>\$7,570,149</b>	<b>\$17,284,427</b>	<b>\$8,538,641</b>	<b>\$7,112,700</b>	<b>\$663,899</b>	<b>\$25,861</b>
	<b>Working Capital</b>	<b>\$10,253,641</b>	<b>\$4,050,643</b>	<b>\$1,135,522</b>	<b>\$2,592,664</b>	<b>\$1,280,796</b>	<b>\$1,066,905</b>	<b>\$99,585</b>	<b>\$3,879</b>
	<b>Total Rate Base</b>	<b>\$62,142,475</b>	<b>\$34,869,377</b>	<b>\$7,350,624</b>	<b>\$10,967,373</b>	<b>\$3,689,303</b>	<b>\$3,245,258</b>	<b>\$1,755,379</b>	<b>\$98,936</b>
	<b>Rate Base Input equals Output</b>								
	<b>Equity Component of Rate Base</b>	<b>\$24,856,990</b>	<b>\$13,947,751</b>	<b>\$2,940,250</b>	<b>\$4,386,949</b>	<b>\$1,475,721</b>	<b>\$1,298,103</b>	<b>\$702,152</b>	<b>\$39,574</b>
	<b>Net Income on Allocated Assets</b>	<b>\$2,448,414</b>	<b>\$1,958,649</b>	<b>\$291,538</b>	<b>\$26,697</b>	<b>\$206,964</b>	<b>\$217,904</b>	<b>(\$248,286)</b>	<b>(\$17,348)</b>
	<b>Net Income on Direct Allocation Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income</b>	<b>\$2,448,414</b>	<b>\$1,958,649</b>	<b>\$291,538</b>	<b>\$26,697</b>	<b>\$206,964</b>	<b>\$217,904</b>	<b>(\$248,286)</b>	<b>(\$17,348)</b>
	<b>RATIOS ANALYSIS</b>								
	REVENUE TO EXPENSES %	100.00%	105.36%	99.94%	83.19%	115.00%	121.99%	12.83%	11.88%
	EXISTING REVENUE MINUS ALLOCATED COSTS	(\$0)	\$499,428	(\$1,196)	(\$364,004)	\$93,308	\$115,346	(\$326,692)	(\$21,758)
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.85%	14.04%	9.92%	0.61%	14.02%	16.79%	-35.36%	-43.84%

1

2

## APPENDIX A – 2011 TEST YEAR COST ALLOCATION STUDY



# Ontario Energy Board

## 2011 COST ALLOCATION INFORMATION FILING

### Sheet 1 Utility Information Sheet

**Name of LDC:** Milton Hydro Distribution Inc

**License Number:** ED-2003-0014

**EDR 2011 EB Number:** EB-2010-0137

**Cost Allocation  
EB Number:**

← dro

**Date of Submission:** August 26, 2010

**Version:** 1.2

#### Contact Information

**Name:** Cameron McKenzie

**Title:** Director, Regulatory Affairs

**Phone Number:** 905 876 4611 ext 246

**E-Mail Address:** [cameronmckenzie@miltonhydro.com](mailto:cameronmckenzie@miltonhydro.com)



## 2011 COST ALLOCATION INFORMATION FILING

### Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

## Sheet I2 Class Selection - Second Run Milton Run 2 (no Bul

#### Instructions:

**Step 1:** Please input your existing classes

**Step 2:** If this is your first run, select "First Run" in the drop-down menu below

**Step 3:** After all classes have been entered, Click the "Update" button in row E41

Click for Drop-Down  
Menu →

If desired, provide a summary of this run  
(40 characters max.)

Second Run		Milton Run 2 (no Bulk)	
	Utility's Class Definition	Current	
1	Residential	YES	
2	GS <50	YES	
3	GS>50-Regular	YES	
4	GS> 50-TOU	NO	
5	GS >50-Intermediate	1000kW to 4999kW	YES
6	Large Use >5MW		YES
7	Street Light		YES
8	Sentinel		YES
9	Unmetered Scattered Load	Legacy USL	YES
10	Embedded Distributor		NO
11	Back-up/Standby Power		NO
12	Rate Class 1		NO
13	Rate class 2		NO
14	Rate class 3		NO
15	Rate class 4		NO
16	Rate class 5		NO
17	Rate class 6		NO
18	Rate class 7		NO
19	Rate class 8		NO
20	Rate class 9		NO

Update

#### \*\* Space available for additional information about this run

Run 1 - unmetered scattered load not included as a separate rate class per instructions



## 2011 COST ALLOCATION INFORMATION FILING

**Milton Hydro Distribution Inc**

**EB-2010-0137**

**August 26, 2010**

**Sheet I3 Trial Balance Data - Second Run Milton Run 2 (no Bulk)**

### Instructions:

**Step 1:** Copy 2011 EDR Trial Balance values (Sheet 2-4, Column P17 to P446) to Column D21 of this worksheet. Use the Edit - Paste Special - Values function.

**Step 2:** Enter the amounts needed to be reclassified to column F.

**Step 3:** Enter Target Net Income from approved EDR (Sheet 4-1, cell F23)

**Step 4:** Enter PILs from approved EDR (Sheet 4-2, cell E15)

**Step 5:** Enter Interest from approved EDR (Sheet 4-1, cell F21)

**Step 6:** Enter specific service charges offset from approved EDR (Sheet 5-5, cell D19)

**Step 7:** Enter Transformation Ownership Allowance Credit from approved EDR (Sheet 6-3, cell R120)

**Step 8:** Enter Low Voltage Wheeling Adjustment Credit from approved EDR (Sheet ADJ 3, cell F46)

**Step 9:** Enter Revenue Requirement from approved EDR (Sheet 5-1, cell F22)

**Step 10:** Enter Total Rate Base from approved EDR (Sheet 3-1, cell F21)

**Step 11:** Enter Directly Allocated amounts into column G.

Proposed Target Net Income (\$)	\$2,448,414
Proposed PILs (\$)	\$624,945
Proposed Interest (\$)	\$1,857,124
Proposed Specific Service Charges (\$)	\$403,492
Proposed Transformer Ownership Allowance (\$)	
Proposed Low Voltage Wheeling Adjustment (\$)	\$0
Proposed Revenue Requirement (\$)	\$15,061,832
Revenue Requirement to be Used in this model (\$)	\$15,061,832
Proposed Rate Base (\$)	\$62,142,475
Rate Base to be Used in this model (\$)	\$62,142,475

From this Sheet

Differences?

Rev Req Matches

Rate Base Matches

### Uniform System of Accounts - Detail Accounts

USoA Account #	Accounts	Financial Statement (EDR Sheet 2.4, Column P)	Model Adjustments	Reclassify accounts	Direct Allocation	Reclassified Balance
1005	Cash	\$0				\$0
1010	Cash Advances and Working Funds	\$0				\$0
1020	Interest Special Deposits	\$0				\$0
1030	Dividend Special Deposits	\$0				\$0
1040	Other Special Deposits	\$0				\$0
1060	Term Deposits	\$0				\$0
1070	Current Investments	\$0				\$0
1100	Customer Accounts Receivable	\$0				\$0
1102	Accounts Receivable - Services	\$0				\$0
1104	Accounts Receivable - Recoverable Work	\$0				\$0
1105	Accounts Receivable - Merchandise, Jobbing, etc.	\$0				\$0
1110	Other Accounts Receivable	\$0				\$0
1120	Accrued Utility Revenues	\$0				\$0
1130	Accumulated Provision for Uncollectible Accounts--Credit	\$0				\$0
1140	Interest and Dividends Receivable	\$0				\$0
1150	Rents Receivable	\$0				\$0
1170	Notes Receivable	\$0				\$0
1180	Prepayments	\$0				\$0
1190	Miscellaneous Current and Accrued Assets	\$0				\$0
1200	Accounts Receivable from Associated Companies	\$0				\$0
1210	Notes Receivable from Associated Companies	\$0				\$0
1305	Fuel Stock	\$0				\$0
1330	Plant Materials and Operating Supplies	\$0				\$0
1340	Merchandise	\$0				\$0
1350	Other Materials and Supplies	\$0				\$0
1405	Long Term Investments in Non-Associated Companies	\$0				\$0

1408	Long Term Receivable - Street Lighting Transfer	\$0		\$0
1410	Other Special or Collateral Funds	\$0		\$0
1415	Sinking Funds	\$0		\$0
1425	Unamortized Debt Expense	\$0		\$0
1445	Unamortized Discount on Long-Term Debt--Debit	\$0		\$0
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	\$0		\$0
1460	Other Non-Current Assets	\$0		\$0
1465	O.M.E.R.S. Past Service Costs	\$0		\$0
1470	Past Service Costs - Employee Future Benefits	\$0		\$0
1475	Past Service Costs - Other Pension Plans	\$0		\$0
1480	Portfolio Investments - Associated Companies	\$0		\$0
1485	Investment in Associated Companies - Significant Influence	\$0		\$0
1490	Investment in Subsidiary Companies	\$0		\$0
1505	Unrecovered Plant and Regulatory Study Costs	\$0		\$0
1508	Other Regulatory Assets	\$0		\$0
1510	Preliminary Survey and Investigation Charges	\$0		\$0
1515	Emission Allowance Inventory	\$0		\$0
1516	Emission Allowances Withheld	\$0		\$0
1518	RCVARetail	\$0		\$0
1520	Power Purchase Variance Account	\$0		\$0
1525	Miscellaneous Deferred Debits	\$0		\$0
1530	Deferred Losses from Disposition of Utility Plant	\$0		\$0
1540	Unamortized Loss on Reacquired Debt	\$0		\$0
1545	Development Charge Deposits/ Receivables	\$0		\$0
1548	RCVASTR	\$0		\$0
1560	Deferred Development Costs	\$0		\$0
1562	Deferred Payments in Lieu of Taxes	\$0		\$0
1563	Account 1563 - Deferred PILs Contra Account	\$0		\$0
1565	Conservation and Demand Management Expenditures and Recoveries	\$0		\$0
1570	Qualifying Transition Costs	\$0		\$0
1571	Pre-market Opening Energy Variance	\$0		\$0
1572	Extraordinary Event Costs	\$0		\$0
1574	Deferred Rate Impact Amounts	\$0		\$0
1580	RSVAWMS	\$0		\$0
1582	RSVAONE-TIME	\$0		\$0
1584	RSVANW	\$0		\$0
1586	RSVACN	\$0		\$0
1588	RSVAPOWER	\$0		\$0
1590	Recovery of Regulatory Asset Balances	\$0		\$0
1605	Electric Plant in Service - Control Account	\$0		\$0
1606	Organization	\$0		\$0
1608	Franchises and Consents	\$0		\$0
1610	Miscellaneous Intangible Plant	\$0		\$0
1615	Land	\$0		\$0
1616	Land Rights	\$0		\$0
1620	Buildings and Fixtures	\$0		\$0
1630	Leasehold Improvements	\$0		\$0
1635	Boiler Plant Equipment	\$0		\$0
1640	Engines and Engine-Driven Generators	\$0		\$0
1645	Turbogenerator Units	\$0		\$0
1650	Reservoirs, Dams and Waterways	\$0		\$0
1655	Water Wheels, Turbines and Generators	\$0		\$0
1660	Roads, Railroads and Bridges	\$0		\$0
1665	Fuel Holders, Producers and Accessories	\$0		\$0
1670	Prime Movers	\$0		\$0
1675	Generators	\$0		\$0
1680	Accessory Electric Equipment	\$0		\$0
1685	Miscellaneous Power Plant Equipment	\$0		\$0
1705	Land	\$0		\$0
1706	Land Rights	\$0		\$0
1708	Buildings and Fixtures	\$0		\$0
1710	Leasehold Improvements	\$0		\$0
1715	Station Equipment	\$0		\$0
1720	Towers and Fixtures	\$0		\$0
1725	Poles and Fixtures	\$0		\$0
1730	Overhead Conductors and Devices	\$0		\$0
1735	Underground Conduit	\$0		\$0
1740	Underground Conductors and Devices	\$0		\$0
1745	Roads and Trails	\$0		\$0
1805	Land	\$69,883		\$69,883
1806	Land Rights	\$0		\$0
1808	Buildings and Fixtures	\$0		\$0
1810	Leasehold Improvements	\$0		\$0
1815	Transformer Station Equipment - Normally Primary above 50 kV	\$0		\$0
1820	Distribution Station Equipment - Normally Primary below 50 kV	\$1,516,192		\$1,516,192
1825	Storage Battery Equipment	\$0		\$0
1830	Poles, Towers and Fixtures	\$22,404,850		\$22,404,850
1835	Overhead Conductors and Devices	\$20,108,687		\$20,108,687
1840	Underground Conduit	\$19,567,271		\$19,567,271
1845	Underground Conductors and Devices	\$15,554,558		\$15,554,558
1850	Line Transformers	\$33,783,324		\$33,783,324
1855	Services	\$11,214,488		\$11,214,488
1860	Meters	\$9,469,193		\$9,469,193
1865	Other Installations on Customer's Premises	\$0		\$0
1870	Leased Property on Customer Premises	\$0		\$0
1875	Street Lighting and Signal Systems	\$0		\$0

1905	Land	\$2,918,530			\$2,918,530
1906	Land Rights	\$0			\$0
1908	Buildings and Fixtures	\$75,000			\$75,000
1910	Leasehold Improvements	\$460,817			\$460,817
1915	Office Furniture and Equipment	\$647,505			\$647,505
1920	Computer Equipment - Hardware	\$1,750,773			\$1,750,773
1925	Computer Software	\$548,292			\$548,292
1930	Transportation Equipment	\$2,212,804			\$2,212,804
1935	Stores Equipment	\$194,526			\$194,526
1940	Tools, Shop and Garage Equipment	\$410,997			\$410,997
1945	Measurement and Testing Equipment	\$31,721			\$31,721
1950	Power Operated Equipment	\$0			\$0
1955	Communication Equipment	\$314,742			\$314,742
1960	Miscellaneous Equipment	\$0			\$0
1965	Water Heater Rental Units	\$0			\$0
1970	Load Management Controls - Customer Premises	\$0			\$0
1975	Load Management Controls - Utility Premises	\$0			\$0
1980	System Supervisory Equipment	\$41,545			\$41,545
1985	Sentinel Lighting Rental Units	\$0			\$0
1990	Other Tangible Property	\$70,000			\$70,000
1995	Contributions and Grants - Credit	(\$41,422,169)			(\$41,422,169)
2005	Property Under Capital Leases	\$0			\$0
2010	Electric Plant Purchased or Sold	\$0			\$0
2020	Experimental Electric Plant Unclassified	\$0			\$0
2030	Electric Plant and Equipment Leased to Others	\$0			\$0
2040	Electric Plant Held for Future Use	\$0			\$0
2050	Completed Construction Not Classified--Electric	\$0			\$0
2055	Construction Work in Progress--Electric	\$0			\$0
2060	Electric Plant Acquisition Adjustment	\$0			\$0
2065	Other Electric Plant Adjustment	\$0			\$0
2070	Other Utility Plant	\$0			\$0
2075	Non-Utility Property Owned or Under Capital Leases	\$0			\$0
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	(\$50,054,695)			(\$50,054,695)
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	\$0			\$0
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	\$0			\$0
2160	Accumulated Amortization of Other Utility Plant	\$0			\$0
2180	Accumulated Amortization of Non-Utility Property	\$0			\$0
2205	Accounts Payable	\$0			\$0
2208	Customer Credit Balances	\$0			\$0
2210	Current Portion of Customer Deposits	\$0			\$0
2215	Dividends Declared	\$0			\$0
2220	Miscellaneous Current and Accrued Liabilities	\$0			\$0
2225	Notes and Loans Payable	\$0			\$0
2240	Accounts Payable to Associated Companies	\$0			\$0
2242	Notes Payable to Associated Companies	\$0			\$0
2250	Debt Retirement Charges( DRC) Payable	\$0			\$0
2252	Transmission Charges Payable	\$0			\$0
2254	Electrical Safety Authority Fees Payable	\$0			\$0
2256	Independent Market Operator Fees and Penalties Payable	\$0			\$0
2260	Current Portion of Long Term Debt	\$0			\$0
2262	Ontario Hydro Debt - Current Portion	\$0			\$0
2264	Pensions and Employee Benefits - Current Portion	\$0			\$0
2268	Accrued Interest on Long Term Debt	\$0			\$0
2270	Matured Long Term Debt	\$0			\$0
2272	Matured Interest on Long Term Debt	\$0			\$0
2285	Obligations Under Capital Leases--Current	\$0			\$0
2290	Commodity Taxes	\$0			\$0
2292	Payroll Deductions / Expenses Payable	\$0			\$0
2294	Accrual for Taxes, Payments in Lieu of Taxes, Etc.	\$0			\$0
2296	Future Income Taxes - Current	\$0			\$0
2305	Accumulated Provision for Injuries and Damages	\$0			\$0
2306	Employee Future Benefits	\$0			\$0
2308	Other Pensions - Past Service Liability	\$0			\$0
2310	Vested Sick Leave Liability	\$0			\$0
2315	Accumulated Provision for Rate Refunds	\$0			\$0
2320	Other Miscellaneous Non-Current Liabilities	\$0			\$0
2325	Obligations Under Capital Lease--Non-Current	\$0			\$0
2330	Development Charge Fund	\$0			\$0
2335	Long Term Customer Deposits	\$0			\$0
2340	Collateral Funds Liability	\$0			\$0
2345	Unamortized Premium on Long Term Debt	\$0			\$0
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	\$0			\$0
2350	Future Income Tax - Non-Current	\$0			\$0
2405	Other Regulatory Liabilities	\$0			\$0
2410	Deferred Gains from Disposition of Utility Plant	\$0			\$0
2415	Unamortized Gain on Reacquired Debt	\$0			\$0
2425	Other Deferred Credits	\$0			\$0
2435	Accrued Rate-Payer Benefit	\$0			\$0
2505	Debentures Outstanding - Long Term Portion	\$0			\$0
2510	Debenture Advances	\$0			\$0
2515	Reacquired Bonds	\$0			\$0
2520	Other Long Term Debt	\$0			\$0
2525	Term Bank Loans - Long Term Portion	\$0			\$0
2530	Ontario Hydro Debt Outstanding - Long Term Portion	\$0			\$0
2550	Advances from Associated Companies	\$0			\$0
3005	Common Shares Issued	\$0			\$0

3008	Preference Shares Issued	\$0		\$0
3010	Contributed Surplus	\$0		\$0
3020	Donations Received	\$0		\$0
3022	Development Charges Transferred to Equity	\$0		\$0
3026	Capital Stock Held in Treasury	\$0		\$0
3030	Miscellaneous Paid-In Capital	\$0		\$0
3035	Installments Received on Capital Stock	\$0		\$0
3040	Appropriated Retained Earnings	\$0		\$0
3045	Unappropriated Retained Earnings	\$0		\$0
3046	Balance Transferred From Income	\$0	\$0	(\$2,448,414)
3047	Appropriations of Retained Earnings - Current Period	\$0		\$0
3048	Dividends Payable-Preference Shares	\$0		\$0
3049	Dividends Payable-Common Shares	\$0		\$0
3055	Adjustment to Retained Earnings	\$0		\$0
3065	Unappropriated Undistributed Subsidiary Earnings	\$0		\$0
4006	Residential Energy Sales	(\$13,572,387)		(\$13,572,387)
4010	Commercial Energy Sales	\$0		\$0
4015	Industrial Energy Sales	\$0		\$0
4020	Energy Sales to Large Users	(\$6,147,228)		(\$6,147,228)
4025	Street Lighting Energy Sales	(\$241,096)		(\$241,096)
4030	Sentinel Lighting Energy Sales	(\$11,255)		(\$11,255)
4035	General Energy Sales	(\$19,360,763)		(\$19,360,763)
4040	Other Energy Sales to Public Authorities	\$0		\$0
4045	Energy Sales to Railroads and Railways	\$0		\$0
4050	Revenue Adjustment	(\$370,370)		(\$370,370)
4055	Energy Sales for Resale	(\$9,759,351)		(\$9,759,351)
4060	Interdepartmental Energy Sales	\$0		\$0
4062	Billed WMS	(\$4,717,454)		(\$4,717,454)
4064	Billed-One-Time	\$0		\$0
4066	Billed NW	(\$4,184,623)		(\$4,184,623)
4068	Billed CN	(\$3,339,030)		(\$3,339,030)
4080	Distribution Services Revenue	(\$13,608,183)	(\$0)	(\$13,608,183)
4082	Retail Services Revenues	(\$35,784)		(\$35,784)
4084	Service Transaction Requests (STR) Revenues	(\$1,085)		(\$1,085)
4090	Electric Services Incidental to Energy Sales	\$0		\$0
4105	Transmission Charges Revenue			\$0
4110	Transmission Services Revenue			\$0
4205	Interdepartmental Rents	\$0		\$0
4210	Rent from Electric Property	(\$135,213)		(\$135,213)
4215	Other Utility Operating Income	(\$75,804)		(\$75,804)
4220	Other Electric Revenues	\$0		\$0
4225	Late Payment Charges	(\$156,670)		(\$156,670)
4230	Sales of Water and Water Power	\$0		\$0
4235	Miscellaneous Service Revenues	(\$403,492)	\$0	(\$403,492)
4240	Provision for Rate Refunds	\$0		\$0
4245	Government Assistance Directly Credited to Income	\$0		\$0
4305	Regulatory Debits	\$0		\$0
4310	Regulatory Credits	\$0		\$0
4315	Revenues from Electric Plant Leased to Others	\$0		\$0
4320	Expenses of Electric Plant Leased to Others	\$0		\$0
4325	Revenues from Merchandise, Jobbing, Etc.	\$0		\$0
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	\$0		\$0
4335	Profits and Losses from Financial Instrument Hedges	\$0		\$0
4340	Profits and Losses from Financial Instrument Investments	\$0		\$0
4345	Gains from Disposition of Future Use Utility Plant	\$0		\$0
4350	Losses from Disposition of Future Use Utility Plant	\$0		\$0
4355	Gain on Disposition of Utility and Other Property	(\$500)		(\$500)
4360	Loss on Disposition of Utility and Other Property	\$0		\$0
4365	Gains from Disposition of Allowances for Emission	\$0		\$0
4370	Losses from Disposition of Allowances for Emission	\$0		\$0
4375	Revenues from Non-Utility Operations	(\$469,714)		(\$469,714)
4380	Expenses of Non-Utility Operations	\$438,714		\$438,714
4385	Non-Utility Rental Income	\$0		\$0
4390	Miscellaneous Non-Operating Income	(\$600,101)		(\$600,101)
4395	Rate-Payer Benefit Including Interest	\$0		\$0
4398	Foreign Exchange Gains and Losses, Including Amortization	\$0		\$0
4405	Interest and Dividend Income	(\$45,000)		(\$45,000)
4415	Equity in Earnings of Subsidiary Companies	\$0		\$0
4505	Operation Supervision and Engineering			\$0
4510	Fuel			\$0
4515	Steam Expense			\$0
4520	Steam From Other Sources			\$0
4525	Steam Transferred--Credit			\$0
4530	Electric Expense			\$0
4535	Water For Power			\$0
4540	Water Power Taxes			\$0
4545	Hydraulic Expenses			\$0
4550	Generation Expense			\$0
4555	Miscellaneous Power Generation Expenses			\$0
4560	Rents			\$0
4565	Allowances for Emissions			\$0
4605	Maintenance Supervision and Engineering			\$0
4610	Maintenance of Structures			\$0
4615	Maintenance of Boiler Plant			\$0
4620	Maintenance of Electric Plant			\$0
4625	Maintenance of Reservoirs, Dams and Waterways			\$0
4630	Maintenance of Water Wheels, Turbines and Generators			\$0
4635	Maintenance of Generating and Electric Plant			\$0

4640	Maintenance of Miscellaneous Power Generation Plant				\$0
4705	Power Purchased	\$49,462,450			\$49,462,450
4708	Charges-WMS	\$3,773,963			\$3,773,963
4710	Cost of Power Adjustments	\$0			\$0
4712	Charges-One-Time	\$139,074			\$139,074
4714	Charges-NW	\$4,184,623			\$4,184,623
4715	System Control and Load Dispatching	\$0			\$0
4716	Charges-CN	\$3,339,030			\$3,339,030
4720	Other Expenses				\$0
4725	Competition Transition Expense	\$0			\$0
4730	Rural Rate Assistance Expense	\$943,491			\$943,491
4805	Operation Supervision and Engineering				\$0
4810	Load Dispatching				\$0
4815	Station Buildings and Fixtures Expenses				\$0
4820	Transformer Station Equipment - Operating Labour				\$0
4825	Transformer Station Equipment - Operating Supplies and Expense				\$0
4830	Overhead Line Expenses				\$0
4835	Underground Line Expenses				\$0
4840	Transmission of Electricity by Others				\$0
4845	Miscellaneous Transmission Expense				\$0
4850	Rents				\$0
4905	Maintenance Supervision and Engineering				\$0
4910	Maintenance of Transformer Station Buildings and Fixtures				\$0
4916	Maintenance of Transformer Station Equipment				\$0
4930	Maintenance of Towers, Poles and Fixtures				\$0
4935	Maintenance of Overhead Conductors and Devices				\$0
4940	Maintenance of Overhead Lines - Right of Way				\$0
4945	Maintenance of Overhead Lines - Roads and Trails Repairs				\$0
4950	Maintenance of Overhead Lines - Snow Removal from Roads and Trails				\$0
4960	Maintenance of Underground Lines				\$0
4965	Maintenance of Miscellaneous Transmission Plant				\$0
5005	Operation Supervision and Engineering	\$43,173			\$43,173
5010	Load Dispatching	\$0			\$0
5012	Station Buildings and Fixtures Expense	\$0			\$0
5014	Transformer Station Equipment - Operation Labour	\$0			\$0
5015	Transformer Station Equipment - Operation Supplies and Expenses	\$0			\$0
5016	Distribution Station Equipment - Operation Labour	\$21,035			\$21,035
5017	Distribution Station Equipment - Operation Supplies and Expenses	\$66,880			\$66,880
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$11,580			\$11,580
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0			\$0
5030	Overhead Subtransmission Feeders - Operation	\$0			\$0
5035	Overhead Distribution Transformers- Operation	\$0	\$0		\$0
5040	Underground Distribution Lines and Feeders - Operation Labour	\$1,440			\$1,440
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$356,458			\$356,458
5050	Underground Subtransmission Feeders - Operation	\$0			\$0
5055	Underground Distribution Transformers - Operation	\$1,200	\$0		\$1,200
5060	Street Lighting and Signal System Expense	\$0			\$0
5065	Meter Expense	\$178,657			\$178,657
5070	Customer Premises - Operation Labour	\$191,386			\$191,386
5075	Customer Premises - Materials and Expenses	\$5,000			\$5,000
5085	Miscellaneous Distribution Expense	\$0			\$0
5090	Underground Distribution Lines and Feeders - Rental Paid	\$0			\$0
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$0			\$0
5096	Other Rent	\$0			\$0
5105	Maintenance Supervision and Engineering	\$43,173			\$43,173
5110	Maintenance of Buildings and Fixtures - Distribution Stations	\$0			\$0
5112	Maintenance of Transformer Station Equipment	\$0			\$0
5114	Maintenance of Distribution Station Equipment	\$0			\$0
5120	Maintenance of Poles, Towers and Fixtures	\$154,340			\$154,340
5125	Maintenance of Overhead Conductors and Devices	\$336,813			\$336,813
5130	Maintenance of Overhead Services	\$0			\$0
5135	Overhead Distribution Lines and Feeders - Right of Way	\$171,940			\$171,940
5145	Maintenance of Underground Conduit	\$0			\$0
5150	Maintenance of Underground Conductors and Devices	\$133,829			\$133,829
5155	Maintenance of Underground Services	\$0			\$0
5160	Maintenance of Line Transformers	\$394,835	\$0		\$394,835
5165	Maintenance of Street Lighting and Signal Systems	\$0			\$0
5170	Sentinel Lights - Labour	\$0			\$0
5172	Sentinel Lights - Materials and Expenses	\$0			\$0
5175	Maintenance of Meters	\$0			\$0
5178	Customer Installations Expenses- Leased Property	\$0			\$0
5185	Water Heater Rentals - Labour	\$0			\$0
5186	Water Heater Rentals - Materials and Expenses	\$0			\$0
5190	Water Heater Controls - Labour	\$0			\$0
5192	Water Heater Controls - Materials and Expenses	\$0			\$0

5195	Maintenance of Other Installations on Customer Premises	\$0			\$0
5205	Purchase of Transmission and System Services	\$0			\$0
5210	Transmission Charges	\$0			\$0
5215	Transmission Charges Recovered	\$0			\$0
5305	Supervision	\$0			\$0
5310	Meter Reading Expense	\$316,859			\$316,859
5315	Customer Billing	\$1,083,885			\$1,083,885
5320	Collecting	\$367,944			\$367,944
5325	Collecting- Cash Over and Short	\$0			\$0
5330	Collection Charges	\$0			\$0
5335	Bad Debt Expense	\$50,000			\$50,000
5340	Miscellaneous Customer Accounts Expenses	\$0			\$0
5405	Supervision	\$0			\$0
5410	Community Relations - Sundry	\$10,679			\$10,679
5415	Energy Conservation	\$0			\$0
5420	Community Safety Program	\$0			\$0
5425	Miscellaneous Customer Service and Informational Expenses	\$0			\$0
5505	Supervision	\$0			\$0
5510	Demonstrating and Selling Expense	\$0			\$0
5515	Advertising Expense	\$0			\$0
5520	Miscellaneous Sales Expense	\$0			\$0
5605	Executive Salaries and Expenses	\$28,792			\$28,792
5610	Management Salaries and Expenses	\$652,924			\$652,924
5615	General Administrative Salaries and Expenses	\$703,920			\$703,920
5620	Office Supplies and Expenses	\$138,897			\$138,897
5625	Administrative Expense Transferred Credit	(\$16,560)			(\$16,560)
5630	Outside Services Employed	\$178,400			\$178,400
5635	Property Insurance	\$62,512			\$62,512
5640	Injuries and Damages	\$0			\$0
5645	Employee Pensions and Benefits	\$0			\$0
5650	Franchise Requirements	\$0			\$0
5655	Regulatory Expenses	\$144,406			\$144,406
5660	General Advertising Expenses	\$3,194			\$3,194
5665	Miscellaneous General Expenses	\$205,672	\$0		\$205,672
5670	Rent	\$349,055			\$349,055
5675	Maintenance of General Plant	\$122,661			\$122,661
5680	Electrical Safety Authority Fees	\$0			\$0
5685	Independent Market Operator Fees and Penalties	\$0			\$0
5705	Amortization Expense - Property, Plant, and Equipment	\$3,616,371			\$3,616,371
5710	Amortization of Limited Term Electric Plant	\$0			\$0
5715	Amortization of Intangibles and Other Electric Plant	\$0			\$0
5720	Amortization of Electric Plant Acquisition Adjustments	\$0			\$0
5725	Miscellaneous Amortization	\$0			\$0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	\$0			\$0
5735	Amortization of Deferred Development Costs	\$0			\$0
5740	Amortization of Deferred Charges	\$0			\$0
6005	Interest on Long Term Debt	\$1,441,864	(\$1,441,864)	\$0	\$1,857,124
6010	Amortization of Debt Discount and Expense	\$0			\$0
6015	Amortization of Premium on Debt Credit	\$0			\$0
6020	Amortization of Loss on Reacquired Debt	\$0			\$0
6025	Amortization of Gain on Reacquired Debt--Credit	\$0			\$0
6030	Interest on Debt to Associated Companies	\$0			\$0
6035	Other Interest Expense	\$56,250			\$56,250
6040	Allowance for Borrowed Funds Used During Construction--Credit	\$0			\$0
6042	Allowance For Other Funds Used During Construction	\$0			\$0
6045	Interest Expense on Capital Lease Obligations	\$0			\$0
6105	Taxes Other Than Income Taxes	\$0			\$0
6110	Income Taxes	\$624,945	(\$624,945)	\$0	\$624,945
6115	Provision for Future Income Taxes	\$0			\$0
6205	Donations	\$0			\$0
6210	Life Insurance	\$0			\$0
6215	Penalties	\$0			\$0
6225	Other Deductions	\$0			\$0
6305	Extraordinary Income	\$0			\$0
6310	Extraordinary Deductions	\$0			\$0
6315	Income Taxes, Extraordinary Items	\$0			\$0
6405	Discontinued Operations - Income/ Gains	\$0			\$0
6410	Discontinued Operations - Deductions/ Losses	\$0			\$0
6415	Income Taxes, Discontinued Operations	\$0			\$0

\$0

Reclassification Equals to Zero.  
O.K. to Proceed.

Asset Accounts Directly Allocated

\$0



2011 COST ALLOCATION INFORMATION FILING  
Milton Hydro Distribution Inc  
EB-2010-0137  
August 26, 2010  
Sheet 14 Break Out Worksheet - Second Run Milton Run 2 (no Bulk)

Instructions:  
This is an input sheet for the Break Out of Distribution Assets, Contributed Capital, Amortization, and Amortization Expenses.  
\*\*Please see Handbook for detailed instructions\*\*

Enter Net Fixed Assets from approved EDR,  
Sheet 3-1, cell F12

\$51,888,834

RATE BASE AND DISTRIBUTION ASSETS		BALANCE SHEET ITEMS									EXPENSE ITEMS			
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT (\$)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1565	Conservation and Demand Management	\$0		-	-					-				
1805	Land	\$69,883		(\$69,883)	-					-				
1805-1	Land Station >50 kV			\$0	-					-	\$0			
1805-2	Land Station <50 kV		100.00%	\$69,883	69,883					69,883	\$0			
1806	Land Rights	\$0		\$0	-					-				
1806-1	Land Rights Station >50 kV			\$0	-			\$	-	-	\$0			
1806-2	Land Rights Station <50 kV		100.00%	\$0	-			\$	\$0	-	\$0			
1808	Buildings and Fixtures	\$0		\$0	-					-				
1808-1	Buildings and Fixtures > 50 kV			\$0	-			\$	-	-	\$0			
1808-2	Buildings and Fixtures < 50 kV		100.00%	\$0	-			\$	\$0	-	\$0			
1810	Leasehold Improvements	\$0		\$0	-					-				
1810-1	Leasehold Improvements >50 kV			\$0	-			\$	-	-	\$0			
1810-2	Leasehold Improvements <50 kV		100.00%	\$0	-			\$	\$0	-	\$0			
1815	Transformer Station Equipment - Normally Primary above 50 kV	\$0		\$0	-				\$0	-	\$0			
1820	Distribution Station Equipment - Normally Primary below 50 kV	\$1,516,192		(\$1,516,192)	-					-	\$0			
1820	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)			\$0	-			\$	-	-	\$0			
1820	Distribution Station Equipment - Normally Primary below 50 kV (Primary)		96.75%	\$1,466,868	1,466,868			\$	(1,324,682)	142,186	\$22,263			
1820	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		3.25%	\$49,324	49,324			\$	(44,543)	4,781	\$749			
1825	Storage Battery Equipment	\$0		\$0	-					-				
1825	Storage Battery Equipment > 50 kV			\$0	-			\$	-	-	\$0			
1825	Storage Battery Equipment <50 kV		100.00%	\$0	-				\$0	-	\$0			
1830	Poles, Towers and Fixtures	\$22,404,850		(\$22,404,850)	-					-				
1830	Poles, Towers and Fixtures - Subtransmission Bulk Delivery			\$0	-			\$	-	-	\$0			
1830	Poles, Towers and Fixtures - Primary		93.90%	\$21,038,154	21,038,154			\$	(8,078,999)	12,959,155	\$737,736			
1830	Poles, Towers and Fixtures - Secondary		6.10%	\$1,366,696	1,366,696			\$	(524,834)	841,862	\$47,925			
1835	Overhead Conductors and Devices	\$20,108,687		(\$20,108,687)	-					-				
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery			\$0	-			\$	-	-	\$0			
1835-4	Overhead Conductors and Devices - Primary		97.81%	\$19,668,307	19,668,307	(\$10,019,963)	\$2,188,696	\$	(10,845,568)	991,472	\$224,739			
1835-5	Overhead Conductors and Devices - Secondary		2.19%	\$440,380	440,380	(\$24,390)	\$49,006	\$	(242,836)	22,199	\$5,032			
1840	Underground Conduit	\$19,567,271		(\$19,567,271)	-					-				
1840-3	Underground Conduit - Bulk Delivery			\$0	-			\$	-	-	\$0			
1840-4	Underground Conduit - Primary		100.00%	\$19,567,271	19,567,271			\$	(8,073,191)	13,494,080	\$769,380			
1840-5	Underground Conduit - Secondary		0.00%	\$0	-			\$	-	-	\$0			
1845	Underground Conductors and Devices	\$15,554,558		(\$15,554,558)	-					-				
1845-3	Underground Conductors and Devices - Bulk Delivery			\$0	-			\$	-	-	\$0			
1845-4	Underground Conductors and Devices - Primary		100.00%	\$15,554,558	15,554,558	(\$14,429,313)	\$3,151,846	\$	(5,304,948)	1,627,854	\$31,006			
1845-5	Underground Conductors and Devices - Secondary		0.00%	\$0	-		\$0	\$	-	-	\$0			
1850	Line Transformers	\$33,783,324		\$0	33,783,324	(\$16,687,605)	\$3,639,493	(\$14,499,573)		6,262,600	\$507,601			
1855	Services	\$11,214,488		\$0	11,214,488			(\$3,135,609)		7,826,880	\$448,700			
1860	Meters	\$9,469,193		\$0	9,469,193	(\$86,938)	\$18,990	(\$3,135,948)		6,265,296	\$485,186			
Total		\$133,688,445		\$0.00	\$133,688,445	(\$41,422,169)	\$9,047,991	(\$54,059,729)	\$0	47,254,539	\$3,330,317	\$0	\$0	\$0
SUB TOTAL from 13		\$133,688,445												
											5705	5710	5715	5720



**\*\*Please see Handbook for detailed instructions\*\***

RATE BASE AND DISTRIBUTION ASSETS			BALANCE SHEET ITEMS							EXPENSE ITEMS				
Account	Description	Break out Functions	BREAK OUT (%)	BREAK OUT (\$)	After BO	Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Asset net of Accumulated Depreciation and Contributed Capital	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
<b>General Plant</b>		<b>Break out Functions</b>				Contributed Capital - 1995	Accumulated Depreciation - 2105 Capital Contribution	Accumulated Depreciation - 2105 Fixed Assets Only	Accumulated Depreciation - 2120	Net Asset	Amortization Expense - Property, Plant, and Equipment	Amortization of Limited Term Electric Plant	Amortization of Intangibles and Other Electric Plant	Amortization of Electric Plant Acquisition Adjustments
1905	Land	\$2,918,530			2,918,530			\$ -		\$ 2,918,530	\$0			
1906	Land Rights	\$0						\$ -		\$0	\$0			
1908	Buildings and Fixtures	\$75,000			75,000			\$ (750)		\$ 74,250	\$1,500			
1910	Leasehold Improvements	\$460,817			460,817			\$ (194,409)		\$ 266,408	\$92,163			
1915	Office Furniture and Equipment	\$647,505			647,505			\$ (983,549)		\$ 63,960	\$19,624			
1920	Computer Equipment - Hardware	\$1,750,773			1,750,773			\$ (1,403,338)		\$ 297,435	\$86,905			
1925	Computer Software	\$548,292			548,292			\$ (408,128)		\$ 142,166	\$70,602			
1930	Transportation Equipment	\$2,212,804			2,212,804			\$ (1,636,109)		\$ 576,695	\$0			
1935	Stores Equipment	\$184,626			184,626			\$ (161,874)		\$ 22,752	\$0			
1940	Tools, Shop and Garage Equipment	\$410,997			410,997			\$ (371,687)		\$ 39,310	\$0			
1945	Measurement and Testing Equipment	\$31,721			31,721			\$ (18,755)		\$ 12,966	\$0			
1950	Power Operated Equipment	\$0						\$ -		\$ -	\$0			
1955	Communication Equipment	\$314,742			314,742			\$ (187,724)		\$ 147,018	\$19,578			
1960	Miscellaneous Equipment	\$0						\$ -		\$ -	\$0			
1970	Load Management Controls - Customer Premises	\$0			-			\$ -		\$ -	\$0			
1975	Load Management Controls - Utility Premises	\$0			-			\$ -		\$ -	\$0			
1980	System Supervisory Equipment	\$41,545			41,545			\$ (41,545)		\$ -	\$0			
1990	Other Tangible Property	\$70,000			70,000			\$ (6,996)		\$ 63,005	\$4,667			
2005	Property Under Capital Leases	\$0			-			\$ -		\$ -	\$0			
2010	Electric Plant Purchased or Sold	\$0			-			\$ -		\$ -	\$0			
<b>Total</b>		<b>\$9,677,252</b>		<b>\$0</b>	<b>\$9,677,252</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,042,957)</b>	<b>\$0</b>	<b>\$4,634,295</b>	<b>\$286,054</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
SUB TOTAL from 13		\$9,677,252												
13 Directly Allocated		\$0												
<b>Grand Total</b>		<b>\$143,365,698</b>		<b>\$0</b>	<b>\$143,365,698</b>	<b>(\$41,422,169)</b>	<b>\$9,047,891</b>	<b>(\$59,102,686)</b>	<b>\$0</b>	<b>\$51,888,834</b>	<b>\$3,616,371</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>To be Prorated</b>														
1995	Contributed Capital - 1995					\$41,422,169								
2105	Accumulated Depreciation - 2105							\$50,054,695	Balanced					
2120	Accumulated Depreciation - 2120								\$0	Balanced				
<b>Total</b>														
<b>Net Assets</b>														



## 2011 COST ALLOCATION INFORMATION

**Milton Hydro Distribution Inc**

**EB-2010-0137**

**August 26, 2010**

### Sheet 15 Miscellaneous Data Worksheet - Second Run Milton Run 2 (no Bulk)

kMs of Roads in Service Area Where  
Distribution Lines Exist

421.8

Deemed Equity Component  
of Rate Base (%)

40%

1	2	3	5	6	7	8	9
Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL

#### Instructions (Cont'd):

**Step 3:** Insert Approved Monthly  
Service Charge (Please refer to  
Approved EDR Sheet 8-5 column  
W)

**Step 4:** Insert Smart Meter Adder  
Included in Approved Monthly  
Service Charge (Please refer to  
Approved EDR Sheet 8-5 column  
T)

13.71 14.70 70.90 926.33 4126.26 0.16 0.40 7.38

2.16 2.16 2.16 2.16 2.16



# 2011 COST ALLOCATION INFORMATION FILING

Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

## Sheet I6 Customer Data Worksheet - Second Run Milton Run 2 (no Bulk)

Total kWhs	702,037,607
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Total kWhs	892,971
------------	---------

Total Proposed Distribution Revenue (\$)	\$13,608,183
--	--------------

			1	2	3	5	6	7	8	9
	ID	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
Billing Data										
kWh from approved EDR model, Sheet 7-1, Col M	CEN	702,037,607	258,520,606	75,044,767	187,300,109	94,342,584	78,821,751	6,320,787	167,188	1,519,815
kW from approved EDR model, Sheet 7-1, Col S	CDEM	892,971			507,929	193,246	173,521	17,810	465	
kW, included in CDEM, from customers with line transformer allowance from approved EDR model, Sheet 6-3, Col P		-								
Optional - kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-								
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	702,037,607	258,520,606	75,044,767	187,300,109	94,342,584	78,821,751	6,320,787	167,188	1,519,815
kWh - weather normalized amount		702,037,607	258,520,606	75,044,767	187,300,109	94,342,584	78,821,751	6,320,787	167,188	1,519,815
Approved Distribution Rev from approved EDR, Sheet 7-1, Col AK + Sheet 7-3 Col H	CREV	\$13,608,183	\$8,865,654	\$1,797,243	\$1,609,356	\$662,382	\$602,506	\$20,504	\$3,098	\$47,439
Bad Debt 3 Year Historical Average (2007-2009)	BDHA	\$80,437	\$30,689	\$8,071	\$1,896	\$39,782	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$125,401	\$71,877	\$19,821	\$22,989	\$9,794	\$804	\$80		\$36
Weighting Factor - Services			1.0	2.0	10.0	10.0	30.0	1.0	0.1	1.0
Weighting Factor - Billings			1.0	2.0	7.0	7.0	15.0	1.0	0.1	1.0
Number of Bills	CNB	371,289	333,984	27,777	3,588	132	24	48	3,241	2,494
Number of Connections (Unmetered)	CCON	3,373						2,895	270	208
Total Number of Customer from Approved EDR, Sheet 7-1, Col H excluding connections	CCA	30,459	27,832	2,315	299	11	2			
Bulk Customer Base	CCB									
Primary Customer Base	CCP	33,832	27,832	2,315	299	11	2	2,895	270	208
Line Transformer Customer Base	CCLT	33,811	27,832	2,315	291	0		2,895	270	208
Secondary Customer Base	CCS	30,439	27,832	2,315	291	1				
Services Customer Base										
Weighted - Services	CWCS	38,512	27,832	4,630	2,910	10	-	2,895	27	208
Weighted Meter -Capital	CWMC	10,439,625	8,349,600	1,181,037	634,888	228,800	45,300	-	-	-
Weighted Meter Reading	CWMR	54,160	27,832	23,148	2,990	160	30	-	-	-
Weighted Bills	CWNB	418,805	333,984	85,555	25,116	924	360	48	324	2,494
Data Mismatch Analysis										
Revenue with 30 year weather normalized kWh		13,608,183	8,865,654	1,797,243	1,609,356	662,382	602,506	20,504	3,098	47,439

### Weather Normalized Data from Hydro

	Total	Residential	GS <50	GS>50-Regular	1900kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
kWh - weather normalized amount	617,699,951	180,727,341	63,397,758	164,770,833	119,214,676	84,667,930	3,780,661	197,795	942,956
2006 EDR Distribution Loss Factor(should be Total)		1.0351	1.0351	1.0351	1.0351	1.0145	1.0351	1.0351	1.0351

### Bad Debt Data from 2011 Test Year

Three-year average (2007-2009)	80,437	30,689	8,071	1,896	39,782	-	-	-	-
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[illegible]



	A	B	C	D	E	F	G	H	I	J	K	L
1	2022 COST ALLOCATION INFORMATION FILING											
2	Milton Hydro Distribution Inc											
3	EIR C-0137											
4	August 6, 2010											
5	Sheet 18 Demand Data Worksheet - Second Run Milton Run 2 (no Bulk)											
6												
7												
8												
9	This is an input sheet for demand allocators.											
10												
11												
12												
13												
14	CP TEST RESULTS		12 CP									
15	NCP TEST RESULTS		4 NCP									
16												
17	Co-incident Peak		Indicator									
18	1 CP		CP 1									
19	4 CP		CP 4									
20	12 CP		CP 12									
21												
22	Non-co-incident Peak		Indicator									
23	1 NCP		NCP 1									
24	4 NCP		NCP 4									
25	12 NCP		NCP 12									
26												
27												
28												
29												
30												
31	Customer Classes		Total	1	2	3	5	6	7	8	9	
32				Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL	
33												
34												
35	CO-INCIDENT PEAK											
36												
37	1 CP											
38	Transformation CP	TCP1	113,814	50,400	13,907	24,834	11,608	11,347	1,486	35	195	
39	Bulk Delivery CP	BCP1	113,814	50,400	13,907	24,834	11,608	11,347	1,486	35	195	
40	Total Sytem CP	DCP1	113,814	50,400	13,907	24,834	11,608	11,347	1,486	35	195	
41												
42	4 CP											
43	Transformation CP	TCP4	451,826	206,137	55,542	101,322	42,829	40,661	4,452	116	768	
44	Bulk Delivery CP	BCP4	451,826	206,137	55,542	101,322	42,829	40,661	4,452	116	768	
45	Total Sytem CP	DCP4	451,826	206,137	55,542	101,322	42,829	40,661	4,452	116	768	
46												
47	12 CP											
48	Transformation CP	TCP12	1,288,179	571,728	153,641	288,344	136,088	122,444	13,303	352	2,277	
49	Bulk Delivery CP	BCP12	1,288,179	571,728	153,641	288,344	136,088	122,444	13,303	352	2,277	
50	Total Sytem CP	DCP12	1,288,179	571,728	153,641	288,344	136,088	122,444	13,303	352	2,277	
51												
52	NON CO-INCIDENT PEAK											
53												
54	1 NCP											
55	Classification NCP from Load Data Provider											
56	Primary NCP	DNCP1	140,971	58,729	20,139	33,418	13,881	13,050	1,498	42	215	
57	Line Transformer NCP	LTNCP1	113,145	58,729	20,139	32,524	-	0	-	1,498	42	
58	Secondary NCP	SNCP1	114,407	58,729	20,139	32,524	1,262	-	1,498	42	215	
59												
60	4 NCP											
61	Classification NCP from Load Data Provider											
62	Primary NCP	PNCP4	539,535	225,889	69,670	130,846	54,306	51,855	5,959	160	851	
63	Line Transformer NCP	LTNCP4	429,874	225,889	69,670	127,345	-	0	-	5,959	160	
64	Secondary NCP	SNCP4	434,811	225,889	69,670	127,345	4,937	-	5,959	160	851	
65												
66	12 NCP											
67	Classification NCP from Load Data Provider											
68	Primary NCP	PNCP12	1,485,067	604,209	181,752	373,833	155,453	149,067	17,811	472	2,471	
69	Line Transformer NCP	LTNCP12	1,170,545	604,209	181,752	363,831	-	0	-	17,811	472	
70	Secondary NCP	SNCP12	1,184,677	604,209	181,752	363,831	14,132	-	17,811	472	2,471	



# 2011 COST ALLOCATION INFORMATION FILING

Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

Sheet 19 Direct Allocation Worksheet - Second Run Milton Run 2 (no Bulk)

USoA Account #	Accounts	Direct Allocation	Total Allocated to Rate Classifications?	1 Residential	2 GS <50	3 GS>50-Regular	5 1000kW to 4999kW	6 Large Use >5MW	7 Street Light	8 Sentinel
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**Instructions:**  
To Allocate Capital Contributions by Rate Classification, Input Allocation on Next Line

1995	Contributions and Grants - Credit	\$0	Yes							
------	-----------------------------------	-----	-----	--	--	--	--	--	--	--

**Instructions:**  
The Following is Used to Allocate Directly Allocated Costs from I3 to Rate Classifications

1805	Land	\$0	Yes							
1806	Land Rights	\$0	Yes							
1808	Buildings and Fixtures	\$0	Yes							
1810	Leasehold Improvements	\$0	Yes							
1815	Transformer Station Equipment - Normally Primary above 50 kV	\$0	Yes							
1820	Distribution Station Equipment - Normally Primary below 50 kV	\$0	Yes							
1825	Storage Battery Equipment	\$0	Yes							
1830	Poles, Towers and Fixtures	\$0	Yes							
1835	Overhead Conductors and Devices	\$0	Yes							
1840	Underground Conduit	\$0	Yes							
1845	Underground Conductors and Devices	\$0	Yes							
1850	Line Transformers	\$0	Yes							
1855	Services	\$0	Yes							
1860	Meters	\$0	Yes							
1905	Land	\$0	Yes							
1906	Land Rights	\$0	Yes							
1908	Buildings and Fixtures	\$0	Yes							
1910	Leasehold Improvements	\$0	Yes							
1915	Office Furniture and Equipment	\$0	Yes							
1920	Computer Equipment - Hardware	\$0	Yes							
1925	Computer Software	\$0	Yes							
1930	Transportation Equipment	\$0	Yes							
1935	Stores Equipment	\$0	Yes							
1940	Tools, Shop and Garage Equipment	\$0	Yes							
1945	Measurement and Testing Equipment	\$0	Yes							
1950	Power Operated Equipment	\$0	Yes							
1955	Communication Equipment	\$0	Yes							
1960	Miscellaneous Equipment	\$0	Yes							
1970	Load Management Controls - Customer Premises	\$0	Yes							
1975	Load Management Controls - Utility Premises	\$0	Yes							
1980	System Supervisory Equipment	\$0	Yes							
1990	Other Tangible Property	\$0	Yes							
2005	Property Under Capital Leases	\$0	Yes							
2010	Electric Plant Purchased or Sold	\$0	Yes							
2050	Completed Construction Not Classified-- Electric	\$0	Yes							
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	\$0	Yes							
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	\$0	Yes							
Directly Allocated Net Fixed Assets				\$0	\$0	\$0	\$0	\$0	\$0	\$0
5005	Operation Supervision and Engineering	\$0	Yes							
5010	Load Dispatching	\$0	Yes							
5012	Station Buildings and Fixtures Expense	\$0	Yes							
5014	Transformer Station Equipment - Operation Labour	\$0	Yes							
5015	Transformer Station Equipment - Operation Supplies and Expenses	\$0	Yes							
5016	Distribution Station Equipment - Operation Labour	\$0	Yes							
5017	Distribution Station Equipment - Operation Supplies and Expenses	\$0	Yes							
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$0	Yes							
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0	Yes							
5030	Overhead Subtransmission Feeders - Operation	\$0	Yes							
5035	Overhead Distribution Transformers- Operation	\$0	Yes							
5040	Underground Distribution Lines and Feeders - Operation Labour	\$0	Yes							
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$0	Yes							
5050	Underground Subtransmission Feeders - Operation	\$0	Yes							
5055	Underground Distribution Transformers - Operation	\$0	Yes							
5065	Meter Expense	\$0	Yes							
5070	Customer Premises - Operation Labour	\$0	Yes							
5075	Customer Premises - Materials and Expenses	\$0	Yes							
5085	Miscellaneous Distribution Expense	\$0	Yes							
5090	Underground Distribution Lines and Feeders - Rental Paid	\$0	Yes							
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$0	Yes							
5096	Other Rent	\$0	Yes							
5105	Maintenance Supervision and Engineering	\$0	Yes							
5110	Maintenance of Buildings and Fixtures - Distribution Stations	\$0	Yes							
5112	Maintenance of Transformer Station Equipment	\$0	Yes							
5114	Maintenance of Distribution Station Equipment	\$0	Yes							
5120	Maintenance of Poles, Towers and Fixtures	\$0	Yes							

5125	Maintenance of Overhead Conductors and Devices	\$0	Yes							
5130	Maintenance of Overhead Services	\$0	Yes							
5135	Overhead Distribution Lines and Feeders - Right of Way	\$0	Yes							
5145	Maintenance of Underground Conduit	\$0	Yes							
5150	Maintenance of Underground Conductors and Devices	\$0	Yes							
5155	Maintenance of Underground Services	\$0	Yes							
5160	Maintenance of Line Transformers	\$0	Yes							
5175	Maintenance of Meters	\$0	Yes							
5305	Supervision	\$0	Yes							
5310	Meter Reading Expense	\$0	Yes							
5315	Customer Billing	\$0	Yes							
5320	Collecting	\$0	Yes							
5325	Collecting- Cash Over and Short	\$0	Yes							
5330	Collection Charges	\$0	Yes							
5335	Bad Debt Expense	\$0	Yes							
5340	Miscellaneous Customer Accounts Expenses	\$0	Yes							
5405	Supervision	\$0	Yes							
5410	Community Relations - Sundry	\$0	Yes							
5415	Energy Conservation	\$0	Yes							
5420	Community Safety Program	\$0	Yes							
5425	Miscellaneous Customer Service and Informational Expenses	\$0	Yes							
5505	Supervision	\$0	Yes							
5510	Demonstrating and Selling Expense	\$0	Yes							
5515	Advertising Expense	\$0	Yes							
5520	Miscellaneous Sales Expense	\$0	Yes							
5605	Executive Salaries and Expenses	\$0	Yes							
5610	Management Salaries and Expenses	\$0	Yes							
5615	General Administrative Salaries and Expenses	\$0	Yes							
5620	Office Supplies and Expenses	\$0	Yes							
5625	Administrative Expense Transferred Credit	\$0	Yes							
5630	Outside Services Employed	\$0	Yes							
5635	Property Insurance	\$0	Yes							
5640	Injuries and Damages	\$0	Yes							
5645	Employee Pensions and Benefits	\$0	Yes							
5650	Franchise Requirements	\$0	Yes							
5655	Regulatory Expenses	\$0	Yes							
5660	General Advertising Expenses	\$0	Yes							
5665	Miscellaneous General Expenses	\$0	Yes							
5670	Rent	\$0	Yes							
5675	Maintenance of General Plant	\$0	Yes							
5680	Electrical Safety Authority Fees	\$0	Yes							
5705	Amortization Expense - Property, Plant, and Equipment	\$0	Yes							
5710	Amortization of Limited Term Electric Plant	\$0	Yes							
5715	Amortization of Intangibles and Other Electric Plant	\$0	Yes							
5720	Amortization of Electric Plant Acquisition Adjustments	\$0	Yes							
6105	Taxes Other Than Income Taxes	\$0	Yes							
6205	Donations	\$0	Yes							
6210	Life Insurance	\$0	Yes							
6215	Penalties	\$0	Yes							
6225	Other Deductions	\$0	Yes							
Total Expenses				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense				\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Net Fixed Assets Excluding Gan Plant	\$133,688,445	Allocated	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel
Approved Total PILs	\$624,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Approved Total Return on Debt	\$1,857,124	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Approved Total Return on Equity	\$2,448,414	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$0	\$0	\$0	\$0	\$0	\$0	\$0

9
Legacy USL

\_\_\_\_\_

[illegible]





2011 COST ALLOCATION INFORMATION FILING  
Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

Sheet 01 Revenue to Cost Summary Worksheet - Second Run Milton Run 2 (no Bulk)

Class Revenue, Cost Analysis, and Return on Rate Base

Rate Base Assets		Total	1 Residential	2 GS <50	3 GS>50-Regular	5 1000KW to 4999KW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Legacy USL
crev mi	Distribution Revenue (sale)	\$13,608,183	\$8,865,654	\$1,797,243	\$1,609,356	\$662,382	\$602,506	\$20,504	\$3,098	\$47,439
	Miscellaneous Revenue (mi)	\$1,453,649	\$951,506	\$185,596	\$191,823	\$52,972	\$37,265	\$27,583	\$1,884	\$5,021
Total Revenue		\$15,061,832	\$9,817,161	\$1,982,839	\$1,801,179	\$715,355	\$639,771	\$48,087	\$4,982	\$52,460
Expenses										
di	Distribution Costs (di)	\$1,736,696	\$911,383	\$213,107	\$353,056	\$104,260	\$99,267	\$47,095	\$4,008	\$4,519
cu	Customer Related Costs (cu)	\$2,193,731	\$1,644,143	\$366,677	\$118,337	\$32,847	\$2,210	\$16,972	\$2,692	\$9,852
ad	General and Administration (ad)	\$2,584,552	\$1,675,629	\$379,656	\$313,731	\$90,877	\$67,799	\$43,033	\$4,433	\$9,394
dep	Depreciation and Amortization (dep)	\$3,616,371	\$2,148,078	\$435,101	\$593,285	\$165,188	\$148,623	\$109,789	\$6,726	\$9,581
INPUT	PILS (INPUT)	\$624,945	\$372,459	\$74,719	\$99,725	\$29,010	\$26,177	\$20,013	\$1,126	\$1,717
INT	Interest	\$1,857,124	\$1,106,821	\$222,039	\$296,348	\$86,208	\$77,790	\$59,471	\$3,345	\$5,102
Total Expenses		\$12,615,415	\$7,858,512	\$1,691,301	\$1,774,481	\$568,391	\$421,867	\$296,373	\$22,330	\$40,165
Direct Allocation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$2,448,414	\$1,459,221	\$292,735	\$390,702	\$113,656	\$102,558	\$78,406	\$4,410	\$6,726
	Revenue Requirement (includes NI)	\$15,061,832	\$9,317,733	\$1,984,035	\$2,165,183	\$622,047	\$524,425	\$374,779	\$26,739	\$46,891
Revenue Requirement Input equals Output										
Rate Base Calculation										
Net Assets										
dp	Distribution Plant - Gross	\$133,688,445	\$76,223,199	\$16,317,179	\$24,226,394	\$6,345,191	\$5,878,106	\$4,049,434	\$284,510	\$364,432
no	General Plant - Gross	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655
accum dep	Accumulated Depreciation	(\$50,054,695)	(\$29,297,028)	(\$6,115,274)	(\$9,172,958)	(\$2,466,189)	(\$2,287,266)	(\$1,476,900)	(\$105,008)	(\$134,072)
co	Capital Contribution	(\$41,422,169)	(\$22,652,969)	(\$5,167,264)	(\$8,420,559)	(\$1,919,335)	(\$1,827,982)	(\$1,214,408)	(\$105,215)	(\$114,437)
Total Net Plant		\$51,888,834	\$30,818,735	\$6,215,102	\$8,374,709	\$2,408,506	\$2,178,353	\$1,655,794	\$95,057	\$142,578
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$61,842,630	\$22,773,131	\$6,610,708	\$16,499,303	\$8,310,657	\$6,943,423	\$556,799	\$14,728	\$133,881
	OM&A Expenses	\$6,514,979	\$4,231,155	\$959,441	\$785,124	\$227,985	\$169,276	\$107,100	\$11,133	\$23,765
Directly Allocated Expenses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		\$68,357,609	\$27,004,285	\$7,570,149	\$17,284,427	\$8,538,641	\$7,112,700	\$663,899	\$25,861	\$157,646
Working Capital		\$10,253,641	\$4,050,643	\$1,135,522	\$2,592,664	\$1,280,796	\$1,066,905	\$99,585	\$3,879	\$23,647
Total Rate Base		\$62,142,475	\$34,869,377	\$7,350,624	\$10,967,373	\$3,689,303	\$3,245,258	\$1,755,379	\$98,936	\$166,225
Rate Base Input equals Output										
Equity Component of Rate Base		\$24,856,990	\$13,947,751	\$2,940,250	\$4,386,949	\$1,475,721	\$1,298,103	\$702,152	\$39,574	\$66,490
Net Income on Allocated Assets		\$2,448,414	\$1,958,649	\$291,538	\$26,697	\$206,964	\$217,904	(\$248,286)	(\$17,348)	\$12,295
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$2,448,414	\$1,958,649	\$291,538	\$26,697	\$206,964	\$217,904	(\$248,286)	(\$17,348)	\$12,295
RATIOS ANALYSIS										
REVENUE TO EXPENSES %		100.00%	105.36%	99.94%	83.19%	115.00%	121.99%	12.83%	18.63%	111.88%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$0)	\$499,428	(\$1,196)	(\$364,004)	\$93,308	\$115,346	(\$326,692)	(\$21,758)	\$5,569
RETURN ON EQUITY COMPONENT OF RATE BASE		9.85%	14.04%	9.92%	0.61%	14.02%	16.79%	-35.36%	-43.84%	18.49%
Output Revenue Requirement		\$15,061,832	103.23%	111.99%	77.81%	152.89%	135.94%	6.42%	8.51%	71.89%
EDR Adjusted Revenue Requirement		\$15,061,832								
Variance		\$0								

Output Rate Base	\$62,142,475
EDR Adjusted Rate Base	\$62,142,475
Variance	\$0
Variance is due to:	
Water billing expense adjustment	\$0
15% WC for water billing adjustment	\$0



**2011 COST ALLOCATION INFORMATION FILING**  
**Milton Hydro Distribution Inc**  
**EB-2010-0137**  
**August 26, 2010**

**Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet - Second Run Milton Run 2 (no Bulk)**

Output sheet showing minimum and maximum level for  
Monthly Fixed Charge

**Summary**

	1	2	3	5	6	7	8	9
	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
Customer Unit Cost per month - Avoided Cost	\$9.26	\$18.51	\$44.39	\$149.76	\$246.20	\$0.49	\$0.82	\$3.84
Customer Unit Cost per month - Directly Related	\$12.67	\$27.43	\$67.95	\$206.50	\$325.56	\$0.81	\$1.37	\$6.43
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$19.59	\$36.45	\$94.36	\$513.24	\$295.40	\$8.46	\$8.11	\$13.10
Fixed Charge per approved 2006 EDR	\$13.71	\$14.70	\$70.90	\$926.33	\$4,126.26	\$0.16	\$0.40	\$7.38

**Information to be Used to Allocate PILs, ROD, ROE and A&G**

	1	2	3	5	6	7	8	9
	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,190,461	\$1,741,831	\$448,839	\$415,496	\$20,770	\$26,655
General Plant - Accumulated Depreciation	(\$5,042,957)	(\$2,889,858)	(\$615,156)	(\$907,894)	(\$233,897)	(\$216,521)	(\$155,119)	(\$13,890)
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$834,138	\$214,942	\$198,975	\$9,947	\$12,765
General Plant - Depreciation	\$286,054	\$163,923	\$34,894	\$51,487	\$13,267	\$12,282	\$614	\$788
Total Net Fixed Assets Excluding General Plant	\$47,254,539	\$28,163,060	\$5,649,796	\$7,540,571	\$2,193,564	\$1,979,378	\$85,110	\$129,813
Total Administration and General Expense	\$2,584,552	\$1,675,629	\$379,656	\$313,731	\$90,877	\$67,799	\$4,433	\$9,394
Total O&M	\$3,930,427	\$2,555,526	\$579,785	\$471,393	\$137,108	\$101,477	\$6,700	\$14,371

**Scenario 1**

Accounts included in Avoided Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1	2	3	5	6	7	8	9
			Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
1860	Distribution Plant Meters	\$9,469,193	\$7,573,449	\$1,071,252	\$575,871	\$207,532	\$41,089	\$0	\$0	\$0
	Accumulated Amortization									
	Accum. Amortization of Electric Utility Plant - Meters only	(\$3,203,897)	(\$2,562,473)	(\$362,458)	(\$194,846)	(\$70,218)	(\$13,902)	\$0	\$0	\$0
	Meter Net Fixed Assets	\$6,265,296	\$5,010,976	\$708,794	\$381,025	\$137,313	\$27,187	\$0	\$0	\$0
	Misc Revenue									
4082	Retail Services Revenues	(\$35,784)	(\$28,537)	(\$4,747)	(\$2,146)	(\$79)	(\$31)	(\$4)	(\$28)	(\$213)
4084	Service Transaction Requests (STR) Revenues	(\$1,085)	(\$865)	(\$144)	(\$65)	(\$2)	(\$1)	(\$0)	(\$1)	(\$6)
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4220	Other Electric Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4225	Late Payment Charges	(\$156,670)	(\$89,799)	(\$24,763)	(\$28,721)	(\$12,236)	(\$1,004)	(\$100)	\$0	(\$45)
	Sub-total	(\$193,539)	(\$119,201)	(\$29,654)	(\$30,932)	(\$12,318)	(\$1,036)	(\$105)	(\$29)	(\$265)
	Operation									
5065	Meter Expense	\$178,657	\$142,890	\$20,212	\$10,865	\$3,916	\$775	\$0	\$0	\$0
5070	Customer Premises - Operation Labour	\$191,386	\$157,445	\$13,095	\$1,691	\$62	\$11	\$16,378	\$1,528	\$1,176
5075	Customer Premises - Materials and Expenses	\$5,000	\$4,113	\$342	\$44	\$2	\$0	\$428	\$40	\$31
	Sub-total	\$375,043	\$304,448	\$33,648	\$12,601	\$3,979	\$787	\$16,806	\$1,568	\$1,206
5175	Maintenance									
	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Billing and Collection									
5310	Meter Reading Expense	\$316,859	\$162,829	\$135,425	\$17,493	\$936	\$176	\$0	\$0	\$0
5315	Customer Billing	\$1,083,885	\$864,365	\$143,779	\$65,000	\$2,391	\$932	\$124	\$839	\$6,455
5320	Collecting	\$367,944	\$293,424	\$48,808	\$22,065	\$812	\$316	\$42	\$285	\$2,191
5325	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	\$1,768,688	\$1,320,619	\$328,012	\$104,558	\$4,139	\$1,423	\$166	\$1,124	\$8,646
	Total Operation, Maintenance and Billing	\$2,143,731	\$1,625,067	\$361,661	\$117,159	\$8,119	\$2,210	\$16,972	\$2,692	\$9,852
	Amortization Expense - Meters	\$485,186	\$388,052	\$54,889	\$29,507	\$10,634	\$2,105	\$0	\$0	\$0
	Allocated PILs	\$75,599	\$60,560	\$8,521	\$4,537	\$1,654	\$327	\$0	\$0	\$0
	Allocated Debt Return	\$224,655	\$179,964	\$25,322	\$13,483	\$4,915	\$971	\$0	\$0	\$0
	Allocated Equity Return	\$296,182	\$237,262	\$33,385	\$17,776	\$6,480	\$1,280	\$0	\$0	\$0
	Total	\$3,031,814	\$2,371,703	\$454,124	\$151,529	\$19,483	\$5,857	\$16,868	\$2,663	\$9,588

**Scenario 2**

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1	2	3	5	6	7	8	9
			Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
1860	Distribution Plant Meters	\$9,469,193	\$7,573,449	\$1,071,252	\$575,871	\$207,532	\$41,089	\$0	\$0	\$0
	Accumulated Amortization									
	Accum. Amortization of Electric Utility Plant - Meters only	(\$3,203,897)	(\$2,562,473)	(\$362,458)	(\$194,846)	(\$70,218)	(\$13,902)	\$0	\$0	\$0
	Meter Net Fixed Assets	\$6,265,296	\$5,010,976	\$708,794	\$381,025	\$137,313	\$27,187	\$0	\$0	\$0
	Allocated General Plant Net Fixed Assets	\$601,774	\$472,517	\$70,920	\$42,149	\$13,455	\$2,733	\$0	\$0	\$0
	Meter Net Fixed Assets Including General Plant	\$6,867,070	\$5,483,493	\$779,715	\$423,174	\$150,768	\$29,920	\$0	\$0	\$0

	Misc Revenue									
4082	Retail Services Revenues	(\$35,784)	(\$28,537)	(\$4,747)	(\$2,146)	(\$79)	(\$31)	(\$4)	(\$28)	(\$213)
4084	Service Transaction Requests (STR) Revenues	(\$1,085)	(\$865)	(\$144)	(\$65)	(\$2)	(\$1)	(\$0)	(\$1)	(\$56)
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4220	Other Electric Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4225	Late Payment Charges	(\$156,670)	(\$89,799)	(\$24,763)	(\$28,721)	(\$12,236)	(\$1,004)	(\$100)	\$0	(\$45)
	Sub-total	(\$193,539)	(\$119,201)	(\$29,654)	(\$30,932)	(\$12,318)	(\$1,036)	(\$105)	(\$29)	(\$265)
	Operation									
5065	Meter Expense	\$178,657	\$142,890	\$20,212	\$10,865	\$3,916	\$775	\$0	\$0	\$0
5070	Customer Premises - Operation Labour	\$191,386	\$157,445	\$13,095	\$1,691	\$62	\$11	\$16,378	\$1,528	\$1,176
5075	Customer Premises - Materials and Expenses	\$5,000	\$4,113	\$342	\$44	\$2	\$0	\$428	\$40	\$31
	Sub-total	\$375,043	\$304,448	\$33,648	\$12,601	\$3,979	\$787	\$16,806	\$1,568	\$1,206
5175	Maintenance									
	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Billing and Collection									
5310	Meter Reading Expense	\$316,859	\$162,829	\$135,425	\$17,493	\$936	\$176	\$0	\$0	\$0
5315	Customer Billing	\$1,083,885	\$864,365	\$143,779	\$65,000	\$2,391	\$932	\$124	\$839	\$6,455
5320	Collecting	\$367,944	\$293,424	\$48,808	\$22,065	\$812	\$316	\$42	\$285	\$2,191
5325	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	\$1,768,688	\$1,320,619	\$328,012	\$104,558	\$4,139	\$1,423	\$166	\$1,124	\$8,646
	Total Operation, Maintenance and Billing	\$2,143,731	\$1,625,067	\$361,661	\$117,159	\$8,119	\$2,210	\$16,972	\$2,692	\$9,852
	Amortization Expense - Meters	\$485,186	\$388,052	\$54,889	\$29,507	\$10,634	\$2,105	\$0	\$0	\$0
	Amortization Expense - General Plant assigned to Meters	\$37,145	\$29,166	\$4,378	\$2,602	\$831	\$169	\$0	\$0	\$0
	Admin and General	\$1,406,814	\$1,065,537	\$236,824	\$77,974	\$5,381	\$1,477	\$11,400	\$1,781	\$6,440
	Allocated Pills	\$62,859	\$66,271	\$3,774	\$5,039	\$1,816	\$360	\$0	\$0	\$0
	Allocated Debt Return	\$246,229	\$196,934	\$27,856	\$14,974	\$5,396	\$1,068	\$0	\$0	\$0
	Allocated Equity Return	\$324,626	\$259,635	\$36,725	\$19,742	\$7,115	\$1,409	\$0	\$0	\$0
	Total	\$4,533,050	\$3,511,460	\$702,052	\$236,064	\$26,973	\$7,762	\$28,268	\$4,444	\$16,020

### Scenario 3

			1	2	3	5	6	7	8	9
USoA Account #	Accounts	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
	<u>Distribution Plant</u>									
1565	Conservation and Demand Management Expenditures and Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830	Poles, Towers and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830-3	Poles, Towers and Fixtures - Primary	\$6,311,446	\$5,192,141	\$431,831	\$55,778	\$2,052	\$373	\$540,108	\$50,391	\$38,772
1830-5	Poles, Towers and Fixtures - Secondary	\$410,009	\$374,895	\$31,180	\$3,920	\$13	\$0	\$0	\$0	\$0
1835	Overhead Conductors and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Overhead Conductors and Devices - Subtransmission Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1835-3	Overhead Conductors and Devices - Primary	\$5,900,492	\$4,854,068	\$403,713	\$52,146	\$1,918	\$349	\$504,940	\$47,110	\$36,247
1835-5	Overhead Conductors and Devices - Secondary	\$132,114	\$120,800	\$10,047	\$1,263	\$4	\$0	\$0	\$0	\$0
1840	Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1840-3	Underground Conduit - Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1840-4	Underground Conduit - Primary	\$5,870,181	\$4,829,133	\$401,640	\$51,879	\$1,909	\$347	\$502,346	\$46,868	\$36,061
1840-5	Underground Conduit - Secondary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1845	Underground Conductors and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Underground Conductors and Devices - Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1845-3	Underground Conductors and Devices - Primary	\$4,666,367	\$3,838,809	\$319,274	\$41,240	\$1,517	\$276	\$399,328	\$37,257	\$28,666
1845-5	Underground Conductors and Devices - Secondary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1850	Line Transformers	\$11,824,163	\$9,733,246	\$809,515	\$101,765	(\$0)	\$0	\$1,012,492	\$94,463	\$72,682
1855	Services	\$11,214,488	\$8,104,619	\$1,348,124	\$847,370	\$2,912	\$0	\$843,075	\$7,866	\$60,521
1860	Meters	\$9,469,193	\$7,573,449	\$1,071,252	\$575,871	\$207,532	\$41,089	\$0	\$0	\$0
	<u>Sub-total</u>	<u>\$55,798,454</u>	<u>\$44,621,161</u>	<u>\$4,826,576</u>	<u>\$1,731,232</u>	<u>\$217,858</u>	<u>\$42,434</u>	<u>\$3,802,289</u>	<u>\$283,954</u>	<u>\$272,950</u>
	<u>Accumulated Amortization</u>									
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	(\$31,552,637)	(\$25,555,889)	(\$2,481,716)	(\$680,747)	(\$81,971)	(\$19,790)	(\$2,363,654)	(\$199,126)	(\$169,744)
	<b>Customer Related Net Fixed Assets</b>	<b>\$24,245,817</b>	<b>\$19,065,273</b>	<b>\$2,344,860</b>	<b>\$1,050,485</b>	<b>\$135,887</b>	<b>\$22,643</b>	<b>\$1,438,634</b>	<b>\$84,829</b>	<b>\$103,206</b>
	<b>Allocated General Plant Net Fixed Assets</b>	<b>\$2,319,786</b>	<b>\$1,797,786</b>	<b>\$234,621</b>	<b>\$116,205</b>	<b>\$13,315</b>	<b>\$2,276</b>	<b>\$135,520</b>	<b>\$9,914</b>	<b>\$10,148</b>
	<b>Customer Related NFA Including General Plant</b>	<b>\$26,565,603</b>	<b>\$20,863,059</b>	<b>\$2,579,481</b>	<b>\$1,166,690</b>	<b>\$149,202</b>	<b>\$24,920</b>	<b>\$1,574,155</b>	<b>\$94,742</b>	<b>\$113,354</b>
	<u>Misc Revenue</u>									
4082	Retail Services Revenues	(\$35,784)	(\$28,537)	(\$4,747)	(\$2,146)	(\$79)	(\$31)	(\$4)	(\$28)	(\$213)
4084	Service Transaction Requests (STR) Revenues	(\$1,085)	(\$865)	(\$144)	(\$65)	(\$2)	(\$1)	(\$0)	(\$1)	(\$6)
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4220	Other Electric Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4225	Late Payment Charges	(\$156,670)	(\$89,799)	(\$24,763)	(\$28,721)	(\$12,236)	(\$1,004)	(\$100)	\$0	(\$45)
4235	Miscellaneous Service Revenues	(\$403,492)	(\$321,773)	(\$53,524)	(\$24,197)	(\$890)	(\$347)	(\$46)	(\$312)	(\$2,403)
	<u>Sub-total</u>	<u>(\$597,031)</u>	<u>(\$440,974)</u>	<u>(\$83,178)</u>	<u>(\$55,130)</u>	<u>(\$13,208)</u>	<u>(\$1,383)</u>	<u>(\$151)</u>	<u>(\$341)</u>	<u>(\$2,667)</u>
	<u>Operating and Maintenance</u>									
5005	Operation Supervision and Engineering	\$12,952	\$10,351	\$1,050	\$326	\$5	\$2	\$1,062	\$79	\$76
5010	Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$3,474	\$2,871	\$239	\$31	\$1	\$0	\$285	\$27	\$20
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5035	Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5040	Underground Distribution Lines and Feeders - Operation Labour	\$432	\$355	\$30	\$4	\$0	\$0	\$37	\$3	\$3
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$106,937	\$87,973	\$7,317	\$945	\$35	\$6	\$9,151	\$854	\$657
5055	Underground Distribution Transformers - Operation	\$420	\$346	\$29	\$4	(\$0)	\$0	\$36	\$3	\$3
5065	Meter Expense	\$178,657	\$142,890	\$20,212	\$10,865	\$3,916	\$775	\$0	\$0	\$0
5070	Customer Premises - Operation Labour	\$191,386	\$157,445	\$13,095	\$1,691	\$62	\$11	\$16,378	\$1,528	\$1,176
5075	Customer Premises - Materials and Expenses	\$5,000	\$4,113	\$342	\$44	\$2	\$0	\$428	\$40	\$31
5085	Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5090	Underground Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5096	Other Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Misc Revenue**

### Operating and Maintenance

5105	Maintenance Supervision and Engineering	\$12,952	\$10,351	\$1,050	\$326	\$5	\$2	\$1,062	\$79	\$76
5120	Maintenance of Poles, Towers and Fixtures	\$46,302	\$38,350	\$3,190	\$411	\$14	\$3	\$3,721	\$347	\$267
5125	Maintenance of Overhead Conductors and Devices	\$101,044	\$83,327	\$6,930	\$895	\$32	\$6	\$8,458	\$789	\$607
5130	Maintenance of Overhead Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5135	Overhead Distribution Lines and Feeders - Right of Way	\$51,582	\$42,635	\$3,546	\$457	\$16	\$3	\$4,227	\$394	\$303
5145	Maintenance of Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5150	Maintenance of Underground Conductors and Devices	\$40,149	\$33,029	\$2,747	\$355	\$13	\$2	\$3,436	\$321	\$247
5155	Maintenance of Underground Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5160	Maintenance of Line Transformers	\$138,192	\$113,755	\$9,461	\$1,189	(\$0)	\$0	\$11,833	\$1,104	\$849
5175	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total		\$889,479	\$727,791	\$69,236	\$17,544	\$4,100	\$811	\$60,112	\$5,569	\$4,315
<b>Billing and Collection</b>										
5305	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5310	Meter Reading Expense	\$316,859	\$162,829	\$135,425	\$17,493	\$936	\$176	\$0	\$0	\$0
5315	Customer Billing	\$1,083,885	\$864,365	\$143,779	\$65,000	\$2,391	\$932	\$124	\$839	\$6,455
5320	Collecting	\$367,944	\$293,424	\$48,808	\$22,065	\$812	\$316	\$42	\$285	\$2,191
5325	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5335	Bad Debt Expense	\$50,000	\$19,076	\$5,017	\$1,178	\$24,729	\$0	\$0	\$0	\$0
5340	Miscellaneous Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total		\$1,818,688	\$1,339,695	\$333,029	\$105,737	\$28,868	\$1,423	\$166	\$1,124	\$8,646
Sub Total Operating, Maintenance and Billing		\$2,708,167	\$2,067,486	\$402,266	\$123,281	\$32,968	\$2,234	\$60,279	\$6,692	\$12,961
Amortization Expense - Customer Related		\$1,674,541	\$1,322,843	\$159,663	\$70,116	\$11,023	\$2,221	\$95,708	\$6,096	\$6,872
Amortization Expense - General Plant assigned to Meters		\$143,190	\$110,969	\$14,482	\$7,173	\$822	\$140	\$8,365	\$612	\$626
Admin and General		\$1,777,821	\$1,355,626	\$263,413	\$82,048	\$21,852	\$1,493	\$40,488	\$4,428	\$8,472
Allocated P&L		\$320,653	\$252,140	\$31,011	\$13,893	\$1,797	\$299	\$19,026	\$1,122	\$1,365
Allocated Debt Return		\$952,871	\$749,274	\$92,154	\$41,285	\$5,340	\$890	\$56,539	\$3,334	\$4,056
Allocated Equity Return		\$1,256,256	\$987,835	\$121,495	\$54,429	\$7,041	\$1,173	\$74,540	\$4,395	\$5,347
PLCC Adjustment for Line Transformer		\$179,048	\$148,514	\$12,364	\$1,561	\$0	\$0	\$15,499	\$0	\$1,109
PLCC Adjustment for Primary Costs		\$507,096	\$420,455	\$35,013	\$4,543	\$167	\$30	\$43,748	\$0	\$3,140
PLCC Adjustment for Secondary Costs		\$19,336	\$16,039	\$1,314	\$170	\$6	\$0	\$1,634	\$56	\$117
Total		\$7,530,987	\$5,820,190	\$952,614	\$330,821	\$67,463	\$7,038	\$293,913	\$26,284	\$32,665

Below: Grouping to avoid disclosure

## Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
<b>Distribution Plant</b>									
CWMC	\$ 9,469,193	\$ 7,573,449	\$ 1,071,252	\$ 575,871	\$ 207,532	\$ 41,089	\$ -	\$ -	\$ -
<b>Accumulated Amortization</b>									
Accum. Amortization of Electric Utility Plant - Meters only	\$ (3,203,897)	\$ (2,562,473)	\$ (362,458)	\$ (194,846)	\$ (70,218)	\$ (13,902)	\$ -	\$ -	\$ -
Meter Net Fixed Assets	\$ 6,265,296	\$ 5,010,976	\$ 708,794	\$ 381,025	\$ 137,313	\$ 27,187	\$ -	\$ -	\$ -
<b>Misc Revenue</b>									
CWNB	\$ (36,869)	\$ (29,402)	\$ (4,891)	\$ (2,211)	\$ (81)	\$ (32)	\$ (4)	\$ (29)	\$ (220)
NFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LP&A	\$ (156,670)	\$ (89,799)	\$ (24,763)	\$ (28,721)	\$ (12,236)	\$ (1,004)	\$ (100)	\$ -	\$ (45)
Sub-total	\$ (193,539)	\$ (119,201)	\$ (29,654)	\$ (30,932)	\$ (12,318)	\$ (1,036)	\$ (105)	\$ (29)	\$ (265)
<b>Operation</b>									
CWMC	\$ 178,657	\$ 142,890	\$ 20,212	\$ 10,865	\$ 3,916	\$ 775	\$ -	\$ -	\$ -
CCA	\$ 196,386	\$ 161,558	\$ 13,437	\$ 1,736	\$ 64	\$ 12	\$ 16,806	\$ 1,568	\$ 1,206
Sub-total	\$ 375,043	\$ 304,448	\$ 33,648	\$ 12,601	\$ 3,979	\$ 787	\$ 16,806	\$ 1,568	\$ 1,206
<b>Maintenance</b>									
1860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Billing and Collection</b>									
CWMR	\$ 316,859	\$ 162,829	\$ 135,425	\$ 17,493	\$ 936	\$ 176	\$ -	\$ -	\$ -
CWNB	\$ 1,451,829	\$ 1,157,790	\$ 192,587	\$ 87,066	\$ 3,203	\$ 1,248	\$ 166	\$ 1,124	\$ 8,646
Sub-total	\$ 1,768,688	\$ 1,320,619	\$ 328,012	\$ 104,558	\$ 4,139	\$ 1,423	\$ 166	\$ 1,124	\$ 8,646
Total Operation, Maintenance and Billing	\$ 2,143,731	\$ 1,625,067	\$ 361,661	\$ 117,159	\$ 8,119	\$ 2,210	\$ 16,972	\$ 2,692	\$ 9,852
<b>Amortization Expense - Meters</b>									
Allocated P&Ls	\$ 485,186	\$ 388,052	\$ 54,889	\$ 29,507	\$ 10,634	\$ 2,105	\$ -	\$ -	\$ -
Allocated Debt Return	\$ 75,599	\$ 60,560	\$ 8,521	\$ 4,537	\$ 1,654	\$ 327	\$ -	\$ -	\$ -
Allocated Equity Return	\$ 224,655	\$ 179,964	\$ 25,322	\$ 13,463	\$ 4,915	\$ 971	\$ -	\$ -	\$ -
Sub-total	\$ 296,182	\$ 237,262	\$ 33,385	\$ 17,776	\$ 6,480	\$ 1,280	\$ -	\$ -	\$ -
Total	\$ 3,031,814	\$ 2,371,703	\$ 454,124	\$ 151,529	\$ 19,483	\$ 5,857	\$ 16,868	\$ 2,663	\$ 9,588

## Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

Accounts	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
<b>Distribution Plant</b>									
CWMC	\$ 9,469,193	\$ 7,573,449	\$ 1,071,252	\$ 575,871	\$ 207,532	\$ 41,089	\$ -	\$ -	\$ -
<b>Accumulated Amortization</b>									
Accum. Amortization of Electric Utility Plant - Meters only	\$ (3,203,897)	\$ (2,562,473)	\$ (362,458)	\$ (194,846)	\$ (70,218)	\$ (13,902)	\$ -	\$ -	\$ -
Meter Net Fixed Assets	\$ 6,265,296	\$ 5,010,976	\$ 708,794	\$ 381,025	\$ 137,313	\$ 27,187	\$ -	\$ -	\$ -
Allocated General Plant Net Fixed Assets	\$ 601,774	\$ 472,517	\$ 70,920	\$ 42,149	\$ 13,455	\$ 2,733	\$ -	\$ -	\$ -
Meter Net Fixed Assets Including General Plant	\$ 6,867,070	\$ 5,483,493	\$ 779,715	\$ 423,174	\$ 150,768	\$ 29,920	\$ -	\$ -	\$ -
<b>Misc Revenue</b>									
CWNB	\$ (36,869)	\$ (29,402)	\$ (4,891)	\$ (2,211)	\$ (81)	\$ (32)	\$ (4)	\$ (29)	\$ (220)
NFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LP&A	\$ (156,670)	\$ (89,799)	\$ (24,763)	\$ (28,721)	\$ (12,236)	\$ (1,004)	\$ (100)	\$ -	\$ (45)
Sub-total	\$ (193,539)	\$ (119,201)	\$ (29,654)	\$ (30,932)	\$ (12,318)	\$ (1,036)	\$ (105)	\$ (29)	\$ (265)

<b>Operation</b>																		
CWMC	\$	178,657	\$	142,890	\$	20,212	\$	10,865	\$	3,916	\$	775	\$	-	\$	-	\$	-
CCA	\$	196,386	\$	161,558	\$	13,437	\$	1,736	\$	64	\$	12	\$	16,806	\$	1,568	\$	1,206
<b>Sub-total</b>	\$	<b>375,043</b>	\$	<b>304,448</b>	\$	<b>33,648</b>	\$	<b>12,601</b>	\$	<b>3,979</b>	\$	<b>787</b>	\$	<b>16,806</b>	\$	<b>1,568</b>	\$	<b>1,206</b>
<b>Maintenance</b>																		
1860	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Billing and Collection</b>																		
CWMR	\$	316,859	\$	162,829	\$	135,425	\$	17,493	\$	936	\$	176	\$	-	\$	-	\$	-
CWNB	\$	1,451,829	\$	1,157,790	\$	192,587	\$	87,066	\$	3,203	\$	1,248	\$	166	\$	1,124	\$	8,646
<b>Sub-total</b>	\$	<b>1,768,688</b>	\$	<b>1,320,619</b>	\$	<b>328,012</b>	\$	<b>104,558</b>	\$	<b>4,139</b>	\$	<b>1,423</b>	\$	<b>166</b>	\$	<b>1,124</b>	\$	<b>8,646</b>
<b>Total Operation, Maintenance and Billing</b>	\$	<b>2,143,731</b>	\$	<b>1,625,067</b>	\$	<b>361,661</b>	\$	<b>117,159</b>	\$	<b>8,119</b>	\$	<b>2,210</b>	\$	<b>16,972</b>	\$	<b>2,692</b>	\$	<b>9,852</b>
<b>Amortization Expense - Meters</b>																		
<b>Amortization Expense - General Plant assigned to Meters</b>	\$	485,186	\$	388,052	\$	54,889	\$	29,507	\$	10,634	\$	2,105	\$	-	\$	-	\$	-
<b>Admin and General</b>	\$	37,145	\$	29,166	\$	4,378	\$	2,602	\$	831	\$	169	\$	-	\$	-	\$	-
<b>Allocated PILs</b>	\$	1,406,814	\$	1,065,537	\$	236,824	\$	77,974	\$	5,381	\$	1,477	\$	11,400	\$	1,781	\$	6,440
<b>Allocated Debt Return</b>	\$	82,859	\$	66,271	\$	9,374	\$	5,039	\$	1,816	\$	360	\$	-	\$	-	\$	-
<b>Allocated Equity Return</b>	\$	246,229	\$	196,934	\$	27,856	\$	14,974	\$	5,396	\$	1,068	\$	-	\$	-	\$	-
	\$	324,626	\$	259,635	\$	36,725	\$	19,742	\$	7,115	\$	1,409	\$	-	\$	-	\$	-
<b>Total</b>	\$	<b>4,533,050</b>	\$	<b>3,511,460</b>	\$	<b>702,052</b>	\$	<b>236,064</b>	\$	<b>26,973</b>	\$	<b>7,762</b>	\$	<b>28,268</b>	\$	<b>4,444</b>	\$	<b>16,027</b>

### Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
<b>Distribution Plant</b>										
CDMP	\$	-	\$	-	\$	-	\$	-	\$	-
Poles, Towers and Fixtures	\$	-	\$	-	\$	-	\$	-	\$	-
BCP	\$	-	\$	-	\$	-	\$	-	\$	-
PNCP	\$	22,748,487	\$	18,714,151	\$	1,556,458	\$	201,043	\$	7,396
SNCP	\$	542,123	\$	495,695	\$	41,227	\$	5,183	\$	18
Overhead Conductors and Devices	\$	-	\$	-	\$	-	\$	-	\$	-
LTNCP	\$	11,824,163	\$	9,733,246	\$	809,515	\$	101,765	\$	(0)
CWCS	\$	11,214,488	\$	8,104,619	\$	1,348,124	\$	847,370	\$	2,912
CWMC	\$	9,469,193	\$	7,573,449	\$	1,071,252	\$	575,871	\$	207,532
<b>Sub-total</b>	\$	<b>55,798,454</b>	\$	<b>44,621,161</b>	\$	<b>4,826,576</b>	\$	<b>1,731,232</b>	\$	<b>217,858</b>
<b>Accumulated Amortization</b>										
Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	\$	(31,552,637)	\$	(25,555,889)	\$	(2,481,716)	\$	(680,747)	\$	(81,971)
<b>Customer Related Net Fixed Assets</b>	\$	<b>24,245,817</b>	\$	<b>19,065,273</b>	\$	<b>2,344,860</b>	\$	<b>1,050,485</b>	\$	<b>135,887</b>
<b>Allocated General Plant Net Fixed Assets</b>	\$	<b>2,319,786</b>	\$	<b>1,797,786</b>	\$	<b>234,621</b>	\$	<b>116,205</b>	\$	<b>13,315</b>
<b>Customer Related NFA Including General Plant</b>	\$	<b>26,565,603</b>	\$	<b>20,863,059</b>	\$	<b>2,579,481</b>	\$	<b>1,166,690</b>	\$	<b>149,202</b>
<b>Misc Revenue</b>										
CWNB	\$	(440,361)	\$	(351,175)	\$	(58,414)	\$	(26,408)	\$	(972)
NFA	\$	-	\$	-	\$	-	\$	-	\$	-
LPHA	\$	(156,670)	\$	(89,799)	\$	(24,763)	\$	(28,721)	\$	(12,236)
<b>Sub-total</b>	\$	<b>(597,031)</b>	\$	<b>(440,974)</b>	\$	<b>(83,178)</b>	\$	<b>(55,130)</b>	\$	<b>(13,208)</b>
<b>Operating and Maintenance</b>										
1815-1855	\$	25,904	\$	20,702	\$	2,100	\$	653	\$	9
1830 & 1835	\$	55,056	\$	45,507	\$	3,785	\$	488	\$	17
1850	\$	138,612	\$	114,101	\$	9,490	\$	1,193	\$	(0)
1840 & 1845	\$	107,369	\$	88,328	\$	7,346	\$	949	\$	35
CWMC	\$	178,657	\$	142,890	\$	20,212	\$	10,865	\$	3,916
CCA	\$	196,386	\$	161,558	\$	13,437	\$	1,736	\$	64
O&M	\$	-	\$	-	\$	-	\$	-	\$	-
1830	\$	46,302	\$	38,350	\$	3,190	\$	411	\$	14
1835	\$	101,044	\$	83,327	\$	6,930	\$	895	\$	32
1855	\$	-	\$	-	\$	-	\$	-	\$	-
1840	\$	-	\$	-	\$	-	\$	-	\$	-
1845	\$	40,149	\$	33,029	\$	2,747	\$	355	\$	13
1860	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Sub-total</b>	\$	<b>889,479</b>	\$	<b>727,791</b>	\$	<b>69,236</b>	\$	<b>17,544</b>	\$	<b>4,100</b>
<b>Billing and Collection</b>										
CWNB	\$	1,451,829	\$	1,157,790	\$	192,587	\$	87,066	\$	3,203
CWMR	\$	316,859	\$	162,829	\$	135,425	\$	17,493	\$	936
BDHA	\$	50,000	\$	19,076	\$	5,017	\$	1,178	\$	24,729
<b>Sub-total</b>	\$	<b>1,818,688</b>	\$	<b>1,339,695</b>	\$	<b>333,029</b>	\$	<b>105,737</b>	\$	<b>28,868</b>
<b>Sub Total Operating, Maintenance and Billing</b>	\$	<b>2,708,167</b>	\$	<b>2,067,486</b>	\$	<b>402,266</b>	\$	<b>123,281</b>	\$	<b>32,968</b>
<b>Amortization Expense - Customer Related</b>										
Amortization Expense - General Plant assigned to Meters	\$	1,674,541	\$	1,322,843	\$	159,663	\$	70,116	\$	11,023
Admin and General	\$	143,190	\$	110,969	\$	14,482	\$	7,173	\$	822
Allocated PILs	\$	1,777,821	\$	1,355,626	\$	263,413	\$	82,048	\$	21,852
Allocated Debt Return	\$	320,653	\$	252,140	\$	31,011	\$	13,893	\$	1,797
Allocated Equity Return	\$	952,871	\$	749,274	\$	92,154	\$	41,285	\$	5,340
<b>PLCC Adjustment for Line Transformer</b>	\$	1,256,256	\$	987,835	\$	121,495	\$	54,429	\$	7,041
<b>PLCC Adjustment for Primary Costs</b>	\$	179,048	\$	148,514	\$	12,364	\$	1,561	\$	-
<b>PLCC Adjustment for Secondary Costs</b>	\$	507,096	\$	420,455	\$	35,013	\$	4,543	\$	167
<b>Total</b>	\$	<b>7,530,987</b>	\$	<b>5,820,190</b>	\$	<b>952,614</b>	\$	<b>330,821</b>	\$	<b>67,463</b>



**Line Transformers Demand Unit Cost for PLCC**  
**Adjustment to Customer Related Cost**  
**Allocation by rate classification**

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Description	Residential	GS <50	GS>50-Regular	GS> 50-TOU	100kW to 4999W	Large Use >5MW	Street Light	Sentinel	Legacy USL	Embedded Distributor	Back-up/Standby Power	Rate Class 1	Rate class 2	Rate class 3	Rate class 4	Rate class 5	Rate class 6	Rate class 7	Rate class 8	Rate class 9	
Deceoriation on Accit 1850 Line Transformers	\$362,441	\$174,795	\$63,580	\$122,268	\$0	\$0	\$1,279	\$0	\$459	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Deceoriation on General Plant Assigned to Line Transformers	\$25,332	\$11,427	\$4,410	\$9,378	\$0	\$0	\$83	\$0	\$34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5005 - Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5005 - Underground Distribution Transformers- Operation	\$780	\$263	\$78	\$137	\$0	\$0	\$3	\$0	\$32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5160 - Maintenance of Line Transformers	\$256,643	\$123,772	\$45,021	\$68,592	\$0	\$0	\$905	\$0	\$354	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Allocation of General Expenses	\$17,066	\$8,231	\$2,994	\$5,758	\$0	\$0	\$90	\$0	\$24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Admin and General Assigned to Line Transformers	\$161,616	\$20,570	\$67,805	\$69,102	\$0	\$0	\$232	\$0	\$32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PLCC on Line Transformers	\$53,835	\$25,963	\$9,444	\$18,164	\$0	\$0	\$190	\$0	\$74	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate Return on Line Transformers	\$159,980	\$20,064	\$53,977	\$54	\$0	\$0	\$54	\$0	\$220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Equity Return on Line Transformers	\$210,916	\$101,719	\$36,999	\$71,163	\$0	\$0	\$744	\$0	\$291	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$1,256,613	\$604,838	\$220,218	\$425,389	\$0	\$0	\$4,439	\$0	\$1,729	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Line Transformer NCP	376,048	181,358	65,967	126,879	0	0	1,327	0	518	0	0	0	0	0	0	0	0	0	0	0	
PLCC Amount	53,825	44,531	3,704	466	0	0	4,632	160	333	0	0	0	0	0	0	0	0	0	0	0	
Adjustment to Customer Related Cost for PLCC	\$179,048	\$148,514	\$12,364	\$1,561	\$0	\$0	\$15,499	\$0	\$1,109	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,180,481	\$1,741,631	\$0	\$468,839	\$415,496	\$297,668	\$20,770	\$26,655	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Accumulated Depreciation	\$(5,042,957)	\$(2,989,858)	\$(915,156)	\$(307,694)	\$0	\$(233,897)	\$(216,521)	\$(155,119)	\$(10,824)	\$(11,890)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$634,138	\$0	\$214,942	\$198,975	\$142,549	\$9,947	\$12,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Deceoriation	\$286,054	\$163,923	\$34,894	\$51,487	\$0	\$13,267	\$12,282	\$8,799	\$614	\$788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Net Fixed Assets Excluding General Plant	\$47,254,538	\$28,163,060	\$5,648,796	\$7,540,571	\$0	\$2,130,564	\$1,979,378	\$1,513,246	\$85,110	\$129,813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Administration and General Expense	\$2,584,552	\$1,675,629	\$379,656	\$313,731	\$0	\$50,877	\$67,799	\$43,033	\$4,433	\$0,394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total O&M	\$1,930,427	\$2,555,526	\$579,785	\$471,393	\$0	\$137,108	\$101,477	\$64,067	\$6,700	\$14,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Line Transformer Rate Base																					
Acct 1850 - Line Transformers - Gross Assets	\$21,959,160	\$10,590,291	\$3,852,098	\$7,409,043	\$0	\$0	\$77,466	\$0	\$30,262	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Line Transformers - Accumulated Depreciation	\$17,888,471	\$(8,627,111)	\$(3,138,014)	\$(6,035,588)	\$0	\$0	\$(93,106)	\$0	\$(24,652)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Line Transformers - Net Fixed Assets	\$4,070,689	\$17,467,402	\$6,990,112	\$13,444,631	\$0	\$0	\$170,572	\$0	\$54,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant Assigned to Line Transformers - NFA	\$410,406	\$185,121	\$71,450	\$151,932	\$0	\$0	\$1,353	\$0	\$552	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Line Transformer Net Fixed Assets Including General Plant	\$4,481,096	\$2,148,301	\$785,534	\$1,525,386	\$0	\$0	\$15,713	\$0	\$6,161	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Expenses																					
Acct 5005 - Operation Supervision and Engineering	\$30,221	\$12,261	\$4,460	\$8,730	\$0	\$2,376	\$2,263	\$96	\$0	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5010 - Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5085 - Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5105 - Maintenance Supervision and Engineering	\$30,221	\$12,261	\$4,460	\$8,730	\$0	\$2,376	\$2,263	\$96	\$0	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$60,442	\$24,522	\$8,920	\$17,460	\$0	\$4,751	\$4,526	\$191	\$0	\$71	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1850 - Line Transformers - Gross Assets	\$21,959,160	\$10,590,291	\$3,852,098	\$7,409,043	\$0	\$0	\$77,466	\$0	\$30,262	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1815 - 1855	\$77,770,785	\$31,562,859	\$11,478,995	\$22,466,390	\$0	\$6,113,323	\$5,823,491	\$265,980	\$525	\$91,252	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	



**Sheet 02.2 Primary Cost PLCC Adjustment Worksheet - Second Run Milton Run 2 (no Bulk)**

### Allocation by Rate Classification

[illegible]



# 2011 COST ALLOCATION INFORMATION FILING

## Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

### Sheet 02.3 Secondary Cost PLCC Adjustment Worksheet - Second Run Milton Run 2 (no Bulk)

Secondary Conductors and Poles Cost Pool Demand Unit Cost for PLCC Adjustment to Customer Related Cost

Allocation by Rate Classification

#### Description

Description	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
		Residential	GS <50	GS>50-Regular	GS>50-TOU	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL	Embedded Distributor	Back-up/Standby Power	Rate Class 1	Rate class 2	Rate class 3	Rate class 4	Rate class 5	Rate class 6	Rate class 7	Rate class 8	Rate class 9
Depreciation on Acct 1830-5 Secondary Poles, Towers & Fixtures	\$33,548	\$15,758	\$5,732	\$11,024	\$0	\$429	\$0	\$618	\$14	\$74	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Depreciation on Acct 1835-5 Secondary Overhead Conductors	\$5,032	\$3,035	\$717	\$1,172	\$0	\$45	\$0	\$54	\$1	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Depreciation on Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Depreciation on Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Depreciation on General Plant Assigned to Secondary C&P	\$3,760	\$1,654	\$638	\$1,367	\$0	\$47	\$0	\$54	\$2	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary C&P Operations and Maintenance	\$18,992	\$8,922	\$3,245	\$6,242	\$0	\$243	\$0	\$291	\$7	\$42	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Allocation of General Expenses	\$983	\$462	\$168	\$323	\$0	\$13	\$0	\$15	\$0	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Admin and General Assigned to Primary C&P	\$12,818	\$5,860	\$2,125	\$4,154	\$0	\$161	\$0	\$195	\$27	\$40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PLCC on Secondary C&P	\$7,999	\$3,757	\$1,367	\$2,629	\$0	\$102	\$0	\$123	\$3	\$18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt Return on Secondary C&P	\$23,771	\$11,165	\$4,061	\$7,811	\$0	\$304	\$0	\$367	\$10	\$52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Equity Return on Secondary C&P	\$31,339	\$14,720	\$5,354	\$10,288	\$0	\$401	\$0	\$484	\$13	\$69	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$137,941	\$65,322	\$23,407	\$45,011	\$0	\$1,745	\$0	\$2,101	\$56	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary NCP	386,108	181,358	65,967	126,879	0	4,935	0	5,959	160	851	0	0	0	0	0	0	0	0	0	0	
PLCC Amount	44,531	478	18	478	0	166	0	1,432	333	174	0	0	0	0	0	0	0	0	0	0	
Adjustment to Customer Related Cost for PLCC	\$19,336	\$16,039	\$1,314	\$170	\$0	\$6	\$0	\$56	\$117	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$0	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Accumulated Depreciation	(\$5,042,957)	(\$2,889,858)	(\$615,156)	(\$907,684)	\$0	(\$233,897)	(\$165,521)	(\$155,118)	(\$10,824)	(\$13,890)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$834,138	\$0	\$214,942	\$198,975	\$142,549	\$9,947	\$12,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant - Depreciation	\$286,054	\$163,923	\$34,894	\$51,487	\$0	\$13,267	\$12,282	\$8,799	\$614	\$788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Net Fixed Assets Excluding General Plant	\$47,254,539	\$28,163,060	\$5,649,796	\$7,540,571	\$0	\$2,193,564	\$1,979,378	\$1,513,246	\$85,110	\$129,813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Administration and General Expense	\$2,584,552	\$1,675,629	\$379,656	\$319,731	\$0	\$90,877	\$67,799	\$43,033	\$4,433	\$9,394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total O&M	\$3,930,427	\$2,555,526	\$579,785	\$471,393	\$0	\$137,108	\$101,477	\$64,067	\$6,700	\$14,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary Conductors and Poles Gross Plant	\$956,687	\$449,362	\$163,450	\$314,377	\$0	\$12,229	\$0	\$14,765	\$397	\$2,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1830-5 Secondary Poles, Towers & Fixtures	\$308,296	\$144,795	\$52,667	\$101,299	\$0	\$3,940	\$0	\$4,758	\$128	\$679	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1835-5 Secondary Overhead Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$1,264,953	\$594,156	\$216,118	\$415,676	\$0	\$16,169	\$0	\$19,522	\$525	\$2,787	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary Conductors and Poles Accumulated Depreciation	(\$367,384)	(\$172,562)	(\$62,768)	(\$120,726)	\$0	(\$4,696)	\$0	(\$5,670)	(\$152)	(\$810)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1830-5 Secondary Poles, Towers & Fixtures	(\$252,727)	(\$137,496)	(\$50,012)	(\$86,193)	\$0	(\$3,742)	\$0	(\$4,518)	(\$121)	(\$645)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	(\$660,110)	(\$310,058)	(\$12,780)	(\$216,919)	\$0	(\$8,438)	\$0	(\$10,188)	(\$274)	(\$1,455)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Conductor & Poles - Net Fixed Assets	\$604,843	\$284,099	\$103,338	\$198,757	\$0	\$7,731	\$0	\$9,335	\$251	\$1,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Plant Assigned to Secondary C&P - NFA	\$60,913	\$26,789	\$10,340	\$21,987	\$0	\$758	\$0	\$979	\$29	\$131	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Secondary C&P Net Fixed Assets Including General Plant	\$665,756	\$310,888	\$113,677	\$220,744	\$0	\$8,489	\$0	\$10,214	\$280	\$1,464	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1830-3 Bulk Poles, Towers & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1835-3 Bulk Overhead Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1840-3 Bulk Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1845-3 Bulk Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1830-4 Primary Poles, Towers & Fixtures	\$14,726,708	\$5,499,137	\$2,000,249	\$3,953,003	\$0	\$1,646,132	\$1,572,247	\$40,225	\$0	\$15,714	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1835-4 Primary Overhead Conductors	\$13,767,815	\$5,141,075	\$1,870,008	\$3,695,613	\$0	\$1,538,948	\$1,469,874	\$37,606	\$0	\$14,691	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1840-4 Primary Underground Conduit	\$13,697,090	\$5,114,665	\$1,860,402	\$3,676,029	\$0	\$1,531,042	\$1,462,324	\$37,413	\$0	\$14,615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 1845-4 Primary Underground Conductors	\$10,888,191	\$4,065,787	\$1,478,884	\$2,922,653	\$0	\$1,217,067	\$1,162,441	\$29,741	\$0	\$11,618	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal	\$53,079,803	\$19,820,664	\$7,209,542	\$14,247,898	\$0	\$5,933,189	\$5,666,886	\$144,985	\$0	\$56,638	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Operations and Maintenance	\$8,106	\$3,060	\$1,113	\$2,197	\$0	\$872	\$829	\$27	\$0	\$9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5020 Overhead Distribution Lines & Feeders - Labour	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5025 Overhead Distribution Lines & Feeders - Other	\$1,008	\$376	\$137	\$271	\$0	\$113	\$108	\$3	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5040 Underground Distribution Lines & Feeders - Labour	\$249,521	\$93,174	\$33,891	\$66,977	\$0	\$27,891	\$26,639	\$682	\$0	\$266	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5045 Underground Distribution Lines & Feeders - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5060 Underground Distribution Lines & Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5065 Underground Distribution Lines & Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5120 Maintenance of Poles, Towers & Fixtures	\$108,038	\$40,977	\$14,805	\$26,397	\$0	\$11,424	\$10,831	\$379	\$3	\$123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5125 Maintenance of Overhead Conductors & Devices	\$235,769	\$86,536	\$32,204	\$63,997	\$0	\$25,843	\$24,620	\$710	\$2	\$257	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5135 Maintenance of Underground Conductors & Devices	\$120,358	\$45,436	\$16,527	\$32,615	\$0	\$12,947	\$12,303	\$394	\$2	\$134	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5145 Maintenance of Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5150 Maintenance of Underground Conductors & Devices	\$93,680	\$34,981	\$12,724	\$25,146	\$0	\$10,471	\$10,001	\$256	\$0	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$616,480	\$306,541	\$111,501	\$220,199	\$0	\$98,561	\$85,331	\$2,449	\$7	\$891	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
General Expenses	\$30,221	\$12,261	\$4,460	\$8,730	\$0	\$2,376	\$2,263	\$96	\$0	\$35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5005 - Operation Supervision and Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5010 - Load Discharge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5085 - Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Acct 5105 - Maintenance Supervision and Engineering	\$30,221	\$12,261	\$4,460	\$8,730	\$0	\$2,376	\$2,263	\$96													



# 2011 COST ALLOCATION INFORMATION FILING

## Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

### Sheet O3.1 Line Transformers Unit Cost Worksheet - Second Run Milton Run 2 (no Bulk)

#### ALLOCATION BY RATE CLASSIFICATION

Description	Total	1 Residential	2 GS <50	3 GS>50-Regular	5 1000kW to 4999kW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Legacy USL
Depreciation on Acct 1850 Line Transformers	\$557,601	\$335,445	\$76,941	\$123,968	(\$0)	\$0	\$17,990	\$1,559	\$1,699
Depreciation on General Plant Assigned to Line Transformers	\$38,189	\$21,929	\$5,337	\$9,507	(\$0)	\$0	\$1,175	\$126	\$116
Acct 5035 - Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5055 - Underground Distribution Transformers - Operation	\$1,200	\$722	\$166	\$267	(\$0)	\$0	\$39	\$3	\$4
Acct 5160 - Maintenance of Line Transformers	\$394,835	\$237,527	\$54,482	\$87,781	(\$0)	\$0	\$12,739	\$1,104	\$1,203
Allocation of General Expenses	\$23,261	\$13,395	\$3,371	\$5,756	(\$0)	\$0	\$623	\$53	\$63
Admin and General Assigned to Line Transformers	\$260,704	\$156,217	\$35,784	\$58,599	(\$0)	\$0	\$8,582	\$733	\$789
PILs on Line Transformers	\$82,823	\$49,825	\$11,428	\$18,414	(\$0)	\$0	\$2,672	\$232	\$252
Debt Return on Line Transformers	\$246,123	\$148,064	\$33,961	\$54,719	(\$0)	\$0	\$7,941	\$688	\$750
Equity Return on Line Transformers	\$324,486	\$195,206	\$44,774	\$72,141	(\$0)	\$0	\$10,469	\$907	\$989
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$1,929,224</b>	<b>\$1,158,328</b>	<b>\$266,245</b>	<b>\$431,150</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$62,230</b>	<b>\$5,405</b>	<b>\$5,865</b>
Billed kW without Line Transformer Allowance		0	0	507,929	193,246	173,521	17,810	465	0
Billed kWh without Line Transformer Allowance		258,520,606	75,044,767	187,300,109	94,342,584	78,821,751	6,320,787	167,188	1,519,815
Line Transformation Unit Cost (\$/kW)		\$0.0000	\$0.0000	\$0.8488	\$0.0000	\$0.0000	\$3.4942	\$11.6191	\$0.0000
Line Transformation Unit Cost (\$/kWh)		\$0.0045	\$0.0035	\$0.0023	\$0.0000	\$0.0000	\$0.0098	\$0.0323	\$0.0039
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655
General Plant - Accumulated Depreciation	(\$5,042,957)	(\$2,889,858)	(\$615,156)	(\$907,694)	(\$233,897)	(\$216,521)	(\$155,119)	(\$10,824)	(\$13,890)
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$834,138	\$214,942	\$198,975	\$142,549	\$9,947	\$12,765
General Plant - Depreciation	\$286,054	\$163,923	\$34,894	\$51,487	\$13,267	\$12,282	\$8,799	\$614	\$788
<b>Total Net Fixed Assets Excluding General Plant</b>	<b>\$47,254,539</b>	<b>\$28,163,060</b>	<b>\$5,649,796</b>	<b>\$7,540,571</b>	<b>\$2,193,564</b>	<b>\$1,979,378</b>	<b>\$1,513,246</b>	<b>\$85,110</b>	<b>\$129,813</b>
<b>Total Administration and General Expense</b>	<b>\$2,584,552</b>	<b>\$1,675,629</b>	<b>\$379,656</b>	<b>\$313,731</b>	<b>\$90,877</b>	<b>\$67,799</b>	<b>\$43,033</b>	<b>\$4,433</b>	<b>\$9,394</b>
<b>Total O&amp;M</b>	<b>\$3,930,427</b>	<b>\$2,555,526</b>	<b>\$579,785</b>	<b>\$471,393</b>	<b>\$137,108</b>	<b>\$101,477</b>	<b>\$64,067</b>	<b>\$6,700</b>	<b>\$14,371</b>
<b>Line Transformer Rate Base</b>									
Acct 1850 - Line Transformers - Gross Assets	\$33,783,324	\$20,323,537	\$4,661,614	\$7,510,808	(\$0)	\$0	\$1,089,958	\$94,463	\$102,944
Line Transformers - Accumulated Depreciation	(\$27,520,724)	(\$16,556,052)	(\$3,797,465)	(\$6,118,488)	\$0	\$0	(\$887,906)	(\$76,952)	(\$83,861)
Line Transformers - Net Fixed Assets	\$6,262,600	\$3,767,485	\$864,149	\$1,392,320	(\$0)	\$0	\$202,051	\$17,511	\$19,083
General Plant Assigned to Line Transformers - NFA	\$618,700	\$355,260	\$86,465	\$154,018	(\$0)	\$0	\$19,033	\$2,046	\$1,876
Line Transformer Net Fixed Assets Including General Plant	\$6,881,299	\$4,122,745	\$950,614	\$1,546,338	(\$0)	\$0	\$221,085	\$19,558	\$20,960
<b>General Expenses</b>									
Acct 5005 - Operation Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
Acct 5010 - Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5085 - Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5105 - Maintenance Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
<b>Total</b>	<b>\$86,346</b>	<b>\$45,225</b>	<b>\$11,020</b>	<b>\$18,113</b>	<b>\$4,761</b>	<b>\$4,530</b>	<b>\$2,315</b>	<b>\$159</b>	<b>\$223</b>
Acct 1850 - Line Transformers - Gross Assets	\$33,783,324	\$20,323,537	\$4,661,614	\$7,510,808	(\$0)	\$0	\$1,089,958	\$94,463	\$102,944
Acct 1815 - 1855	\$124,149,369	\$68,618,734	\$15,237,592	\$23,634,880	\$6,130,277	\$5,830,374	\$4,048,713	\$284,491	\$364,309



# 2011 COST ALLOCATION INFORMATION FILING

## Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

### Sheet 03.2 Substation Transformers Unit Cost Worksheet - Second Run Milton Run 2 (no Bulk)

#### ALLOCATION BY RATE CLASSIFICATION

Description	Total	1 Residential	2 GS <50	3 GS>50-Regular	5 1000kW to 4999kW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Legacy USL
Depreciation on Acct 1820-2 Distribution Station Equipment	\$22,263	\$8,313	\$3,024	\$5,976	\$2,488	\$2,377	\$61	\$0	\$24
Depreciation on Acct 1825-2 Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on Acct 1805-2 Land Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on Acct 1806-2 Land Rights Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on Acct 1808-2 Buildings and Fixtures < 50 KV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on Acct 1810-2 Leasehold Improvements <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on General Plant Assigned to Substation Transformers	(\$7,791)	(\$2,699)	(\$1,060)	(\$2,321)	(\$851)	(\$836)	(\$17)	\$0	(\$8)
Acct 5012 - Station Buildings and Fixtures Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5016 - Distribution Station Equipment - Labour	\$21,035	\$7,855	\$2,857	\$5,646	\$2,351	\$2,246	\$57	\$0	\$22
Acct 5017 - Distribution Station Equipment - Other	\$66,880	\$24,974	\$9,084	\$17,952	\$7,476	\$7,140	\$183	\$0	\$71
Acct 5114 - Maintenance of Distribution Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocation of General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin and General Assigned to SubstationTransformers	\$58,057	\$21,525	\$7,819	\$15,706	\$6,514	\$6,271	\$161	\$0	\$61
PILs on SubstationTransformers	(\$16,595)	(\$6,132)	(\$2,269)	(\$4,496)	(\$1,861)	(\$1,783)	(\$38)	\$0	(\$17)
Debt Return on Substation Transformers	(\$49,314)	(\$18,221)	(\$6,744)	(\$13,360)	(\$5,529)	(\$5,297)	(\$114)	\$1	(\$51)
Equity Return on Substation Transformers	(\$55,015)	(\$24,023)	(\$8,891)	(\$17,613)	(\$7,290)	(\$6,984)	(\$150)	\$1	(\$67)
Total	\$29,519	\$11,593	\$3,821	\$7,491	\$3,299	\$3,134	\$143	\$2	\$36
Billed kWh without Substation Transformer Allowance		0	0	507,929	193,246	173,521	17,810	465	0
Billed kWh with Substation Transformer Allowance		258,520,606	75,044,767	187,300,109	94,342,584	78,821,751	6,320,787	167,188	1,519,815
Substation Transformation Unit Cost (\$/kW)	\$0.0000	\$0.0000	\$0.0147	\$0.0171	\$0.0181	\$0.0080	\$0.0046	\$0.0000	\$0.0000
Substation Transformation Unit Cost (\$/kWh)	\$0.0000	\$0.0000	\$0.0001	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,190,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655
General Plant - Accumulated Depreciation	(\$5,042,957)	(\$2,889,858)	(\$615,156)	(\$907,694)	(\$233,897)	(\$216,521)	(\$155,119)	(\$10,824)	(\$13,890)
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$834,138	\$214,942	\$198,975	\$142,549	\$9,947	\$12,765
General Plant - Depreciation	\$286,054	\$163,923	\$34,894	\$51,487	\$13,267	\$12,282	\$8,799	\$614	\$788
Total Net Fixed Assets Excluding General Plant	\$47,254,539	\$28,163,060	\$5,649,796	\$7,540,571	\$2,193,564	\$1,979,378	\$1,513,246	\$85,110	\$129,813
Total Administration and General Expense	\$2,584,552	\$1,675,629	\$379,656	\$313,731	\$90,877	\$67,799	\$43,033	\$4,433	\$9,394
Total O&M	\$3,930,427	\$2,555,526	\$579,785	\$471,393	\$137,108	\$101,477	\$64,067	\$6,700	\$14,371
Substation Transformer Rate Base Gross Plant									
Acct 1820-2 Distribution Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1825-2 Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1805-2 Land Station <50 kV	\$69,883	\$31,016	\$8,335	\$15,643	\$7,383	\$6,643	\$722	\$19	\$124
Acct 1806-2 Land Rights Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1808-2 Buildings and Fixtures < 50 KV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1810-2 Leasehold Improvements <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$69,883	\$31,016	\$8,335	\$15,643	\$7,383	\$6,643	\$722	\$19	\$124
Substation Transformers - Accumulated Depreciation									
Acct 1820-2 Distribution Station Equipment	(\$1,324,682)	(\$494,653)	(\$179,924)	(\$355,577)	(\$148,071)	(\$141,425)	(\$3,618)	\$0	(\$1,413)
Acct 1825-2 Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1805-2 Land Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1806-2 Land Rights Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1808-2 Buildings and Fixtures < 50 KV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1810-2 Leasehold Improvements <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	(\$1,324,682)	(\$494,653)	(\$179,924)	(\$355,577)	(\$148,071)	(\$141,425)	(\$3,618)	\$0	(\$1,413)
Substation Transformers - Net Fixed Assets	(\$1,254,799)	(\$463,637)	(\$171,589)	(\$339,934)	(\$140,688)	(\$134,783)	(\$2,897)	\$19	(\$1,290)
General Plant Assigned to SubstationTransformers - NFA	(\$126,224)	(\$43,719)	(\$17,169)	(\$37,603)	(\$13,786)	(\$13,549)	(\$273)	\$2	(\$127)
Substation Transformer NFA Including General Plant	(\$1,381,023)	(\$507,356)	(\$188,758)	(\$377,538)	(\$154,474)	(\$148,332)	(\$3,169)	\$21	(\$1,417)
General Expenses									
Acct 5005 - Operation Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
Acct 5010 - Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5005 - Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5105 - Maintenance Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
Total	\$86,346	\$45,225	\$11,020	\$18,113	\$4,761	\$4,530	\$2,315	\$159	\$223
Acct 1820-2 Distribution Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1825-2 Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1815 - 1855	\$124,149,369	\$68,618,734	\$15,237,592	\$23,634,880	\$6,130,277	\$5,830,374	\$4,048,713	\$284,491	\$364,309



**2011 COST ALLOCATION INFORMATION FILING**  
**Milton Hydro Distribution Inc**

**EB-2010-0137**

**August 26, 2010**

**Sheet 03-3 Primary Conductors and Poles Cost Pool Worksheet - Second Run Milton Run 2 (no Bulk)**

**ALLOCATION BY RATE CLASSIFICATION**

Description	Total	1	2	3	5	6	7	8	9
		Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
Depreciation on Acct 1830-4 Primary Poles, Towers & Fixtures	\$737,736	\$374,907	\$85,285	\$140,574	\$57,796	\$55,146	\$20,350	\$1,767	\$1,911
Depreciation on Acct 1835-4 Primary Overhead Conductors	\$224,739	\$114,209	\$25,981	\$40,854	\$17,607	\$16,799	\$6,199	\$536	\$582
Depreciation on Acct 1840-4 Primary Underground Conduit	\$769,380	\$390,987	\$88,943	\$146,604	\$60,275	\$57,512	\$21,223	\$1,843	\$1,993
Depreciation on Acct 1845-4 Primary Underground Conductors	\$31,006	\$15,757	\$3,584	\$5,908	\$2,429	\$2,318	\$855	\$74	\$80
Depreciation on General Plant Assigned to Primary C&P	\$157,586	\$76,363	\$18,433	\$33,590	\$12,233	\$11,974	\$4,141	\$446	\$406
Primary C&P Operations and Maintenance	\$1,139,261	\$578,714	\$131,634	\$216,977	\$89,429	\$85,351	\$31,468	\$2,734	\$2,953
Allocation of General Expenses	\$53,245	\$25,397	\$6,340	\$11,073	\$4,613	\$4,404	\$1,196	\$102	\$120
Admin and General Assigned to Primary C&P	\$751,236	\$379,456	\$86,197	\$144,407	\$59,275	\$57,025	\$21,137	\$1,809	\$1,930
PLs on Primary C&P	\$341,430	\$173,510	\$39,470	\$65,059	\$26,748	\$25,522	\$9,418	\$818	\$884
Debt Return on Primary C&P	\$1,014,614	\$515,612	\$117,293	\$193,333	\$79,487	\$75,843	\$27,988	\$2,430	\$2,628
Equity Return on Primary C&P	\$1,337,656	\$679,777	\$154,637	\$254,888	\$104,795	\$99,991	\$36,899	\$3,204	\$3,464
<b>Total</b>	<b>\$6,557,689</b>	<b>\$3,324,889</b>	<b>\$797,797</b>	<b>\$1,255,236</b>	<b>\$514,689</b>	<b>\$491,886</b>	<b>\$180,876</b>	<b>\$15,765</b>	<b>\$16,952</b>
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655
General Plant - Accumulated Depreciation	(\$5,042,957)	(\$2,889,858)	(\$615,156)	(\$907,694)	(\$233,897)	(\$216,521)	(\$155,119)	(\$10,824)	(\$13,890)
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$834,136	\$214,942	\$198,975	\$142,549	\$9,947	\$12,765
General Plant - Depreciation	\$286,054	\$163,923	\$34,894	\$51,487	\$13,267	\$12,282	\$6,799	\$614	\$788
<b>Total Net Fixed Assets Excluding General Plant</b>	<b>\$47,254,539</b>	<b>\$28,163,060</b>	<b>\$5,649,796</b>	<b>\$7,540,571</b>	<b>\$2,193,564</b>	<b>\$1,979,378</b>	<b>\$1,513,246</b>	<b>\$85,110</b>	<b>\$129,813</b>
<b>Total Administration and General Expense</b>	<b>\$2,584,552</b>	<b>\$1,675,629</b>	<b>\$379,656</b>	<b>\$313,731</b>	<b>\$90,877</b>	<b>\$67,799</b>	<b>\$43,033</b>	<b>\$4,433</b>	<b>\$9,394</b>
<b>Total O&amp;M</b>	<b>\$3,930,427</b>	<b>\$2,555,526</b>	<b>\$579,785</b>	<b>\$471,393</b>	<b>\$137,108</b>	<b>\$101,477</b>	<b>\$64,067</b>	<b>\$6,700</b>	<b>\$14,371</b>
Primary Conductors and Poles Gross Assets									
Acct 1830-4 Primary Poles, Towers & Fixtures	\$21,038,154	\$10,691,279	\$2,432,080	\$4,008,782	\$1,648,184	\$1,572,620	\$580,333	\$50,391	\$54,486
Acct 1835-4 Primary Overhead Conductors	\$19,668,307	\$9,995,143	\$2,273,721	\$3,747,760	\$1,540,866	\$1,470,223	\$542,546	\$47,110	\$50,938
Acct 1840-4 Primary Underground Conduit	\$19,567,271	\$9,943,798	\$2,262,041	\$3,728,508	\$1,532,951	\$1,462,871	\$539,759	\$46,868	\$50,676
Acct 1845-4 Primary Underground Conductors	\$15,554,558	\$7,904,596	\$1,798,158	\$2,983,892	\$1,218,585	\$1,162,717	\$429,069	\$37,257	\$40,284
<b>Subtotal</b>	<b>\$75,828,290</b>	<b>\$38,534,815</b>	<b>\$8,766,000</b>	<b>\$14,448,942</b>	<b>\$5,940,586</b>	<b>\$5,668,231</b>	<b>\$2,091,706</b>	<b>\$181,625</b>	<b>\$196,385</b>
Primary Conductors and Poles Accumulated Depreciation									
Acct 1830-4 Primary Poles, Towers & Fixtures	(\$8,078,999)	(\$4,105,628)	(\$933,959)	(\$1,539,439)	(\$632,930)	(\$603,912)	(\$222,857)	(\$19,351)	(\$20,923)
Acct 1835-4 Primary Overhead Conductors	(\$18,676,835)	(\$9,491,291)	(\$2,189,104)	(\$3,558,837)	(\$1,483,192)	(\$1,398,110)	(\$515,198)	(\$44,735)	(\$48,370)
Acct 1840-4 Primary Underground Conduit	(\$6,073,191)	(\$3,086,395)	(\$703,061)	(\$1,157,232)	(\$477,277)	(\$453,976)	(\$167,526)	(\$14,547)	(\$15,729)
Acct 1845-4 Primary Underground Conductors	(\$7,162,412)	(\$3,731,848)	(\$1,986,343)	(\$3,274,077)	(\$1,346,115)	(\$1,284,400)	(\$473,973)	(\$41,156)	(\$44,500)
<b>Subtotal</b>	<b>(\$50,011,438)</b>	<b>(\$25,415,073)</b>	<b>(\$5,781,487)</b>	<b>(\$9,529,588)</b>	<b>(\$3,918,026)</b>	<b>(\$3,738,399)</b>	<b>(\$1,379,554)</b>	<b>(\$119,788)</b>	<b>(\$129,523)</b>
Primary Conductor & Poles - Net Fixed Assets	\$25,816,852	\$13,119,742	\$2,984,513	\$4,919,354	\$2,022,559	\$1,929,832	\$712,152	\$61,837	\$66,862
General Plant Assigned to Primary C&P - NFA	\$2,553,013	\$1,237,144	\$298,624	\$544,179	\$198,186	\$193,994	\$67,085	\$7,227	\$6,575
Primary C&P Net Fixed Assets Including General Plant	\$28,369,865	\$14,356,887	\$3,283,137	\$5,463,533	\$2,220,745	\$2,123,827	\$779,237	\$69,064	\$73,437
Acct 1830-3 Bulk Poles, Towers & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1835-3 Bulk Overhead Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1840-3 Bulk Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1845-3 Bulk Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Acct 1830-5 Secondary Poles, Towers & Fixtures	\$1,366,696	\$824,257	\$194,630	\$318,296	\$12,242	\$0	\$14,765	\$397	\$2,108
Acct 1835-5 Secondary Overhead Conductors	\$440,380	\$265,594	\$62,714	\$102,562	\$3,945	\$0	\$4,759	\$128	\$679
Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,807,076</b>	<b>\$1,089,852</b>	<b>\$257,345</b>	<b>\$420,859</b>	<b>\$16,187</b>	<b>\$0</b>	<b>\$19,522</b>	<b>\$525</b>	<b>\$2,787</b>
Operations and Maintenance									
Acct 5020 Overhead Distribution Lines & Feeders - Labour	\$11,580	\$5,932	\$1,352	\$2,227	\$873	\$829	\$311	\$27	\$29
Acct 5025 Overhead Distribution Lines & Feeders - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5040 Underground Distribution Lines & Feeders - Labour	\$1,440	\$732	\$166	\$274	\$113	\$108	\$40	\$3	\$4
Acct 5045 Underground Distribution Lines & Feeders - Other	\$356,458	\$181,147	\$41,208	\$67,922	\$27,926	\$26,646	\$9,833	\$854	\$923
Acct 5080 Underground Distribution Lines & Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5120 Maintenance of Poles, Towers & Fixtures	\$154,340	\$79,327	\$18,095	\$29,808	\$11,438	\$10,833	\$4,099	\$350	\$390
Acct 5125 Maintenance of Overhead Conductors & Devices	\$336,813	\$171,864	\$39,134	\$64,491	\$25,875	\$24,626	\$9,167	\$791	\$865
Acct 5135 Overhead Distribution Lines & Feeders - Risk of Way	\$171,040	\$88,071	\$20,073	\$33,072	\$12,963	\$12,306	\$4,620	\$396	\$438
Acct 5145 Maintenance of Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5150 Maintenance of Underground Conductors & Devices	\$133,829	\$68,010	\$15,471	\$25,501	\$10,485	\$10,004	\$3,692	\$321	\$347
<b>Total</b>	<b>\$1,166,400</b>	<b>\$595,081</b>	<b>\$135,499</b>	<b>\$223,297</b>	<b>\$89,673</b>	<b>\$85,351</b>	<b>\$31,762</b>	<b>\$2,742</b>	<b>\$2,995</b>
General Expenses									
Acct 5005 - Operation Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
Acct 5010 - Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5085 - Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5105 - Maintenance Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
<b>Total</b>	<b>\$86,346</b>	<b>\$45,225</b>	<b>\$11,020</b>	<b>\$18,113</b>	<b>\$4,761</b>	<b>\$4,530</b>	<b>\$2,315</b>	<b>\$159</b>	<b>\$223</b>
Primary Conductors and Poles Gross Assets	\$75,828,290	\$38,534,815	\$8,766,000	\$14,448,942	\$5,940,586	\$5,668,231	\$2,091,706	\$181,625	\$196,385
Acct 1815 - 1855	\$124,149,369	\$69,618,734	\$15,237,592	\$23,634,880	\$6,130,277	\$5,830,374	\$4,048,713	\$284,491	\$364,309

Grouping of Operation and Maintenance	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
1830	\$ 154,340	\$ 79,327	\$ 18,095	\$ 29,808	\$ 11,438	\$ 10,833	\$ 4,099	\$ 350	\$ 390
1835	\$ 336,813	\$ 171,864	\$ 39,134	\$ 64,491	\$ 25,875	\$ 24,626	\$ 9,167	\$ 791	\$ 865
1840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1845	\$ 133,829	\$ 68,010	\$ 15,471	\$ 25,501	\$ 10,485	\$ 10,004	\$ 3,692	\$ 321	\$ 347
1830 & 1835	\$ 491,153	\$ 250,181	\$ 57,229	\$ 94,299	\$ 36,313	\$ 34,459	\$ 13,266	\$ 1,141	\$ 1,255
1840 & 1845	\$ 357,898	\$ 181,878	\$ 41,374	\$ 66,197	\$ 28,039	\$ 26,753	\$ 9,873	\$ 857	\$ 927
<b>Total</b>	<b>\$ 1,166,400</b>	<b>\$ 595,081</b>	<b>\$ 135,499</b>	<b>\$ 223,297</b>	<b>\$ 89,673</b>	<b>\$ 85,351</b>	<b>\$ 31,762</b>	<b>\$ 2,742</b>	<b>\$ 2,995</b>



# 2011 COST ALLOCATION INFORMATION FILING

## Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

### Sheet 03.4 Secondary Cost Pool Worksheet - Second Run Milton Run 2 (no Bulk)

#### ALLOCATION BY RATE CLASSIFICATION

Description	Total	1 Residential	2 GS <50	3 GS>50-Regular	5 1000KW to 4999KW	6 Large Use >5MW	7 Street Light	8 Sentinel	9 Legacy USL
Depreciation on Acct 1830-5 Secondary Poles, Towers & Fixtures	\$47,925	\$28,904	\$6,825	\$11,162	\$429	\$0	\$518	\$14	\$74
Depreciation on Acct 1835-5 Secondary Overhead Conductors	\$5,032	\$3,035	\$717	\$1,172	\$45	\$0	\$54	\$1	\$8
Depreciation on Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation on General Plant Assigned to Secondary C&P	\$5,278	\$3,033	\$760	\$1,374	\$47	\$0	\$54	\$2	\$8
Secondary C&P Operations and Maintenance	\$27,139	\$16,367	\$3,864	\$6,320	\$244	\$0	\$294	\$8	\$42
Allocation of General Expenses	\$1,253	\$718	\$186	\$323	\$13	\$0	\$11	\$0	\$2
Admin and General Assigned to Primary C&P	\$17,860	\$10,732	\$2,531	\$4,206	\$162	\$0	\$197	\$5	\$27
PLIs on Secondary C&P	\$11,427	\$6,892	\$1,627	\$2,661	\$102	\$0	\$123	\$3	\$18
Debt Return on Secondary C&P	\$33,958	\$20,480	\$4,836	\$7,909	\$304	\$0	\$367	\$10	\$52
Equity Return on Secondary C&P	\$44,770	\$27,001	\$6,376	\$10,427	\$401	\$0	\$484	\$13	\$69
Total	\$194,642	\$117,162	\$27,722	\$45,553	\$1,746	\$0	\$2,103	\$57	\$300
General Plant - Gross Assets	\$9,677,252	\$5,545,532	\$1,180,461	\$1,741,831	\$448,839	\$415,496	\$297,668	\$20,770	\$26,655
General Plant - Accumulated Depreciation	(\$5,042,957)	(\$2,889,858)	(\$615,158)	(\$907,894)	(\$233,897)	(\$216,521)	(\$155,119)	(\$10,824)	(\$13,890)
General Plant - Net Fixed Assets	\$4,634,295	\$2,655,674	\$565,306	\$834,138	\$214,942	\$198,975	\$142,549	\$9,947	\$12,765
General Plant - Depreciation	\$286,054	\$163,923	\$34,894	\$51,487	\$13,267	\$12,282	\$8,799	\$614	\$788
Total Net Fixed Assets Excluding General Plant	\$47,254,539	\$28,163,060	\$5,649,796	\$7,540,571	\$2,193,564	\$1,979,378	\$1,513,246	\$85,110	\$128,813
Total Administration and General Expense	\$2,584,552	\$1,675,629	\$379,656	\$313,731	\$90,877	\$67,799	\$43,033	\$4,433	\$9,394
Total O&M	\$3,930,427	\$2,555,526	\$579,785	\$471,393	\$137,108	\$101,477	\$64,067	\$6,700	\$14,371
Secondary Conductors and Poles Gross Plant									
Acct 1830-5 Secondary Poles, Towers & Fixtures	\$1,366,696	\$824,257	\$194,630	\$318,296	\$12,242	\$0	\$14,765	\$397	\$2,108
Acct 1835-5 Secondary Overhead Conductors	\$440,380	\$265,594	\$62,714	\$102,562	\$3,945	\$0	\$4,758	\$128	\$679
Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$1,807,076	\$1,089,852	\$257,345	\$420,859	\$16,187	\$0	\$19,522	\$525	\$2,787
Secondary Conductors and Poles Accumulated Depreciation									
Acct 1830-5 Secondary Poles, Towers & Fixtures	(\$624,834)	(\$316,528)	(\$74,741)	(\$122,231)	(\$4,701)	\$0	(\$5,670)	(\$152)	(\$810)
Acct 1835-5 Secondary Overhead Conductors	(\$418,181)	(\$252,208)	(\$55,503)	(\$97,130)	(\$3,740)	\$0	(\$4,518)	(\$111)	(\$645)
Acct 1840-5 Secondary Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1845-5 Secondary Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	(\$943,015)	(\$568,734)	(\$134,294)	(\$219,623)	(\$8,447)	\$0	(\$10,188)	(\$274)	(\$1,455)
Secondary Conductor & Pools - Net Fixed Assets	\$864,061	\$521,117	\$123,051	\$201,235	\$7,740	\$0	\$9,335	\$251	\$1,333
General Plant Assigned to Secondary C&P - NFA	\$85,510	\$49,139	\$12,312	\$22,281	\$758	\$0	\$879	\$29	\$131
Secondary C&P Net Fixed Assets Including General Plant	\$949,572	\$570,257	\$135,363	\$223,496	\$8,498	\$0	\$10,214	\$280	\$1,464
Acct 1830-3 Bulk Poles, Towers & Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1835-3 Bulk Overhead Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1840-3 Bulk Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1845-3 Bulk Underground Conductors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 1830-4 Primary Poles, Towers & Fixtures	\$21,038,154	\$10,691,279	\$2,432,080	\$4,008,782	\$1,648,184	\$1,572,620	\$580,333	\$50,391	\$54,486
Acct 1835-4 Primary Overhead Conductors	\$19,668,307	\$9,995,143	\$2,273,721	\$3,747,760	\$1,540,866	\$1,470,223	\$542,546	\$47,110	\$50,938
Acct 1840-4 Primary Underground Conduit	\$19,567,271	\$9,943,798	\$2,262,041	\$3,728,508	\$1,532,951	\$1,462,871	\$539,759	\$46,868	\$50,676
Acct 1845-4 Primary Underground Conductors	\$15,554,558	\$7,904,596	\$1,798,158	\$2,963,892	\$1,218,585	\$1,162,717	\$429,069	\$37,257	\$40,254
Subtotal	\$75,828,290	\$38,534,815	\$8,766,000	\$14,448,942	\$5,940,586	\$5,668,231	\$2,091,706	\$181,625	\$196,385
Operations and Maintenance									
Acct 5020 Overhead Distribution Lines & Feeders - Labour	\$11,580	\$5,932	\$1,352	\$2,227	\$873	\$829	\$311	\$27	\$29
Acct 5025 Overhead Distribution Lines & Feeders - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5040 Underground Distribution Lines & Feeders - Labour	\$1,440	\$732	\$166	\$274	\$113	\$108	\$40	\$3	\$4
Acct 5045 Underground Distribution Lines & Feeders - Other	\$358,458	\$181,147	\$41,208	\$67,922	\$27,926	\$26,646	\$9,833	\$854	\$923
Acct 5090 Underground Distribution Lines & Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5095 Overhead Distribution Lines & Feeders - Rental Paid	\$154,340	\$79,327	\$18,095	\$29,808	\$11,438	\$10,833	\$4,099	\$350	\$350
Acct 5120 Maintenance of Poles, Towers & Fixtures	\$336,813	\$171,864	\$39,134	\$64,491	\$25,875	\$24,626	\$9,167	\$791	\$865
Acct 5135 Maintenance of Overhead Conductors & Devices	\$171,940	\$88,071	\$20,073	\$33,072	\$12,963	\$12,306	\$4,620	\$386	\$438
Acct 5145 Maintenance of Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5150 Maintenance of Underground Conductors & Devices	\$133,829	\$68,010	\$15,471	\$25,501	\$10,485	\$10,004	\$3,692	\$321	\$347
Total	\$1,166,400	\$595,081	\$135,499	\$223,297	\$89,673	\$85,351	\$31,762	\$2,742	\$2,995
General Expenses									
Acct 5005 - Operation Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
Acct 5010 - Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5085 - Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acct 5105 - Maintenance Supervision and Engineering	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
Total	\$86,346	\$45,225	\$11,020	\$18,113	\$4,761	\$4,530	\$2,315	\$159	\$223
Secondary Conductors and Poles Gross Assets	\$1,807,076	\$1,089,852	\$257,345	\$420,859	\$16,187	\$0	\$19,522	\$525	\$2,787
Acct 1815 - 1855	\$124,149,369	\$68,618,734	\$15,237,592	\$23,634,880	\$6,130,277	\$5,830,374	\$4,048,713	\$284,491	\$364,309

Grouping of Operation and Maintenance	Total	Residential	GS <50	GS>50-Regular	1000KW to 4999KW	Large Use >5MW	Street Light	Sentinel	Legacy USL
1830	\$ 154,340	\$ 79,327	\$ 18,095	\$ 29,808	\$ 11,438	\$ 10,833	\$ 4,099	\$ 350	\$ 390
1835	\$ 336,813	\$ 171,864	\$ 39,134	\$ 64,491	\$ 25,875	\$ 24,626	\$ 9,167	\$ 791	\$ 865
1840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1845	\$ 133,829	\$ 68,010	\$ 15,471	\$ 25,501	\$ 10,485	\$ 10,004	\$ 3,692	\$ 321	\$ 347
1830 & 1835	\$ 183,520	\$ 94,003	\$ 21,425	\$ 35,300	\$ 13,836	\$ 13,135	\$ 4,931	\$ 423	\$ 467
1840 & 1845	\$ 357,898	\$ 181,878	\$ 41,374	\$ 68,197	\$ 28,039	\$ 26,753	\$ 9,873	\$ 857	\$ 927
Total	\$ 1,166,400	\$ 595,081	\$ 135,499	\$ 223,297	\$ 89,673	\$ 85,351	\$ 31,762	\$ 2,742	\$ 2,995



## 2011 COST ALLOCATION INFORMATION FILING

### Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

### Sheet 03.5 USL Metering Credit Worksheet - Second Run Milton Run 2 (no Bulk)

#### ALLOCATION BY RATE CLASSIFICATION

Description	GS <50
Depreciation on Acct 1860 Metering	\$54,889
Depreciation on General Plant Assigned to Metering	\$4,378
Acct 5065 - Meter expense	\$20,212
Acct 5070 & 5075 - Customer Premises	\$13,437
Acct 5175 - Meter Maintenance	\$0
Acct 5310 - Meter Reading	\$135,425
Admin and General Assigned to Metering	\$110,713
PILs on Metering	\$9,374
Debt Return on Metering	\$27,856
Equity Return on Metering	\$36,725
<b>Total</b>	<b>\$413,009</b>
Number of Customers	2,315
Metering Unit Cost (\$/Customer/Month)	<b>\$14.87</b>
General Plant - Gross Assets	\$1,180,461
General Plant - Accumulated Depreciation	(\$615,156)
General Plant - Net Fixed Assets	\$565,306
General Plant - Depreciation	\$34,894
<b>Total Net Fixed Assets Excluding General Plant</b>	<b>\$5,649,796</b>
<b>Total Administration and General Expense</b>	<b>\$379,656</b>
<b>Total O&amp;M</b>	<b>\$579,785</b>
Metering Rate Base	
Acct 1860 - Metering - Gross Assets	\$1,071,252
Metering - Accumulated Depreciation	(\$362,458)
Metering - Net Fixed Assets	\$708,794
General Plant Assigned to Metering - NFA	\$70,920
Metering Net Fixed Assets Including General Plant	\$779,715

**2011 COST ALLOCATION INFORMATION FILING****Milton Hydro Distribution Inc****EB-2010-0137****August 26, 2010****Sheet 04 Summary of Allocators by Class & Accounts - Second Run Milton Run 2 (no Bulk)****ALLOCATION BY RATE CLASSIFICATION**

				1	2	3	5	6	7	8	9
USoA Account #	Accounts	O1 Grouping	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
1565	Conservation and Demand Management Expenditures and Recoveries	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1608	Franchises and Consents	ap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1805	Land	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1805-1	Land Station >50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1805-2	Land Station <50 kV	dp	\$69,883	\$31,016	\$8,335	\$15,643	\$7,383	\$6,643	\$722	\$19	\$124
1806	Land Rights	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1806-1	Land Rights Station >50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1806-2	Land Rights Station <50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1808	Buildings and Fixtures	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1808-1	Buildings and Fixtures > 50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1808-2	Buildings and Fixtures < 50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1810	Leasehold Improvements	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1810-1	Leasehold Improvements >50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1810-2	Leasehold Improvements <50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1815	Transformer Station Equipment - Normally Primary above 50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1820	Distribution Station Equipment - Normally Primary below 50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	dp	\$1,466,868	\$547,747	\$199,237	\$393,743	\$163,965	\$156,605	\$4,007	\$0	\$1,565
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)	dp	\$49,324	\$18,163	\$5,272	\$13,159	\$6,628	\$5,538	\$444	\$12	\$107
1825	Storage Battery Equipment	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1825-1	Storage Battery Equipment > 50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1825-2	Storage Battery Equipment <50 kV	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830	Poles, Towers and Fixtures	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1830-4	Poles, Towers and Fixtures - Primary	dp	\$21,038,154	\$10,691,279	\$2,432,080	\$4,008,782	\$1,648,184	\$1,572,620	\$580,333	\$50,391	\$54,486
1830-5	Poles, Towers and Fixtures - Secondary	dp	\$1,366,696	\$824,257	\$194,630	\$318,296	\$12,242	\$0	\$14,765	\$397	\$2,108
1835	Overhead Conductors and Devices	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1835-4	Overhead Conductors and Devices - Primary	dp	\$19,668,307	\$9,995,143	\$2,273,721	\$3,747,760	\$1,540,866	\$1,470,223	\$542,546	\$47,110	\$50,938
1835-5	Overhead Conductors and Devices - Secondary	dp	\$440,380	\$265,594	\$62,714	\$102,562	\$3,945	\$0	\$4,758	\$128	\$679
1840	Underground Conduit	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1840-3	Underground Conduit - Bulk Delivery	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1840-4	Underground Conduit - Primary	dp	\$19,567,271	\$9,943,798	\$2,262,041	\$3,728,508	\$1,532,951	\$1,462,671	\$539,759	\$46,868	\$50,676
1840-5	Underground Conduit - Secondary	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1845	Underground Conductors and Devices	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1845-3	Underground Conductors and Devices - Bulk Delivery	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1845-4	Underground Conductors and Devices - Primary	dp	\$15,554,558	\$7,904,596	\$1,798,158	\$2,963,892	\$1,218,585	\$1,162,717	\$429,069	\$37,257	\$40,284
1845-5	Underground Conductors and Devices - Secondary	dp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1850	Line Transformers	dp	\$33,783,324	\$20,323,537	\$4,661,614	\$7,510,808	(\$0)	\$0	\$1,089,958	\$94,463	\$102,944
1855	Services	dp	\$11,214,488	\$8,104,619	\$1,348,124	\$847,370	\$2,912	\$0	\$843,075	\$7,866	\$60,521
1860	Meters	dp	\$9,469,193	\$7,573,449	\$1,071,252	\$575,871	\$207,532	\$41,089	\$0	\$0	\$0
1905	Land	ap	\$2,918,530	\$1,672,458	\$356,011	\$525,313	\$135,364	\$125,308	\$89,773	\$6,264	\$8,039
1906	Land Rights	gp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1908	Buildings and Fixtures	gp	\$75,000	\$42,979	\$9,149	\$13,499	\$3,479	\$3,220	\$2,307	\$161	\$207
1910	Leasehold Improvements	ap	\$460,817	\$264,070	\$56,212	\$82,943	\$21,373	\$19,785	\$14,175	\$989	\$1,269
1915	Office Furniture and Equipment	gp	\$647,505	\$371,052	\$78,985	\$116,546	\$30,032	\$27,801	\$19,917	\$1,390	\$1,783
1920	Computer Equipment - Hardware	gp	\$1,750,773	\$1,003,277	\$213,565	\$315,126	\$81,202	\$75,170	\$53,853	\$3,758	\$4,822
1925	Computer Software	ap	\$548,292	\$314,198	\$66,882	\$98,688	\$25,430	\$23,541	\$16,865	\$1,177	\$1,510
1930	Transportation Equipment	gp	\$2,212,804	\$1,268,043	\$269,925	\$398,288	\$102,632	\$95,007	\$68,065	\$4,749	\$6,095
1935	Stores Equipment	ap	\$194,526	\$111,473	\$23,729	\$35,013	\$9,022	\$8,352	\$5,984	\$418	\$536
1940	Tools, Shop and Garage Equipment	ap	\$410,997	\$235,521	\$50,135	\$73,976	\$19,062	\$17,646	\$12,642	\$882	\$1,132
1945	Measurement and Testing Equipment	gp	\$31,721	\$18,178	\$3,869	\$5,710	\$1,471	\$1,362	\$976	\$68	\$87
1950	Power Operated Equipment	ap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1955	Communication Equipment	ap	\$314,742	\$180,362	\$38,393	\$56,651	\$14,598	\$13,514	\$9,681	\$676	\$867
1960	Miscellaneous Equipment	gp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1970	Load Management Controls - Customer Premises	ap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1975	Load Management Controls - Utility Premises	gp	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980	System Supervisory Equipment	gp	\$41,545	\$23,807	\$5,068	\$7,478	\$1,927	\$1,784	\$1,278	\$89	\$114
1990	Other Tangible Property	ap	\$70,000	\$40,113	\$8,539	\$12,599	\$3,247	\$3,005	\$2,153	\$150	\$193
1995	Contributions and Grants - Credit	co	(\$41,422,169)	(\$22,652,969)	(\$5,167,264)	(\$8,420,559)	(\$1,919,335)	(\$1,827,982)	(\$1,214,408)	(\$105,215)	(\$114,437)

2005	Property Under Capital Leases	ap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2010	Electric Plant Purchased or Sold	ap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	accum dep										
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	accum dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3046	Balance Transferred From Income	NI	(\$50,054,695)	(\$28,297,028)	(\$6,115,274)	(\$9,172,958)	(\$2,466,189)	(\$2,287,266)	(\$1,476,900)	(\$105,008)	(\$134,072)	
4080	Distribution Services Revenue	CREV	\$2,448,414	(\$1,459,221)	(\$292,735)	(\$390,702)	(\$113,656)	(\$102,558)	(\$78,406)	(\$4,410)	(\$6,726)	
4082	Retail Services Revenues	mi	(\$13,608,183)	(\$8,865,654)	(\$1,797,243)	(\$1,609,356)	(\$662,382)	(\$602,506)	(\$20,504)	(\$3,098)	(\$47,439)	
4084	Service Transaction Requests (STR) Revenues	mi	(\$35,784)	(\$28,537)	(\$4,747)	(\$2,146)	(\$79)	(\$31)	(\$4)	(\$28)	(\$213)	
4090	Electric Services Incidental to Energy Sales	mi	(\$1,085)	(\$865)	(\$144)	(\$65)	(\$2)	(\$1)	(\$0)	(\$1)	(\$6)	
4205	Interdepartmental Rents	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4210	Rent from Electric Property	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4215	Other Utility Operating Income	mi	(\$135,213)	(\$80,585)	(\$16,166)	(\$21,576)	(\$6,277)	(\$5,664)	(\$4,330)	(\$244)	(\$371)	
4220	Other Electric Revenues	mi	(\$75,804)	(\$45,178)	(\$9,063)	(\$12,096)	(\$3,519)	(\$3,175)	(\$2,427)	(\$137)	(\$208)	
4225	Late Payment Charges	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4235	Miscellaneous Service Revenues	mi	(\$156,670)	(\$89,799)	(\$24,763)	(\$28,721)	(\$12,236)	(\$1,004)	(\$100)	\$0	(\$45)	
4240	Provision for Rate Refunds	mi	(\$403,492)	(\$321,773)	(\$53,524)	(\$24,197)	(\$890)	(\$347)	(\$46)	(\$312)	(\$2,403)	
4245	Government Assistance Directly Credited to Income	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4305	Regulatory Debits	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4310	Regulatory Credits	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4315	Revenues from Electric Plant Leased to Others	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4320	Expenses of Electric Plant Leased to Others	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4325	Revenues from Merchandise, Jobbing, Etc.	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4335	Profits and Losses from Financial Instrument Hedges	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4340	Profits and Losses from Financial Instrument Investments	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4345	Gains from Disposition of Future Use Utility Plant	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4350	Losses from Disposition of Future Use Utility Plant	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4355	Gain on Disposition of Utility and Other Property	mi	(\$500)	(\$298)	(\$60)	(\$80)	(\$23)	(\$21)	(\$16)	(\$1)	(\$1)	
4360	Loss on Disposition of Utility and Other Property	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4365	Gains from Disposition of Allowances for Emission	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4370	Losses from Disposition of Allowances for Emission	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4390	Miscellaneous Non-Operating Income	mi	(\$600,101)	(\$357,652)	(\$71,749)	(\$95,760)	(\$27,857)	(\$25,137)	(\$19,217)	(\$1,081)	(\$1,649)	
4395	Rate-Payer Benefit Including Interest	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4398	Foreign Exchange Gains and Losses, Including Amortization	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4405	Interest and Dividend Income	mi	(\$45,000)	(\$26,819)	(\$5,380)	(\$7,181)	(\$2,089)	(\$1,885)	(\$1,441)	(\$81)	(\$124)	
4415	Equity in Earnings of Subsidiary Companies	mi	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4705	Power Purchased	cop	\$49,462,450	\$18,214,213	\$5,287,321	\$13,196,333	\$6,646,959	\$5,553,430	\$445,335	\$11,779	\$107,079	
4708	Charges-WMS	cop	\$3,773,963	\$1,389,736	\$403,420	\$1,006,874	\$507,160	\$423,724	\$33,979	\$899	\$8,170	
4710	Cost of Power Adjustments	cop	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4712	Charges-One-Time	cop	\$139,074	\$51,213	\$14,866	\$37,104	\$18,689	\$15,615	\$1,252	\$33	\$301	
4714	Charges-NW	cop	\$4,184,623	\$1,540,959	\$447,318	\$1,116,436	\$562,346	\$469,831	\$37,676	\$997	\$9,059	
4715	System Control and Load Dispatching	cop	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4716	Charges-CN	cop	\$3,339,030	\$1,229,575	\$356,928	\$890,836	\$448,712	\$374,892	\$30,063	\$795	\$7,229	
4730	Rural Rate Assistance Expense	cop	\$943,491	\$347,434	\$100,855	\$251,719	\$126,790	\$105,931	\$8,495	\$225	\$2,043	
5005	Operation Supervision and Engineering	di	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112	
5010	Load Dispatching	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5012	Station Buildings and Fixtures Expense	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5014	Transformer Station Equipment - Operation Labour	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5015	Transformer Station Equipment - Operation Supplies and Expenses	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5016	Distribution Station Equipment - Operation Labour	di	\$21,035	\$7,855	\$2,857	\$5,646	\$2,351	\$2,246	\$57	\$0	\$22	
5017	Distribution Station Equipment - Operation Supplies and Expenses	di	\$66,880	\$24,974	\$9,084	\$17,952	\$7,476	\$7,140	\$183	\$0	\$71	
5020	Overhead Distribution Lines and Feeders - Operation Labour	di	\$11,580	\$5,932	\$1,352	\$2,227	\$873	\$829	\$311	\$27	\$29	
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5030	Overhead Subtransmission Feeders - Operation	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5035	Overhead Distribution Transformers- Operation	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5040	Underground Distribution Lines and Feeders - Operation Labour	di	\$1,440	\$732	\$166	\$274	\$113	\$108	\$40	\$3	\$4	
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	di	\$356,458	\$181,147	\$41,208	\$67,922	\$27,926	\$26,646	\$9,833	\$854	\$923	
5050	Underground Subtransmission Feeders - Operation	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5055	Underground Distribution Transformers - Operation	di	\$1,200	\$722	\$166	\$267	(\$0)	\$0	\$39	\$3	\$4	
5065	Meter Expense	cu	\$178,657	\$142,890	\$20,212	\$10,865	\$3,916	\$775	\$0	\$0	\$0	
5070	Customer Premises - Operation Labour	cu	\$191,386	\$157,445	\$13,095	\$1,691	\$62	\$11	\$16,378	\$1,528	\$1,176	
5075	Customer Premises - Materials and Expenses	cu	\$5,000	\$4,113	\$342	\$44	\$2	\$0	\$428	\$40	\$31	
5085	Miscellaneous Distribution Expense	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5090	Underground Distribution Lines and Feeders - Rental Paid	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5095	Overhead Distribution Lines and Feeders - Rental Paid	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

5096	Other Rent	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5105	Maintenance Supervision and Engineering	di	\$43,173	\$22,612	\$5,510	\$9,057	\$2,380	\$2,265	\$1,158	\$80	\$112
5110	Maintenance of Buildings and Fixtures - Distribution Stations	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5112	Maintenance of Transformer Station Equipment	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5114	Maintenance of Distribution Station Equipment	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5120	Maintenance of Poles, Towers and Fixtures	di	\$154,340	\$79,327	\$18,095	\$29,808	\$11,438	\$10,833	\$4,099	\$350	\$390
5125	Maintenance of Overhead Conductors and Devices	di	\$336,813	\$171,864	\$39,134	\$64,491	\$25,875	\$24,626	\$9,167	\$791	\$865
5130	Maintenance of Overhead Services	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5135	Overhead Distribution Lines and Feeders - Right of Way	di	\$171,940	\$88,071	\$20,073	\$33,072	\$12,963	\$12,306	\$4,620	\$396	\$438
5145	Maintenance of Underground Conduit	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5150	Maintenance of Underground Conductors and Devices	di	\$133,829	\$68,010	\$15,471	\$25,501	\$10,485	\$10,004	\$3,692	\$321	\$347
5155	Maintenance of Underground Services	di	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5160	Maintenance of Line Transformers	di	\$394,835	\$237,527	\$54,482	\$87,781	(\$0)	\$0	\$12,739	\$1,104	\$1,203
5175	Maintenance of Meters	cu	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5305	Supervision	cu	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5310	Meter Reading Expense	cu	\$316,859	\$162,829	\$135,425	\$17,493	\$936	\$176	\$0	\$0	\$0
5315	Customer Billing	cu	\$1,083,885	\$864,365	\$143,779	\$65,000	\$2,391	\$932	\$124	\$839	\$6,455
5320	Collecting	cu	\$367,944	\$293,424	\$48,808	\$22,065	\$812	\$316	\$42	\$285	\$2,191
5325	Collecting- Cash Over and Short	cu	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	cu	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5335	Bad Debt Expense	cu	\$50,000	\$19,076	\$5,017	\$1,178	\$24,729	\$0	\$0	\$0	\$0
5340	Miscellaneous Customer Accounts Expenses	cu	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5405	Supervision	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5410	Community Relations - Sundry	ad	\$10,679	\$6,943	\$1,575	\$1,281	\$373	\$276	\$174	\$18	\$39
5415	Energy Conservation	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5420	Community Safety Program	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5425	Miscellaneous Customer Service and Informational Expenses	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5505	Supervision	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5510	Demonstrating and Selling Expense	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5515	Advertising Expense	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5520	Miscellaneous Sales Expense	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5605	Executive Salaries and Expenses	ad	\$28,792	\$18,720	\$4,247	\$3,453	\$1,004	\$743	\$469	\$49	\$105
5610	Management Salaries and Expenses	ad	\$652,924	\$424,525	\$96,314	\$78,308	\$22,776	\$16,857	\$10,643	\$1,113	\$2,387
5615	General Administrative Salaries and Expenses	ad	\$703,920	\$457,682	\$103,837	\$84,424	\$24,555	\$18,174	\$11,474	\$1,200	\$2,574
5620	Office Supplies and Expenses	ad	\$138,897	\$90,310	\$20,489	\$16,659	\$4,845	\$3,586	\$2,264	\$237	\$508
5625	Administrative Expense Transferred Credit	ad	(\$16,560)	(\$10,767)	(\$2,443)	(\$1,986)	(\$578)	(\$428)	(\$270)	(\$28)	(\$61)
5630	Outside Services Employed	ad	\$178,400	\$115,994	\$26,316	\$21,396	\$6,223	\$4,606	\$2,908	\$304	\$652
5635	Property Insurance	ad	\$62,512	\$35,822	\$7,625	\$11,252	\$2,899	\$2,684	\$1,923	\$134	\$172
5640	Injuries and Damages	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5645	Employee Pensions and Benefits	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5650	Franchise Requirements	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5655	Regulatory Expenses	ad	\$144,406	\$93,891	\$21,302	\$17,319	\$5,037	\$3,728	\$2,354	\$246	\$528
5660	General Advertising Expenses	ad	\$3,194	\$2,077	\$471	\$383	\$111	\$82	\$52	\$5	\$12
5665	Miscellaneous General Expenses	ad	\$205,672	\$133,726	\$30,339	\$24,667	\$7,175	\$5,310	\$3,353	\$351	\$752
5670	Rent	ad	\$349,055	\$226,952	\$51,490	\$41,864	\$12,176	\$9,012	\$5,690	\$595	\$1,276
5675	Maintenance of General Plant	ad	\$122,661	\$79,753	\$18,094	\$14,711	\$4,279	\$3,167	\$1,999	\$209	\$448
5680	Electrical Safety Authority Fees	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5685	Independent Market Operator Fees and Penalties	cop	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5705	Amortization Expense - Property, Plant, and Equipment	dep	\$3,616,371	\$2,148,078	\$435,101	\$593,285	\$165,188	\$148,623	\$109,789	\$6,726	\$9,581
5710	Amortization of Limited Term Electric Plant	dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5715	Amortization of Intangibles and Other Electric Plant	dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5720	Amortization of Electric Plant Acquisition Adjustments	dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5735	Amortization of Deferred Development Costs	dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5740	Amortization of Deferred Charges	dep	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6005	Interest on Long Term Debt	INT	\$1,857,124	\$1,106,821	\$222,039	\$296,348	\$86,208	\$77,790	\$59,471	\$3,345	\$5,102
6105	Taxes Other Than Income Taxes	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6110	Income Taxes	Innt	\$624,945	\$372,459	\$74,719	\$99,725	\$29,010	\$26,177	\$20,013	\$1,126	\$1,717
6205	Donations	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6210	Life Insurance	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6215	Penalties	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6225	Other Deductions	ad	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
			\$108,834,637	\$50,173,995	\$12,241,538	\$24,456,613	\$10,398,543	\$8,801,315	\$2,382,473	\$122,723	\$257,438



2011 COS  
Milton H.  
EE-2010-  
0137

Short On Details of Allocations by Class and Account Worksheet - Second Run Milton Run 2 (no Build)

Uniform System of Accounts - Detail Accounts

[illegible]

```

graph LR
    subgraph "1000 Genomes Project"
        subgraph "Phase 1"
            subgraph "Pilot"
                P1_Pilot[Pilot]
            end
            subgraph "Main"
                P1_Main[Main]
            end
        end
        subgraph "Phase 2"
            subgraph "Pilot"
                P2_Pilot[Pilot]
            end
            subgraph "Main"
                P2_Main[Main]
            end
        end
    end
    P1_Pilot --- P1_Main
    P2_Pilot --- P2_Main
  
```

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	
117	5015	Transformer Station Equipment - Operation Supplies and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
118	5016	Distribution Station Equipment - Operation Labour	\$21,035	\$7,855	\$2,857	\$5,646	\$2,351	\$2,246	\$57	\$0	\$22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
119	5017	Distribution Station Equipment - Operation Supplies and Expenses	\$66,880	\$24,974	\$9,084	\$17,952	\$7,476	\$7,140	\$183	\$0	\$71	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
120	5020	Overhead Distribution Lines and Feeders - Operation Labour	\$8,106	\$3,060	\$1,113	\$2,197	\$872	\$829	\$27	\$0	\$9	\$3,141	\$2,871	\$239	\$31	\$1	\$0	\$285	\$27	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
121	5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
122	5030	Overhead Subtransmission Feeders - Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
123	5035	Overhead Distribution Transformers - Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
124	5040	Underground Distribution Lines and Feeders - Operation Labour	\$1,008	\$376	\$137	\$271	\$113	\$108	\$3	\$0	\$1	\$389	\$355	\$30	\$4	\$0	\$0	\$37	\$3	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
125	5045	Underground Distribution Lines and Feeders - Operation Supplies & Expenses	\$249,521	\$93,174	\$33,891	\$66,977	\$27,891	\$26,639	\$682	\$0	\$266	\$96,234	\$87,073	\$7,317	\$945	\$35	\$6	\$9,151	\$854	\$657	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
126	5050	Underground Subtransmission Feeders - Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
127	5055	Underground Distribution Transformers - Operation	\$780	\$376	\$137	\$263	\$0	\$3	\$0	\$1	\$378	\$346	\$29	\$4	(\$0)	\$0	\$36	\$3	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
128	5065	Meter Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$173,968	\$142,890	\$20,212	\$10,865	\$3,916	\$775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
129	5070	Customer Premises - Operation Labour	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$172,231	\$157,445	\$13,095	\$1,691	\$62	\$11	\$16,378	\$1,528	\$1,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
130	5075	Customer Premises - Materials and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500	\$4,113	\$342	\$44	\$2	\$0	\$428	\$40	\$31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
131	5085	Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
132	5090	Underground Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
133	5095	Overhead Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
134	5096	Other Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
135	5105	Maintenance Supervision and Engineering	\$30,221	\$12,261	\$4,460	\$8,730	\$2,376	\$2,263	\$96	\$0	\$35	\$11,728	\$10,351	\$1,050	\$326	\$5	\$2	\$1,062	\$79	\$76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
136	5110	Maintenance of Buildings and Fixtures - Distribution Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
137	5112	Maintenance of Transformer Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
138	5114	Maintenance of Distribution Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
139	5120	Maintenance of Poles, Towers and Fixtures	\$108,038	\$40,977	\$14,905	\$29,397	\$11,424	\$10,831	\$379	\$3	\$123	\$41,950	\$38,350	\$3,190	\$411	\$14	\$3	\$3,721	\$347	\$267	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
140	5125	Maintenance of Overhead Conductors and Devices	\$235,769	\$88,536	\$32,204	\$63,597	\$25,843	\$24,620	\$710	\$2	\$257	\$91,152	\$83,327	\$6,930	\$895	\$32	\$6	\$8,458	\$789	\$607	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
141	5130	Maintenance of Overhead Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
142	5135	Overhead Distribution Lines and Feeders - Right of Way	\$120,358	\$45,436	\$16,527	\$32,615	\$12,947	\$12,303	\$394	\$2	\$134	\$46,639	\$42,635	\$3,546	\$457	\$16	\$3	\$4,227	\$394	\$303	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143	5145	Maintenance of Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
144	5150	Maintenance of Underground Conductors and Devices	\$93,680	\$34,981	\$12,724	\$25,146	\$10,471	\$10,001	\$256	\$0	\$100	\$36,130	\$33,029	\$2,747	\$355	\$13	\$2	\$3,436	\$321	\$247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
145	5155	Maintenance of Underground Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
146	5160	Maintenance of Line Transformers	\$256,643	\$123,772	\$45,021	\$86,592	\$0	\$0	\$905	\$0	\$354	\$124,406	\$113,755	\$9,461	\$1,189	(\$0)	\$0	\$11,833	\$1,104	\$849	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
147	5175	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
148	5305	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
149	5310	Meter Reading Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
150	5315	Customer Billing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
151	5320	Collecting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
152	5325	Collecting, Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
153	5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
154	5335	Bad Debt Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
155	5340	Miscellaneous Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
156	O&M DC	Total	\$1,222,260	\$488,040	\$177,519	\$348,113	\$104,139	\$99,243	\$3,798	\$8	\$1,410	\$2,593,032	\$2,067,486	\$402,266	\$123,281	\$32,968	\$2,234	\$60,279	\$6,692	\$12,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
157	O&M	Total Demand and Customer	\$3,930,427	\$2,555,526	\$579,785	\$471,393	\$137,108	\$101,477	\$64,067	\$6,700	\$14,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
158	Accounts																																		
159	4705	Power Purchased	\$49,462,450	\$18,214,213	\$5,287,321	\$13,106,333	\$6,646,959	\$5,553,430	\$445,335	\$11,779	\$107,079	\$49,462,450	\$899	\$8,170	\$3,773,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
160	4708	Charges-WMS	\$3,773,063	\$1,380,736	\$403,420	\$1,006,874	\$507,160	\$423,724	\$33,979	\$899	\$8,170	\$3,773,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
161	4710	Cost of Power Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
162	4712	Charges-One-Time	\$138,074	\$51,213	\$14,866	\$37,104	\$18,689	\$15,615	\$1,252	\$33	\$301	\$138,074	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
163	4714	Charges-NW	\$4,184,623	\$1,540,959	\$447,318	\$1,116,436	\$562,346	\$469,851	\$37,676	\$997	\$89,059	\$4,184,623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
164	4716	Charges-CN	\$3,339,030	\$1,229,575	\$356,928	\$890,836	\$448,712	\$374,892	\$30,063	\$795	\$7,229	\$3,339,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
165	4730	Rural Rate Assistance Expense	\$943,491	\$347,434	\$100,855	\$251,719	\$126,790	\$109,931	\$8,495	\$225	\$2,043	\$943,491	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
166	5085	Independent Market Operator Fees and																																	

[illegible]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	FH	FI	FJ	FK	FL	FM	FN	FO	FP	FQ	FR	FS	FT	FU	FV	FW	FX	FY	FZ	GA	GB	GC	GD	GE	GF	GG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	HU	HV	HW	HX	HY	HZ	IA	IB	IC	ID	IE	IF	IG	IH	II	IJ	IK	IL	IM	IN	IO	IP	IQ	IR	IS	IT	IU	IV	IW	IX	IY	IZ	JA	JB	JC	JD	JE	JF	JG	JH	JI	IJ	JK	KL	KM	KN	KO	KP	KQ	KR	KS	KT	KU	KV	KW	KX	KY	KZ	LA	LB	LC	LD	LE	LF	LG	LH	LI	LJ	LK	LM	LN	LO	LP	LQ	LR	LS	LT	LU	LV	LW	LX	LY	LZ	MA	MB	MC	MD	ME	MF	MG	MH	MI	MJ	MK	ML	MM	MN	MO	MP	MQ	MR	MS	MT	MU	MV	MW	MX	MY	MZ	NA	NB	NC	ND	NE	NF	NG	NH	NI	NJ	NK	NL	NM	NN	NO	NP	NQ	NR	NS	NT	NU	NV	NW	NX	NY	NZ	OA	OB	OC	OD	OE	OF	OG	OH	OI	OJ	OK	OL	OM	ON	OO	OP	OQ	OR	OS	OT	OU	OV	OW	OX	OY	OZ	PA	PB	PC	PD	PE	PF	PG	PH	PI	PJ	PK	PL	PM	PN	PO	PP	PQ	PR	PS	PT	PU	PV	PW	PX	PY	PZ	QA	QB	QC	QD	QE	QF	QG	QH	QI	QJ	QK	QL	QM	QN	QO	QP	QQ	QR	QS	QT	QU	QV	QW	QX	QY	QZ	RA	RB	RC	RD	RE	RF	RG	RH	RI	RJ	RK	RL	RM	RN	RO	RP	RQ	RR	RS	RT	RU	RV	RW	RX	RY	RZ	SA	SB	SC	SD	SE	SF	SG	SH	SI	SJ	SK	SL	SM	SN	SO	SP	SQ	SR	SS	ST	SU	SV	SW	SX	SY	SZ	TA	TB	TC	TD	TE	TF	TG	TH	TI	TJ	TK	TL	TM	TN	TO	TP	TQ	TR	TS	TT	TU	TV	TW	TX	TY	TZ	UA	UB	UC	UD	UE	UF	UG	UH	UI	UJ	UK	UL	UM	UN	UO	UP	UQ	UR	US	UT	UU	UV	UW	UX	UY	UZ	VA	VB	VC	VD	VE	VF	VG	VH	VI	VJ	VK	VL	VM	VN	VO	VP	VQ	VR	VS	VT	VU	VV	VW	VX	VY	VZ	WA	WB	WC	WD	WE	WF	WG	WH	WI	WJ	WK	WL	WM	WN	WO	WP	WQ	WR	WS	WT	WU	WV	WW	WX	WY	WZ	XA	XB	XC	XD	XE	XF	XG	XH	XI	XJ	XK	XL	XM	XN	XO	XP	XQ	XR	XS	XT	XU	XV	XW	XX	XY	XZ	YA	YB	YC	YD	YE	YF	YG	YH	YI	YJ	YK	YL	YM	YN	YO	YP	YQ	YR	YS	YT	YU	YV	YW	YX	YY	YZ	ZA	ZB	ZC	ZD	ZE	ZF	ZG	ZH	ZI	ZJ	ZK	ZL	ZM	ZN	ZO	ZP	ZQ	ZR	ZS	ZT	ZU	ZV	ZW	ZX	ZY	ZZ
9007		CCA	\$ 196,386	\$ 161,558	\$ 13,437	\$ 1,736	\$ 64	\$ 12	\$ 16,806	\$ 1,568	\$ 1,206	\$ 196,386		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																																																																																																																																																																																																																																																																																	



## 2011 COST ALLOCATION INFORMATION FILING

**Milton Hydro Distribution Inc**

EB-2010-0137

August 26, 2010

**Categorization and Allocation of Contributed Capital**  
**Contributed Capital - 1995**

[illegible]

## Accumulated Depreciation - 2105 Capital Contribution

[illegible]



[illegible]

Categorization and Allocation of Accum. Amortization of Electric Utility Plant- Property, Plant & Equipment - 5720																																				
Account	Description	Depreciation	Demand Allocation			Customer Allocation													A & G Allocation																	
			Demand	Customer	Total	1	2	3	4	5	6	7	8	9	Sub-total	1	2	3	4	5	6	7	8	9	Sub-total	1	2	3	4	5	6	7	8	9	Sub-total	
1905	Communication and Demand Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906	Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1905-1	Land Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1905-2	Land Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906	Land Rights	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906-1	Land Rights Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906-2	Land Rights Station <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906	Buildings and Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906-1	Buildings and Facilities > 50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1906-2	Buildings and Facilities < 50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910-1	Leasehold Improvements <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910-2	Leasehold Improvements <50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910	Transformer Station Equipment - Normally	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910	Primary below 50 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1920	Distribution Station Equipment - Normally	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1920-1	Primary below 50 kV (Bulk)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1920-2	Distribution Station Equipment - Normally	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1920-3	Primary below 50 kV (Primary)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1920-4	Distribution Station Equipment - Normally	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1925	Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1925-1	Storage Battery Equipment > 60 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1925-2	Storage Battery Equipment <60 kV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1930	Poles, Towers and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1930-1	Poles, Towers and Devices - Primary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	





## 2011 COST ALLOCATION INFORMATION FILING

### Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

## Sheet E1 Categorization Worksheet - Second Run Milton Run 2 (no Bulk)

This worksheet details how Density is derived and how Costs are Categorized.

### Density of Utility

Density	Number of Customers	kM of Lines
72	30459	422

### Deemed Customer Cost Component based on Survey Results

		<u>Customer</u> <u>Component</u>	
If Density is < 30 customers per kM of lines then	LOW	0.6	All
If Density is Between 30 and 60 customers per kM of lines then	MEDIUM	0.4	All
If Density is Between > 60 customers per kM of lines then	HIGH	0.3	Distribution
If Density is Between > 60 customers per kM of lines then	HIGH	0.35	Transformers


### Categorization and Demand Allocation for Distribution Assets Accounts

USoA A/C #	Accounts	Categorization		
		Demand	Customer	Customer Component
	<b>Distribution Plant</b>			
1805	Land	DCP		0%
1805-1	Land Station >50 kV	TCP		0%
1805-2	Land Station <50 kV	DCP		0%
1806	Land Rights	DCP		0%
1806-1	Land Rights Station >50 kV	TCP		0%
1806-2	Land Rights Station <50 kV	DCP		0%
1808	Buildings and Fixtures	DCP		0%
1808-1	Buildings and Fixtures > 50 kV	TCP		0%
1808-2	Buildings and Fixtures < 50 KV	DCP		0%
1810	Leasehold Improvements	DCP		0%
1810-1	Leasehold Improvements >50 kV	TCP		0%
1810-2	Leasehold Improvements <50 kV	DCP		0%
1815	Transformer Station Equipment - Normally Primary above 50 kV	TCP		0%
1820	Distribution Station Equipment - Normally Primary below 50 kV	DCP		0%
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)	DCP		0%
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)	PNCP		0%
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		CEN	100%
1825	Storage Battery Equipment	DCP		0%
1825-1	Storage Battery Equipment > 50 kV	TCP		0%
1825-2	Storage Battery Equipment <50 kV	DCP		0%
1830	Poles, Towers and Fixtures	DNCP	CCA	30%
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	BCP		0%
1830-4	Poles, Towers and Fixtures - Primary	PNCP	CCP	30%
1830-5	Poles, Towers and Fixtures - Secondary	SNCP	CCS	30%
1835	Overhead Conductors and Devices	DNCP	CCA	30%
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery	BCP		0%
1835-4	Overhead Conductors and Devices - Primary	PNCP	CCP	30%
1835-5	Overhead Conductors and Devices - Secondary	SNCP	CCS	30%
1840	Underground Conduit	DNCP	CCA	30%
1840-3	Underground Conduit - Bulk Delivery	BCP		0%
1840-4	Underground Conduit - Primary	PNCP	CCP	30%
1840-5	Underground Conduit - Secondary	SNCP	CCS	30%
1845	Underground Conductors and Devices	DNCP	CCA	30%

1845-3	Underground Conductors and Devices - Bulk Delivery	BCP		0%
1845-4	Underground Conductors and Devices - Primary	PNCP	CCP	30%
1845-5	Underground Conductors and Devices - Secondary	SNCP	CSS	30%
1850	Line Transformers	LTNCP	CCLT	35%
1855	Services		CWCS	100%
1860	Meters		CWMC	100%
1565	Conservation and Demand Management Expenditures and Recoveries		CDMPP	100%
	<b>Accumulated Amortization</b>			
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	See I4 BO Assets		
	<b>Operation</b>			
5005	Operation Supervision and Engineering	1815-1855 D	1815-1855 C	30%
5010	Load Dispatching	1815-1855 D	1815-1855 C	30%
5012	Station Buildings and Fixtures Expense	1808 D		0%
5014	Transformer Station Equipment - Operation Labour	1815 D		0%
5015	Transformer Station Equipment - Operation Supplies and Expenses	1815 D		0%
5016	Distribution Station Equipment - Operation Labour	1820 D		0%
5017	Distribution Station Equipment - Operation Supplies and Expenses	1820 D		0%
5020	Overhead Distribution Lines and Feeders - Operation Labour	1830 & 1835 D	1830 & 1835 C	30%
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	1830 & 1835 D	1830 & 1835 C	30%
5030	Overhead Subtransmission Feeders - Operation	1830 & 1835 D		0%
5035	Overhead Distribution Transformers- Operation	1850 D	1850 C	35%
5040	Underground Distribution Lines and Feeders - Operation Labour	1840 & 1845 D	1840 & 1845 C	30%
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	1840 & 1845 D	1840 & 1845 C	30%
5050	Underground Subtransmission Feeders - Operation	1840 & 1845 D		0%
5055	Underground Distribution Transformers - Operation	1850 D	1850 C	35%
5065	Meter Expense		CWMC	100%
5070	Customer Premises - Operation Labour		CCA	100%
5075	Customer Premises - Materials and Expenses		CCA	100%
5085	Miscellaneous Distribution Expense	1815-1855 D	1815-1855 C	30%
5090	Underground Distribution Lines and Feeders - Rental Paid	1840 & 1845 D	1840 & 1845 C	30%
5095	Overhead Distribution Lines and Feeders - Rental Paid	1830 & 1835 D	1830 & 1835 C	30%
	<b>Maintenance</b>			
5105	Maintenance Supervision and Engineering	1815-1855 D	1815-1855 C	30%
5110	Maintenance of Buildings and Fixtures - Distribution Stations	1808 D		0%
5112	Maintenance of Transformer Station Equipment	1815 D		0%
5114	Maintenance of Distribution Station Equipment	1820 D		0%
5120	Maintenance of Poles, Towers and Fixtures	1830 D	1830 C	30%
5125	Maintenance of Overhead Conductors and Devices	1835 D	1835 C	30%
5130	Maintenance of Overhead Services		1855 C	100%
5135	Overhead Distribution Lines and Feeders - Right of Way	1830 & 1835 D	1830 & 1835 C	30%
5145	Maintenance of Underground Conduit	1840 D	1840 C	30%
5150	Maintenance of Underground Conductors and Devices	1845 D	1845 C	30%
5155	Maintenance of Underground Services		1855 C	100%
5160	Maintenance of Line Transformers	1850 D	1850 C	35%
5175	Maintenance of Meters		1860 C	100%
5305	Supervision		CWNB	100%
5310	Meter Reading Expense		CWNR	100%
5315	Customer Billing		CWNB	100%
5320	Collecting		CWNB	100%
5325	Collecting- Cash Over and Short		CWNB	100%
5330	Collection Charges		CWNB	100%
5335	Bad Debt Expense		BDHA	100%
5340	Miscellaneous Customer Accounts Expenses		CWNB	100%





	A	B	C	D	E	G	H	I	J	K
1	 <b>2022 COST ALLOCATION INFORMATION FILING</b> <b>Milton Hydro Distribution Inc</b> <b>EL 0-0137</b> <b>August 16, 2010</b>									
2										
3										
4										
5	<b>Sheet E3 Demand Allocator Worksheet - Second Run Milton Run 2 (no Bulk)</b>									
6										
7										
8	Instructions:									
9	Input sheet for Demand Allocators.									
10										
11										
12										
13	PLCC WATTS									
14	400									
15										
16			1	2	3	5	6	7	8	9
17	Customer Classes	Total	Residential	GS <50	GS>50-Regular	1000kW to 4999kW	Large Use >5MW	Street Light	Sentinel	Legacy USL
18	CCA	33,832	27,832	2,315	299	11	2	2,895	270	208
19	CCB	-	0	0	0	0	0	0	0	0
20	CCP	33,832	27,832	2,315	299	11	2	2,895	270	208
21	CCLT	33,811	27,832	2,315	291	0	0	2,895	270	208
22	CCS	30,439	27,832	2,315	291	1	0	0	0	0
23										
24	PLCC-CCA	13,533	11,133	926	120	4	1	1,158	108	83
25	PLCC-CCB	-	0	0	0	0	0	0	0	0
26	PLCC-CCP	13,533	11,133	926	120	4	1	1,158	108	83
27	PLCC-CCLT	13,524	11,133	926	116	0	0	1,158	108	83
28	PLCC-CCS	12,176	11,133	926	116	0	0	0	0	0
29										
30										
31										
32	1NCP									
33	DNCP1	140,971	58,729	20,139	33,418	13,881	13,050	1,498	42	215
34	PNCP1	140,971	58,729	20,139	33,418	13,881	13,050	1,498	42	215
35	LTNCP1	113,145	58,729	20,139	32,524	0	0	1,498	42	215
36	SNCP1	114,407	58,729	20,139	32,524	1,262	0	1,498	42	215
37										
38	PLCC - 1NCP									
39	DNCP1A	140,971	58,729	20,139	33,418	13,881	13,050	1,498	42	215
40	PNCP1A	127,504	47,596	19,213	33,298	13,877	13,050	340	0	132
41	LTNCP1A	99,687	47,596	19,213	32,407	0	0	340	0	132
42	SNCP1A	102,232	47,596	19,213	32,407	1,262	0	1,498	42	215
43										
44	4 NCP									
45										
46	DNCP4	539,535	225,889	69,670	130,846	54,306	51,855	5,959	160	851
47	PNCP4	539,535	225,889	69,670	130,846	54,306	51,855	5,959	160	851
48	LTNCP4	429,874	225,889	69,670	127,345	0	0	5,959	160	851
49	SNCP4	434,811	225,889	69,670	127,345	4,937	0	5,959	160	851
50										
51	PLCC - 4NCP									
52	DNCP4A	539,535	225,889	69,670	130,846	54,306	51,855	5,959	160	851
53	PNCP4A	485,676	181,358	65,967	130,367	54,288	51,852	1,327	0	518
54	LTNCP4A	376,048	181,358	65,967	126,879	0	0	1,327	0	518
55	SNCP4A	386,108	181,358	65,967	126,879	4,935	0	5,959	160	851
56										
57	12NCP									
58										
59	DNCP12	1,485,067	604,209	181,752	373,833	155,453	149,067	17,811	472	2,471
60	PNCP12	1,485,067	604,209	181,752	373,833	155,453	149,067	17,811	472	2,471
61	LTNCP12	1,170,545	604,209	181,752	363,831	0	0	17,811	472	2,471
62	SNCP12	1,184,677	604,209	181,752	363,831	14,132	0	17,811	472	2,471
63										
64	PLCC - 12NCP									
65	DNCP12A	1,485,067	604,209	181,752	373,833	155,453	149,067	17,811	472	2,471
66	PNCP12A	1,323,499	470,615	170,641	372,398	155,400	149,058	3,914	0	1,474
67	LTNCP12A	1,009,077	470,615	170,641	362,434	0	0	3,914	0	1,474
68	SNCP12A	1,038,571	470,615	170,641	362,434	14,127	0	17,811	472	2,471

## 2011 COST ALLOCATION INFORMATION FILING

**Milton Hydro Distribution Inc**

**EB-2010-0137**

**August 26, 2010**

**Sheet E4 Trial Balance Allocation Detail Worksheet - Second Run Milton Run 2 (no Bulk)**

**Details:**

**Details:**  
The worksheet below details how costs are treated, categorized, and grouped.

This sheet shows what accounts are included in the COSS, and how they are grouped into working capital and rate base. It shows how accounts are categorized in the customer and demand related costs. It will then show how the categorized costs are allocated to customer and demand related components. It will also show how Miscellaneous Revenue and General Plant and Administration costs are allocated. Finally, it will show how costs are being grouped together for presentation purposes.

Uniform System of Accounts - Detail Accounts:					Classification and Allocation			Allocation Demand Related	Allocation Customer Related	Allocation A&G Related	Allocation Misc Related
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand	Customer	Joint	Demand ID	Customer ID	A & G ID	Misc ID
1565	Conservation and Demand Management Expenditures and Recoveries	CDM Expenditures and Recoveries	dp			O&M			O&M		
1608	Franchises and Consents	Other Distribution Assets	gp							NFA ECC	
1805	Land		dp	DDCP							
1805-1	Land Station >50 kV		dp	TCP	TCP12			TCP12			
1805-2	Land Station <50 kV		dp	DCP	DCP12			DCP12			
1806	Land Rights		dp	DDCP							
1806-1	Land Rights Station >50 kV		dp	TCP	TCP12			TCP12			
1806-2	Land Rights Station <50 kV		dp	DCP	DCP12			DCP12			
1808	Buildings and Fixtures		dp	DDCP							
1808-1	Buildings and Fixtures > 50 kV		dp	TCP	TCP12			TCP12			
1808-2	Buildings and Fixtures < 50 KV		dp	DCP	DCP12			DCP12			
1810	Leasehold Improvements		dp	DDCP							
1810-1	Leasehold Improvements >50 kV		dp	TCP	TCP12			TCP12			
1810-2	Leasehold Improvements <50 kV		dp	DCP	DCP12			DCP12			
1815	Transformer Station Equipment - Normally Primary above 50 kV		dp	TCP	TCP12			TCP12			
1820	Distribution Station Equipment - Normally Primary below 50 kV		dp	DCP	DCP12			DCP12			
1820-1	Distribution Station Equipment - Normally Primary below 50 kV (Bulk)		dp	DCP	DCP12			DCP12			
1820-2	Distribution Station Equipment - Normally Primary below 50 kV (Primary)		dp	PNCP	PNCP4			PNCP4			
1820-3	Distribution Station Equipment - Normally Primary below 50 kV (Wholesale Meters)		dp			CEN			CEN		
1825	Storage Battery Equipment		dp	DDCP							
1825-1	Storage Battery Equipment > 50 kV		dp	TCP	TCP12			TCP12			
1825-2	Storage Battery Equipment <50 kV		dp	DCP	DCP12			DCP12			
1830	Poles, Towers and Fixtures		dp	DDNCP							
1830-3	Poles, Towers and Fixtures - Subtransmission Bulk Delivery		dp	BCP	BCP12			BCP12			
1830-4	Poles, Towers and Fixtures - Primary		dp	PNCP	PNCP4	CCP	x	PNCP4	CCP		
1830-5	Poles, Towers and Fixtures - Secondary		dp	SNCP	SNCP4	CCS	x	SNCP4	CCS		
1835	Overhead Conductors and Devices		dp	DDNCP							
1835-3	Overhead Conductors and Devices - Subtransmission Bulk Delivery		dp	BCP	BCP12			BCP12			
1835-4	Overhead Conductors and Devices - Primary		dp	PNCP	PNCP4	CCP	x	PNCP4	CCP		
1835-5	Overhead Conductors and Devices - Secondary		dp	SNCP	SNCP4	CCS	x	SNCP4	CCS		
1840	Underground Conduit		dp	DDNCP							
1840-3	Underground Conduit - Bulk Delivery	Land and Buildings	dp	BCP	BCP12			BCP12			
1840-4	Underground Conduit - Primary	Land and Buildings	dp	PNCP	PNCP4	CCP	x	PNCP4	CCP		
1840-5	Underground Conduit - Secondary	Land and Buildings	dp	SNCP	SNCP4	CCS	x	SNCP4	CCS		
1845	Underground Conductors and Devices	Land and Buildings	dp	DDNCP							
1845-3	Underground Conductors and Devices - Bulk Delivery	TS Primary Above 50	dp	BCP	BCP12			BCP12			
1845-4	Underground Conductors and Devices - Primary	DS	dp	PNCP	PNCP4	CCP	x	PNCP4	CCP		
1845-5	Underground Conductors and Devices - Secondary	Other Distribution Assets	dp	SNCP	SNCP4	CCS	x	SNCP4	CCS		
1850	Line Transformers	Poles, Wires	dp	LTNCP	LTNCP4	CCLT	x	LTNCP4	CCLT		
1855	Services	Services and Meters	dp			CWCS			CWCS		
1860	Meters	Services and Meters	dp			CWMC			CWMC		
1905	Land	Land and Buildings	gp							NFA ECC	
1906	Land Rights	Land and Buildings	gp							NFA ECC	
1908	Buildings and Fixtures	General Plant	gp							NFA ECC	
1910	Leasehold Improvements	General Plant	gp							NFA ECC	
1915	Office Furniture and Equipment	Equipment	gp							NFA ECC	

cp	ncp	non-demand	FINAL
TCP12			TCP12
DCP12			DCP12
TCP12			TCP12
DCP12			DCP12

Uniform System of Accounts - Detail Accounts:					Classification and Allocation			Allocation Demand Related	Allocation Customer Related	Allocation A&G Related	Allocation Misc Related				
USoA Account #	Accounts	Explanations	Grouping for Sheet Q1 Revenue to Cost	Demand Grouping Indicator	Demand	Customer	Joint	Demand ID	Customer ID	A & G ID	Misc ID	cp	ncp	non-demand	FINAL
1920	Computer Equipment - Hardware	IT Assets	gp							NFA ECC					
1925	Computer Software	IT Assets	gp							NFA ECC					
1930	Transportation Equipment	Equipment	gp							NFA ECC					
1935	Stores Equipment	Equipment	gp							NFA ECC					
1940	Tools, Shop and Garage Equipment	Equipment	gp							NFA ECC					
1945	Measurement and Testing Equipment	Equipment	gp							NFA ECC					
1950	Power Operated Equipment	Equipment	gp							NFA ECC					
1955	Communication Equipment	Equipment	gp							NFA ECC					
1960	Miscellaneous Equipment	Equipment	gp							NFA ECC					
1970	Load Management Controls - Customer Premises	Other Distribution Assets	gp							NFA ECC					
1975	Load Management Controls - Utility Premises	Other Distribution Assets	gp							NFA ECC					
1980	System Supervisory Equipment	Other Distribution Assets	gp							NFA ECC					
1990	Other Tangible Property	Other Distribution Assets	gp							NFA ECC					
1995	Contributions and Grants - Credit	Contributions and Grants	co		Break out	Breakout		Break out	Breakout						
2005	Property Under Capital Leases	Other Distribution Assets	gp							NFA ECC					
2010	Electric Plant Purchased or Sold	Other Distribution Assets	gp							NFA ECC					
2105	Accum. Amortization of Electric Utility Plant - Property, Plant, & Equipment	Accumulated Amortization	accum dep		Break out	Breakout		Break out	Breakout						
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	Accumulated Amortization	accum dep		Break out	Breakout		Break out	Breakout						
3046	Balance Transferred From Income	Equity	NI								NFA				
4080	Distribution Services Revenue	Distribution Services Revenue	CREV								CREV				
4082	Retail Services Revenues	Other Distribution Revenue	mi								CWNB				
4084	Service Transaction Requests (STR) Revenues	Other Distribution Revenue	mi								CWNB				
4090	Electric Services Incidental to Energy Sales	Other Distribution Revenue	mi								CWNB				
4205	Interdepartmental Rents	Other Distribution Revenue	mi								NFA				
4210	Rent from Electric Property	Other Distribution Revenue	mi								NFA				
4215	Other Utility Operating Income	Other Distribution Revenue	mi								NFA				
4220	Other Electric Revenues	Other Distribution Revenue	mi								NFA				
4225	Late Payment Charges	Late Payment Charges	mi								LPHA				
4235	Miscellaneous Service Revenues	Specific Service Charges	mi								CWNB				
4240	Provision for Rate Refunds	Other Distribution Revenue	mi								NFA				
4245	Government Assistance Directly Credited to Income	Other Distribution Revenue	mi								NFA				
4305	Regulatory Debits	Other Income & Deductions	mi								NFA				
4310	Regulatory Credits	Other Income & Deductions	mi								NFA				
4315	Revenues from Electric Plant Leased to Others	Other Income & Deductions	mi								NFA				
4320	Expenses of Electric Plant Leased to Others	Other Income & Deductions	mi								NFA				
4325	Revenues from Merchandise, Jobbing, Etc.	Other Income & Deductions	mi								NFA				
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	Other Income & Deductions	mi								NFA				
4335	Profits and Losses from Financial Instrument Hedges	Other Income & Deductions	mi								NFA				
4340	Profits and Losses from Financial Instrument Investments	Other Income & Deductions	mi								NFA				
4345	Gains from Disposition of Future Use Utility Plant	Other Income & Deductions	mi								NFA				
4350	Losses from Disposition of Future Use Utility Plant	Other Income & Deductions	mi								NFA				
4355	Gain on Disposition of Utility and Other Property	Other Income & Deductions	mi								NFA				
4360	Loss on Disposition of Utility and Other Property	Other Income & Deductions	mi								NFA				
4365	Gains from Disposition of Allowances for Emission	Other Income & Deductions	mi								NFA				
4370	Losses from Disposition of Allowances for Emission	Other Income & Deductions	mi								NFA				
4390	Miscellaneous Non-Operating Income	Other Income & Deductions	mi								NFA				
4395	Rate-Payer Benefit Including Interest	Other Income & Deductions	mi								NFA				
4398	Foreign Exchange Gains and Losses, Including Amortization	Other Income & Deductions	mi								NFA				
4405	Interest and Dividend Income	Other Income & Deductions	mi								NFA				
4415	Equity in Earnings of Subsidiary Companies	Other Income & Deductions	mi								NFA				
4705	Power Purchased	Power Supply Expenses (Working Capital)	cop							CEN EWMP					

Uniform System of Accounts - Detail Accounts:					Classification and Allocation			Allocation Demand Related	Allocation Customer Related	Allocation A&G Related	Allocation Misc Related				
USoA Account #	Accounts	Explanations	Grouping for Sheet Q1 Revenue to Cost	Demand Grouping Indicator	Demand	Customer	Joint	Demand ID	Customer ID	A & G ID	Misc ID	cp	ncp	non-demand	FINAL
4708	Charges-WMS	Power Supply Expenses (Working Capital)	cop								CEN EWMP				
4710	Cost of Power Adjustments	Power Supply Expenses (Working Capital)	cop								CEN EWMP				
4712	Charges-One-Time	Power Supply Expenses (Working Capital)	cop								CEN EWMP				
4714	Charges-NW	Power Supply Expenses (Working Capital)	cop								CEN				
4715	System Control and Load Dispatching	Other Power Supply Expenses	cop								CEN EWMP				
4716	Charges-CN	Power Supply Expenses (Working Capital)	cop								CEN				
4730	Rural Rate Assistance Expense	Power Supply Expenses (Working Capital)	cop								CEN EWMP				
5005	Operation Supervision and Engineering	Operation (Working Capital)	di	1815-1855 D	1815-1855 C	1815-1855 C	x	1815-1855 D	1815-1855 C					1815-1855 D	1815-1855 D
5010	Load Dispatching	Operation (Working Capital)	di	1815-1855 D	1815-1855 C	1815-1855 C	x	1815-1855 D	1815-1855 C					1815-1855 D	1815-1855 D
5012	Station Buildings and Fixtures Expense	Operation (Working Capital)	di	1808 D	1808 D	1808 C		1808 D	1808 C					1808 D	1808 D
5014	Transformer Station Equipment - Operation Labour	Operation (Working Capital)	di	1815 D	1815 D	1815 C		1815 D	1815 C					1815 D	1815 D
5015	Transformer Station Equipment - Operation Supplies and Expenses	Operation (Working Capital)	di	1815 D	1815 D	1815 C		1815 D	1815 C					1815 D	1815 D
5016	Distribution Station Equipment - Operation Labour	Operation (Working Capital)	di	1820 D	1820 D	1820 C		1820 D	1820 C					1820 D	1820 D
5017	Distribution Station Equipment - Operation Supplies and Expenses	Operation (Working Capital)	di	1820 D	1820 D	1820 C		1820 D	1820 C					1820 D	1820 D
5020	Overhead Distribution Lines and Feeders - Operation Labour	Operation (Working Capital)	di	830 & 1835	830 & 1835	830 & 1835 C	x	830 & 1835	830 & 1835 C					830 & 1835 D	830 & 1835 D
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	Operation (Working Capital)	di	830 & 1835	830 & 1835	830 & 1835 C	x	830 & 1835	830 & 1835 C					830 & 1835 D	830 & 1835 D
5030	Overhead Subtransmission Feeders - Operation	Operation (Working Capital)	di	830 & 1835	830 & 1835	830 & 1835 C		830 & 1835	830 & 1835 C					830 & 1835 D	830 & 1835 D
5035	Overhead Distribution Transformers - Operation	Operation (Working Capital)	di	1850 D	1850 D	1850 C	x	1850 D	1850 C					1850 D	1850 D
5040	Underground Distribution Lines and Feeders - Operation Labour	Operation (Working Capital)	di	840 & 1845	840 & 1845	840 & 1845 C	x	840 & 1845	840 & 1845 C					840 & 1845 D	840 & 1845 D
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	Operation (Working Capital)	di	840 & 1845	840 & 1845	840 & 1845 C	x	840 & 1845	840 & 1845 C					840 & 1845 D	840 & 1845 D
5050	Underground Subtransmission Feeders - Operation	Operation (Working Capital)	di	840 & 1845	840 & 1845	840 & 1845 C		840 & 1845	840 & 1845 C					840 & 1845 D	840 & 1845 D
5055	Underground Distribution Transformers - Operation	Operation (Working Capital)	di	1850 D	1850 D	1850 C	x	1850 D	1850 C					1850 D	1850 D
5065	Meter Expense	Operation (Working Capital)	cu			CWMC					CWMC				
5070	Customer Premises - Operation Labour	Operation (Working Capital)	cu			CCA					CCA				
5075	Customer Premises - Materials and Expenses	Operation (Working Capital)	cu			CCA					CCA				
5085	Miscellaneous Distribution Expense	Operation (Working Capital)	di	1815-1855 D	1815-1855 C	1815-1855 C	x	1815-1855 D	1815-1855 C					1815-1855 D	1815-1855 D
5090	Underground Distribution Lines and Feeders - Rental Paid	Operation (Working Capital)	di	840 & 1845	840 & 1845	840 & 1845 C	x	840 & 1845	840 & 1845 C					840 & 1845 D	840 & 1845 D
5095	Overhead Distribution Lines and Feeders - Rental Paid	Operation (Working Capital)	di	830 & 1835	830 & 1835	830 & 1835 C	x	830 & 1835	830 & 1835 C					830 & 1835 D	830 & 1835 D
5096	Other Rent	Operation (Working Capital)	di								O&M				
5105	Maintenance Supervision and Engineering	Maintenance (Working Capital)	di	1815-1855 D	1815-1855 C	1815-1855 C	x	1815-1855 D	1815-1855 C					1815-1855 D	1815-1855 D
5110	Maintenance of Buildings and Fixtures - Distribution Stations	Maintenance (Working Capital)	di	1808 D	1808 D	1808 C		1808 D	1808 C					1808 D	1808 D
5112	Maintenance of Transformer Station Equipment	Maintenance (Working Capital)	di	1815 D	1815 D	1815 C		1815 D	1815 C					1815 D	1815 D
5114	Maintenance of Distribution Station Equipment	Maintenance (Working Capital)	di	1820 D	1820 D	1820 C		1820 D	1820 C					1820 D	1820 D
5120	Maintenance of Poles, Towers and Fixtures	Maintenance (Working Capital)	di	1830 D	1830 D	1830 C	x	1830 D	1830 C					1830 D	1830 D
5125	Maintenance of Overhead Conductors and Devices	Maintenance (Working Capital)	di	1835 D	1835 D	1835 C	x	1835 D	1835 C					1835 D	1835 D
5130	Maintenance of Overhead Services	Maintenance (Working Capital)	di	1855 D	1855 D	1855 C		1855 D	1855 C					1855 D	1855 D
5135	Overhead Distribution Lines and Feeders - Right of Way	Maintenance (Working Capital)	di	830 & 1835	830 & 1835	830 & 1835 C	x	830 & 1835	830 & 1835 C					830 & 1835 D	830 & 1835 D
5145	Maintenance of Underground Conduit	Maintenance (Working Capital)	di	1840 D	1840 D	1840 C	x	1840 D	1840 C					1840 D	1840 D
5150	Maintenance of Underground Conductors and Devices	Maintenance (Working Capital)	di	1845 D	1845 D	1845 C	x	1845 D	1845 C					1845 D	1845 D
5155	Maintenance of Underground Services	Maintenance (Working Capital)	di	1855 D	1855 D	1855 C		1855 D	1855 C					1855 D	1855 D
5160	Maintenance of Line Transformers	Maintenance (Working Capital)	di	1850 D	1850 D	1850 C	x	1850 D	1850 C					1850 D	1850 D
5175	Maintenance of Meters	Maintenance (Working Capital)	cu	1860 D	1860 D	1860 C		1860 D	1860 C					1860 D	1860 D
5305	Supervision	Billing and Collection (Working Capital)	cu			CWNB			CWNB						

Uniform System of Accounts - Detail Accounts:					Classification and Allocation			Allocation Demand Related	Allocation Customer Related	Allocation A&G Related	Allocation Misc Related					
USoA Account #	Accounts	Explanations	Grouping for Sheet 01 Revenue to Cost	Demand Grouping Indicator	Demand	Customer	Joint	Demand ID	Customer ID	A & G ID	Misc ID		cp	ncp	non-demand	FINAL
5310	Meter Reading Expense	Billing and Collection (Working Capital)	cu			CWMR			CWMR							
5315	Customer Billing	Billing and Collection (Working Capital)	cu			CWNB			CWNB							
5320	Collecting	Billing and Collection (Working Capital)	cu			CWNB			CWNB							
5325	Collecting- Cash Over and Short	Billing and Collection (Working Capital)	cu			CWNB			CWNB							
5330	Collection Charges	Billing and Collection (Working Capital)	cu			CWNB			CWNB							
5335	Bad Debt Expense	Bad Debt Expense (Working Capital)	cu			BDHA			BDHA							
5340	Miscellaneous Customer Accounts Expenses	Billing and Collection (Working Capital)	cu			CWNB			CWNB							
5405	Supervision	Community Relations (Working Capital)	ad							O&M						
5410	Community Relations - Sundry	Community Relations (Working Capital)	ad							O&M						
5415	Energy Conservation	Community Relations - CDM (Working Capital)	ad							O&M						
5420	Community Safety Program	Community Relations (Working Capital)	ad							NFA ECC						
5425	Miscellaneous Customer Service and Informational Expenses	Community Relations (Working Capital)	ad							O&M						
5505	Supervision	Other Distribution Expenses	ad							O&M						
5510	Demonstrating and Selling Expense	Other Distribution Expenses	ad							O&M						
5515	Advertising Expense	Advertising Expenses	ad							O&M						
5520	Miscellaneous Sales Expense	Other Distribution Expenses	ad							O&M						
5605	Executive Salaries and Expenses	Administrative and General Expenses (Working Capital)	ad							O&M						
5610	Management Salaries and Expenses	Administrative and General Expenses (Working Capital)	ad							O&M						
5615	General Administrative Salaries and Expenses	Administrative and General Expenses (Working Capital)	ad							O&M						
5620	Office Supplies and Expenses	Administrative and General Expenses (Working Capital)	ad							O&M						
5625	Administrative Expense Transferred Credit	Administrative and General Expenses (Working Capital)	ad							O&M						
5630	Outside Services Employed	Administrative and General Expenses (Working Capital)	ad							O&M						
5635	Property Insurance	Insurance Expense (Working Capital)	ad							NFA ECC						
5640	Injuries and Damages	Administrative and General Expenses (Working Capital)	ad							O&M						
5645	Employee Pensions and Benefits	Administrative and General Expenses (Working Capital)	ad							O&M						
5650	Franchise Requirements	Administrative and General Expenses (Working Capital)	ad							O&M						
5655	Regulatory Expenses	Administrative and General Expenses (Working Capital)	ad							O&M						
5660	General Advertising Expenses	Advertising Expenses	ad							O&M						
5665	Miscellaneous General Expenses	Administrative and General Expenses (Working Capital)	ad							O&M						
5670	Rent	Administrative and General Expenses (Working Capital)	ad							O&M						
5675	Maintenance of General Plant	Administrative and General Expenses (Working Capital)	ad							O&M						
5680	Electrical Safety Authority Fees	Administrative and General Expenses (Working Capital)	ad							O&M						
5685	Independent Market Operator Fees and Penalties	Power Supply Expenses (Working Capital)	cop							NFA ECC						
5705	Amortization Expense - Property, Plant, and Equipment	Amortization of Assets	dep	PRORATED	Break out	Breakout			Breakout						PRORATED	PRORATED
5710	Amortization of Limited Term Electric Plant	Amortization of Assets	dep	PRORATED	Break out	Breakout			Breakout						PRORATED	PRORATED
5715	Amortization of Intangibles and Other Electric Plant	Amortization of Assets	dep	PRORATED	Break out	Breakout			Breakout						PRORATED	PRORATED
5720	Amortization of Electric Plant Acquisition Adjustments	Other Amortization - Unclassified	dep	PRORATED	Break out	Breakout			Breakout						PRORATED	PRORATED
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	Amortization of Assets	dep							O&M						
5735	Amortization of Deferred Development Costs	Amortization of Assets	dep							O&M						
5740	Amortization of Deferred Charges	Amortization of Assets	dep							O&M						

Uniform System of Accounts - Detail Accounts:					Classification and Allocation			Allocation Demand Related	Allocation Customer Related	Allocation A&G Related	Allocation Misc Related					
USoA Account #	Accounts	Explanations	Grouping for Sheet O1 Revenue to Cost	Demand Grouping Indicator	Demand	Customer	Joint	Demand ID	Customer ID	A & G ID	Misc ID		cp	ncp	non-demand	FINAL
6005	Interest on Long Term Debt	Interest Expense - Unclassified	INT							NFA						
6105	Taxes Other Than Income Taxes	Other Distribution Expenses	ad							NFA						
6110	Income Taxes	Income Tax Expense - Unclassified	Input							NFA						
6205	Donations	Charitable Contributions	ad							O&M						
6210	Life Insurance	Insurance Expense (Working Capital)	ad							O&M						
6215	Penalties	Other Distribution Expenses	ad							O&M						
6225	Other Deductions	Other Distribution Expenses	ad							O&M						



## 2011 COST ALLOCATION INFORMATION FILING

### Milton Hydro Distribution Inc

EB-2010-0137

August 26, 2010

### Sheet E5 Reconciliation Worksheet - Second Run Milton Run 2 (no Bulk)

#### Details:

The worksheet below shows reconciliation of costs included and excluded in the Trial Balance.

USoA Account #	Accounts	Financial Statement	Financial Statement - Asset Break Out includes Acc Dep and Contributed Capital	Adjusted TB	Excluded from COSS	Excluded	Included	Balance in O5	Difference
1565	Conservation and Demand Management								
	Expenditures and Recoveries	\$0		\$0		\$0	\$0	\$0	\$0
1608	Franchises and Consents	\$0		\$0		\$0	\$0	\$0	\$0
1805	Land		\$0	\$0		\$0	\$0	\$0	\$0
1805-1	Land Station >50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1805-2	Land Station <50 kV		\$69,883	\$69,883		\$0	\$69,883	\$69,883	\$0
1806	Land Rights		\$0	\$0		\$0	\$0	\$0	\$0
1806-1	Land Rights Station >50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1806-2	Land Rights Station <50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1808	Buildings and Fixtures		\$0	\$0		\$0	\$0	\$0	\$0
1808-1	Buildings and Fixtures > 50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1808-2	Buildings and Fixtures < 50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1810	Leasehold Improvements		\$0	\$0		\$0	\$0	\$0	\$0
1810-1	Leasehold Improvements >50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1810-2	Leasehold Improvements <50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1815	Transformer Station Equipment - Normally								
	Primary above 50 kV		\$0	\$0		\$0	\$0	\$0	\$0
	Distribution Station Equipment - Normally								
1820	Primary below 50 kV		\$0	\$0		\$0	\$0	\$0	\$0
	Distribution Station Equipment - Normally								
1820-1	Primary below 50 kV (Bulk)		\$0	\$0		\$0	\$0	\$0	\$0
	Distribution Station Equipment - Normally								
1820-2	Primary below 50 kV (Primary)		\$1,466,868	\$1,466,868		\$0	\$1,466,868	\$1,466,868	\$0
	Distribution Station Equipment - Normally								
1820-3	Primary below 50 kV (Wholesale Meters)		\$49,324	\$49,324		\$0	\$49,324	\$49,324	\$0
1825	Storage Battery Equipment		\$0	\$0		\$0	\$0	\$0	\$0
1825-1	Storage Battery Equipment > 50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1825-2	Storage Battery Equipment <50 kV		\$0	\$0		\$0	\$0	\$0	\$0
1830	Poles, Towers and Fixtures		\$0	\$0		\$0	\$0	\$0	\$0
	Poles, Towers and Fixtures -								
1830-3	Subtransmission Bulk Delivery		\$0	\$0		\$0	\$0	\$0	\$0
1830-4	Poles, Towers and Fixtures - Primary		\$21,038,154	\$21,038,154		\$0	\$21,038,154	\$21,038,154	\$0
1830-5	Poles, Towers and Fixtures - Secondary		\$1,366,696	\$1,366,696		\$0	\$1,366,696	\$1,366,696	\$0
1835	Overhead Conductors and Devices		\$0	\$0		\$0	\$0	\$0	\$0
	Overhead Conductors and Devices -								
1835-3	Subtransmission Bulk Delivery		\$0	\$0		\$0	\$0	\$0	\$0
	Overhead Conductors and Devices - Primary		\$19,668,307	\$19,668,307		\$0	\$19,668,307	\$19,668,307	\$0
1835-5	Secondary		\$440,380	\$440,380		\$0	\$440,380	\$440,380	\$0
1840	Underground Conduit		\$0	\$0		\$0	\$0	\$0	\$0
1840-3	Underground Conduit - Bulk Delivery		\$0	\$0		\$0	\$0	\$0	\$0
1840-4	Underground Conduit - Primary		\$19,567,271	\$19,567,271		\$0	\$19,567,271	\$19,567,271	\$0

1840-5	Underground Conduit - Secondary		\$0	\$0		\$0	\$0	\$0	\$0
1845	Underground Conductors and Devices		\$0	\$0		\$0	\$0	\$0	\$0
	Underground Conductors and Devices - Bulk								
1845-3	Delivery		\$0	\$0		\$0	\$0	\$0	\$0
	Underground Conductors and Devices -								
1845-4	Primary		\$15,554,558	\$15,554,558		\$0	\$15,554,558	\$15,554,558	\$0
	Underground Conductors and Devices -								
1845-5	Secondary		\$0	\$0		\$0	\$0	\$0	\$0
1850	Line Transformers		\$33,783,324	\$33,783,324		\$0	\$33,783,324	\$33,783,324	\$0
1855	Services		\$11,214,488	\$11,214,488		\$0	\$11,214,488	\$11,214,488	\$0
1860	Meters		\$9,469,193	\$9,469,193		\$0	\$9,469,193	\$9,469,193	\$0
1905	Land	\$0	\$2,918,530	\$2,918,530		\$0	\$2,918,530	\$2,918,530	\$0
1906	Land Rights	\$0	\$0	\$0		\$0	\$0	\$0	\$0
1908	Buildings and Fixtures	\$0	\$75,000	\$75,000		\$0	\$75,000	\$75,000	\$0
1910	Leasehold Improvements	\$0	\$460,817	\$460,817		\$0	\$460,817	\$460,817	\$0
1915	Office Furniture and Equipment	\$0	\$647,505	\$647,505		\$0	\$647,505	\$647,505	\$0
1920	Computer Equipment - Hardware	\$0	\$1,750,773	\$1,750,773		\$0	\$1,750,773	\$1,750,773	\$0
1925	Computer Software	\$0	\$548,292	\$548,292		\$0	\$548,292	\$548,292	\$0
1930	Transportation Equipment	\$0	\$2,212,804	\$2,212,804		\$0	\$2,212,804	\$2,212,804	\$0
1935	Stores Equipment	\$0	\$194,526	\$194,526		\$0	\$194,526	\$194,526	\$0
1940	Tools, Shop and Garage Equipment	\$0	\$410,997	\$410,997		\$0	\$410,997	\$410,997	\$0
1945	Measurement and Testing Equipment	\$0	\$31,721	\$31,721		\$0	\$31,721	\$31,721	\$0
1950	Power Operated Equipment	\$0	\$0	\$0		\$0	\$0	\$0	\$0
1955	Communication Equipment	\$0	\$314,742	\$314,742		\$0	\$314,742	\$314,742	\$0
1960	Miscellaneous Equipment	\$0	\$0	\$0		\$0	\$0	\$0	\$0
1970	Load Management Controls - Customer								
	Premises	\$0	\$0	\$0		\$0	\$0	\$0	\$0
1975	Load Management Controls - Utility								
	Premises	\$0	\$0	\$0		\$0	\$0	\$0	\$0
1980	System Supervisory Equipment	\$0	\$41,545	\$41,545		\$0	\$41,545	\$41,545	\$0
1990	Other Tangible Property	\$0	\$70,000	\$70,000		\$0	\$70,000	\$70,000	\$0
1995	Contributions and Grants - Credit	(\$41,422,169)	\$0	(\$41,422,169)		\$0	(\$41,422,169)	(\$41,422,169)	\$0
2005	Property Under Capital Leases	\$0	\$0	\$0		\$0	\$0	\$0	\$0
2010	Electric Plant Purchased or Sold	\$0	\$0	\$0		\$0	\$0	\$0	\$0
2105	Accum. Amortization of Electric Utility Plant -								
	Property, Plant, & Equipment	(\$50,054,695)		(\$50,054,695)		\$0	(\$50,054,695)	(\$50,054,695)	\$0
2120	Accumulated Amortization of Electric Utility								
	Plant - Intangibles	\$0	\$0	\$0		\$0	\$0	\$0	\$0
3046	Balance Transferred From Income	(\$2,448,414)		(\$2,448,414)		\$0	(\$2,448,414)	(\$2,448,414)	\$0
4080	Distribution Services Revenue	(\$13,608,183)		(\$13,608,183)		\$0	(\$13,608,183)	(\$13,608,183)	\$0
4082	Retail Services Revenues	(\$35,784)		(\$35,784)		\$0	(\$35,784)	(\$35,784)	\$0
4084	Service Transaction Requests (STR)								
	Revenues	(\$1,085)		(\$1,085)		\$0	(\$1,085)	(\$1,085)	\$0
4090									
	Electric Services Incidental to Energy Sales	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4205	Interdepartmental Rents	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4210	Rent from Electric Property	(\$135,213)		(\$135,213)		\$0	(\$135,213)	(\$135,213)	\$0
4215	Other Utility Operating Income	(\$75,804)		(\$75,804)		\$0	(\$75,804)	(\$75,804)	\$0
4220	Other Electric Revenues	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4225	Late Payment Charges	(\$156,670)		(\$156,670)		\$0	(\$156,670)	(\$156,670)	\$0
4235	Miscellaneous Service Revenues	(\$403,492)		(\$403,492)		\$0	(\$403,492)	(\$403,492)	\$0
4240	Provision for Rate Refunds	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4245	Government Assistance Directly Credited to								
	Income	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4305	Regulatory Debits	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4310	Regulatory Credits	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4315	Revenues from Electric Plant Leased to								
	Others	\$0	\$0	\$0		\$0	\$0	\$0	\$0
4320									
	Expenses of Electric Plant Leased to Others	\$0	\$0	\$0		\$0	\$0	\$0	\$0

4325	Revenues from Merchandise, Jobbing, Etc.	\$0	\$0	\$0	\$0	\$0	\$0
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	\$0	\$0	\$0	\$0	\$0	\$0
4335	Profits and Losses from Financial Instrument Hedges	\$0	\$0	\$0	\$0	\$0	\$0
4340	Profits and Losses from Financial Instrument Investments	\$0	\$0	\$0	\$0	\$0	\$0
4345	Gains from Disposition of Future Use Utility Plant	\$0	\$0	\$0	\$0	\$0	\$0
4350	Losses from Disposition of Future Use Utility Plant	\$0	\$0	\$0	\$0	\$0	\$0
4355	Gain on Disposition of Utility and Other Property	(\$500)	(\$500)	\$0	(\$500)	(\$500)	\$0
4360	Loss on Disposition of Utility and Other Property	\$0	\$0	\$0	\$0	\$0	\$0
4365	Gains from Disposition of Allowances for Emission	\$0	\$0	\$0	\$0	\$0	\$0
4370	Losses from Disposition of Allowances for Emission	\$0	\$0	\$0	\$0	\$0	\$0
4390	Miscellaneous Non-Operating Income	(\$600,101)	(\$600,101)	\$0	(\$600,101)	(\$600,101)	\$0
4395	Rate-Payer Benefit Including Interest	\$0	\$0	\$0	\$0	\$0	\$0
4398	Foreign Exchange Gains and Losses, Including Amortization	\$0	\$0	\$0	\$0	\$0	\$0
4405	Interest and Dividend Income	(\$45,000)	(\$45,000)	\$0	(\$45,000)	(\$45,000)	\$0
4415	Equity in Earnings of Subsidiary Companies	\$0	\$0	\$0	\$0	\$0	\$0
4705	Power Purchased	\$49,462,450	\$49,462,450	\$0	\$49,462,450	\$49,462,450	\$0
4708	Charges-WMS	\$3,773,963	\$3,773,963	\$0	\$3,773,963	\$3,773,963	\$0
4710	Cost of Power Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
4712	Charges-One-Time	\$139,074	\$139,074	\$0	\$139,074	\$139,074	\$0
4714	Charges-NW	\$4,184,623	\$4,184,623	\$0	\$4,184,623	\$4,184,623	\$0
4715	System Control and Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0
4716	Charges-CN	\$3,339,030	\$3,339,030	\$0	\$3,339,030	\$3,339,030	\$0
4730	Rural Rate Assistance Expense	\$943,491	\$943,491	\$0	\$943,491	\$943,491	\$0
5005	Operation Supervision and Engineering	\$43,173	\$43,173	\$0	\$43,173	\$43,173	\$0
5010	Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0
5012	Station Buildings and Fixtures Expense	\$0	\$0	\$0	\$0	\$0	\$0
5014	Transformer Station Equipment - Operation Labour	\$0	\$0	\$0	\$0	\$0	\$0
5015	Transformer Station Equipment - Operation Supplies and Expenses	\$0	\$0	\$0	\$0	\$0	\$0
5016	Distribution Station Equipment - Operation Labour	\$21,035	\$21,035	\$0	\$21,035	\$21,035	\$0
5017	Distribution Station Equipment - Operation Supplies and Expenses	\$66,880	\$66,880	\$0	\$66,880	\$66,880	\$0
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$11,580	\$11,580	\$0	\$11,580	\$11,580	\$0
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0	\$0	\$0	\$0	\$0	\$0
5030	Overhead Subtransmission Feeders - Operation	\$0	\$0	\$0	\$0	\$0	\$0
5035	Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0
5040	Underground Distribution Lines and Feeders - Operation Labour	\$1,440	\$1,440	\$0	\$1,440	\$1,440	\$0
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$356,458	\$356,458	\$0	\$356,458	\$356,458	\$0
5050	Underground Subtransmission Feeders - Operation	\$0	\$0	\$0	\$0	\$0	\$0

5055	Underground Distribution Transformers - Operation	\$1,200	\$1,200	\$0	\$1,200	\$1,200	\$0
5065	Meter Expense	\$178,657	\$178,657	\$0	\$178,657	\$178,657	\$0
5070	Customer Premises - Operation Labour	\$191,386	\$191,386	\$0	\$191,386	\$191,386	\$0
5075	Customer Premises - Materials and Expenses	\$5,000	\$5,000	\$0	\$5,000	\$5,000	\$0
5085	Miscellaneous Distribution Expense	\$0	\$0	\$0	\$0	\$0	\$0
5090	Underground Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0
5096	Other Rent	\$0	\$0	\$0	\$0	\$0	\$0
5105	Maintenance Supervision and Engineering	\$43,173	\$43,173	\$0	\$43,173	\$43,173	\$0
5110	Maintenance of Buildings and Fixtures - Distribution Stations	\$0	\$0	\$0	\$0	\$0	\$0
5112	Maintenance of Transformer Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0
5114	Maintenance of Distribution Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0
5120	Maintenance of Poles, Towers and Fixtures	\$154,340	\$154,340	\$0	\$154,340	\$154,340	\$0
5125	Maintenance of Overhead Conductors and Devices	\$336,813	\$336,813	\$0	\$336,813	\$336,813	\$0
5130	Maintenance of Overhead Services	\$0	\$0	\$0	\$0	\$0	\$0
5135	Overhead Distribution Lines and Feeders - Right of Way	\$171,940	\$171,940	\$0	\$171,940	\$171,940	\$0
5145	Maintenance of Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0
5150	Maintenance of Underground Conductors and Devices	\$133,829	\$133,829	\$0	\$133,829	\$133,829	\$0
5155	Maintenance of Underground Services	\$0	\$0	\$0	\$0	\$0	\$0
5160	Maintenance of Line Transformers	\$394,835	\$394,835	\$0	\$394,835	\$394,835	\$0
5175	Maintenance of Meters	\$0	\$0	\$0	\$0	\$0	\$0
5305	Supervision	\$0	\$0	\$0	\$0	\$0	\$0
5310	Meter Reading Expense	\$316,859	\$316,859	\$0	\$316,859	\$316,859	\$0
5315	Customer Billing	\$1,083,885	\$1,083,885	\$0	\$1,083,885	\$1,083,885	\$0
5320	Collecting	\$367,944	\$367,944	\$0	\$367,944	\$367,944	\$0
5325	Collecting- Cash Over and Short	\$0	\$0	\$0	\$0	\$0	\$0
5330	Collection Charges	\$0	\$0	\$0	\$0	\$0	\$0
5335	Bad Debt Expense	\$50,000	\$50,000	\$0	\$50,000	\$50,000	\$0
5340	Miscellaneous Customer Accounts Expenses	\$0	\$0	\$0	\$0	\$0	\$0
5405	Supervision	\$0	\$0	\$0	\$0	\$0	\$0
5410	Community Relations - Sundry	\$10,679	\$10,679	\$0	\$10,679	\$10,679	\$0
5415	Energy Conservation	\$0	\$0	\$0	\$0	\$0	\$0
5420	Community Safety Program	\$0	\$0	\$0	\$0	\$0	\$0
5425	Miscellaneous Customer Service and Informational Expenses	\$0	\$0	\$0	\$0	\$0	\$0
5505	Supervision	\$0	\$0	\$0	\$0	\$0	\$0
5510	Demonstrating and Selling Expense	\$0	\$0	\$0	\$0	\$0	\$0
5515	Advertising Expense	\$0	\$0	\$0	\$0	\$0	\$0
5520	Miscellaneous Sales Expense	\$0	\$0	\$0	\$0	\$0	\$0
5605	Executive Salaries and Expenses	\$28,792	\$28,792	\$0	\$28,792	\$28,792	\$0
5610	Management Salaries and Expenses	\$652,924	\$652,924	\$0	\$652,924	\$652,924	\$0
5615	General Administrative Salaries and Expenses	\$703,920	\$703,920	\$0	\$703,920	\$703,920	\$0
5620	Office Supplies and Expenses	\$138,897	\$138,897	\$0	\$138,897	\$138,897	\$0
5625	Administrative Expense Transferred Credit	(\$16,560)	(\$16,560)	\$0	(\$16,560)	(\$16,560)	\$0
5630	Outside Services Employed	\$178,400	\$178,400	\$0	\$178,400	\$178,400	\$0
5635	Property Insurance	\$62,512	\$62,512	\$0	\$62,512	\$62,512	\$0
5640	Injuries and Damages	\$0	\$0	\$0	\$0	\$0	\$0

5645	Employee Pensions and Benefits	\$0	\$0	\$0	\$0	\$0	\$0
5650	Franchise Requirements	\$0	\$0	\$0	\$0	\$0	\$0
5655	Regulatory Expenses	\$144,406	\$144,406	\$0	\$144,406	\$144,406	\$0
5660	General Advertising Expenses	\$3,194	\$3,194	\$0	\$3,194	\$3,194	\$0
5665	Miscellaneous General Expenses	\$205,672	\$205,672	\$0	\$205,672	\$205,672	\$0
5670	Rent	\$349,055	\$349,055	\$0	\$349,055	\$349,055	\$0
5675	Maintenance of General Plant	\$122,661	\$122,661	\$0	\$122,661	\$122,661	\$0
5680	Electrical Safety Authority Fees	\$0	\$0	\$0	\$0	\$0	\$0
5685	Independent Market Operator Fees and Penalties	\$0	\$0	\$0	\$0	\$0	\$0
5705	Amortization Expense - Property, Plant, and Equipment	\$3,616,371	\$3,616,371	\$0	\$3,616,371	\$3,616,371	\$0
5710	Amortization of Limited Term Electric Plant	\$0	\$0	\$0	\$0	\$0	\$0
5715	Amortization of Intangibles and Other Electric Plant	\$0	\$0	\$0	\$0	\$0	\$0
5720	Amortization of Electric Plant Acquisition Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	\$0	\$0	\$0	\$0	\$0	\$0
5735	Amortization of Deferred Development Costs	\$0	\$0	\$0	\$0	\$0	\$0
5740	Amortization of Deferred Charges	\$0	\$0	\$0	\$0	\$0	\$0
6005	Interest on Long Term Debt	\$1,857,124	\$1,857,124	\$0	\$1,857,124	\$1,857,124	\$0
6105	Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0
6110	Income Taxes	\$624,945	\$624,945	\$0	\$624,945	\$624,945	\$0
6205	Donations	\$0	\$0	\$0	\$0	\$0	\$0
6210	Life Insurance	\$0	\$0	\$0	\$0	\$0	\$0
6215	Penalties	\$0	\$0	\$0	\$0	\$0	\$0
6225	Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>		<b>(\$34,531,061)</b>	<b>\$143,365,698</b>	<b>\$108,834,637</b>	<b>\$0</b>	<b>\$108,834,637</b>	<b>\$108,834,637</b>
				<b>Control</b>	<b>\$108,834,637</b>		<b>\$0</b>

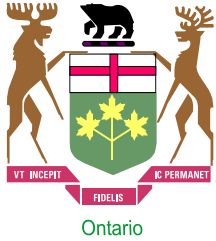
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	\$0	\$0
	\$0	\$0
	\$0	\$0
\$15,554,558	\$0	\$0
	\$0	\$0
\$33,783,324	\$0	\$0
\$11,214,488	\$0	\$0
\$9,469,193	\$0	\$0
\$2,918,530	\$0	\$0
\$0	\$0	\$0
\$75,000	\$0	\$0
\$460,817	\$0	\$0
\$647,505	\$0	\$0
\$1,750,773	\$0	\$0
\$548,292	\$0	\$0
\$2,212,804	\$0	\$0
\$194,526	\$0	\$0
\$410,997	\$0	\$0
\$31,721	\$0	\$0
\$0	\$0	\$0
\$314,742	\$0	\$0
\$0	\$0	\$0
	\$0	\$0
	\$0	\$0
\$41,545	\$0	\$0
\$70,000	\$0	\$0
(\$41,422,169)	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
(\$50,054,695)	\$0	\$0
	\$0	\$0
(\$2,448,414)	\$0	\$0
(\$13,608,183)	\$0	\$0
(\$35,784)	\$0	\$0
	\$0	\$0
(\$1,085)	\$0	\$0
	\$0	\$0
\$0	\$0	\$0
(\$135,213)	\$0	\$0
(\$75,804)	\$0	\$0
\$0	\$0	\$0
(\$156,670)	\$0	\$0
(\$403,492)	\$0	\$0
\$0	\$0	\$0
	\$0	\$0
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\$0	\$0
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\$0	\$0
(\$500)	\$0
\$0	\$0
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\$0	\$0
(\$600,101)	\$0
\$0	\$0
\$0	\$0
(\$45,000)	\$0
\$0	\$0
\$49,462,450	\$0
\$3,773,963	\$0
\$0	\$0
\$139,074	\$0
\$4,184,623	\$0
\$0	\$0
\$3,339,030	\$0
\$943,491	\$0
\$43,173	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$21,035	\$0
\$66,880	\$0
\$11,580	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$1,440	\$0
\$356,458	\$0
\$0	\$0

\$1,200	\$0
\$178,657	\$0
\$191,386	\$0
\$5,000	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$43,173	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$154,340	\$0
\$336,813	\$0
\$0	\$0
\$171,940	\$0
\$0	\$0
\$133,829	\$0
\$0	\$0
\$394,835	\$0
\$0	\$0
\$0	\$0
\$316,859	\$0
\$1,083,885	\$0
\$367,944	\$0
\$0	\$0
\$0	\$0
\$50,000	\$0
\$0	\$0
\$0	\$0
\$10,679	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$28,792	\$0
\$652,924	\$0
\$703,920	\$0
\$138,897	\$0
(\$16,560)	\$0
\$178,400	\$0
\$62,512	\$0
\$0	\$0

\$0	\$0
\$0	\$0
\$144,406	\$0
\$3,194	\$0
\$205,672	\$0
\$349,055	\$0
\$122,661	\$0
\$0	\$0
\$0	\$0
\$3,616,371	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$1,857,124	\$0
\$0	\$0
\$624,945	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$108,834,637</b>	<b>\$0</b>



**2011 COST ALLOCATION**  
**Milton Hydro Distribution Inc**  
**EB-2010-0137**

**August 26, 2010**

**Sheet E5 Reconciliation Worksheet - Second R**

If you have completed the Cost Allocation filing model and prepare your findings to the Ontario Energy Board, please note that you have options.

**OPTION #1 - Detailed**

- Step 1: Save this file as "LDCname\_Detailed\_CA\_model\_RUN#.xls"  
Step 2: Printout sheets I2, I4, and O1

**OPTION #2 - Rolled Up**

- Step 1: Save this file as "LDCname\_Detailed\_CA\_model\_RUN#.xls"  
Step 2: **Click on the Option 2 Button**  
Step 3: **Save this file as "LDCname\_RolledUp\_CA\_model\_RUN#.xls"**  
Step 4: Printout sheets I2, I4, and O1

**OPTION 2**

## Run Milton Run 2 (no Bulk)

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## EXHIBIT 8 – RATE DESIGN

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## RATE DESIGN OVERVIEW

This Exhibit documents the calculation of Milton Hydro's proposed distribution rates by rate class for the 2011 Test Year, based on rate design as proposed in this Exhibit.

Milton Hydro has determined its total 2011 Test Year service revenue requirement to be \$15,061,832. The total revenue offsets in the amount of \$1,453,649 reduce Milton Hydro's total service revenue requirement to a base revenue requirement to \$13,608,183 which is used to determine the proposed distribution rates. The base revenue requirement is derived from Milton Hydro's 2011 Test Year capital and operating forecasts, weather normalized usage, forecasted customer counts, and Milton Hydro's regulated return on rate base. The revenue requirements are summarized below in Table 1:

**Table 1 -  
Calculation of Base Revenue Requirement – 2011 Test Year**

OM&A Expenses	\$ 6,514,979
Amortization Expenses	3,616,371
Total Distribution Expenses	10,131,350
Regulated Return On Rate Base	4,305,537
PILs (with gross up)	624,945
<b>Service Revenue Requirement</b>	15,061,832
Less: Revenue Offsets	(1,453,649)
<b>Base Revenue Requirement</b>	\$ 13,608,183
Transformer Discounts	152,407
<b>Gross Revenue Requirement for rates</b>	<b>\$ 13,760,590</b>

To determine the percentages of total gross revenue requirement to be recovered from each customer class, the 2011 Test Year forecast customers/connections counts and volumes are applied to the existing 2010 Bridge Year distribution rates to determine 2011 Test Year distribution revenues at existing rates. The customer class revenue proportions, expressed as a percent are used to allocate the revenue requirement determined in the 2011 Test Year Cost of Service Model, before transformer discounts, across the customer classes. The following Table 2 sets out the customer class proportion of the 2011 Test Year forecast at existing rates and the proposed customer class proportions based on the Cost Allocation Model and 2011 Test Year proposed revenue.

**Table 2 -  
Distribution Revenue Proportions at Existing & Proposed Rates**

Customer Class	Dist Rev Proportion At Existing Rates %	Dist Rev Proportion At Proposed Rates %
Residential	65.15%	63.93%
GS < 50 kW	13.21%	13.21%
GS >50 to 999 kW	11.83%	12.91%
GS >1000 to 4999 kW	4.87%	4.64%
Large Use	4.43%	3.97%
Sentinel Lights	0.02%	0.07%
Street Lighting	0.15%	0.94%
Unmetered and Scattered	0.35%	0.34%

The following Table 3 sets out the allocation of Milton Hydro's proposed 2011 Test Year distribution revenue between the fixed and variable rates before and after transformer allowances.

**Table 3 -  
2011 Test Year Fixed & Variable Distribution Revenue**

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Proposed Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue
Residential	8,699,058	63.93%	15.36	\$0.0143	\$ 4,991,751	\$ 3,707,307		8,699,058
GS < 50 kW	1,797,243	13.21%	16.78	\$0.0178	\$ 460,534	\$ 1,336,709		1,797,243
GS >50 to 999 kW	1,756,842	12.91%	88.37	\$2.9288	\$ 310,582	\$ 1,446,260	\$ 41,349	1,798,191
GS >1000 to 4999 kW	631,279	4.64%	1,008.02	\$3.1373	\$ 136,070	\$ 495,209	\$ 111,058	742,337
Large Use	539,603	3.97%	4,219.51	\$2.5261	\$ 101,268	\$ 438,335	\$ -	539,603
Sentinel Lights	9,966	0.07%	1.47	\$11.1018	\$ 4,801	\$ 5,165		9,966
Street Lighting	127,633	0.94%	1.14	\$4.9716	\$ 39,091	\$ 88,543		127,633
Unmetered and Scattered	46,559	0.34%	8.27	\$0.0175	\$ 19,990	\$ 26,569		46,559
<b>TOTAL</b>	<b>13,608,183</b>	<b>100.00%</b>			<b>\$ 6,064,086</b>	<b>\$ 7,544,097</b>	<b>\$ 152,407</b>	<b>\$ 13,760,590</b>

## FIXED AND VARIABLE PROPORTION

The purpose of this section is to describe the determination of the fixed and variable proportion by rate class, and the calculation of the proposed fixed and variable distribution rates for the 2011 Test Year.

In its November 28, 2007 Report on Application of Cost Allocation for Electricity Distributors, the OEB addressed a number of "Other Rate Matters", including the treatment of the fixed rate component (the Monthly Service Charge, or "MSC") of the bill. At page 12 of the Report, the

OEB determined that the floor amount for the MSC should be the avoided costs, as that term is defined in the September 29, 2006 report of the OEB entitled "Cost Allocation: Board Directions on Cost Allocation Methodology for Electricity Distributors". Milton Hydro's MSCs exceeds that floor amount. With respect to the upper bound for the MSC, the OEB considered it to be inappropriate to make changes to the MSC ceiling at this time, given the number of issues that remain to be examined within the scope of the OEB's Rate Review proceeding (EB-2007-0031). The OEB indicated that for the time being, it does not expect distributors to make changes to the MSC that result in a charge that is greater than the ceiling as defined in the Methodology for the MSC; and that distributors that are currently above that value are not required to make changes to their current MSC to bring it to or below that level at this time.

**Proposed Fixed Charges:**

On March 22, 2010 the Board initiated a consultation process, EB-2010-0060 – Consultation on Distribution Revenue Decoupling, to examine the revenue adjustment and cost recovery mechanisms to address revenue erosion resulting from unforecasted changes in the volume of energy sold and the requirement that electricity distributors will be required to achieve conservation and demand management ("CDM") targets as part of an overall policy of promoting and expanding energy conservation by all consumers.

As this consultation is ongoing and may impact on the fixed/variable split for distribution rates, Milton Hydro submits that it is appropriate to maintain the same fixed/variable proportions assumed in the current rates for the 2011 Test Year for all customer classes. The following Table 4 provides the current percentage split between Milton Hydro's current distribution rates determined based on 2011 Test Year forecasts at the 2010 OEB-approved existing rates.

**Table 4 -  
Current Percent Fixed/Variable Split – 2011 Test Year on Existing Rates**

Customer Class	@ Existing Rtes Dist. Rev. Excluding Transformer	Fixed Distribution Revenue	Variable Distribution Revenue Before Tx Allow	Fixed Distribution Percent	Variable Distribution Percent	
Residential	7,764,594	4,455,531	3,309,064	57.38%	42.62%	100.00%
GS < 50 kW	1,574,036	403,338	1,170,698	25.62%	74.38%	100.00%
GS >50 to 999 kW	1,409,483	249,174	1,160,309	17.68%	82.32%	100.00%
GS >1000 to 4999 kW	580,119	125,043	455,076	21.55%	78.45%	100.00%
Large Use	527,679	99,030	428,649	18.77%	81.23%	100.00%
Sentinel Lights	2,713	1,307	1,406	48.18%	51.82%	100.00%
Street Lighting	17,958	5,500	12,458	30.63%	69.37%	100.00%
USL	41,548	17,838	23,709	42.93%	57.07%	100.00%
	11,918,130	5,356,762	6,561,369			

As discussed above, Milton Hydro is proposing to maintain the existing fixed/variable distribution split. The following Table 5 sets out Milton Hydro's current and proposed fixed/variable distribution revenue split.

**Table 5 -  
Current & Proposed Fixed/Variable Split**

Customer Class	Current Fixed Charge Split	Current Variable Charge Split	Proposed Charge Revenue Split	Proposed Variable Charge Split
Residential	57.38%	42.62%	57.38%	42.62%
GS < 50 kW	25.62%	74.38%	25.62%	74.38%
GS >50 to 999 kW	17.68%	82.32%	17.68%	82.32%
GS >1000 to 4999 kW	21.55%	78.45%	21.55%	78.45%
Large Use	18.77%	81.23%	18.77%	81.23%
Sentinel Lights	48.18%	51.82%	48.18%	51.82%
Street Lighting	30.63%	69.37%	30.63%	69.37%
Unmetered and Scattered	42.93%	57.07%	42.93%	57.07%

The following Table 6 sets out Milton Hydro's calculation of its proposed 2011 Test Year fixed distribution charge.

**Table 6 -  
Calculation of 2011 Test Year Fixed Distribution Revenue & Monthly Charge**

Customer Class	Total Net Rev. Requirement	Proposed Fixed Distribution Revenue %	Total Fixed Distribution Revenue	2011 Test Year # Customers / Connections	2011 Test Year Fixed Distribution Charge
Residential	8,699,058	57.38%	4,991,751	27,082	15.36
GS < 50 kW	1,797,243	25.62%	460,534	2,286	16.78
GS >50 to 999 kW	1,756,842	17.68%	310,582	293	88.37
GS >1000 to 4999 kW	631,279	21.55%	136,070	11	1008.02
Large Use	539,603	18.77%	101,268	2	4219.51
Sentinel Lights	9,966	48.18%	4,801	272	1.47
Street Lighting	127,633	30.63%	39,091	2,865	1.14
Unmetered and Scattered	46,559	42.93%	19,990	201	8.27
	13,608,183		6,064,086		

The following Table 7 compares Milton Hydro's proposed 2011 Test Year fixed distribution charge based on maintaining the current fixed /variable split with its current 2010 fixed distribution rates and the ceiling for fixed charges.

**Table 7 -  
Proposed 2011 Test Year Fixed Distribution Charges**

	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)	Milton Hydro 2010 Rates from OEB Approved Tariff	Fixed Rate Proposed for 2011 Test Year to Maintain Existing Fixed/Variable Revenue Splits
Residential	19.59	13.71	15.36
GS < 50 kW	36.45	14.70	16.78
GS >50 to 999 kW	94.36	70.90	88.37
GS >1000 to 4999 kW	513.24	926.33	1,008.02
Large Use	295.40	4,126.26	4,219.51
Sentinel Lights	8.11	0.40	1.47
Street Lighting	8.46	0.16	1.14
Unmetered and Scattered	13.10	7.38	8.27

**Proposed Variable Charges:**

The variable distribution charge is calculated by dividing the variable distribution portion of the base revenue requirement by the appropriate 2011 Test Year forecast of kWh or kW as the class charge determinant.

The following Table 8 provides Milton Hydro's calculations of its proposed variable distribution charges for the 2011 Test Year assuming the same fixed/variable split supporting the current approved rates.

**Table 8 -  
Variable Distribution Charge Calculation**

Customer Class	Distribution Revenue Requirement	Fixed Revenue Proportion	Variable Revenue Proportion	Transformer Allowance	Total Volumetric Proportion	2011 Test Year Volumetric Billing Determinant	Unit	Proposed Volumetric Distribution Charge
Residential	8,699,058	4,991,751	3,707,307		3,707,307	258,520,606	kWh	0.0143
GS < 50 kW	1,797,243	460,534	1,336,709		1,336,709	75,044,767	kWh	0.0178
GS >50 to 999 kW	1,756,842	310,582	1,446,260	41,349	1,487,609	507,929	kW	2.9288
GS >1000 to 4999 kW	631,279	136,070	495,209	111,058	606,266	193,246	kW	3.1373
Large Use	539,603	101,268	438,335	0	438,335	173,521	kW	2.5261
Sentinel Lights	9,966	4,801	5,165		5,165	465	kW	11.1018
Street Lighting	127,633	39,091	88,543		88,543	17,810	kW	4.9716
Unmetered and Scattered	46,559	19,990	26,569		26,569	1,519,815	kWh	0.0175
<b>Total</b>	<b>13,608,183</b>	<b>6,064,086</b>	<b>7,544,097</b>	<b>152,407</b>	<b>7,696,504</b>			

**Proposed Adjustment to Transformer Allowance:**

Currently, Milton Hydro provides a Transformer Allowance to those customers that own their transformation facilities. Milton Hydro proposes to maintain the current approved transformer ownership allowance of \$0.60 per kW. The Transformer Allowance is intended to reflect the costs to a distributor of providing step down transformation facilities to the customer's utilization voltage level. Since the distributor provides electricity at utilization voltage, the cost of this transformation is captured in and recovered through the distribution rates. Therefore, when a customer provides its own step down transformation from primary to secondary, it should receive a credit of these costs already included in the distribution rates.

Due to the fact that all customers in the Large User customer class provide their own step down transformation from primary to secondary, the revenue requirement for the Large User customer class as calculated in the updated Cost Allocation filing excluded all costs associated with providing these transformation facilities. Since the 2011 cost allocation adjusted rates and revenue requirement now exclude any recoveries for step down transformation facilities, the customer can no longer be given a credit to offset these costs.

**Proposed Distribution Rates:**

The following Table 9 sets out Milton Hydro's proposed 2011 Test Year electricity distribution rates based on the foregoing calculations.

**Table 9 -**

**2011 Test Year Proposed Distribution Rates**

Customer Class	Customer	Connection	kWh	kW
Residential	15.36		0.0143	
GS < 50 kW	16.78		0.0178	
GS >50 to 999 kW	88.37			2.9288
GS >1000 to 4999 kW	1,008.02			3.1373
Large Use	4,219.51			2.5261
Sentinel Lights		1.47		11.1018
Street Lighting		1.14		4.9716
Unmetered and Scattered		8.27	0.0175	

**Low Voltage Charges:**

Milton Hydro is an embedded distributor with Hydro One and is subject to Low Voltage charges. The following Table 10 sets out Milton Hydro's calculation of its estimated low voltage charges from Hydro One to be recovered from each rate class as outlined below.

**Table 10 -**

**Estimated Low Voltage Charges from Hydro One**

Month	Common ST Lines		
	KW	Rate	\$\$\$
January	24,959	0.63	15,724
February	24,489	0.63	15,428
March	22,721	0.63	14,314
April	21,974	0.63	13,844
May	16,304	0.63	10,272
June	15,136	0.63	9,536
July	9,711	0.63	6,118
August	14,067	0.63	8,862
September	14,040	0.63	8,845
October	13,711	0.63	8,638
November	14,400	0.63	9,072
December	17,156	0.63	10,808
Total	208,668		131,461
Monthly Service Charge	# Feeders	Rate/month	\$\$\$
Palermo & MS 6 - 3 feeders	3	211.47	7612.92
<b>Total Low Voltage Charges</b>			<b>139,074</b>

Milton Hydro allocated the low voltage costs by customer class based on the allocation of the retail transmission connection rates to develop percentage of allocation for the total amount of \$ 139,074 to the classes as set out in Table 11 below.

**Table 11 -  
Low Voltage Costs Allocated by Customer Class**

Customer Class	Retail Transmission Connection Rate (\$)		Basis for Allocation (\$)	Allocation Percentages	Allocated \$
	per KWh	per kW			
Residential	0.0047		1,215,047	37.01%	51,465
GS < 50 kW	0.0042		315,188	9.60%	13,350
GS >50 to 999 kW		1.9383	984,519	29.98%	41,701
GS >1000 to 4999 kW		1.9066	368,443	11.22%	15,606
Large Use		2.1323	369,999	11.27%	15,672
Sentinel Lights		1.3312	619	0.02%	26
Street Lighting		1.3038	23,220	0.71%	984
Unmetered and Scattered	0.0042		6,383	0.19%	270
<b>TOTALS</b>			<b>3,283,418</b>	<b>100.00%</b>	<b>139,074</b>

The proposed low voltage charge for the 2011 Test Year is calculated using the 2011 Test Year forecast billing determinants as set out in Table 12 below.

**Table 12 -  
Low Voltage Costs Allocated by Customer Class**

Customer Class	LV Adj. Allocated	Calculated kWh	Calculated kW	Volumetric Rate Type	LV/ Adj. Rates/kWh	LV Adj. Rates/ kW
Residential	51,465	258,520,606		kWh	0.0002	
GS < 50 kW	13,350	75,044,767		kWh	0.0002	
GS >50 to 999 kW	41,701	187,300,109	507,929	kW		0.0821
GS >1000 to 4999 kW	15,606	94,342,584	193,246	kW		0.0808
Large Use	15,672	78,821,751	173,521	kW		0.0903
Sentinel Lights	26	167,188	465	kW		0.0564
Street Lighting	984	6,320,787	17,810	kW		0.0552
Unmetered and Scattered	270	1,519,815		kWh	0.0002	
<b>TOTALS</b>	<b>139,074</b>	<b>702,037,607</b>	<b>892,971</b>			

1     **RATE MITIGATION**

2     Milton Hydro rate impacts, other than the Street Lighting and Sentinel Light customer classes,  
3     range a credit of 1.09% to 4.04%. Included in the rate impacts is the following:

- 4         • Milton Hydro is requesting OEB approval to dispose of its smart meter variance accounts  
5             1555 and 1556 as discussed in the following Exhibit 9. Milton Hydro has over recovered  
6             its smart meter revenue requirement and as such has calculated a smart meter credit  
7             rate rider of (\$0.43) and is requesting disposition over a four year period. Milton Hydro  
8             submits that a four year period will mitigate any rate impact arising from not only this  
9             Application but also Milton Hydro's next three IRM Applications.

10    **RETAIL TRANSMISSION SERVICE RATES**

11    On July 8, 2010 the OEB issued Revision 2 to the Guideline G-2008-0001 – Electricity  
12    Distribution Retail Transmission Service Rates. This guideline outlined required information to  
13    adjust retail transmission service rates to reflect changes in the Ontario Uniform Transmission  
14    Rates ("UTRs"). The Retail Transmission Service Rates ("RTSRs") are charges that Milton  
15    Hydro applies to end use customers to recover costs associated with the payment of wholesale  
16    transmission line connection, transformation and network rates.

17    Updating RTSRs to more closely match the current UTRs should reduce future balances in the  
18    deferral accounts related to the differences in rates collected from end use customers by Milton  
19    Hydro, and those paid by Milton Hydro. As per the Guidelines, Milton Hydro has completed a  
20    variance analysis using two full years of historical data (2008 and 2009), for Account 1584 –  
21    RSVA Retail Transmission Network Charges Account, and Account 1586 – RSVA Retail  
22    Transmission Connection Charge Account. The details of the account activities are in Table 13  
23    below. Based on a review of this data, Milton Hydro does not find that there is an ongoing trend  
24    in the growth of the balances. In fact with the changes made to RTSRs through Milton Hydro's  
25    IRM Applications the variances between the amounts charge to Milton Hydro and the amounts  
26    charged to Milton Hydro's customers is decreasing. Any differences in Account 1584 and 1586  
27    year over year would relate to the timing difference between an increase in UTRs and Milton  
28    Hydro RTSR rates, and would not be indicative of an ongoing trend.

**Table 13 -  
2008 and 2009 Transmission Network & Connection Charges**

Month	2008			2009			2008			2009		
	Retail Transmission Network Cost \$\$\$	Retail Transmission Network Billing \$\$\$	Variance \$\$\$	Retail Transmission Network Cost \$\$\$	Retail Transmission Network Billing \$\$\$	Variance \$\$\$	Retail Transmission Connection Cost \$\$\$	Retail Transmission Connection Billing \$\$\$	Variance \$\$\$	Retail Transmission Connection Cost \$\$\$	Retail Transmission Connection Billing \$\$\$	Variance \$\$\$
January	254,976	319,525	-64,549	257,429	278,775	-21,346	235,091	263,423	-28,332	242,948	265,608	-22,659
February	256,862	320,323	-63,461	265,751	276,963	-11,212	237,621	263,665	-26,043	243,896	265,556	-21,660
March	249,462	266,390	-16,928	265,066	261,414	3,652	233,047	241,305	-8,258	240,804	249,587	-8,783
April	220,777	297,665	-76,888	232,332	212,782	19,550	204,845	246,665	-41,820	218,211	203,179	15,033
May	204,247	274,474	-70,227	233,465	245,511	-12,046	197,950	230,617	-32,667	212,882	234,746	-21,864
June	284,048	191,789	92,259	321,509	261,340	60,170	269,694	227,121	42,573	295,104	226,258	68,845
July	273,918	253,798	20,120	285,186	264,759	20,427	259,937	245,125	14,813	244,187	239,651	4,536
August	262,265	267,301	-5,036	354,411	277,652	76,759	250,937	256,909	-5,971	307,780	250,842	56,938
September	261,267	239,319	21,948	276,427	314,388	-37,960	254,872	231,184	23,688	244,875	284,719	-39,844
October	221,184	242,646	-21,462	261,264	278,176	-16,912	209,900	233,758	-23,858	224,216	251,975	-27,759
November	236,292	227,332	8,960	275,305	268,580	6,725	231,538	222,997	8,541	238,534	244,163	-5,630
December	247,814	273,505	-25,691	302,806	284,958	17,848	236,845	259,139	-22,294	265,550	252,710	12,840
<b>Total</b>	<b>2,973,112</b>	<b>3,174,067</b>	<b>-200,955</b>	<b>3,330,951</b>	<b>3,225,297</b>	<b>105,654</b>	<b>2,822,277</b>	<b>2,921,907</b>	<b>-99,629</b>	<b>2,978,986</b>	<b>2,968,994</b>	<b>9,992</b>

Milton Hydro is proposing to revise the Retail Transmission Network and Connections rates and is submitting the 2011 RTSR Adjustment Workform provided by the OEB and attached as Appendix B to this Exhibit. A summary of the existing and proposed changes to the RTSR rates are summarized in Table 14 below.

**Table 14 -  
Existing and 2011 Test Year Proposed Transmission Network & Connection Rates**

Month	2010 Existing Rates			2011 Test Year Proposed Rates			% Change	
	Retail Transmission Network Service Rate	Retail Transmission Connection Rate	\$/kWh, \$/kW	Retail Transmission Network Service Rate	Retail Transmission Connection Rate	\$/kWh, \$/kW	Retail Transmission Network Service Rate	Retail Transmission Connection Rate
Residential	0.0059	0.0047	\$/kWh	0.0055	0.0046	\$/kWh	-7.05%	-1.25%
GS<50	0.0054	0.0042	\$/kWh	0.0050	0.0041	\$/kWh	-7.05%	-1.25%
GS>50	2.4305	1.9383	\$/kW	2.2592	1.9140	\$/kW	-7.05%	-1.25%
GS>1000 to 4999 kW	2.3905	1.9066	\$/kW	2.2220	1.8827	\$/kW	-7.05%	-1.25%
Large User	2.5886	2.1323	\$/kW	2.4061	2.1056	\$/kW	-7.05%	-1.25%
Street Light	1.6461	1.3038	\$/kW	1.5301	1.2875	\$/kW	-7.05%	-1.25%
Sentinel	1.6545	1.3312	\$/kW	1.5379	1.3145	\$/kW	-7.05%	-1.25%
Unmetered Scattered Load	0.0054	0.0042	\$/kWh	0.0050	0.0041	\$/kWh	-7.05%	-1.25%

Milton Hydro understands that the RTSRs are subject to change as a result of any OEB decision on Hydro One Networks' 2011 Uniform Transmission Rate Adjustment Application January 1, 2011. OEB staff will update the 2011 RTSR Adjustment Workform as required.

## DETERMINATION OF LOSS ADJUSTMENT FACTORS

### Total Loss Factor:

Milton Hydro has calculated the total loss factor to be applied to customers' consumption based on the average wholesale and retail kWh for the years 2005 to 2009 and provided a three year and five year average in Table 15 below.

**Table 15 -  
Total Loss Factor**

	Description	2005	2006	2007	2008	2009	Total
A2	"Wholesale" kWh IESO plus Embedded Generation	657,666,184	659,857,245	695,750,473	709,803,380	696,508,984	3,419,586,266
B	"Wholesale" kWh for Large Use customer(s)	90,949,934	90,806,405	93,541,543	84,840,560	61,402,876	421,541,318
C	Net "Wholesale" kWh (A)-(B)	566,716,250	569,050,840	602,208,930	624,962,820	635,106,108	2,998,044,948
D	"Retail" kWh (Distributor)	639,965,427	639,795,297	677,339,123	689,929,267	677,368,948	3,324,398,062
E	"Retail" kWh for Large Use Customer(s)	89,641,173	90,399,607	93,122,492	84,460,488	61,127,801	418,751,561
F	Net "Retail" kWh (D)-(E)	550,324,254	549,395,690	584,216,631	605,468,779	616,241,147	2,905,646,501
G	Loss Factor [(C)/(F)]	102.98%	103.58%	103.08%	103.22%	103.06%	103.18%
H	Distribution Loss Adjustment Factor - 5 year avg.						103.18%
	<b>Distribution Loss Adjustment Factor - 3 year avg.</b>					<b>103.12%</b>	
	Supply Facility Loss Factor	101.18%	100.58%	100.53%	100.36%	100.56%	100.64%
	Supply Facility Loss Adjustment Factor - 5 year avg.						100.64%
H	<b>Supply Facility Loss Adjustment Factor - 3 year avg.</b>					<b>100.48%</b>	
	Total Loss Factor - 5 year avg.						103.85%
I	<b>Total Loss Factor - 3 year avg.</b>					<b>103.62%</b>	

Note: Milton Hydro has used the default large use Distribution Loss Factor ("DLF") of 1% as the loss factor for Large Use customers. Milton Hydro's Large Use customers are primary metered and the default loss for primary metered customers with demands >5000 kW is 1.0000 excluding supply facility losses.

The Supply facility loss factor ("SFLF") calculation represents the losses on supply to Milton Hydro and is calculated on the measured quantities between transformer stations and the wholesale meter points. The SFLF is used in the calculation of the Total loss factor above. The following Table 16 sets out the calculation of the SFLF.

**Table 16 -  
Supply Facility Loss Factor**

Description	Full Year 2005	Full Year 2006	Full Year 2007	Full Year 2008	Full Year 2009	Total
"Wholesale" kWh IESO With Losses	659,332,617	657,986,628	687,152,636	695,500,189	686,345,017	3,386,317,087
Embedded Generation With Losses	0	0	6,037,354	9,679,889	6,512,772	22,230,015
Embedded Wholesale With Losses	716,944	524,110	616,781	507,722	601,236	2,966,793
Load Transfers In With Losses	5,369,502	5,178,995	5,645,864	6,652,071	6,963,913	29,810,345
<b>Total</b>	<b>665,419,063</b>	<b>663,689,733</b>	<b>699,452,635</b>	<b>712,339,871</b>	<b>700,422,938</b>	<b>3,441,324,240</b>
"Wholesale" kWh IESO WithOut Losses	651,941,889	654,503,340	683,828,270	693,382,530	682,874,652	3,366,530,681
Embedded Generation WithOut Losses	0	0	6,037,354	9,679,889	6,512,772	22,230,015
Embedded Wholesale WithOut Losses	692,633	506,337	595,866	490,505	580,848	2,866,189
Load Transfers In WithOut Losses	5,031,662	4,847,568	5,288,983	6,250,456	6,540,712	27,959,381
<b>Total</b>	<b>657,666,184</b>	<b>659,857,245</b>	<b>695,750,473</b>	<b>709,803,380</b>	<b>696,508,984</b>	<b>3,419,586,266</b>
Supply Facility Loss Factor	1.01179	1.00581	1.00532	1.00357	1.00562	1.00636

The following Table 17 sets out Milton Hydro's total loss factors proposed for the 2011 Test Year. Milton Hydro is proposing the use of the three year average SFLF and Total Loss factor as the resulting total loss factor is slightly lower than the five year average.

**Table 17 -  
2011 Test Year Total Loss Factors**

Description	Loss Factor
<b>Supply Facility Loss Factor ( 3 year average)</b>	1.0048
<b>Distribution Loss Factor</b>	
Distribution Loss Factor - Secondary Metered Customer < 5,000kW	1.0312
Distribution Loss Factor - Secondary Metered Customer > 5,000kW	1.0100
Distribution Loss Factor - Primary Metered Customer < 5,000kW	1.0209
Distribution Loss Factor - Primary Metered Customer > 5,000kW	1.0000
<b>Total Loss Factor</b>	
Total Loss Factor - Secondary Metered Customer <5,000kW	1.0362
Total Loss Factor - Secondary Metered Customer >5,000kW	1.0149
Total Loss Factor - Primary Metered Customer <5,000kW	1.0258
Total Loss Factor - Primary Metered Customer >5,000kW	1.0048

#### **Materiality Analysis on Distribution Losses:**

Milton Hydro's Distribution Loss Adjustment factor is 3.62%. Pursuant to the Filing Requirements, as the Distribution Loss Adjustment factor is less than 5%, Milton Hydro is not required to provide a explanation of, or justification for, its loss adjustment factor.

1     **EXISTING RATE CLASSES**

2     **Residential:**

3     This classification refers to the supply of electrical energy to detached, semi-detached and  
4     townhouse residential buildings as defined in local zoning bylaws. A residential service is a  
5     single-family unit used for domestic or household purposes, including seasonal occupancy. At  
6     Milton Hydro's discretion, residential rates may be applied to apartment buildings with 6 or less  
7     units by simple application of the residential rate by blocking the residential rate by the number  
8     of units. Further servicing details are available in the distributor's Conditions of Service. Where  
9     the residential dwelling comprises the entire electrical load of a farm, it is defined as a  
10    residential service. Where the residential dwelling does not comprise the entire electrical load of  
11    the farm:

12    The service will be defined as a General Service if the occupant derives his/her principal  
13    livelihood from the working of the farm;

14    The service will be defined as a Residential Service if the occupant does not derive his/her  
15    principal livelihood from the working of the farm;

16    Where the residential farm dwelling is supplied by one separately metered service and the  
17    electrical loads in other buildings are supplied by a different separately metered service, then  
18    the former is defined as a Residential Service and the latter is defined as a General Service.

19    **General Service Less than 50 kW:**

20    This classification refers to a non-residential customer with an average peak demand below 50  
21    kW over the past twelve months. For a new customer without prior billing history, the peak  
22    demand will be based on the customer's proposed capacity. Further servicing details are  
23    available in the distributor's Conditions of Service.

24    **General Service 50 to 999 kW:**

25    This classification refers to a non-residential customer with an average peak demand equal to or  
26    greater than 50 kW and less than 1,000 kW over the past twelve months. For a new customer

without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

**General Service 1000 to 4999 kW:**

This classification refers to a non-residential customer with an average peak demand equal to or greater than 1,000 kW and less than 5,000 kW, regardless of when the demand occurs, averaged over twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

**Large Users:**

This classification refers to a non-residential customer with an average peak demand equal to or greater than 5,000 kW, regardless of when the demand occurs, averaged over twelve months. For a new customer without prior billing history, the peak demand will be based on the customer's proposed capacity. Further servicing details are available in the distributor's Conditions of Service.

**Unmetered Scattered Load:**

This classification refers to the supply of electricity to unmetered loads less than 50 kW including traffic signals and pedestrian X-walks signals/beacons, bus shelters, telephone booths, signs, Cable TV amplifiers and decorative lighting and tree lighting connected to Milton Hydro's distribution system, and similar small unmetered loads. Further servicing details are available in the distributor's Conditions of Service.

**Sentinel Lighting:**

This classification refers to all services supported to supply sentinel lighting equipment. Further servicing details are available in the distributor's Conditions of Service.

**Street Lighting:**

This classification refers to all services supplied to street lighting equipment owned by or operated for a municipality or the Province of Ontario. Further servicing details are available in the distributor's Conditions of Service.

1    **Distribution Rate Schedules:**

- 2    The following Table 18 sets out Milton Hydro's 2010 OEB-approved Tariff of Rates and  
3    Charges.

1  
2  
**Table 18 -**  
**2010 OEB-Approved Tariff of Rates and Charges**

**Milton Hydro Distribution Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective May 1, 2010**

EB-2009-0204

**MONTHLY RATES AND CHARGES**

**Approved Monthly Rates and Charges General**

**Residential**

Service Charge	\$	13.71
Service Charge Smart Meters	\$	2.16
Distribution Volumetric Rate	\$/kWh	0.0128
Low Voltage Volumetric Rate	\$/kWh	0.0003
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0039)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
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	\$	14.70
Service Charge Smart Meters	\$	2.16
Distribution Volumetric Rate	\$/kWh	0.0156
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0037)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
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 999 kW**

Service Charge	\$	70.90
Service Charge Smart Meters	\$	2.16
Distribution Volumetric Rate	\$/kW	2.3658
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.1135
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(1.1644)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4305
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9383
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 1,000 to 4,999 kW**

Service Charge	\$	926.33
Service Charge Smart Meters	\$	2.16
Distribution Volumetric Rate	\$/kW	2.9296
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.1116
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(1.4024)
Retail Transmission Rate – Network Service Rate	\$/kW	2.3905
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9066
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Large Use

Service Charge	\$	4,126.26
Service Charge Smart Meters	\$	2.16
Distribution Volumetric Rate	\$/kW	2.4703
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.1248
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(1.2508)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5886
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1323
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)	\$	7.38
Distribution Volumetric Rate	\$/kWh	0.0156
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0041)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
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)	\$	0.40
Distribution Volumetric Rate	\$/kW	3.0225
Low Voltage Volumetric Rate	\$/kW	0.0779
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(3.3185)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6545
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3312
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)	\$	0.16
Distribution Volumetric Rate	\$/kW	0.6995
Low Voltage Volumetric Rate	\$/kW	0.0764
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(1.1241)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6461
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### MicroFit Generator Service Classification

Service Charge (per connection) delivery component - effective September 21, 2009	\$	5.25
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**Specific Service Charges**

**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	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 pole - after regular hours	\$	185.00

**Other**

Optional Interval/TOU Meter charge \$/month	\$	5.50
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Clearance Pole Attachment charge \$/pole/year	\$	5.59

**Allowances**

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 (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, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
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	1.0351
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0248
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045

- 1
- 2 The following Table 19 sets out Milton Hydro's proposed 2011 Test Year Tariff of Rates and
- 3 Charges effective May 1, 2011.

1  
2

**Table 19 -  
2011 Test Year Proposed Tariff of Rates and Charges**

**Milton Hydro Distribution Inc.  
PROPOSED TARIFF OF RATES AND CHARGES  
Effective May 1, 2011**

EB-2009-0204

**MONTHLY RATES AND CHARGES**

**Proposed Monthly Rates and Charges General**

**Residential**

Service Charge	\$	15.36
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kWh	0.0143
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046
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	\$	16.78
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kWh	0.0178
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0008)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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 999 kW**

Service Charge	\$	88.37
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kW	2.9288
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.0821
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3405)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2592
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9140
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 1,000 to 4,999 kW**

Service Charge	\$	1,008.02
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kW	3.1373
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.0808
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.4110)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2220
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8827
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

3

### Large Use

Service Charge	\$	4,219.51
Service Charge Smart Meters	\$	(0.43)
Distribution Volumetric Rate	\$/kW	2.5261
Minimum Distribution Charge – per kW of maximum billing demand in the previous 11 months	\$/kW	0.5713
Low Voltage Volumetric Rate	\$/kW	0.0903
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3564)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4061
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1056
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)	\$	8.27
Distribution Volumetric Rate	\$/kWh	0.0175
Low Voltage Volumetric Rate	\$/kWh	0.0002
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0050
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
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)	\$	1.47
Distribution Volumetric Rate	\$/kW	11.102
Low Voltage Volumetric Rate	\$/kW	0.0564
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.2828)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5379
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3145
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)	\$	1.14
Distribution Volumetric Rate	\$/kW	4.9716
Low Voltage Volumetric Rate	\$/kW	0.0552
Distribution Volumetric Deferral Account Rate Rider – effective until April 30, 2011	\$/kW	(0.3348)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5301
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2875
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### MicroFit Generator Service Classification

Service Charge (per connection) delivery component - effective September 21, 2009	\$	5.25
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**Specific Service Charges**

**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Special meter reads	\$	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 pole - after regular hours	\$	185.00

**Other**

Optional Interval/TOU Meter charge \$/month	\$	5.50
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Clearance Pole Attachment charge \$/pole/year	\$	5.59

**Allowances**

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 (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, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
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	1.0362
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0149
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0258
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0048

1

2 **RECONCILIATION OF RATE CLASS REVENUE**

3 The following Table 20 is a summary reconciliation of the 2011 Test Year forecast customer and  
4 consumption volumes applied against the proposed 2011 Test Year distribution rates and  
5 reconciled to the requested base distribution revenue requirement and its allocation to customer

classes. The results of this reconciliation indicate a minor variance of \$11,465 which can be attributed to the rounding of rates to 4 decimal places.

**Table 20 -  
2011 Test Year Distribution Revenue Reconciliation**

Customer Class	Fixed Distribution Revenue	Variable Distribution Revenue	Transformer Allowance Credit	Total Distribution Revenue	Expected
Residential	\$ 4,991,754	\$ 3,696,845		\$ 8,688,599	\$ 8,699,058
GS < 50 kW	\$ 460,409	\$ 1,335,797		\$ 1,796,206	\$ 1,797,243
GS >50 to 999 kW	\$ 310,572	\$ 1,487,622	(\$41,349)	\$ 1,756,845	\$ 1,756,842
GS >1000 to 4999 kW	\$ 136,070	\$ 606,270	(\$111,058)	\$ 631,283	\$ 631,279
Large Use	\$ 101,268	\$ 438,331	\$0	\$ 539,599	\$ 539,603
Sentinel Lights	\$ 4,801	\$ 5,165		\$ 9,966	\$ 9,966
Street Lighting	\$ 39,091	\$ 88,542		\$ 127,634	\$ 127,633
Unmetered and Scattered	\$ 19,990	\$ 26,597		\$ 46,587	\$ 46,559
<b>Total</b>	<b>\$ 6,063,956</b>	<b>\$ 7,685,169</b>	<b>(\$152,407)</b>	<b>\$ 13,596,718</b>	<b>\$ 13,608,183</b>

Difference Due to Rate Rounding

\$ 11,465

## RATE AND BILL IMPACTS

The following Appendix A to this Exhibit presents the results of the customer total bill impacts by customer rate class in the format provided in the Filing Guidelines and at the consumption and demand levels also provided in the Guidelines and a typical Milton Hydro customer.

Impacts are derived using the May 1, 2010 existing rates and the proposed 2011 Test Year distribution rates, the proposed new Smart Meter rate rider, the proposed new Regulatory Asset rate rider, the proposed new Low Voltage rate rider, the proposed new Retail Transmission Service Rates and the proposed revised loss factors. Milton Hydro used the existing RPP electricity rates of \$0.065 and \$0.075 for the RPP classes of customers and an electricity rate of \$0.065 for the non-RPP classes of customers.

The following Table 21 below summarizes the monthly bill impacts by customer class based on the consumption and demand of a typical Milton Hydro customer. Table 22 provided the number of Residential customers at different kWh consumption levels.

**Table 21 -  
2011 Test Year Bill Impact Summary**

Class	Typical kWh Usage	Typical kW Demand	Monthly \$ Impact	Total Bill Impact %
Residential	800		2.77	2.46%
General Service < 50kW	5,000		26.46	4.04%
General Service > 50 - 999kW	200,000	500	692.32	2.88%
General Service > 1000 - 4999kW	1,600,000	4,000	4,642.24	2.65%
Large Use	3,100,000	7,500	3,657.65	1.09%
Streetlighting	526,732	1,484	11,440.66	21.45%
Sentinel Lighting	50	1	13.60	160.76%
Unmetered & Scattered	630		4.54	5.54%

**Table 22 -  
# Residential Customers by kWh Consumption**

kWh Blocks	# Customers	%
=<100	253	1%
100 - 250	817	3%
250 - 500	5536	21%
500 - 750	7790	30%
750 - 1000	5169	20%
1000 - 1500	4108	16%
1500 - 2000	1127	4%
2000 +	1075	4%
	25875	100%

## APPENDIX A – RATE IMPACTS BY CUSTOMER CLASS

Customer Class:		Residential									
Consumption		100 kWh									
	Charge Unit	Current Board-Approved			Proposed			Impact			
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change		
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%		
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%		
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -			
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -			
Distribution Volumetric Rate	per kWh	\$ 0.0128	100	\$ 1.28	\$ 0.0143	100	\$ 1.43	\$ 0.15	11.72%		
Low Voltage Rate Adder	per kWh	\$ 0.0003	100	\$ 0.03	\$ 0.0002	100	\$ 0.02	-\$ 0.01	-33.33%		
Volumetric Rate Adder(s)			100	\$ -		100	\$ -	\$ -			
Volumetric Rate Rider(s)			100	\$ -		100	\$ -	\$ -			
Smart Meter Disposition Rider			100	\$ -		100	\$ -	\$ -			
LRAM & SSM Rate Rider			100	\$ -		100	\$ -	\$ -			
Deferral/Variance Account	per kWh	-\$ 0.0039	100	-\$ 0.39	-\$ 0.0007	100	-\$ 0.07	\$ 0.32	-82.88%		
Disposition Rate Rider				\$ -			\$ -	\$ -			
				\$ -			\$ -	\$ -			
				\$ -			\$ -	\$ -			
				\$ -			\$ -	\$ -			
				\$ -			\$ -	\$ -			
<b>Sub-Total A - Distribution</b>				<b>\$ 16.79</b>			<b>\$ 16.31</b>	<b>-\$ 0.48</b>	<b>-2.85%</b>		
RTSR - Network	per kWh	\$ 0.0059	103.51	\$ 0.61	\$ 0.0055	103.619	\$ 0.57	-\$ 0.04	-6.95%		
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	103.51	\$ 0.49	\$ 0.0046	103.619	\$ 0.48	-\$ 0.01	-1.15%		
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 17.89</b>			<b>\$ 17.36</b>	<b>-\$ 0.53</b>	<b>-2.94%</b>		
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	103.51	\$ 0.54	\$ 0.0052	103.619	\$ 0.54	\$ 0.00	0.11%		
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	103.51	\$ 0.13	\$ 0.0013	103.619	\$ 0.13	\$ 0.00	0.11%		
Special Purpose Charge	per kWh	\$ 0.0003730	103.51	\$ 0.04	\$ 0.0003730	103.619	\$ 0.04	\$ 0.00	0.11%		
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%		
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	100	\$ 0.70	\$ 0.0070	100	\$ 0.70	\$ -	0.00%		
Energy				\$ -			\$ -	\$ -			
Energy First Block	per kWh	\$ 0.0650	103.51	\$ 6.73	\$ 0.0650	103.619	\$ 6.74	\$ 0.01	0.11%		
Energy Second Block		\$ 0.0750	0	\$ -	\$ 0.0750	0	\$ -	\$ -			
<b>Total Bill (before Taxes)</b>				<b>\$ 26.28</b>			<b>\$ 25.76</b>	<b>-\$ 0.52</b>	<b>-1.97%</b>		
HST		13%		\$ 3.42	13%		\$ 3.35	-\$ 0.07	-1.97%		
<b>Total Bill (including Sub-total B)</b>				<b>\$ 29.69</b>			<b>\$ 29.11</b>	<b>-\$ 0.58</b>	<b>-1.95%</b>		
Loss Factor (%)		3.5100%			3.62%						

Customer Class:

Residential

Consumption 500 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	500	\$ 6.40	\$ 0.0143	500	\$ 7.15	\$ 0.75	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	500	\$ 0.15	\$ 0.0002	500	\$ 0.10	-\$ 0.05	-33.33%
Volumetric Rate Adder(s)			500	\$ -		500	\$ -	\$ -	
Volumetric Rate Rider(s)			500	\$ -		500	\$ -	\$ -	
Smart Meter Disposition Rider			500	\$ -		500	\$ -	\$ -	
LRAM & SSM Rate Rider			500	\$ -		500	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	500	-\$ 1.95	-\$ 0.0007	500	-\$ 0.33	\$ 1.62	-82.88%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 20.47</b>			<b>\$ 21.84</b>	<b>\$ 1.37</b>	<b>6.71%</b>
RTSR - Network	per kWh	\$ 0.0059	517.55	\$ 3.05	\$ 0.0055	518.096	\$ 2.84	-\$ 0.21	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	517.55	\$ 2.43	\$ 0.0046	518.096	\$ 2.40	-\$ 0.03	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 25.96</b>			<b>\$ 27.09</b>	<b>\$ 1.13</b>	<b>4.37%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	517.55	\$ 2.69	\$ 0.0052	518.096	\$ 2.69	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	517.55	\$ 0.67	\$ 0.0013	518.096	\$ 0.67	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	517.55	\$ 0.19	\$ 0.0003730	518.096	\$ 0.19	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	500	\$ 3.50	\$ 0.0070	500	\$ 3.50	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	517.55	\$ 33.64	\$ 0.0650	518.096	\$ 33.68	\$ 0.04	0.11%
Energy Second Block		\$ 0.0750	0	\$ -	\$ 0.0750	0	\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 66.90</b>			<b>\$ 68.08</b>	<b>\$ 1.17</b>	<b>1.75%</b>
HST		13%		\$ 8.70	13%		\$ 8.85	\$ 0.15	1.75%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 75.60</b>			<b>\$ 76.93</b>	<b>\$ 1.33</b>	<b>1.76%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

Residential

Consumption 800 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	800	\$ 10.24	\$ 0.0143	800	\$ 11.44	\$ 1.20	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	800	\$ 0.24	\$ 0.0002	800	\$ 0.16	-\$ 0.08	-33.33%
Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
LRAM & SSM Rate Rider			800	\$ -		800	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	800	-\$ 3.12	-\$ 0.0007	800	-\$ 0.53	\$ 2.59	-82.88%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 23.23</b>			<b>\$ 25.99</b>	<b>\$ 2.76</b>	<b>11.90%</b>
RTSR - Network	per kWh	\$ 0.0059	828.08	\$ 4.89	\$ 0.0055	828.953	\$ 4.55	-\$ 0.34	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	828.08	\$ 3.89	\$ 0.0046	828.953	\$ 3.85	-\$ 0.04	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 32.01</b>			<b>\$ 34.39</b>	<b>\$ 2.38</b>	<b>7.43%</b>
Wholesale Market Service Charge (WMSVC)	per kWh	\$ 0.0052	828.08	\$ 4.31	\$ 0.0052	828.953	\$ 4.31	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	828.08	\$ 1.08	\$ 0.0013	828.953	\$ 1.08	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	828.08	\$ 0.31	\$ 0.0003730	828.953	\$ 0.31	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	228.08	\$ 17.11	\$ 0.0750	228.953	\$ 17.17	\$ 0.07	0.38%
<b>Total Bill (before Taxes)</b>				<b>\$ 99.66</b>			<b>\$ 102.11</b>	<b>\$ 2.45</b>	<b>2.46%</b>
HST		13%		\$ 12.96	13%		\$ 13.27	\$ 0.32	2.46%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 112.61</b>			<b>\$ 115.38</b>	<b>\$ 2.77</b>	<b>2.46%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

Residential

Consumption 1000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	1000	\$ 12.80	\$ 0.0143	1000	\$ 14.30	\$ 1.50	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	1000	\$ 0.30	\$ 0.0002	1000	\$ 0.20	-\$ 0.10	-33.33%
Volumetric Rate Adder(s)			1000	\$ -		1000	\$ -	\$ -	
Volumetric Rate Rider(s)			1000	\$ -		1000	\$ -	\$ -	
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	1000	-\$ 3.90	-\$ 0.0007	1000	-\$ 0.67	\$ 3.23	-82.88%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 25.07</b>			<b>\$ 28.76</b>	<b>\$ 3.69</b>	<b>14.72%</b>
RTSR - Network	per kWh	\$ 0.0059	1035.1	\$ 6.11	\$ 0.0055	1036.19	\$ 5.68	-\$ 0.42	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	1035.1	\$ 4.86	\$ 0.0046	1036.19	\$ 4.81	-\$ 0.06	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 36.04</b>			<b>\$ 39.25</b>	<b>\$ 3.21</b>	<b>8.91%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1035.1	\$ 5.38	\$ 0.0052	1036.19	\$ 5.39	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1035.1	\$ 1.35	\$ 0.0013	1036.19	\$ 1.35	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1035.1	\$ 0.39	\$ 0.0003730	1036.19	\$ 0.39	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1000	\$ 7.00	\$ 0.0070	1000	\$ 7.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	435.1	\$ 32.63	\$ 0.0750	436.191	\$ 32.71	\$ 0.08	0.25%
<b>Total Bill (before Taxes)</b>				<b>\$ 122.04</b>			<b>\$ 125.34</b>	<b>\$ 3.30</b>	<b>2.70%</b>
HST		13%		\$ 15.87	13%		\$ 16.29	\$ 0.43	2.70%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 137.90</b>			<b>\$ 141.63</b>	<b>\$ 3.73</b>	<b>2.70%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

Residential

Consumption 1500 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	1500	\$ 19.20	\$ 0.0143	1500	\$ 21.45	\$ 2.25	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	1500	\$ 0.45	\$ 0.0002	1500	\$ 0.30	-\$ 0.15	-33.33%
Volumetric Rate Adder(s)			1500	\$ -		1500	\$ -	\$ -	
Volumetric Rate Rider(s)			1500	\$ -		1500	\$ -	\$ -	
Smart Meter Disposition Rider			1500	\$ -		1500	\$ -	\$ -	
LRAM & SSM Rate Rider			1500	\$ -		1500	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	1500	-\$ 5.85	-\$ 0.0007	1500	-\$ 1.00	\$ 4.85	-82.88%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 29.67</b>			<b>\$ 35.68</b>	<b>\$ 6.01</b>	<b>20.24%</b>
RTSR - Network	per kWh	\$ 0.0059	1552.65	\$ 9.16	\$ 0.0055	1554.29	\$ 8.52	-\$ 0.64	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	1552.65	\$ 7.30	\$ 0.0046	1554.29	\$ 7.21	-\$ 0.08	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 46.13</b>			<b>\$ 51.41</b>	<b>\$ 5.29</b>	<b>11.46%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1552.65	\$ 8.07	\$ 0.0052	1554.29	\$ 8.08	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1552.65	\$ 2.02	\$ 0.0013	1554.29	\$ 2.02	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1552.65	\$ 0.58	\$ 0.0003730	1554.29	\$ 0.58	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1500	\$ 10.50	\$ 0.0070	1500	\$ 10.50	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	952.65	\$ 71.45	\$ 0.0750	954.287	\$ 71.57	\$ 0.12	0.17%
<b>Total Bill (before Taxes)</b>				<b>\$ 178.00</b>			<b>\$ 183.42</b>	<b>\$ 5.42</b>	<b>3.04%</b>
HST		13%		\$ 23.14	13%		\$ 23.84	\$ 0.70	3.04%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 201.14</b>			<b>\$ 207.26</b>	<b>\$ 6.12</b>	<b>3.04%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

General Service &lt; 50

Consumption 1000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	1000	\$ 15.60	\$ 0.0178	1000	\$ 17.80	\$ 2.20	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	1000	\$ 0.20	\$ 0.0002	1000	\$ 0.20	\$ -	0.00%
Volumetric Rate Adder(s)			1000	\$ -		1000	\$ -	\$ -	
Volumetric Rate Rider(s)			1000	\$ -		1000	\$ -	\$ -	
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	1000	-\$ 3.70	-\$ 0.0008	1000	-\$ 0.77	\$ 2.93	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 28.96</b>			<b>\$ 33.58</b>	<b>\$ 4.62</b>	<b>15.96%</b>
RTSR - Network	per kWh	\$ 0.0054	1035.1	\$ 5.59	\$ 0.0050	1036.19	\$ 5.20	-\$ 0.39	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	1035.1	\$ 4.35	\$ 0.0041	1036.19	\$ 4.30	-\$ 0.05	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 38.90</b>			<b>\$ 43.08</b>	<b>\$ 4.18</b>	<b>10.76%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1035.1	\$ 5.38	\$ 0.0052	1036.19	\$ 5.39	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1035.1	\$ 1.35	\$ 0.0013	1036.19	\$ 1.35	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1035.1	\$ 0.39	\$ 0.0003730	1036.19	\$ 0.39	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1000	\$ 7.00	\$ 0.0070	1000	\$ 7.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	435.1	\$ 32.63	\$ 0.0750	436.191	\$ 32.71	\$ 0.08	0.25%
<b>Total Bill (before Taxes)</b>				<b>\$ 124.89</b>			<b>\$ 129.17</b>	<b>\$ 4.27</b>	<b>3.42%</b>
HST		13%		\$ 16.24	13%		\$ 16.79	\$ 0.56	3.42%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 141.13</b>			<b>\$ 145.96</b>	<b>\$ 4.83</b>	<b>3.42%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

General Service &lt; 50

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	2000	\$ 31.20	\$ 0.0178	2000	\$ 35.60	\$ 4.40	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0002	2000	\$ 0.40	\$ -	0.00%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
LRAM & SSM Rate Rider			2000	\$ -		2000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	2000	-\$ 7.40	-\$ 0.0008	2000	-\$ 1.53	\$ 5.87	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 41.06</b>			<b>\$ 50.82</b>	<b>\$ 9.76</b>	<b>23.76%</b>
RTSR - Network	per kWh	\$ 0.0054	2070.2	\$ 11.18	\$ 0.0050	2072.38	\$ 10.40	-\$ 0.78	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	2070.2	\$ 8.69	\$ 0.0041	2072.38	\$ 8.59	-\$ 0.10	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 60.93</b>			<b>\$ 69.81</b>	<b>\$ 8.88</b>	<b>14.57%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2070.2	\$ 10.77	\$ 0.0052	2072.38	\$ 10.78	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2070.2	\$ 2.69	\$ 0.0013	2072.38	\$ 2.69	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	2070.2	\$ 0.77	\$ 0.0003730	2072.38	\$ 0.77	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	1470.2	\$ 110.27	\$ 0.0750	1472.38	\$ 110.43	\$ 0.16	0.15%
<b>Total Bill (before Taxes)</b>				<b>\$ 238.68</b>			<b>\$ 247.74</b>	<b>\$ 9.06</b>	<b>3.80%</b>
HST		13%		\$ 31.03	13%		\$ 32.21	\$ 1.18	3.80%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 269.71</b>			<b>\$ 279.94</b>	<b>\$ 10.23</b>	<b>3.79%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Customer Class:

General Service &lt; 50

Consumption 10000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	10000	\$ 156.00	\$ 0.0178	10000	\$ 178.00	\$ 22.00	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	10000	\$ 2.00	\$ 0.0002	10000	\$ 2.00	\$ -	0.00%
Volumetric Rate Adder(s)			10000	\$ -		10000	\$ -	\$ -	
Volumetric Rate Rider(s)			10000	\$ -		10000	\$ -	\$ -	
Smart Meter Disposition Rider			10000	\$ -		10000	\$ -	\$ -	
LRAM & SSM Rate Rider			10000	\$ -		10000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	10000	-\$ 37.00	-\$ 0.0008	10000	-\$ 7.65	\$ 29.35	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 137.86</b>			<b>\$ 188.69</b>	<b>\$ 50.83</b>	<b>36.87%</b>
RTSR - Network	per kWh	\$ 0.0054	10351	\$ 55.90	\$ 0.0050	10361.9	\$ 52.01	-\$ 3.89	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	10351	\$ 43.47	\$ 0.0041	10361.9	\$ 42.97	-\$ 0.50	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 237.23</b>			<b>\$ 283.68</b>	<b>\$ 46.45</b>	<b>19.58%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	10351	\$ 53.83	\$ 0.0052	10361.9	\$ 53.88	\$ 0.06	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	10351	\$ 13.46	\$ 0.0013	10361.9	\$ 13.47	\$ 0.01	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	10351	\$ 3.86	\$ 0.0003730	10361.9	\$ 3.86	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	10000	\$ 70.00	\$ 0.0070	10000	\$ 70.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	9751	\$ 731.33	\$ 0.0750	9761.91	\$ 732.14	\$ 0.82	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 1,148.95</b>			<b>\$ 1,196.29</b>	<b>\$ 47.34</b>	<b>4.12%</b>
HST		13%		\$ 149.36	13%		\$ 155.52	\$ 6.15	4.12%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 1,298.31</b>			<b>\$ 1,351.81</b>	<b>\$ 53.50</b>	<b>4.12%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

General Service &lt; 50

Consumption 15000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	15000	\$ 234.00	\$ 0.0178	15000	\$ 267.00	\$ 33.00	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	15000	\$ 3.00	\$ 0.0002	15000	\$ 3.00	\$ -	0.00%
Volumetric Rate Adder(s)			15000	\$ -		15000	\$ -	\$ -	
Volumetric Rate Rider(s)			15000	\$ -		15000	\$ -	\$ -	
Smart Meter Disposition Rider			15000	\$ -		15000	\$ -	\$ -	
LRAM & SSM Rate Rider			15000	\$ -		15000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	15000	-\$ 55.50	-\$ 0.0008	15000	-\$ 11.48	\$ 44.02	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 198.36</b>			<b>\$ 274.87</b>	<b>\$ 76.51</b>	<b>38.57%</b>
RTSR - Network	per kWh	\$ 0.0054	15526.5	\$ 83.84	\$ 0.0050	15542.9	\$ 78.02	-\$ 5.83	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	15526.5	\$ 65.21	\$ 0.0041	15542.9	\$ 64.46	-\$ 0.75	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 347.41</b>			<b>\$ 417.34</b>	<b>\$ 69.93</b>	<b>20.13%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	15526.5	\$ 80.74	\$ 0.0052	15542.9	\$ 80.82	\$ 0.09	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	15526.5	\$ 20.18	\$ 0.0013	15542.9	\$ 20.21	\$ 0.02	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	15526.5	\$ 5.79	\$ 0.0003730	15542.9	\$ 5.80	\$ 0.01	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	15000	\$ 105.00	\$ 0.0070	15000	\$ 105.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	14926.5	\$ 1,119.49	\$ 0.0750	14942.9	\$ 1,120.72	\$ 1.23	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 1,717.87</b>			<b>\$ 1,789.14</b>	<b>\$ 71.27</b>	<b>4.15%</b>
HST		13%		\$ 223.32	13%		\$ 232.59	\$ 9.27	4.15%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 1,941.19</b>			<b>\$ 2,021.72</b>	<b>\$ 80.53</b>	<b>4.15%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

General Service &gt; 50 to 999kW

Consumption 30000 kWh 60 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.3658	60	\$ 141.95	\$ 2.9288	60	\$ 175.73	\$ 33.78	23.80%
Low Voltage Rate Adder	per kW	\$ 0.1135	60	\$ 6.81	\$ 0.0821	60	\$ 4.93	-\$ 1.88	-27.67%
Volumetric Rate Adder(s)			60	\$ -		60	\$ -	\$ -	
Volumetric Rate Rider(s)			60	\$ -		60	\$ -	\$ -	
Smart Meter Disposition Rider			60	\$ -		60	\$ -	\$ -	
LRAM & SSM Rate Rider			60	\$ -		60	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1644	60	-\$ 69.86	-\$ 0.3405	60	-\$ 20.43	\$ 49.43	-70.75%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 151.95</b>			<b>\$ 248.16</b>	<b>\$ 96.21</b>	<b>63.31%</b>
RTSR - Network	per kW	\$ 2.4305	60	\$ 145.83	\$ 2.2592	60	\$ 135.55	-\$ 10.28	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	60	\$ 116.30	\$ 1.9140	60	\$ 114.84	-\$ 1.46	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 414.08</b>			<b>\$ 498.55</b>	<b>\$ 84.47</b>	<b>20.40%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	31053	\$ 161.48	\$ 0.0052	31085.7	\$ 161.65	\$ 0.17	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	31053	\$ 40.37	\$ 0.0013	31085.7	\$ 40.41	\$ 0.04	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	31053	\$ 11.58	\$ 0.0003730	31085.7	\$ 11.59	\$ 0.01	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	30000	\$ 210.00	\$ 0.0070	30000	\$ 210.00	\$ -	0.00%
				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block	per kWh	\$ 0.0750	30453	\$ 2,283.98	\$ 0.0750	30485.7	\$ 2,286.43	\$ 2.46	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 3,160.73</b>			<b>\$ 3,247.88</b>	<b>\$ 87.15</b>	<b>2.76%</b>
HST		13%		\$ 410.90	13%		\$ 422.22	\$ 11.33	2.76%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 3,571.63</b>			<b>\$ 3,670.11</b>	<b>\$ 98.48</b>	<b>2.76%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Customer Class:

General Service &gt; 50 to 999kW

Consumption 75000 kWh 100 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.3658	100	\$ 236.58	\$ 2.9288	100	\$ 292.88	\$ 56.30	23.80%
Low Voltage Rate Adder	per kW	\$ 0.1135	100	\$ 11.35	\$ 0.0821	100	\$ 8.21	-\$ 3.14	-27.67%
Volumetric Rate Adder(s)			100	\$ -		100	\$ -	\$ -	
Volumetric Rate Rider(s)			100	\$ -		100	\$ -	\$ -	
Smart Meter Disposition Rider			100	\$ -		100	\$ -	\$ -	
LRAM & SSM Rate Rider			100	\$ -		100	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1644	100	-\$ 116.44	-\$ 0.3405	100	-\$ 34.05	\$ 82.39	-70.75%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 204.55</b>			<b>\$ 354.97</b>	<b>\$ 150.42</b>	<b>73.54%</b>
RTSR - Network	per kW	\$ 2.4305	100	\$ 243.05	\$ 2.2592	100	\$ 225.92	-\$ 17.13	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	100	\$ 193.83	\$ 1.9140	100	\$ 191.40	-\$ 2.43	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 641.43</b>			<b>\$ 772.29</b>	<b>\$ 130.86</b>	<b>20.40%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	77632.5	\$ 403.69	\$ 0.0052	77714.3	\$ 404.11	\$ 0.43	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	77632.5	\$ 100.92	\$ 0.0013	77714.3	\$ 101.03	\$ 0.11	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	77632.5	\$ 28.96	\$ 0.0003730	77714.3	\$ 28.99	\$ 0.03	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	75000	\$ 525.00	\$ 0.0070	75000	\$ 525.00	\$ -	0.00%
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block	per kWh	\$ 0.0750	77032.5	\$ 5,777.44	\$ 0.0750	77114.3	\$ 5,783.58	\$ 6.14	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 7,516.69</b>			<b>\$ 7,654.25</b>	<b>\$ 137.56</b>	<b>1.83%</b>
HST		13%		\$ 977.17	13%		\$ 995.05	\$ 17.88	1.83%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 8,493.85</b>			<b>\$ 8,649.30</b>	<b>\$ 155.45</b>	<b>1.83%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Customer Class:

General Service &gt; 50 to 999kW

Consumption 200000 kWh 500 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.3658	500	\$ 1,182.90	\$ 2.9288	500	\$ 1,464.40	\$ 281.50	23.80%
Low Voltage Rate Adder	per kW	\$ 0.1135	500	\$ 56.75	\$ 0.0821	500	\$ 41.05	-\$ 15.70	-27.67%
Volumetric Rate Adder(s)			500	\$ -		500	\$ -	\$ -	
Volumetric Rate Rider(s)			500	\$ -		500	\$ -	\$ -	
Smart Meter Disposition Rider			500	\$ -		500	\$ -	\$ -	
LRAM & SSM Rate Rider			500	\$ -		500	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1644	500	-\$ 582.20	-\$ 0.3405	500	-\$ 170.27	\$ 411.93	-70.75%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 730.51</b>			<b>\$ 1,423.12</b>	<b>\$ 692.61</b>	<b>94.81%</b>
RTSR - Network	per kW	\$ 2.4305	500	\$ 1,215.25	\$ 2.2592	500	\$ 1,129.59	-\$ 85.66	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	500	\$ 969.15	\$ 1.9140	500	\$ 957.00	-\$ 12.15	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 2,914.91</b>			<b>\$ 3,509.71</b>	<b>\$ 594.80</b>	<b>20.41%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	207020	\$ 1,076.50	\$ 0.0052	207238	\$ 1,077.64	\$ 1.13	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	207020	\$ 269.13	\$ 0.0013	207238	\$ 269.41	\$ 0.28	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	207020	\$ 77.22	\$ 0.0003730	207238	\$ 77.30	\$ 0.08	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	200000	\$ 1,400.00	\$ 0.0070	200000	\$ 1,400.00	\$ -	0.00%
				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block	per kWh	\$ 0.0750	206420	\$ 15,481.50	\$ 0.0750	206638	\$ 15,497.87	\$ 16.37	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 21,258.51</b>			<b>\$ 21,871.18</b>	<b>\$ 612.67</b>	<b>2.88%</b>
HST		13%		\$ 2,763.61	13%		\$ 2,843.25	\$ 79.65	2.88%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 24,022.11</b>			<b>\$ 24,714.43</b>	<b>\$ 692.32</b>	<b>2.88%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Customer Class:

General Service &gt; 50 to 999kW

Consumption 800000 kWh

999 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.3658	999	\$ 2,363.43	\$ 2.9288	999	\$ 2,925.87	\$ 562.44	23.80%
Low Voltage Rate Adder	per kW	\$ 0.1135	999	\$ 113.39	\$ 0.0821	999	\$ 82.02	-\$ 31.37	-27.67%
Volumetric Rate Adder(s)			999	\$ -		999	\$ -	\$ -	
Volumetric Rate Rider(s)			999	\$ -		999	\$ -	\$ -	
Smart Meter Disposition Rider			999	\$ -		999	\$ -	\$ -	
LRAM & SSM Rate Rider			999	\$ -		999	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1644	999	-\$ 1,163.24	-\$ 0.3405	999	-\$ 340.19	\$ 823.04	-70.75%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 1,386.65</b>			<b>\$ 2,755.64</b>	<b>\$ 1,368.99</b>	<b>98.73%</b>
RTSR - Network	per kW	\$ 2.4305	999	\$ 2,428.07	\$ 2.2592	999	\$ 2,256.92	-\$ 171.15	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	999	\$ 1,936.36	\$ 1.9140	999	\$ 1,912.09	-\$ 24.27	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 5,751.08</b>			<b>\$ 6,924.65</b>	<b>\$ 1,173.57</b>	<b>20.41%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	828080	\$ 4,306.02	\$ 0.0052	828953	\$ 4,310.56	\$ 4.54	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	828080	\$ 1,076.50	\$ 0.0013	828953	\$ 1,077.64	\$ 1.13	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	828080	\$ 308.87	\$ 0.0003730	828953	\$ 309.20	\$ 0.33	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800000	\$ 5,600.00	\$ 0.0070	800000	\$ 5,600.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	828080	\$ 53,825.20	\$ 0.0650	828953	\$ 53,881.94	\$ 56.74	0.11%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 70,867.92</b>			<b>\$ 72,104.23</b>	<b>\$ 1,236.31</b>	<b>1.74%</b>
HST		13%		\$ 9,212.83	13%		\$ 9,373.55	\$ 160.72	1.74%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 80,080.75</b>			<b>\$ 81,477.78</b>	<b>\$ 1,397.03</b>	<b>1.74%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Customer Class:

General Service &gt; 1000 to 4999kW

Consumption

800000 kWh

1000

kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 926.33	1	\$ 926.33	\$ 1,008.02	1	\$ 1,008.02	\$ 81.69	8.82%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.9296	1000	\$ 2,929.60	\$ 3.1373	1000	\$ 3,137.30	\$ 207.70	7.09%
Low Voltage Rate Adder	per kW	\$ 0.1116	1000	\$ 111.60	\$ 0.0808	1000	\$ 80.80	-\$ 30.80	-27.60%
Volumetric Rate Adder(s)			1000	\$ -		1000	\$ -	\$ -	
Volumetric Rate Rider(s)			1000	\$ -		1000	\$ -	\$ -	
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.4024	1000	-\$ 1,402.40	-\$ 0.4110	1000	-\$ 411.00	\$ 991.40	-70.69%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 2,567.29</b>			<b>\$ 3,814.69</b>	<b>\$ 1,247.40</b>	<b>48.59%</b>
RTSR - Network	per kW	\$ 2.3905	1000	\$ 2,390.50	\$ 2.2220	1000	\$ 2,222.00	-\$ 168.50	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9066	1000	\$ 1,906.60	\$ 1.8827	1000	\$ 1,882.70	-\$ 23.90	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 6,864.39</b>			<b>\$ 7,919.39</b>	<b>\$ 1,055.00</b>	<b>15.37%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	828080	\$ 4,306.02	\$ 0.0052	828953	\$ 4,310.56	\$ 4.54	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	828080	\$ 1,076.50	\$ 0.0013	828953	\$ 1,077.64	\$ 1.13	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	828080	\$ 308.87	\$ 0.0003730	828953	\$ 309.20	\$ 0.33	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800000	\$ 5,600.00	\$ 0.0070	800000	\$ 5,600.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	828080	\$ 53,825.20	\$ 0.0650	828953	\$ 53,881.94	\$ 56.74	0.11%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 71,981.23</b>			<b>\$ 73,098.98</b>	<b>\$ 1,117.74</b>	<b>1.55%</b>
HST		13%		\$ 9,357.56	13%		\$ 9,502.87	\$ 145.31	1.55%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 81,338.79</b>			<b>\$ 82,601.84</b>	<b>\$ 1,263.05</b>	<b>1.55%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Customer Class:

General Service &gt; 1000 to 4999kW

Consumption 1600000 kWh

4000 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 926.33	1	\$ 926.33	\$ 1,008.02	1	\$ 1,008.02	\$ 81.69	8.82%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.9296	4000	\$ 11,718.40	\$ 3.1373	4000	\$ 12,549.20	\$ 830.80	7.09%
Low Voltage Rate Adder	per kW	\$ 0.1116	4000	\$ 446.40	\$ 0.0808	4000	\$ 323.20	-\$ 123.20	-27.60%
Volumetric Rate Adder(s)			4000	\$ -		4000	\$ -	\$ -	
Volumetric Rate Rider(s)			4000	\$ -		4000	\$ -	\$ -	
Smart Meter Disposition Rider			4000	\$ -		4000	\$ -	\$ -	
LRAM & SSM Rate Rider			4000	\$ -		4000	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.4024	4000	-\$ 5,609.60	-\$ 0.4110	4000	-\$ 1,644.01	\$ 3,965.59	-70.69%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 7,483.69</b>			<b>\$ 12,235.98</b>	<b>\$ 4,752.29</b>	<b>63.50%</b>
RTSR - Network	per kW	\$ 2.3905	4000	\$ 9,562.00	\$ 2.2220	4000	\$ 8,887.99	-\$ 674.01	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9066	4000	\$ 7,626.40	\$ 1.8827	4000	\$ 7,530.82	-\$ 95.58	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 24,672.09</b>			<b>\$ 28,654.78</b>	<b>\$ 3,982.69</b>	<b>16.14%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1656160	\$ 8,612.03	\$ 0.0052	1657906	\$ 8,621.11	\$ 9.08	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1656160	\$ 2,153.01	\$ 0.0013	1657906	\$ 2,155.28	\$ 2.27	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1656160	\$ 617.75	\$ 0.0003730	1657906	\$ 618.40	\$ 0.65	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1600000	\$ 11,200.00	\$ 0.0070	1600000	\$ 11,200.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	1656160	\$ 107,650.40	\$ 0.0650	1657906	\$ 107,763.89	\$ 113.49	0.11%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 154,905.53</b>			<b>\$ 159,013.71</b>	<b>\$ 4,108.18</b>	<b>2.65%</b>
HST		13%		\$ 20,137.72	13%		\$ 20,671.78	\$ 534.06	2.65%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 175,043.25</b>			<b>\$ 179,685.49</b>	<b>\$ 4,642.24</b>	<b>2.65%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

General Service &gt; 1000 to 4999kW

Consumption  kWh 

kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 926.33	1	\$ 926.33	\$ 1,008.02	1	\$ 1,008.02	\$ 81.69	8.82%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.9296	0	\$ -	\$ 3.1373	0	\$ -	\$ -	
Low Voltage Rate Adder	per kW	\$ 0.1116	0	\$ -	\$ 0.0808	0	\$ -	\$ -	
Volumetric Rate Adder(s)			0	\$ -		0	\$ -	\$ -	
Volumetric Rate Rider(s)			0	\$ -		0	\$ -	\$ -	
Smart Meter Disposition Rider			0	\$ -		0	\$ -	\$ -	
LRAM & SSM Rate Rider			0	\$ -		0	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.4024	0	\$ -	-\$ 0.4110	0	\$ -	\$ -	
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 928.49</b>			<b>\$ 1,007.59</b>	<b>\$ 79.10</b>	<b>8.52%</b>
RTSR - Network	per kW	\$ 2.3905	0	\$ -	\$ 2.2220	0	\$ -	\$ -	
RTSR - Line and Transformation Connection	per kW	\$ 1.9066	0	\$ -	\$ 1.8827	0	\$ -	\$ -	
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 928.49</b>			<b>\$ 1,007.59</b>	<b>\$ 79.10</b>	<b>8.52%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	0	\$ -	\$ 0.0052	0	\$ -	\$ -	
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	0	\$ -	\$ 0.0013	0	\$ -	\$ -	
Special Purpose Charge	per kWh	\$ 0.0003730	0	\$ -	\$ 0.0003730	0	\$ -	\$ -	
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	0	\$ -	\$ 0.0070	0	\$ -	\$ -	
Energy	per kWh	\$ 0.0650	0	\$ -	\$ 0.0650	0	\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 928.74</b>			<b>\$ 1,007.84</b>	<b>\$ 79.10</b>	<b>8.52%</b>
HST		13%		\$ 120.74	13%		\$ 131.02	\$ 10.28	8.52%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 1,049.48</b>			<b>\$ 1,138.86</b>	<b>\$ 89.38</b>	<b>8.52%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:

Large User &gt;5000kW

Consumption 2400000 kWh

5400 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	5400	\$ 13,339.62	\$ 2.5261	5400	\$ 13,640.94	\$ 301.32	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	5400	\$ 673.92	\$ 0.0903	5400	\$ 487.62	-\$ 186.30	-27.64%
Volumetric Rate Adder(s)			5400	\$ -		5400	\$ -	\$ -	
Volumetric Rate Rider(s)			5400	\$ -		5400	\$ -	\$ -	
Smart Meter Disposition Rider			5400	\$ -		5400	\$ -	\$ -	
LRAM & SSM Rate Rider			5400	\$ -		5400	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	5400	-\$ 6,754.32	-\$ 0.3564	5400	-\$ 1,924.45	\$ 4,829.87	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 11,387.64</b>			<b>\$ 16,423.18</b>	<b>\$ 5,035.54</b>	<b>44.22%</b>
RTSR - Network	per kW	\$ 2.5886	5400	\$ 13,978.44	\$ 2.4061	5400	\$ 12,993.12	-\$ 985.32	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	5400	\$ 11,514.42	\$ 2.1056	5400	\$ 11,370.11	-\$ 144.31	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 36,880.50</b>			<b>\$ 40,786.41</b>	<b>\$ 3,905.91</b>	<b>10.59%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2434800	\$ 12,660.96	\$ 0.0052	2411611	\$ 12,540.38	-\$ 120.58	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2434800	\$ 3,165.24	\$ 0.0013	2411611	\$ 3,135.09	-\$ 30.15	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	2434800	\$ 908.18	\$ 0.0003730	2411611	\$ 899.53	-\$ 8.65	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2400000	\$ 16,800.00	\$ 0.0070	2400000	\$ 16,800.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	2434800	\$ 158,262.00	\$ 0.0650	2411611	\$ 156,754.73	-\$ 1,507.27	-0.95%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 228,677.13</b>			<b>\$ 230,916.39</b>	<b>\$ 2,239.26</b>	<b>0.98%</b>
HST		13%		\$ 29,728.03	13%		\$ 30,019.13	\$ 291.10	0.98%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 258,405.16</b>			<b>\$ 260,935.52</b>	<b>\$ 2,530.36</b>	<b>0.98%</b>
<b>Loss Factor (%)</b>			1.45%				0.48%		

Customer Class:

Large User &gt;5000kW

Consumption 3100000 kWh 7500 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	7500	\$ 18,527.25	\$ 2.5261	7500	\$ 18,945.75	\$ 418.50	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	7500	\$ 936.00	\$ 0.0903	7500	\$ 677.25	-\$ 258.75	-27.64%
Volumetric Rate Adder(s)			7500	\$ -		7500	\$ -	\$ -	
Volumetric Rate Rider(s)			7500	\$ -		7500	\$ -	\$ -	
Smart Meter Disposition Rider			7500	\$ -		7500	\$ -	\$ -	
LRAM & SSM Rate Rider			7500	\$ -		7500	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	7500	-\$ 9,381.00	-\$ 0.3564	7500	-\$ 2,672.85	\$ 6,708.15	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 14,210.67</b>			<b>\$ 21,169.23</b>	<b>\$ 6,958.56</b>	<b>48.97%</b>
RTSR - Network	per kW	\$ 2.5886	7500	\$ 19,414.50	\$ 2.4061	7500	\$ 18,045.99	-\$ 1,368.51	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	7500	\$ 15,992.25	\$ 2.1056	7500	\$ 15,791.81	-\$ 200.44	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 49,617.42</b>			<b>\$ 55,007.03</b>	<b>\$ 5,389.61</b>	<b>10.86%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	3144950	\$ 16,353.74	\$ 0.0052	3114998	\$ 16,197.99	-\$ 155.75	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	3144950	\$ 4,088.44	\$ 0.0013	3114998	\$ 4,049.50	-\$ 38.94	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	3144950	\$ 1,173.07	\$ 0.0003730	3114998	\$ 1,161.89	-\$ 11.17	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	3100000	\$ 21,700.00	\$ 0.0070	3100000	\$ 21,700.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	3144950	\$ 204,421.75	\$ 0.0650	3114998	\$ 202,474.86	-\$ 1,946.89	-0.95%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 297,354.66</b>			<b>\$ 300,591.52</b>	<b>\$ 3,236.86</b>	<b>1.09%</b>
HST		13%		\$ 38,656.11	13%		\$ 39,076.90	\$ 420.79	1.09%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 336,010.77</b>			<b>\$ 339,668.42</b>	<b>\$ 3,657.65</b>	<b>1.09%</b>
<b>Loss Factor (%)</b>		1.45%			0.48%				

Customer Class:

Large User &gt;5000kW

Consumption 4200000 kWh

10000 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	10000	\$ 24,703.00	\$ 2.5261	10000	\$ 25,261.00	\$ 558.00	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	10000	\$ 1,248.00	\$ 0.0903	10000	\$ 903.00	-\$ 345.00	-27.64%
Volumetric Rate Adder(s)			10000	\$ -		10000	\$ -	\$ -	
Volumetric Rate Rider(s)			10000	\$ -		10000	\$ -	\$ -	
Smart Meter Disposition Rider			10000	\$ -		10000	\$ -	\$ -	
LRAM & SSM Rate Rider			10000	\$ -		10000	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	10000	-\$ 12,508.00	-\$ 0.3564	10000	-\$ 3,563.80	\$ 8,944.20	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 17,571.42</b>			<b>\$ 26,819.27</b>	<b>\$ 9,247.85</b>	<b>52.63%</b>
RTSR - Network	per kW	\$ 2.5886	10000	\$ 25,886.00	\$ 2.4061	10000	\$ 24,061.33	-\$ 1,824.67	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	10000	\$ 21,323.00	\$ 2.1056	10000	\$ 21,055.75	-\$ 267.25	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 64,780.42</b>			<b>\$ 71,936.35</b>	<b>\$ 7,155.93</b>	<b>11.05%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	4260900	\$ 22,156.68	\$ 0.0052	4220320	\$ 21,945.66	-\$ 211.02	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	4260900	\$ 5,539.17	\$ 0.0013	4220320	\$ 5,486.42	-\$ 52.75	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	4260900	\$ 1,589.32	\$ 0.0003730	4220320	\$ 1,574.18	-\$ 15.14	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	4200000	\$ 29,400.00	\$ 0.0070	4200000	\$ 29,400.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	4260900	\$ 276,958.50	\$ 0.0650	4220320	\$ 274,320.77	-\$ 2,637.73	-0.95%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 400,424.34</b>			<b>\$ 404,663.63</b>	<b>\$ 4,239.30</b>	<b>1.06%</b>
HST		13%		\$ 52,055.16	13%		\$ 52,606.27	\$ 551.11	1.06%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 452,479.50</b>			<b>\$ 457,269.91</b>	<b>\$ 4,790.41</b>	<b>1.06%</b>
<b>Loss Factor (%)</b>			1.45%				0.48%		

Customer Class:

Large User &gt;5000kW

Consumption 4700000 kWh

13900 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	13900	\$ 34,337.17	\$ 2.5261	13900	\$ 35,112.79	\$ 775.62	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	13900	\$ 1,734.72	\$ 0.0903	13900	\$ 1,255.17	-\$ 479.55	-27.64%
Volumetric Rate Adder(s)			13900	\$ -		13900	\$ -	\$ -	
Volumetric Rate Rider(s)			13900	\$ -		13900	\$ -	\$ -	
Smart Meter Disposition Rider			13900	\$ -		13900	\$ -	\$ -	
LRAM & SSM Rate Rider			13900	\$ -		13900	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	13900	-\$ 17,386.12	-\$ 0.3564	13900	-\$ 4,953.69	\$ 12,432.43	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 22,814.19</b>			<b>\$ 35,633.35</b>	<b>\$ 12,819.16</b>	<b>56.19%</b>
RTSR - Network	per kW	\$ 2.5886	13900	\$ 35,981.54	\$ 2.4061	13900	\$ 33,445.24	-\$ 2,536.30	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	13900	\$ 29,638.97	\$ 2.1056	13900	\$ 29,267.50	-\$ 371.47	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 88,434.70</b>			<b>\$ 98,346.09</b>	<b>\$ 9,911.39</b>	<b>11.21%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	4768150	\$ 24,794.38	\$ 0.0052	4722739	\$ 24,558.24	-\$ 236.14	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	4768150	\$ 6,198.60	\$ 0.0013	4722739	\$ 6,139.56	-\$ 59.03	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	4768150	\$ 1,778.52	\$ 0.0003730	4722739	\$ 1,761.58	-\$ 16.94	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	4700000	\$ 32,900.00	\$ 0.0070	4700000	\$ 32,900.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	4768150	\$ 309,929.75	\$ 0.0650	4722739	\$ 306,978.01	-\$ 2,951.74	-0.95%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 464,036.19</b>			<b>\$ 470,683.73</b>	<b>\$ 6,647.54</b>	<b>1.43%</b>
HST		13%		\$ 60,324.71	13%		\$ 61,188.89	\$ 864.18	1.43%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 524,360.90</b>			<b>\$ 531,872.62</b>	<b>\$ 7,511.72</b>	<b>1.43%</b>
<b>Loss Factor (%)</b>			1.45%				0.48%		

Customer Class:

## Streetlighting

Consumption

526,732 kWh

1,484

kW

2,865

Connections

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 0.1600	2864.57	\$ 458.33	\$ 1.1372	2864.57	\$ 3,257.59	\$ 2,799.26	610.75%
Smart Meter Rate Adder	monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 0.6995	1484.14	\$ 1,038.15	\$ 4.9716	1484.14	\$ 7,378.54	\$ 6,340.38	610.74%
Low Voltage Rate Adder	per kW	\$ 0.0764	1484.14	\$ 113.39	\$ 0.0552	1484.14	\$ 81.92	-\$ 31.46	-27.75%
Volumetric Rate Adder(s)			1484.14	\$ -		1484.14	\$ -	\$ -	
Volumetric Rate Rider(s)			1484.14	\$ -		1484.14	\$ -	\$ -	
Smart Meter Disposition Rider			1484.14	\$ -		1484.14	\$ -	\$ -	
LRAM & SSM Rate Rider			1484.14	\$ -		1484.14	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1241	1484.14	-\$ 1,668.32	-\$ 0.3348	1484.14	-\$ 496.88	\$ 1,171.44	-70.22%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>-\$ 58.44</b>			<b>\$ 10,221.17</b>	<b>\$ 10,279.62</b>	<b>-17588.59%</b>
RTSR - Network	per kW	\$ 1.6461	1484.14	\$ 2,443.04	\$ 1.5301	1484.14	\$ 2,270.83	-\$ 172.21	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.3038	1484.14	\$ 1,935.02	\$ 1.2875	1484.14	\$ 1,910.77	-\$ 24.25	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 4,319.61</b>			<b>\$ 14,402.77</b>	<b>\$ 10,083.16</b>	<b>233.43%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	545221	\$ 2,835.15	\$ 0.0052	545795	\$ 2,838.14	\$ 2.99	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	545221	\$ 708.79	\$ 0.0013	545795	\$ 709.53	\$ 0.75	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	545221	\$ 203.37	\$ 0.0003730	545795	\$ 203.58	\$ 0.21	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	526732	\$ 3,687.13	\$ 0.0070	526732	\$ 3,687.13	\$ -	0.00%
Energy	per kWh	\$ 0.0650	545221	\$ 35,439.34	\$ 0.0650	545795	\$ 35,476.70	\$ 37.36	0.11%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 47,193.62</b>			<b>\$ 57,318.10</b>	<b>\$ 10,124.47</b>	<b>21.45%</b>
HST		13%		\$ 6,135.17	13%		\$ 7,451.35	\$ 1,316.18	21.45%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 53,328.79</b>			<b>\$ 64,769.45</b>	<b>\$ 11,440.66</b>	<b>21.45%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Customer Class:		Sentinel									
Consumption		50 kWh		1 kW		1		Connections			
Charge Unit		Current Board-Approved			Proposed			Impact			
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change		
Monthly Service Charge	monthly	\$ 0.4000	1	\$ 0.40	\$ 1.4692	1	\$ 1.47	\$ 1.07	267.30%		
Smart Meter Rate Adder	monthly		1	-		1	-	-			
Service Charge Rate Adder(s)			1	-		1	-	-			
Service Charge Rate Rider(s)			1	-		1	-	-			
Distribution Volumetric Rate	per kW	\$ 3.0225	1	\$ 3.02	\$ 11.1018	1	\$ 11.10	\$ 8.08	267.31%		
Low Voltage Rate Adder	per kW	\$ 0.0779	1	\$ 0.08	\$ 0.0564	1	\$ 0.06	-\$ 0.02	-27.60%		
Volumetric Rate Adder(s)			1	-		1	-	-			
Volumetric Rate Rider(s)			1	-		1	-	-			
Smart Meter Disposition Rider			1	-		1	-	-			
LRAM & SSM Rate Rider			1	-		1	-	-			
Deferral/Variance Account	per kW	-\$ 3.3185	1	-\$ 3.32	-\$ 0.2828	1	-\$ 0.28	\$ 3.04	-91.48%		
Disposition Rate Rider				-			-	-			
				-			-	-			
				-			-	-			
				-			-	-			
				-			-	-			
				-			-	-			
Sub-Total A - Distribution				\$ 0.18			\$ 12.34	\$ 12.16	6686.50%		
RTSR - Network	per kW	\$ 1.6545	1	\$ 1.65	\$ 1.5379	1	\$ 1.54	-\$ 0.12	-7.05%		
RTSR - Line and Transformation Connection	per kW	\$ 1.3312	1	\$ 1.33	\$ 1.3145	1	\$ 1.31	-\$ 0.02	-1.25%		
Sub-Total B - Delivery (including Sub-Total A)				\$ 3.17			\$ 15.20	\$ 12.03	379.76%		
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	51.755	\$ 0.27	\$ 0.0052	51.8096	\$ 0.27	\$ 0.00	0.11%		
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	51.755	\$ 0.07	\$ 0.0013	51.8096	\$ 0.07	\$ 0.00	0.11%		
Special Purpose Charge	per kWh	\$ 0.0003730	51.755	\$ 0.02	\$ 0.0003730	51.8096	\$ 0.02	\$ 0.00	0.11%		
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%		
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	50	\$ 0.35	\$ 0.0070	50	\$ 0.35	\$ -	0.00%		
Energy	per kWh	\$ 0.0650	51.755	\$ 3.36	\$ 0.0650	51.8096	\$ 3.37	\$ 0.00	0.11%		
				-			-	-			
				-			-	-			
Total Bill (before Taxes)				\$ 7.49			\$ 19.52	\$ 12.03	160.72%		
HST		13%		\$ 0.97	13%		\$ 2.54	\$ 1.56	160.72%		
Total Bill (including Sub-total B)				\$ 8.46			\$ 22.06	\$ 13.60	160.76%		
Loss Factor (%)		3.5100%			3.62%						

Customer Class:		Unmetered & Scattered									
Consumption		630 kWh		kW		1		Connections			
Charge Unit		Current Board-Approved			Proposed			Impact			
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change		% Change	
Monthly Service Charge	monthly	\$ 7.3800	1	\$ 7.38	\$ 8.2702	1	\$ 8.27	\$ 0.89	12.06%		
Smart Meter Rate Adder	monthly		1	-		1	-	\$ -			
Service Charge Rate Adder(s)			1	-		1	-	\$ -			
Service Charge Rate Rider(s)			1	-		1	-	\$ -			
Distribution Volumetric Rate	per kWh	\$ 0.0156	630	\$ 9.83	\$ 0.0175	630	\$ 11.03	\$ 1.20	12.18%		
Low Voltage Rate Adder	per kWh	\$ 0.0002	630	\$ 0.13	\$ 0.0002	630	\$ 0.13	\$ -	0.00%		
Volumetric Rate Adder(s)			630	-		630	-	\$ -			
Volumetric Rate Rider(s)			630	-		630	-	\$ -			
Smart Meter Disposition Rider			630	-		630	-	\$ -			
LRAM & SSM Rate Rider			630	-		630	-	\$ -			
Deferral/Variance Account	per kWh	-\$ 0.0041	630	-\$ 2.58	-\$ 0.0007	630	-\$ 0.43	\$ 2.15	-83.32%		
Disposition Rate Rider				-			-	\$ -			
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## APPENDIX B – 2011 RATE DESIGN MODEL

**MILTON HYDRO DISTRIBUTION INC.**

**Filed - August 26, 2010**

**Rate Determination Constants/Options For Test Year**

Service Revenue Requirement	\$	15,061,832
Less: Revenue Offsets	\$	1,453,649
Total Base Revenue Requirement	\$	<u>13,608,183</u>
Addback Transformer Allowances	\$	152,407
Gross Revenues For Rates	\$	<u><u>13,760,590</u></u>

**MILTON HYDRO DISTRIBUTION INC.**

**Transformer Ownership Allowance**

Description	2011 Test	
	kW	\$
<b>General Service:</b>		
GS >50 to 999 kW	68,915	<b>(\$41,349)</b>
GS >1000 to 4999 kW	185,096	<b>(\$111,058)</b>
Large Use	0	<b>\$0</b>
	0	<b>\$0</b>
<b>Total</b>	<b>254,011</b>	<b>(\$152,407)</b>

**Transformer Allowance rate**

(\$0.60)

(for internal purposes only)

Description	2010 Bridge	
	kW	\$
<b>General Service:</b>		
GS >50 to 999 kW	67,697	<b>(\$40,618)</b>
GS >1000 to 4999 kW	196,789	<b>(\$118,073)</b>
Large Use	152,542	<b>(\$91,525)</b>
	0	<b>\$0</b>
<b>Total</b>	<b>417,028</b>	<b>(\$250,217)</b>

**Transformer Allowance rate**

(\$0.60)

**MILTON HYDRO DISTRIBUTION INC.**

**Forecast Data For 2011 Test Year Projection**

<b>Sum of Quantity</b>		
<b>Class</b>	<b>Unit of Measure</b>	<b>2011 Test Year Normalized</b>
<b>Residential</b>	<b># of Customers</b> <b>kWh</b>	27,082 258,520,606
<b>GS &lt; 50 kW</b>	<b># of Customers</b> <b>kWh</b>	2,286 75,044,767
<b>GS &gt;50 to 999 kW</b>	<b># of Customers</b> <b>kW</b> <b>kWh</b>	293 507,929 187,300,109
<b>GS &gt;1000 to 4999 kW</b>	<b># of Customers</b> <b>kW</b> <b>kWh</b>	11 193,246 94,342,584
<b>Large Use</b>	<b># of Customers</b> <b>kW</b> <b>kWh</b>	2 173,521 78,821,751
<b>Sentinel Lights</b>	<b># of Connections</b> <b>kW</b> <b>kWh</b>	272 465 167,188
<b>Street Lighting</b>	<b># of Connections</b> <b>kW</b> <b>kWh</b>	2,865 17,810 6,320,787
<b>Unmetered and Scattered</b>	<b># of Connections</b> <b>kWh</b>	201 1,519,815
<b>Total Check</b>	<b># of Cust/Con</b> <b>kW</b> <b>kWh</b>	33,013 892,971 702,037,607

**MILTON HYDRO DISTRIBUTION INC.**

**Existing 2010 Rate Year - Distribution Revenue Rates excluding Smart Meter Rider**

Customer Class	Fixed Charges		Volumetric Charges	
	Connection	Customer	kW	kWh
Residential		13.71		0.0128
GS < 50 kW		14.70		0.0156
GS >50 to 999 kW		70.90	2.3658	
GS >1000 to 4999 kW		926.33	2.9296	
Large Use		4,126.26	2.4703	
Sentinel Lights	0.40		3.0225	
Street Lighting	0.16		0.6995	
Unmetered and Scattered	7.38			0.0156

**Deferral Variance Rate Rider For 2010, if applicable**

Customer Class	Deferral Variance Rate Riders (\$) per kWh	Deferral Variance Rate Riders (\$) per kW
Residential	(0.0039)	
GS < 50 kW	(0.0037)	
GS >50 to 999 kW		(1.1644)
GS >1000 to 4999 kW		(1.4024)
Large Use		(1.2508)
Sentinel Lights		(3.3185)
Street Lighting		(1.1241)
Unmetered and Scattered	(0.0041)	

**Low Voltage Rate Component For 2010**

Customer Class	Low Voltage Cost Rate Component (\$) per kWh	Low Voltage Cost Rate Component (\$) per kW
Residential	0.0003	
GS < 50 kW	0.0002	
GS >50 to 999 kW		0.1135
GS >1000 to 4999 kW		0.1116
Large Use		0.1248
Sentinel Lights		0.0779
Street Lighting		0.0764
Unmetered and Scattered	0.0002	

**Smart Meter Adder - 2010**

Customer Class	Adder per Month
Residential	2.16
GS < 50 kW	2.16
GS >50 to 999 kW	2.16
GS >1000 to 4999 kW	2.16
Large Use	2.16
Sentinel Lights	
Street Lighting	
Unmetered and Scattered	

**EXISTING 2010 DISTRIBUTION VOLUMETRIC EXCL LV**

Customer Class	per kWh	per kW
Residential	0.0128	
GS < 50 kW	0.0156	
GS >50 to 999 kW		2.3658
GS >1000 to 4999 kW		2.9296
Large Use		2.4703
Sentinel Lights		3.0225
Street Lighting		0.6995
Unmetered and Scattered	0.0156	

MILTON HYDRO DISTRIBUTION INC.

Forecast Class Billing Determinants for 2011 Test Year Based on Existing Class Revenue Proportions  
Revenue At Existing Rates

Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Including Transformer	Transformer Allowance	Dist. Rev. Excluding Transformer	Dist Rev At Existing Rates %
Residential	258,520,606		324,984		4,455,531	3,309,064	7,764,594		7,764,594	65.15%
GS < 50 kW	75,044,767		27,438		403,338	1,170,698	1,574,036		1,574,036	13.21%
GS >50 to 999 kW	187,300,109	507,929	3,514		249,174	1,201,658	1,450,833	41,349	1,409,483	11.83%
GS >1000 to 4999 kW	94,342,584	193,246	135		125,043	566,133	691,176	111,058	580,119	4.87%
Large Use	78,821,751	173,521	24		99,030	428,649	527,679	0	527,679	4.43%
Sentinel Lights	167,188	465		3,268	1,307	1,406	2,713		2,713	0.02%
Street Lighting	6,320,787	17,810		34,375	5,500	12,458	17,958		17,958	0.15%
Unmetered and Scattered	1,519,815			2,417	17,838	23,709	41,548		41,548	0.35%
	702,037,607	892,971	356,095	40,060	5,356,762	6,713,775	12,070,537	152,407	11,918,130	100%

for internal purposes only

Forecast Class Billing Determinants for 2010 Bridge Year Based on Existing Class Revenue Proportions  
Revenue At Existing Rates

Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Including Transformer	Transformer Allowance	Dist. Rev. Excluding Transformer	Dist Rev At Existing Rates %	Smart Meter Disposition	Dist. Rev After Smart Meter Disposition	Dist Rev At Existing Rates %
Residential	249,747,033		306,984		4,208,751	3,196,762	7,405,513		7,405,513	64.88%	1,919,226	9,324,739	68.89%
GS < 50 kW	73,958,013		26,767		393,478	1,153,745	1,547,223		1,547,223	13.55%	177,996	1,725,220	12.75%
GS >50 to 999 kW	183,863,313	498,609	3,370		238,967	1,179,609	1,418,576	40,618	1,377,958	12.07%	22,711	1,400,668	10.35%
GS >1000 to 4999 kW	104,583,289	214,222	143		132,457	627,586	760,043	118,073	641,970	5.62%	1,056	643,026	4.75%
Large Use	69,292,234	152,542	24		99,030	376,825	475,855	91,525	384,330	3.37%	166	384,496	2.84%
Sentinel Lights	169,915	473		3,321	1,328	1,429	2,758		2,758	0.02%		2,758	0.02%
Street Lighting	5,863,007	16,520		33,648	5,384	11,556	16,939		16,939	0.15%		16,939	0.13%
USL	1,383,738			2,268	16,739	21,586	38,325		38,325	0.34%		38,325	0.28%
	688,860,542	882,366	337,289	39,237	5,096,134	6,569,098	11,665,232	250,217	11,415,015	100%	2,121,156	13,536,171	100%

Cost Allocation Based Calculations

Class	Revenue Requirement - 2011 Cost Allocation Model (A)	2011 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2011 Cost Allocation Model	Total Revenue (B)	Revenue Cost Ratio (A)/(B)	Check Revenue Cost Ratios from 2011 Cost Allocation Model	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	9,317,733	8,865,654	951,506	9,817,161	105.4%	105.4%	103.6%	9,650,564	951,506	8,699,058	85%	115%
GS < 50 kW	1,984,035	1,797,243	185,596	1,982,839	99.9%	99.9%	99.9%	1,982,839	185,596	1,797,243	80%	120%
GS >50 to 999 kW	2,165,183	1,609,356	191,823	1,801,179	83.2%	83.2%	90.0%	1,948,665	191,823	1,756,842	80%	180%
GS >1000 to 4999 kW	622,047	662,382	52,972	715,355	115.0%	115.0%	110.0%	684,251	52,972	631,279	80%	180%
Large Use	524,425	602,506	37,265	639,771	122.0%	122.0%	110.0%	576,868	37,265	539,603	85%	115%
Sentinel Lights	26,739	3,098	1,884	4,982	18.6%	18.6%	44.3%	11,850	1,884	9,966	70%	120%
Street Lighting	374,779	20,504	27,583	48,087	12.8%	12.8%	41.4%	155,216	27,583	127,633	70%	120%
Unmetered and Scattered	46,891	47,439	5,021	52,460	111.9%	111.9%	110.0%	51,580	5,021	46,559	80%	120%
TOTAL	15,061,832	13,608,183	1,453,649	15,061,832				15,061,832	1,453,649	13,608,183		
	15,061,832									13,608,183		
	0									0		

MILTON HYDRO DISTRIBUTION INC.

Distribution Rate Allocation Between Fixed & Variable Rates For 2011 Test Year

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Proposed Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	8,699,058	63.93%	15.36	\$0.0143	\$ 4,991,751	\$ 3,707,307		8,699,058	51,465	8,750,523
GS < 50 kW	1,797,243	13.21%	16.78	\$0.0178	\$ 460,534	\$ 1,336,709		1,797,243	13,350	1,810,593
GS >50 to 999 kW	1,756,842	12.91%	88.37	\$2.9288	\$ 310,582	\$ 1,446,260	\$ 41,349	1,798,191	41,701	1,839,891
GS >1000 to 4999 kW	631,279	4.64%	1,008.02	\$3.1373	\$ 136,070	\$ 495,209	\$ 111,058	742,337	15,606	757,943
Large Use	539,603	3.97%	4,219.51	\$2.5261	\$ 101,268	\$ 438,335	\$ -	539,603	15,672	555,275
Sentinel Lights	9,966	0.07%	1.47	\$11.1018	\$ 4,801	\$ 5,165		9,966	26	9,992
Street Lighting	127,633	0.94%	1.14	\$4.9716	\$ 39,091	\$ 88,543		127,633	984	128,617
Unmetered and Scattered	46,559	0.34%	8.27	\$0.0175	\$ 19,990	\$ 26,569		46,559	270	46,829
<b>TOTAL</b>	<b>13,608,183</b>	<b>100.00%</b>			<b>\$ 6,064,086</b>	<b>\$ 7,544,097</b>	<b>\$ 152,407</b>	<b>\$ 13,760,590</b>	<b>\$ 139,074</b>	<b>\$ 13,899,664</b>
Forecast Fixed/Variable Ratios					44.969%	54.824%	1.108%	100.000%		

Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2010 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	42.62%	57.38%	100.00%	15.36	13.71	19.59
GS < 50 kW	74.38%	25.62%	100.00%	16.78	14.70	36.45
GS >50 to 999 kW	82.32%	17.68%	100.00%	88.37	70.90	94.36
GS >1000 to 4999 kW	78.45%	21.55%	100.00%	1,008.02	926.33	513.24
Large Use	81.23%	18.77%	100.00%	4,219.51	4,126.26	295.40
Sentinel Lights	51.82%	48.18%	100.00%	1.47	0.40	8.11
Street Lighting	69.37%	30.63%	100.00%	1.14	0.16	8.46
Unmetered and Scattered	57.07%	42.93%	100.00%	8.27	7.38	13.10
<b>TOTAL</b>						

Allocation of Gross Revenue and Base Revenue Requirement

Customer Class	Gross Revenue	Transformer Discounts	Base Revenue	Proposed Proportionate share of Base Revenue
Residential	8,699,058		8,699,058	63.93%
GS < 50 kW	1,797,243		1,797,243	13.21%
GS >50 to 999 kW	1,798,191	-41,349	1,756,842	12.91%
GS >1000 to 4999 kW	742,337	-111,058	631,279	4.64%
Large Use	539,603	0	539,603	3.97%
Sentinel Lights	9,966		9,966	0.07%
Street Lighting	127,633		127,633	0.94%
Unmetered and Scattered	46,559		46,559	0.34%
<b>TOTAL</b>	<b>13,760,590</b>	<b>-152,407</b>	<b>13,608,183</b>	<b>100%</b>

Current Revenue Splits - Fixed and Variable - 2010

Customer Class	Current Fixed Charge Split	Current Variable Charge Split	Proposed Charge Revenue Split	Proposed Variable Charge Split
Residential	57.38%	42.62%	57.38%	42.62%
GS < 50 kW	25.62%	74.38%	25.62%	74.38%
GS >50 to 999 kW	17.68%	82.32%	17.68%	82.32%
GS >1000 to 4999 kW	21.55%	78.45%	21.55%	78.45%
Large Use	18.77%	81.23%	18.77%	81.23%
Sentinel Lights	48.18%	51.82%	48.18%	51.82%
Street Lighting	30.63%	69.37%	30.63%	69.37%
Unmetered and Scattered	42.93%	57.07%	42.93%	57.07%

Variable Distribution Charge Calculation

Customer Class	Distribution Revenue Requirement	Fixed Revenue Proportion	Variable Revenue Proportion	Transformer Allowance	Total Volumetric Proportion	2011 Test Year Volumetric Billing Determinant	Unit	Proposed Volumetric Distribution Charge
Residential	8,699,058	4,991,751	3,707,307		3,707,307	258,520,606	kWh	0.0143
GS < 50 kW	1,797,243	460,534	1,336,709		1,336,709	75,044,767	kWh	0.0178
GS >50 to 999 kW	1,756,842	310,582	1,446,260	41,349	1,487,609	507,929	kW	2.9288
GS >1000 to 4999 kW	631,279	136,070	495,209		606,266	193,246	kW	3.1373
Large Use	539,603	101,268	438,335	0	438,335	173,521	kW	2.5261
Sentinel Lights	9,966	4,801	5,165		5,165	465	kW	11.1018
Street Lighting	127,633	39,091	88,543		88,543	17,810	kW	4.9716
Unmetered and Scattered	46,559	19,990	26,569		26,569	1,519,815	kWh	0.0175
<b>Total</b>	<b>13,608,183</b>	<b>6,064,086</b>	<b>7,544,097</b>	<b>152,407</b>	<b>7,696,504</b>			

## Low Voltage Costs Allocated by Customer Class

Customer Class	Retail Transmission Connection Rate (\$)		Basis for Allocation (\$)	Allocation Percentages	Allocated \$
	per KWh	per kW			
Residential	0.0047		1,215,047	37.01%	51,465
GS < 50 kW	0.0042		315,188	9.60%	13,350
GS >50 to 999 kW		1.9383	984,519	29.98%	41,701
GS >1000 to 4999 kW		1.9066	368,443	11.22%	15,606
Large Use		2.1323	369,999	11.27%	15,672
Sentinel Lights		1.3312	619	0.02%	26
Street Lighting		1.3038	23,220	0.71%	984
Unmetered and Scattered	0.0042		6,383	0.19%	270
<b>TOTALS</b>			<b>3,283,418</b>	<b>100.00%</b>	<b>139,074</b>

## RATES - Low Voltage Adjustment

Customer Class	LV Adj. Allocated	Calculated kWh	Calculated kW	Volumetric Rate Type	LV/ Adj. Rates/kWh	LV Adj. Rates/ kW
Residential	51,465	258,520,606		kWh	0.0002	
GS < 50 kW	13,350	75,044,767		kWh	0.0002	
GS >50 to 999 kW	41,701	187,300,109	507,929	kW		0.0821
GS >1000 to 4999 kW	15,606	94,342,584	193,246	kW		0.0808
Large Use	15,672	78,821,751	173,521	kW		0.0903
Sentinel Lights	26	167,188	465	kW		0.0564
Street Lighting	984	6,320,787	17,810	kW		0.0552
Unmetered and Scattered	270	1,519,815		kWh	0.0002	
<b>TOTALS</b>	<b>139,074</b>	<b>702,037,607</b>	<b>892,971</b>			



MILTON HYDRO DISTRIBUTION INC.

**2011 Test Year - Rate Rider**

Customer Class	Deferral and Variance Account Rate Riders (\$ per kWh	Deferral and Variance Account Rate Riders (\$ per kW	Smart Meter Rate Rider (\$) per Metered Cust./Month
Residential	(0.0007)		(0.43)
GS < 50 kW	(0.0008)		(0.43)
GS >50 to 999 kW		(0.3405)	(0.43)
GS >1000 to 4999 kW		(0.4110)	(0.43)
Large Use		(0.3564)	(0.43)
Sentinel Lights		(0.2828)	
Street Lighting		(0.3348)	
Unmetered and Scattered	(0.0007)		

## Proposed Rate Schedule - 2011 Test Year Filing

### 2011 TEST YEAR - BASE REVENUE DISTRIBUTION RATES

Customer Class	Connection	Customer	kW	kWh
Residential	0.00	15.36		0.0143
GS < 50 kW	0.00	16.78		0.0178
GS >50 to 999 kW	0.00	88.37	2.9288	
GS >1000 to 4999 kW	0.00	1,008.02	3.1373	
Large Use	0.00	4,219.51	2.5261	
Sentinel Lights	1.47		11.1018	
Street Lighting	1.14		4.9716	
Unmetered and Scattered	8.27			0.0175

### 2011 TEST YEAR - Low Voltage Distribution Rates

Customer Class	Connection	Customer	kW	kWh
Residential				0.0002
GS < 50 kW				0.0002
GS >50 to 999 kW			0.0821	
GS >1000 to 4999 kW			0.0808	
Large Use			0.0903	
Sentinel Lights			0.0564	
Street Lighting			0.0552	
Unmetered and Scattered				0.0002

Customer Class	Connection	Customer	kW	kWh
Residential				
GS < 50 kW				
GS >50 to 999 kW				
GS >1000 to 4999 kW				
Large Use				
Sentinel Lights				
Street Lighting				
Unmetered and Scattered				

Transformer Ownership Credit

(0.6000)

### Proposed Fixed Distribution Charges - 2011

	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)	Milton Hydro 2010 Rates from OEB Approved Tariff	Fixed Rate Proposed for 2011 Test Year to Maintain Existing Fixed/Variable Revenue Splits
Residential	19.59	13.71	15.36
GS < 50 kW	36.45	14.70	16.78
GS >50 to 999 kW	94.36	70.90	88.37
GS >1000 to 4999 kW	513.24	926.33	1,008.02
Large Use	295.40	4,126.26	4,219.51
Sentinel Lights	8.11	0.40	1.47
Street Lighting	8.46	0.16	1.14
Unmetered and Scattered	13.10	7.38	8.27

MILTON HYDRO DISTRIBUTION INC.

OTHER ELECTRICITY CHARGES

2010 Rates

Customer Class	Other Charges per kWh (\$)				Other Charges per kW (\$)				Cost of Power Commodity per kWh (\$)		Loss Adjustment Factor
	Retail Transmission Rate	Wholesale Market Service Rate	Debt Retirement Charge	Total	Retail Transmission Rate (from 8-6)	Wholesale Market Service Rate	Debt Retirement Charge	Total	First Block	Balance Block	2010
	per kWh	per kWh	per kWh	per kWh	per kW	per kW	per kW	per kW	per kWh	per kWh	
Residential	0.0106	0.0065	0.0070	0.0241	0.0000				0.0650	0.0750	1.0351
GS < 50 kW	0.0096	0.0065	0.0070	0.0231	0.0000				0.0650	0.0750	1.0351
GS >50 to 999 kW		0.0065	0.0070	0.0135	4.3688			4.3688	0.0650	0.0750	1.0351
GS >1000 to 4999 kW		0.0065	0.0070	0.0135	4.2971			4.2971	0.0650		1.0351
Large Use		0.0065	0.0070	0.0135	4.7209			4.7209	0.0650		1.0145
Sentinel Lights		0.0065	0.0070	0.0135	2.9857			2.9857	0.0650	0.0750	1.0351
Street Lighting		0.0065	0.0070	0.0135	2.9013			2.9013	0.0650	0.0750	1.0351
Unmetered and Scattered	0.0096	0.0065	0.0070	0.0231	0.0000				0.0650	0.0750	1.0351

2011 Rates

Customer Class	Other Charges per kWh (\$)				Other Charges per kW (\$)				Cost of Power Commodity per kWh (\$)		Loss Adjustment Factor
	Retail Transmission Rate	Wholesale Market Service Rate	Debt Retirement Charge	Total	Retail Transmission Rate (from 8-6)	Wholesale Market Service Rate	Debt Retirement Charge	Total	First Block	Balance Block	2011
	per kWh	per kWh	per kWh	per kWh	per kW	per kW	per kW	per kW	per kWh	per kWh	
Residential	0.0101	0.0065	0.0070	0.0236	0.0000				0.0650	0.0750	1.0362
GS < 50 kW	0.0092	0.0065	0.0070	0.0227	0.0000				0.0650	0.0750	1.0362
GS >50 to 999 kW		0.0065	0.0070	0.0135	4.1732			4.1732	0.0650	0.0750	1.0362
GS >1000 to 4999 kW		0.0065	0.0070	0.0135	4.1047			4.1047	0.0650		1.0362
Large Use		0.0065	0.0070	0.0135	4.5117			4.5117	0.0650		1.0048
Sentinel Lights		0.0065	0.0070	0.0135	2.8524			2.8524	0.0650	0.0750	1.0362
Street Lighting		0.0065	0.0070	0.0135	2.8175			2.8175	0.0650	0.0750	1.0362
Unmetered and Scattered	0.0092	0.0065	0.0070	0.0227	0.0000				0.0650	0.0750	1.0362

**BILL IMPACTS (Monthly Consumptions)**

RESIDENTIAL									
Consumption	2010 BILL				2011 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	%	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼
Monthly Service Charge		13.71			13.30	1.65	12.65%	53.32%	
Distribution (kWh)	100	0.0128	1.28	100	0.0143	1.43	0.15	11.72%	4.86%
Low Voltage Rider (kWh)	100	0.0002	0.02	100	0.0002	0.02	0.00	0.00%	0.00%
Smart Meter Rider (per month)	▲ ▼ ▲ ▼	2.16	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	2.16	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼
LVRM & SSM Rider (kWh)	100	0.00	0.00	100	0.0000	0.00	0.00	0.00%	0.00%
Deferral & Variance Accr (kWh)	100	0.0000	0.00	100	0.0000	0.00	0.00	0.00%	0.00%
<b>Distribution Sub-Total</b>			<b>15.18</b>			<b>16.21</b>	<b>0.46</b>	<b>3.03%</b>	<b>96.45%</b>
Retail Transmission (kWh)	104	0.0100	1.10	104	0.010125200	1.05	0.03	11.36%	3.84%
<b>Delivery Sub-Total</b>			<b>17.89</b>			<b>17.26</b>	<b>0.59</b>	<b>3.24%</b>	<b>66.26%</b>
Other Charges (kWh)	104	0.0100	1.40	104	0.0100	1.40	0.00	0.00%	4.11%
Cost of Power Connectivity (kWh)	104	0.0000	0.12	104	0.0000	0.12	0.00	0.00%	22.38%
<b>Total Bill Before Taxes</b>			<b>26.01</b>			<b>25.49</b>	<b>-0.52</b>	<b>-1.99%</b>	<b>66.36%</b>
GST HST	13.00%	3.36		13.00%	3.31	0.01	1.99%	11.49%	
<b>Total Bill</b>			<b>29.37</b>			<b>28.81</b>	<b>-0.55</b>	<b>-1.89%</b>	<b>100.00%</b>

RESIDENTIAL									
Consumption	2010 BILL				2011 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	%	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼
Monthly Service Charge		13.71			13.30	1.65	12.64%	32.68%	
Distribution (kWh)	250	0.0128	3.20	250	0.0143	3.58	0.38	11.72%	7.68%
Low Voltage Rider (kWh)	250	0.0002	0.05	250	0.0002	0.05	0.00	0.00%	0.11%
Smart Meter Rider (per month)	▲ ▼ ▲ ▼	2.16	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	2.16	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼
LVRM & SSM Rider (kWh)	250	0.00	0.00	250	0.0000	0.00	0.00	0.00%	0.00%
Deferral & Variance Accr (kWh)	250	0.0000	0.00	250	0.0000	0.00	0.00	0.00%	0.00%
<b>Distribution Sub-Total</b>			<b>16.17</b>			<b>16.29</b>	<b>0.22</b>	<b>1.39%</b>	<b>38.26%</b>
Retail Transmission (kWh)	259	0.0100	2.74	259	0.010125200	2.62	0.12	4.36%	3.61%
<b>Delivery Sub-Total</b>			<b>26.91</b>			<b>26.91</b>	<b>0.00</b>	<b>0.00%</b>	<b>46.97%</b>
Other Charges (kWh)	259	0.0100	3.46	259	0.0100	3.50	0.04	0.11%	7.48%
Cost of Power Connectivity (kWh)	259	0.0000	16.82	259	0.0000	16.84	0.02	0.11%	36.04%
<b>Total Bill Before Taxes</b>			<b>46.33</b>			<b>46.24</b>	<b>-0.02</b>	<b>-0.04%</b>	<b>56.39%</b>
GST HST	13.00%	5.36		13.00%	5.37	0.02	0.04%	11.00%	
<b>Total Bill</b>			<b>46.59</b>			<b>46.72</b>	<b>0.13</b>	<b>0.28%</b>	<b>100.00%</b>

RESIDENTIAL									
Consumption	2010 BILL				2011 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	%	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼
Monthly Service Charge		13.71			13.30	1.65	12.64%	20.06%	
Distribution (kWh)	500	0.0128	6.40	500	0.0143	7.15	0.75	11.72%	9.34%
Low Voltage Rider (kWh)	500	0.0002	0.10	500	0.0002	0.10	0.00	0.00%	0.13%
Smart Meter Rider (per month)	▲ ▼ ▲ ▼	2.16	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	2.16	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼	▲ ▼ ▲ ▼
LVRM & SSM Rider (kWh)	500	0.00	0.00	500	0.0000	0.00	0.00	0.00%	0.00%
Deferral & Variance Accr (kWh)	500	0.0000	0.00	500	0.0000	0.00	0.00	0.00%	0.00%
<b>Distribution Sub-Total</b>			<b>26.47</b>			<b>27.44</b>	<b>0.97</b>	<b>3.71%</b>	<b>29.25%</b>
Retail Transmission (kWh)	516	0.0100	5.16	516	0.010125200	5.20	0.04	0.78%	6.46%
<b>Delivery Sub-Total</b>			<b>25.96</b>			<b>27.69</b>	<b>1.73</b>	<b>6.70%</b>	<b>35.28%</b>
Other Charges (kWh)	516	0.0100	5.16	516	0.0100	5.00	0.00	0.00%	9.17%
Cost of Power Connectivity (kWh)	516	0.0000	33.64	516	0.0000	33.69	0.05	0.15%	43.98%
<b>Total Bill Before Taxes</b>			<b>66.56</b>			<b>67.78</b>	<b>1.18</b>	<b>1.77%</b>	<b>66.36%</b>
GST HST	13.00%	8.66		13.00%	8.61	0.10	1.77%	11.00%	
<b>Total Bill</b>			<b>75.24</b>			<b>76.37</b>	<b>1.13</b>	<b>1.50%</b>	<b>100.00%</b>

RESIDENTIAL									
		2010 BILL			2011 BILL			IMPACT	
	Volume	RATE	CHARGE	Volume	RATE	CHARGE	%	% of Total Bill	
Consumption									
800 kWh									
Monthly Service Charge			13.71			16.36	1.65	12.05%	
Chattelment (Units)	800	0.2028	162.24	800	0.2043	163.44	0.20	15.72%	
Low Income Discount	800	0.20	160.00	800	0.20	160.00	0.00	15.65%	
Electricity Meter (per month)			2.16			2.43	0.28	1.86%	
(Water & S&M Rate (kWh)			0.00	800	0.0000	0.00	0.00	0.00%	
Cablevision & Voluntary Act (kWh)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	
Distribution Sub-Total	800		343.11	800		339.79	-3.32	-0.96%	
Retail Transmission	800	0.0018	1.44	800	0.0018	1.44	0.00	0.43%	
Delivery Sub-Total			344.55			341.23	-3.32	-0.96%	
Other Charges (Units)	800	0.0018	1.44	800	0.0018	1.44	0.00	0.43%	
Cost of Power (Chattelment) (Units)	800	0.0003	0.24	800	0.0003	0.24	0.00	0.17%	
Total Bill Before Taxes	800		690.01	800		680.46	-9.55	-1.38%	
GST/HST	12.00%		82.80	12.00%		81.66	-1.14	-0.17%	
Total Bill			772.81			762.12	-10.69	-1.38%	

[illegible]

RESIDENTIAL									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	\$	% of Total bill
Consumption	Monthly Service Charge	1,500	0.0000	0.00	1,500	0.0000	0.00	0.00	0.00%
	Destruction (Watts)	1,500	0.0020	3.00	1,500	0.0040	6.00	2.25	13.75%
	Low Voltage Return (Watts)	1,500	0.0005	0.45	1,500	0.0005	0.30	-0.15	(33.33%)
	Ground Metal Pallet (per month)	1	0.0000	0.00	1	0.0000	0.00	0.00	0.00%
	Lighting & SODI Return (Watts)	1,500	0.0000	0.00	1,500	0.0000	0.00	0.00	0.00%
	Deformed & Ventured Area (Watts)	1,500	0.000000	0.00	1,500	0.000000	0.00	0.00	0.00%
	Deformed & Ventured Area (Watts)	1,500	0.000000	0.00	1,500	0.000000	0.00	0.00	0.00%
	Deformed & Ventured Area (Watts)	1,500	0.000000	0.00	1,500	0.000000	0.00	0.00	0.00%
	Deformed & Ventured Area (Watts)	1,500	0.000000	0.00	1,500	0.000000	0.00	0.00	0.00%
	Deformed & Ventured Area (Watts)	1,500	0.000000	0.00	1,500	0.000000	0.00	0.00	0.00%
Delivery Sub-Total		1,500	0.0000	29.07	1,500	0.0000	29.07	0.00	0.00%
Other Charges		1,500	0.0000	0.00	1,500	0.0000	0.00	0.00	0.00%
Cost of Power (Consumption)		1,500	0.0000	0.00	1,500	0.0000	0.00	0.00	0.00%
Total Bill Before Taxes		1,500	0.0000	29.07	1,500	0.0000	29.07	0.00	0.00%
GST (WAT)		1,500	0.0000	0.00	1,500	0.0000	0.00	0.00	0.00%
Total Bill		1,500	0.0000	29.07	1,500	0.0000	29.07	0.00	0.00%

RESIDENTIAL										
Consumption 2,000 kWh	2010 BILL					2011 BILL				IMPACT
	Volume	RATE	CHARGE	Volume	RATE	CHARGE	%	% of Total Bill		
		\$	\$		\$	\$				
	Monthly Service Charge									
	Chlorination (W/M)	2,000	0.028	25.00	2,000	0.0343	28.30	3.30	12.00%	0.01%
	Low Voltage (watts)	2,000	0.0001	0.20	2,000	0.0001	0.40	0.20	0.12%	0.00%
	Smart Meter (fee per month)		0.00	2.15		0.00	15.40	22.90	130.00%	0.15%
	SWMS & SSM Rider (watts)	2,000	0.00	0.00	2,000	0.0000	0.00	0.00	0.00%	0.00%
	Chlorinal & Vanance Acid (W/M)	2,000	0.00301	57.20	2,000	0.00071	6.36	5.46	92.85%	0.25%
	<b>Distribution Sub-Total</b>			<b>142.55</b>			<b>49.39</b>	<b>8.42</b>	<b>58.84%</b>	<b>0.41%</b>
	Fixed Charges (watts)	2,070	0.0106	21.74	2,070	0.0107	22.16	0.00	0.00%	0.07%
	<b>Delivery Sub-Total</b>			<b>56.51</b>			<b>63.58</b>	<b>7.38</b>	<b>13.16%</b>	<b>0.48%</b>
	Other Charges (watts)	2,070	0.0138	27.85	2,070	0.0130	27.38	0.028	0.11%	1.04%
	Cost of Power Commodity (Watts)	2,070	0.0050	10.35	2,070	0.0050	10.30	0.142	0.11%	32.89%
	<b>Total Bill Before Taxes</b>			<b>218.37</b>			<b>209.26</b>	<b>7.93</b>	<b>3.44%</b>	<b>85.50%</b>
	GST (watt)		13.00%	28.40		13.00%	25.41	0.08	3.44%	1.00%
	<b>Total Bill</b>			<b>247.16</b>			<b>235.67</b>	<b>8.31</b>	<b>3.44%</b>	<b>100.00%</b>

GENERAL SERVICE < 50 KW										
Consumption		2010 BILL			2011 BILL			IMPACT		
		Value	RATE \$	CHARGE \$	Value	RATE \$	CHARGE \$	\$	%	% of Total Bill
		Value	\$		Value	\$				
1,000 kWh	Monthly Service Charge	14.70			14.70			2.08	14.15%	11.03%
	Distribution (kWh)	0.0160	15.00	0.24	0.0170	17.50	2.55	14.10%	12.03%	
	Loss Voltage Rider (kWh)	0.0002	0.00	0.00	0.0002	0.00	0.00	0.00%	0.14%	
	Fixed Meter Rider (per month)	2.16			2.16			0.43	2.08	(110.00%)
	RAMS & SDR Rider (kWh)	0.000	0.00	0.00	0.000	0.00	0.00	0.00%	0.00%	
	Deferral & Variance Adj (kWh)	0.000	0.000071	0.00	0.0000	0.00	0.00	0.00%	0.00%	
	Utilities Sub-Total	34.86			34.86			4.44	12.86%	29.86%
	Retail Transmission (kWh)	0.000	0.0000	0.00	0.00000071	0.00	0.00	0.00%	0.00%	
	Delivery Sub-Total	34.86			41.89			4.18	10.76%	29.86%
	Other Charges (kWh)	0.0100	13.87	1.39	0.0100	13.89	0.01	0.11%	9.81%	
	Cost of Power Conmodity (kWh)	600	0.0000	30.00	600	0.0000	30.00	0.00%	29.80%	
	Cost of Power Conmodity (kWh)	400	0.0100	40.00	400	0.0100	40.00	0.00%	29.80%	
	Total Bill Before Taxes	124.86			124.86			54.29	44.30%	88.30%
	Taxes	13.04%	16.19		13.04%	16.19		0.44%	11.03%	
	Total Bill	140.80			140.80			54.73	39.60%	100.00%

GENERAL SERVICE < 50 KW										
Consumption		2010 BILL			2011 BILL			IMPACT		
		Value	RATE \$	CHARGE \$	Value	RATE \$	CHARGE \$	\$	%	% of Total Bill
		Value	\$		Value	\$				
2,000 kWh	Monthly Service Charge	14.70			14.70			2.08	14.15%	0.01%
	Distribution (kWh)	0.0160	15.00	0.24	0.0170	17.50	4.45	14.10%	12.03%	
	Loss Voltage Rider (kWh)	0.0002	0.40	0.00	0.0002	0.40	0.00	0.00%	0.14%	
	Fixed Meter Rider (per month)	2.16			2.16			0.43	2.08	(110.00%)
	RAMS & SDR Rider (kWh)	0.000	0.00	0.00	0.000	0.00	0.00	0.00%	0.00%	
	Deferral & Variance Adj (kWh)	0.000	0.000071	0.00	0.0000	0.00	0.00	0.00%	0.00%	
	Utilities Sub-Total	41.86			41.86			9.76	23.76%	18.19%
	Retail Transmission (kWh)	0.000	0.0000	0.00	0.00000071	0.00	0.00	0.00%	0.00%	
	Delivery Sub-Total	41.86			41.86			9.76	23.76%	18.19%
	Other Charges (kWh)	0.0100	27.05	2.71	0.0100	27.05	0.01	0.11%	10.01%	
	Cost of Power Conmodity (kWh)	600	0.0000	30.00	600	0.0000	30.00	0.00%	13.36%	
	Cost of Power Conmodity (kWh)	1,400	0.0100	140.00	1,400	0.0100	140.00	0.10%	39.33%	
	Total Bill Before Taxes	206.16			206.16			59.87	29.04%	88.30%
	Taxes	13.04%	26.86		13.04%	26.86		1.00	0.51%	11.03%
	Total Bill	233.01			233.01			60.87	26.56%	100.00%

GENERAL SERVICE < 50 KW									
Consumption	5,000 kWh	2010 BILL			2011 BILL			IMPACT	
		Value	RATE	CHARGE	Value	RATE	CHARGE	\$	% of Total Bill
		\$	¢	\$	\$	¢	\$	\$	%
Monthly Service Charge		14.70			14.70			2.08	14.15%
Distribution (kWh)		0.0168		24.00	0.0178		28.00	11.92%	13.27%
Loss Voltage Rider (kWh)		0.0002		1.00	0.0002		1.00	0.00%	0.10%
Fixed Meter Rider (per month)		2.16			2.16			(11.00%)	(0.29%)
RAMS & SDR Rider (kWh)		0.00		0.00	0.00		0.00	0.00%	0.00%
Deferred & Variance Adj (kWh)		(0.0037)		(10.50)	0.0000		(0.0000)	(10.50)	(0.36%)
Distribution Sub-Total				15.26			18.00	28.16	20.80%
Rural Transmission (kWh)		0.0000		0.00	0.0000		0.00	0.00%	0.00%
Delivery Sub-Total				15.26			18.00	28.16	20.80%
Other Charges (kWh)		0.0135		60.87	0.0135		60.89	0.02	0.11%
Cost of Power Conmodity (kWh)		0.0000		30.00	0.0000		30.00	0.00	0.00%
Cost of Power Conmodity (kWh)		0.0190		246.16	0.0190		246.16	0.01	0.12%
Total Bill Before Taxes				271.68			304.24	324.44	86.30%
EST TAXES		13.04%		35.28	13.04%		39.35	4.09%	11.00%
Total Bill				306.96			343.59	4.00%	100.00%

GENERAL SERVICE < 50 KW									
Consumption	10,000 kWh	2010 BILL			2011 BILL			IMPACT	
		Value	RATE	CHARGE	Value	RATE	CHARGE	\$	% of Total Bill
		\$	¢	\$	\$	¢	\$	\$	%
Monthly Service Charge		14.70			14.70			2.08	14.15%
Distribution (kWh)		0.0168		180.00	0.0178		178.00	22.00	13.18%
Loss Voltage Rider (kWh)		0.0002		2.00	0.0002		2.00	0.00%	0.10%
Fixed Meter Rider (per month)		2.16			2.16			(11.00%)	(0.29%)
RAMS & SDR Rider (kWh)		0.00		0.00	0.00		0.00	0.00%	0.00%
Deferred & Variance Adj (kWh)		(0.0037)		(10.50)	0.0000		(0.0000)	(10.50)	(0.36%)
Distribution Sub-Total				181.46			186.49	34.47	13.84%
Rural Transmission (kWh)		0.0000		00.00	0.0000		00.00	(1.00)	(0.41%)
Delivery Sub-Total				181.46			186.49	34.47	13.84%
Other Charges (kWh)		0.0135		120.74	0.0135		120.89	0.15	0.10%
Cost of Power Conmodity (kWh)		0.0000		30.00	0.0000		30.00	0.00	0.00%
Cost of Power Conmodity (kWh)		0.0190		770.30	0.0190		770.34	0.00	0.11%
Total Bill Before Taxes				1,002.50			1,087.21	84.71	8.32%
EST TAXES		13.04%		130.44	13.04%		141.71	6.10	5.53%
Total Bill				1,132.94			1,228.92	95.24	8.39%

GENERAL SERVICE < 50 KW									
Consumption	15,000 kWh	2010 BILL			2011 BILL			IMPACT	
		Value	RATE	CHARGE	Value	RATE	CHARGE	\$	% of Total Bill
		\$	¢	\$	\$	¢	\$	\$	%
Monthly Service Charge		14.70			14.70			2.08	14.15%
Distribution (kWh)		0.0168		244.00	0.0178		267.00	33.00	14.10%
Loss Voltage Rider (kWh)		0.0002		2.00	0.0002		2.00	0.00%	0.10%
Fixed Meter Rider (per month)		2.16			2.16			(11.00%)	(0.29%)
RAMS & SDR Rider (kWh)		0.00		0.00	0.0000		0.00	0.00%	0.00%
Deferred & Variance Adj (kWh)		(0.0037)		(10.50)	0.0000		(0.0000)	(11.40)	(0.31%)
Distribution Sub-Total				235.56			274.67	38.51	13.81%
Rural Transmission (kWh)		0.0000		00.00	0.0000		00.00	0.00	0.00%
Delivery Sub-Total				235.56			274.67	38.51	13.81%
Other Charges (kWh)		0.0135		200.61	0.0135		200.60	0.01	0.11%
Cost of Power Conmodity (kWh)		0.0000		30.00	0.0000		30.00	0.00	0.00%
Cost of Power Conmodity (kWh)		0.0190		765.00	0.0190		765.00	0.00	0.00%
Total Bill Before Taxes				1,031.17			1,070.27	39.10	3.70%
EST TAXES		13.04%		134.30	13.04%		139.46	5.16	0.48%
Total Bill				1,165.47			1,209.73	44.26	3.78%

GENERAL SERVICE > 50 to 999kW									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			70.00			88.37	17.47	24.64%
	Distribution (kW)	60	2.3008	141.05	60	2.5088	175.73	33.76	23.80%
	Low Voltage Rider (kW)	60	0.1238	6.81	60	0.0881	4.89	-1.92	-27.97%
	Small Meter Rider (per month)	60	0.16	2.16	60	0.16	2.16	0.00	0.00%
	AVOID & SDR Rider (kW)	60	0.00	0.00	60	0.0000	0.00	0.00	0.00%
	Deferred & Variance Adj (kW)	60	(1.1646)	(69.84)	60	(0.3405)	(20.43)	49.43	(70.75%)
	Distribution Sub-Total			188.36			238.35	49.99	26.80%
	Retail Transmission (kW)	60	4.3688	262.13	60	4.173183625	250.38	-11.75	-4.48%
	Delivery Sub-Total			414.68			388.74	-25.95	-6.26%
	Other Charges (kW)	31.053	0.0735	419.23	31.050	0.07125	419.38	0.44	0.11%
Cost of Power Commodity (kW)		31.053	0.0850	2,634.45	31.050	0.0850	2,635.57	2.12	0.11%
Total Bill Before Taxes				3,868.79			3,869.31	0.42	0.01%
GST HST			13.00%	503.72		13.00%	503.38	-0.34	-0.01%
Total Bill				3,285.47			3,285.95	0.48	0.14%

GENERAL SERVICE > 50 to 999kW									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			70.00			88.37	17.47	24.64%
	Distribution (kW)	100	2.3008	230.08	100	2.5088	250.88	20.80	9.03%
	Low Voltage Rider (kW)	100	0.1238	11.35	100	0.0881	8.81	-2.54	-22.47%
	Small Meter Rider (per month)	100	0.16	2.16	100	0.16	2.16	0.00	0.00%
	AVOID & SDR Rider (kW)	100	0.00	0.00	100	0.0000	0.00	0.00	0.00%
	Deferred & Variance Adj (kW)	100	(1.1646)	(116.46)	100	(0.3405)	(34.05)	82.41	(70.75%)
	Distribution Sub-Total			266.65			307.27	40.62	15.40%
	Retail Transmission (kW)	100	4.3688	436.88	100	4.173183625	417.32	-19.56	-4.48%
	Delivery Sub-Total			643.43			624.59	-18.84	-2.93%
	Other Charges (kW)	77.623	0.0735	1,048.24	77.714	0.07125	1,048.14	-1.10	-0.11%
Cost of Power Commodity (kW)		77.623	0.0850	3,244.77	77.714	0.0850	3,245.48	0.71	0.02%
Total Bill Before Taxes				6,735.38			6,895.48	160.10	2.39%
GST HST			13.00%	875.60		13.00%	895.81	20.21	2.35%
Total Bill				7,611.23			7,791.29	180.06	2.36%

GENERAL SERVICE > 50 to 999kW									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			70.00			88.37	17.47	24.64%
	Distribution (kW)	500	2.3008	1,150.40	500	2.5088	1,254.40	104.00	9.03%
	Low Voltage Rider (kW)	500	0.1238	61.70	500	0.0881	44.05	-17.65	-28.61%
	Small Meter Rider (per month)	500	0.16	2.16	500	0.16	2.16	0.00	0.00%
	AVOID & SDR Rider (kW)	500	0.00	0.00	500	0.0000	0.00	0.00	0.00%
	Deferred & Variance Adj (kW)	500	(1.1646)	(582.30)	500	(0.3405)	(170.25)	412.05	(70.75%)
	Distribution Sub-Total			728.31			1,088.23	359.92	49.38%
	Retail Transmission (kW)	500	4.3688	2,184.40	500	4.173183625	2,086.59	-97.81	-4.48%
	Delivery Sub-Total			3,312.71			3,174.82	-137.89	-4.19%
	Other Charges (kW)	207.230	0.0735	2,794.77	207.230	0.07125	2,792.72	-2.05	-0.07%
Cost of Power Commodity (kW)		207.230	0.0850	13,456.30	207.230	0.0850	13,450.48	-5.82	-0.04%
Total Bill Before Taxes				19,163.68			19,788.31	624.63	3.26%
GST HST			13.00%	2,491.26		13.00%	2,572.17	80.91	3.11%
Total Bill				21,654.94			22,360.48	705.54	3.26%

GENERAL SERVICE > 50 to 999KW									
		2010 BILL		2011 BILL		IMPACT		Change	% of Total Bill
		Volume	RATE \$	Volume	RATE \$	Change	Change		
		Volume	CHARGE \$	Volume	CHARGE \$	Change	Change		
Consumption	Monthly Service Charge		70.00		88.27	17.47	24.64%	0.1%	
	Distribution (kW)	1,000	2,360	1,000	2,628	268.00	10.00%	2.6%	
	Loss Voltage Rider (kW)	1,000	6,119	1,000	6,091	-28.00	-0.4%	(0.7%)	
	Energy Meter Rider (per month)	■	2.16	■	2.16	0.00	0.00%	0.00%	
	WADA & SDA Rider (kW)	1,000	0.00	1,000	0.00	0.00	0.00%	0.00%	
	Industrial & Warehouse Area (kW)	1,000	(1,164.40)	1,000	(1,340.00)	(175.60)	-15.0%	(15.3%)	
	Distribution Sub-Total		5,387.66		5,766.43	378.77	7.0%	3.8%	
	Rural Transmission (kW)	1,000	4,368.40	1,000	4,173.18	(195.22)	-4.5%	(5.1%)	
	Delivery Sub-Total		9,756.06		9,939.61	183.55	1.9%	0.8%	
	Other Charges (kW)	608,000	0.0135	11,176.08	608,000	0.0135	11,192.67	0.1%	12.7%
Total Bill Before Taxes	Cost of Power (Community (kW))	828,000	0.0050	53,805.20	828,000	0.0050	53,881.84	0.1%	68.22%
			79,743.84		79,989.49	245.65	0.3%	0.3%	
	GST (kW)	13,00%	9,168.94	13,00%	9,360.90	191.96	2.1%	11.0%	
Total Bill			79,989.98		80,350.39	360.41	0.5%	0.6%	

GENERAL SERVICE > 50 to 999KW									
		2010 BILL		2011 BILL		IMPACT		Change	% of Total Bill
		Volume	RATE \$	Volume	RATE \$	Change	Change		
		Volume	CHARGE \$	Volume	CHARGE \$	Change	Change		
Consumption	Monthly Service Charge		60.00		88.27	17.47	24.64%	0.0%	
	Distribution (kW)	4,000	2,360	4,000	2,628	268.00	10.00%	6.5%	
	Loss Voltage Rider (kW)	4,000	6,119	4,000	6,091	-28.00	(0.4%)	(0.1%)	
	Energy Meter Rider (per month)	■	2.16	■	2.16	0.00	0.00%	0.00%	
	WADA & SDA Rider (kW)	4,000	0.00	4,000	0.00	0.00	0.00%	0.00%	
	Industrial & Warehouse Area (kW)	4,000	(1,164.40)	4,000	(1,340.00)	(175.60)	-15.0%	(15.3%)	
	Distribution Sub-Total		5,532.66		5,409.34	(123.32)	-2.2%	(2.2%)	
	Rural Transmission (kW)	4,000	4,368.40	4,000	4,173.18	(195.22)	-4.5%	(4.8%)	
	Delivery Sub-Total		9,895.06		9,582.52	(312.54)	-3.1%	(3.1%)	
	Other Charges (kW)	1,008,000	0.0135	22,268.16	1,008,000	0.0135	22,381.73	0.1%	12.5%
Total Bill Before Taxes	Cost of Power (Community (kW))	1,008,000	0.0050	50,750.40	1,008,000	0.0050	50,750.80	0.0%	60.5%
			152,816.42		152,816.32	(0.10)	(0.0%)	(0.0%)	
	GST (kW)	13,00%	19,868.15	13,00%	19,868.78	0.63	0.0%	0.0%	
Total Bill			192,684.57		192,685.10	0.53	0.0%	0.0%	

GENERAL SERVICE > 50 to 999KW									
		2010 BILL		2011 BILL		IMPACT		Change	% of Total Bill
		Volume	RATE \$	Volume	RATE \$	Change	Change		
		Volume	CHARGE \$	Volume	CHARGE \$	Change	Change		
Consumption	Monthly Service Charge		70.00		88.27	17.47	24.64%	0.0%	
	Distribution (kW)	5,400	2,360	5,400	2,628	268.00	10.00%	2.3%	
	Loss Voltage Rider (kW)	5,400	6,119	5,400	6,091	-28.00	(0.4%)	(0.7%)	
	Energy Meter Rider (per month)	■	2.16	■	2.16	0.00	0.00%	0.00%	
	WADA & SDA Rider (kW)	5,400	0.00	5,400	0.00	0.00	0.00%	0.00%	
	Industrial & Warehouse Area (kW)	5,400	(1,164.40)	5,400	(1,340.00)	(175.60)	-15.0%	(15.3%)	
	Distribution Sub-Total		7,173.52		7,388.39	214.87	3.0%	3.0%	
	Rural Transmission (kW)	5,400	4,368.40	5,400	4,173.18	(195.22)	-4.5%	(4.5%)	
	Delivery Sub-Total		11,541.92		11,561.57	19.65	0.2%	0.2%	
	Other Charges (kW)	2,484,000	0.0135	33,527.40	2,484,000	0.0135	33,575.00	0.1%	12.3%
Total Bill Before Taxes	Cost of Power (Community (kW))	2,484,000	0.0050	124,200.00	2,484,000	0.0050	124,200.00	0.0%	67.0%
			235,771.68		235,771.68	0.00	0.0%	0.0%	
	GST (kW)	13,00%	29,251.12	13,00%	29,251.14	0.02	0.0%	0.0%	
Total Bill			295,022.80		295,022.82	0.02	0.0%	0.0%	

GENERAL SERVICE > 1000 to 4999KW									
Consumption	2010 BILL				2011 BILL				IMPACT
	Volume	RATE	CHARGE	Volume	RATE	CHARGE	Change	Change	
			\$			\$	\$	% of Total Bill	
Monthly Service Charge	60	2.8258	169.55	60	3.1273	187.64	18.09	10.67%	4.30%
Distribution (kW)	60	0.1118	6.70	60	0.0809	4.85	(1.85)	(27.61%)	0.11%
Line Voltage Rider (kW)	60	2.16	12.96	60	2.16	12.96	0.00	0.00%	0.00%
Energy Meter Rider (per month)	60	0.00	0.00	60	0.0000	0.00	0.00	0.00%	0.00%
AVOID & SISA Rider (kW)	60	0.00	0.00	60	0.0000	0.00	0.00	0.00%	0.00%
Industrial & Commercial (kW)	60	0.0000	0.00	60	0.0000	0.00	0.00	0.00%	0.00%
<b>Distribution Sub-Total</b>			<b>1,026.42</b>			<b>1,078.81</b>	<b>52.39</b>	<b>5.19%</b>	<b>28.99%</b>
Retail Transmission (kW)	60	4.2821	256.93	60	4.104700483	249.28	(7.65)	(2.94%)	0.64%
<b>Delivery Sub-Total</b>			<b>1,283.35</b>			<b>1,328.09</b>	<b>44.74</b>	<b>3.48%</b>	<b>32.63%</b>
Other Charges (kW)	31,082	0.0135	419.22	31,080	0.0135	419.26	0.44	0.11%	0.01%
Cost of Power Conveyance (kW)	31,082	0.0000	0.00	31,080	0.0000	0.00	0.00	0.00%	0.00%
<b>Total Bill Before Taxes</b>			<b>3,729.29</b>			<b>3,866.12</b>	<b>136.83</b>	<b>3.67%</b>	<b>68.50%</b>
GST (HST)		13.00%	484.80			502.60	117.80	24.4%	11.50%
<b>Total Bill</b>			<b>4,214.09</b>			<b>4,368.72</b>	<b>154.63</b>	<b>3.67%</b>	<b>100.00%</b>

GENERAL SERVICE > 1000 to 4999KW									
Consumption	2010 BILL				2011 BILL				IMPACT
	Volume	RATE	CHARGE	Volume	RATE	CHARGE	Change	Change	
			\$			\$	\$	% of Total Bill	
Monthly Service Charge	100	2.8258	282.58	100	3.1273	312.73	30.15	10.67%	4.30%
Distribution (kW)	100	0.1218	12.18	100	0.0809	8.09	(4.09)	(33.57%)	0.09%
Line Voltage Rider (kW)	100	2.16	21.60	100	2.16	21.60	0.00	0.00%	0.00%
Energy Meter Rider (per month)	100	0.00	0.00	100	0.0000	0.00	0.00	0.00%	0.00%
AVOID & SISA Rider (kW)	100	0.00	0.00	100	0.0000	0.00	0.00	0.00%	0.00%
Industrial & Commercial (kW)	100	0.0000	0.00	100	0.0000	0.00	0.00	0.00%	0.00%
<b>Distribution Sub-Total</b>			<b>1,026.37</b>			<b>1,086.89</b>	<b>60.52</b>	<b>5.90%</b>	<b>14.84%</b>
Retail Transmission (kW)	100	4.2821	428.21	100	4.104700483	410.47	(17.74)	(4.14%)	0.64%
<b>Delivery Sub-Total</b>			<b>1,454.58</b>			<b>1,497.36</b>	<b>42.78</b>	<b>2.94%</b>	<b>19.48%</b>
Other Charges (kW)	77,622	0.0135	1,046.94	77,714	0.0135	1,046.14	(80.00)	(0.76%)	0.01%
Cost of Power Conveyance (kW)	77,622	0.0000	0.00	77,714	0.0000	0.00	0.00	0.00%	0.00%
<b>Total Bill Before Taxes</b>			<b>3,527.23</b>			<b>3,543.84</b>	<b>66.61</b>	<b>1.89%</b>	<b>68.50%</b>
GST (HST)		13.00%	458.51			460.70	6.19	1.34%	11.50%
<b>Total Bill</b>			<b>3,985.74</b>			<b>4,004.54</b>	<b>18.80</b>	<b>0.47%</b>	<b>100.00%</b>

GENERAL SERVICE > 1000 to 4999KW									
Consumption	2010 BILL				2011 BILL				IMPACT
	Volume	RATE	CHARGE	Volume	RATE	CHARGE	Change	Change	
			\$			\$	\$	% of Total Bill	
Monthly Service Charge	500	2.8258	1,412.90	500	3.1273	1,563.65	150.75	10.67%	4.30%
Distribution (kW)	500	0.1218	60.90	500	0.0809	40.45	(20.45)	(33.57%)	0.17%
Line Voltage Rider (kW)	500	2.16	1,080.00	500	2.16	1,080.00	0.00	0.00%	0.01%
Energy Meter Rider (per month)	500	0.00	0.00	500	0.0000	0.00	0.00	0.00%	0.00%
AVOID & SISA Rider (kW)	500	0.00	0.00	500	0.0000	0.00	0.00	0.00%	0.00%
Industrial & Commercial (kW)	500	0.0000	0.00	500	0.0000	0.00	0.00	0.00%	0.00%
<b>Distribution Sub-Total</b>			<b>1,473.80</b>			<b>1,604.10</b>	<b>130.30</b>	<b>8.85%</b>	<b>19.89%</b>
Retail Transmission (kW)	500	4.2821	2,141.05	500	4.104700483	2,052.35	(88.70)	(4.14%)	0.70%
<b>Delivery Sub-Total</b>			<b>3,614.85</b>			<b>3,656.45</b>	<b>41.60</b>	<b>1.15%</b>	<b>19.89%</b>
Other Charges (kW)	207,020	0.0135	2,794.77	207,230	0.0135	2,797.12	2.35	0.08%	0.01%
Cost of Power Conveyance (kW)	207,020	0.0000	0.00	207,230	0.0000	0.00	0.00	0.00%	0.00%
<b>Total Bill Before Taxes</b>			<b>7,888.62</b>			<b>7,953.62</b>	<b>65.00</b>	<b>0.83%</b>	<b>68.50%</b>
GST (HST)		13.00%	1,026.16			1,034.07	7.91	0.77%	11.50%
<b>Total Bill</b>			<b>8,914.78</b>			<b>8,987.69</b>	<b>72.91</b>	<b>0.81%</b>	<b>100.00%</b>

GENERAL SERVICE > 1000 to 4999KW									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change	% of Total Bill
Consumption	Monthly Service Charge			600.00			1,000.00	400.00	66.67%
	Distribution (kW)	1,000	2.0000	2,000.00	1,000	3.1273	3,127.30	1,127.30	56.37%
	Loss Voltage Rider (kW)	1,000	0.1118	111.80	1,000	0.0000	80.80	(30.80)	(27.49%)
	Energy Meter Rider (per month)	1	2.16	2.16	1	2.16	0.00	0.00%	0.00%
	LVMS & SDR Rider (kW)	1,000	0.00	0.00	1,000	0.0000	0.00	0.00	0.00%
	Industrial & Warehouse Area (kW)	1,000	(1.4504)	(1,450.40)	1,000	(0.4110)	(411.00)	939.40	(66.89%)
	Distribution Sub-Total			2,659.26			3,617.30	958.04	36.03%
	Retail Transmission (kW)	1,000	4.2871	4,287.10	1,000	4.10470483	4,104.70	(182.40)	(4.26%)
	Delivery Sub-Total			6,946.36			5,681.98	(1,264.38)	(18.19%)
	Other Charges (kW)	608,000	0.0100	6,080.00	608,000	0.0100	6,080.00	0.00	0.00%
Cost of Power (Commercially Available)		828,000	0.0000	0.00	828,000	0.0000	0.00	0.00	0.00%
Total Bill Before Taxes				19,785.42			20,394.98	609.56	3.08%
GST (GST)			13.00%	2,572.15		13.00%	2,651.35	79.20	3.87%
Total Bill				22,357.57			23,046.33	688.76	3.08%

GENERAL SERVICE > 1000 to 4999KW									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change	% of Total Bill
Consumption	Monthly Service Charge			600.00			1,000.00	400.00	66.67%
	Distribution (kW)	4,000	2.0000	8,000.00	4,000	3.1273	12,509.20	4,509.20	56.37%
	Loss Voltage Rider (kW)	4,000	0.1118	447.20	4,000	0.0000	323.20	(124.00)	(27.62%)
	Energy Meter Rider (per month)	1	2.16	2.16	1	2.16	0.00	0.00%	0.00%
	LVMS & SDR Rider (kW)	4,000	0.00	0.00	4,000	0.0000	0.00	0.00%	0.00%
	Industrial & Warehouse Area (kW)	4,000	(1.4504)	(5,801.60)	4,000	(0.4110)	(1,644.00)	4,157.60	(71.64%)
	Distribution Sub-Total			2,659.26			12,238.20	9,578.94	36.03%
	Retail Transmission (kW)	4,000	4.2871	17,148.40	4,000	4.10470483	16,418.80	(729.60)	(4.26%)
	Delivery Sub-Total			34,296.80			28,657.00	(5,639.80)	(16.43%)
	Other Charges (kW)	1,000,000	0.0100	10,000.00	1,000,000	0.0100	10,000.00	0.00	0.00%
Cost of Power (Commercially Available)		1,000,000	0.0000	0.00	1,000,000	0.0000	0.00	0.00	0.00%
Total Bill Before Taxes				54,943.20			58,665.00	3,721.80	6.77%
GST (GST)			13.00%	7,142.62		13.00%	7,626.45	483.83	8.45%
Total Bill				62,085.82			66,291.45	4,205.63	6.77%

GENERAL SERVICE > 1000 to 4999KW									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change	% of Total Bill
Consumption	Monthly Service Charge			600.00			1,000.00	400.00	66.67%
	Distribution (kW)	5,400	2.0000	10,800.00	5,400	3.1273	16,887.42	6,087.42	56.37%
	Loss Voltage Rider (kW)	5,400	0.1118	604.62	5,400	0.0000	482.52	(122.10)	(20.03%)
	Energy Meter Rider (per month)	1	2.16	2.16	1	2.16	0.00	0.00%	0.00%
	LVMS & SDR Rider (kW)	5,400	0.00	0.00	5,400	0.0000	0.00	0.00%	0.00%
	Industrial & Warehouse Area (kW)	5,400	(1.4504)	(7,832.16)	5,400	(0.4110)	(2,219.40)	5,612.76	(71.64%)
	Distribution Sub-Total			2,659.26			16,168.52	13,509.26	50.94%
	Retail Transmission (kW)	5,400	4.2871	23,155.38	5,400	4.10470483	22,161.80	(993.58)	(4.26%)
	Delivery Sub-Total			35,814.64			28,330.32	(7,484.32)	(20.89%)
	Other Charges (kW)	1,000,000	0.0100	10,000.00	1,000,000	0.0100	10,000.00	0.00	0.00%
Cost of Power (Commercially Available)		1,000,000	0.0000	0.00	1,000,000	0.0000	0.00	0.00	0.00%
Total Bill Before Taxes				68,824.64			70,522.12	1,697.48	2.46%
GST (GST)			13.00%	8,947.20		13.00%	9,167.88	220.68	2.46%
Total Bill				77,771.84			79,689.99	1,918.15	2.46%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Value	RATE \$	CHARGE	Value	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
Monthly Service Charge			4,138.28			4,173.51	35.23	2.28%	1.52%
Distribution (kW)	5,400	2.4703	13,346.62	5,400	2.5261	13,646.34	291.52	2.26%	5.11%
Low Voltage Rider (kW)	5,400	0.0000	0.00	5,400	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)	5,400	0.00	0.00	5,400	0.0000	0.00	0.00	0.00%	0.00%
AVOID & GDM Rider (kW)	5,400	0.00	0.00	5,400	0.0000	0.00	0.00	0.00%	0.00%
Delivered & Unmeasured Amd (kW)	5,400	(1.2500)	(6,750.00)	5,400	(0.3400)	(1,866.00)	4,884.00	(72.77%)	(60.00%)
Distribution Sub-Total	5,400	4.7203	66,696.62	5,400	5.011707884	78,568.76	11,872.12	18.47%	6.19%
Retail Transmission (kW)	5,400	4.7203	25,690.62	5,400	5.011707884	27,263.88	1,573.26	6.13%	9.13%
Delivery Sub-Total			92,387.24			105,832.64	13,445.40	14.65%	15.32%
Other Charges (kW)	5,400,000	0.0100	54,000.00	5,400,000	0.0100	54,000.00	0.00	0.00%	12.10%
Cost of Power Community (kW)	5,400,000	0.0000	0.00	5,400,000	0.0000	0.00	0.00	0.00%	60.00%
Total Bill Before Taxes			231,063.84			258,696.42	27,632.58	1.81%	88.93%
GST HST		13.00%	30,038.30		13.00%	33,630.54	3,592.24	1.19%	11.50%
Total Bill			261,102.14			292,326.96	31,224.82	1.81%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Value	RATE \$	CHARGE	Value	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
Monthly Service Charge			4,138.28			4,213.51	75.23	2.28%	1.42%
Distribution (kW)	7,500	2.4703	18,527.25	7,500	2.5261	18,946.76	419.50	2.26%	5.46%
Low Voltage Rider (kW)	7,500	0.0000	0.00	7,500	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)	7,500	0.00	0.00	7,500	0.0000	0.00	0.00	0.00%	0.00%
AVOID & GDM Rider (kW)	7,500	0.00	0.00	7,500	0.0000	0.00	0.00	0.00%	0.00%
Delivered & Unmeasured Amd (kW)	7,500	(1.2500)	(9,375.00)	7,500	(0.3400)	(2,550.00)	6,825.00	(72.77%)	(51.14%)
Distribution Sub-Total	7,500	4.7203	88,483.25	7,500	5.011707884	105,832.64	17,349.39	19.61%	9.15%
Retail Transmission (kW)	7,500	4.7203	35,402.25	7,500	5.011707884	37,830.61	2,428.36	6.86%	9.15%
Delivery Sub-Total			123,885.50			143,663.25	19,775.75	15.96%	18.88%
Other Charges (kW)	7,500,000	0.0100	75,000.00	7,500,000	0.0100	75,000.00	0.00	0.00%	12.10%
Cost of Power Community (kW)	7,500,000	0.0000	0.00	7,500,000	0.0000	0.00	0.00	0.00%	60.00%
Total Bill Before Taxes			307,368.75			367,296.90	59,928.15	1.95%	86.96%
GST HST		13.00%	39,958.00		13.00%	47,848.60	7,890.60	1.92%	11.50%
Total Bill			347,326.75			415,145.50	67,818.75	1.95%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Value	RATE \$	CHARGE	Value	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
Monthly Service Charge			4,138.28			4,213.51	75.23	2.28%	0.80%
Distribution (kW)	10,000	2.4703	24,703.00	10,000	2.5261	25,261.00	558.00	2.26%	5.46%
Low Voltage Rider (kW)	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)	10,000	0.00	0.00	10,000	0.0000	0.00	0.00	0.00%	0.00%
AVOID & GDM Rider (kW)	10,000	0.00	0.00	10,000	0.0000	0.00	0.00	0.00%	0.00%
Delivered & Unmeasured Amd (kW)	10,000	(1.2500)	(12,500.00)	10,000	(0.3400)	(3,400.00)	9,100.00	(72.77%)	(60.00%)
Distribution Sub-Total	10,000	4.7203	122,193.00	10,000	5.011707884	132,061.00	9,868.00	8.08%	9.15%
Retail Transmission (kW)	10,000	4.7203	47,203.00	10,000	5.011707884	50,117.08	2,914.08	6.17%	9.15%
Delivery Sub-Total			169,396.00			182,178.08	12,782.08	7.55%	18.30%
Other Charges (kW)	10,000,000	0.0100	100,000.00	10,000,000	0.0100	100,000.00	0.00	0.00%	12.10%
Cost of Power Community (kW)	10,000,000	0.0000	0.00	10,000,000	0.0000	0.00	0.00	0.00%	60.00%
Total Bill Before Taxes			491,593.00			564,356.16	72,763.16	1.48%	88.93%
GST HST		13.00%	63,906.66		13.00%	73,366.30	9,459.64	1.48%	11.50%
Total Bill			555,499.66			637,722.46	82,222.80	1.48%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Value	RATE \$	CHARGE	Value	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
Monthly Service Charge			4,138.28			4,213.51	75.23	2.28%	0.80%
Distribution (kW)	13,000	2.4703	32,113.90	13,000	2.5261	32,839.33	725.43	2.26%	6.46%
Low Voltage Rider (kW)	13,000	0.0000	0.00	13,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)	13,000	0.00	0.00	13,000	0.0000	0.00	0.00	0.00%	0.00%
AVOID & GDM Rider (kW)	13,000	0.00	0.00	13,000	0.0000	0.00	0.00	0.00%	0.00%
Delivered & Unmeasured Amd (kW)	13,000	(1.2500)	(16,250.00)	13,000	(0.3400)	(4,420.00)	11,830.00	(72.77%)	(60.00%)
Distribution Sub-Total	13,000	4.7203	165,873.90	13,000	5.011707884	178,219.33	12,345.43	7.45%	9.15%
Retail Transmission (kW)	13,000	4.7203	61,363.90	13,000	5.011707884	65,152.14	3,788.24	6.17%	9.15%
Delivery Sub-Total			227,237.80			243,371.47	16,133.67	7.10%	18.30%
Other Charges (kW)	13,000,000	0.0100	130,000.00	13,000,000	0.0100	130,000.00	0.00	0.00%	12.10%
Cost of Power Community (kW)	13,000,000	0.0000	0.00	13,000,000	0.0000	0.00	0.00	0.00%	60.00%
Total Bill Before Taxes			457,031.70			513,742.94	56,711.24	1.24%	88.93%
GST HST		13.00%	59,415.08		13.00%	66,786.58	7,371.54	1.24%	11.50%
Total Bill			516,446.78			580,529.52	64,082.74	1.24%	100.00%

Street Lighting									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Billing Determinants	Monthly Service Charge	2,660	0.7650	485.37	2,660	1.1272	3,277.59	2,792.29	618.92%
	Distribution (WV)	1,489	0.0000	0.00	1,489	4.8716	7,259.54	7,259.54	114.41%
Connections	Low Voltage Rider (WV)	1,489	0.0004	113.39	1,489	0.0002	81.92	(31.46)	(27.97)%
	WJWM & SJSM Rider (WV)	1,489	0.00	0.00	1,489	0.0000	0.00	0.00	0.00%
WV	Delivered & Unmetered Area (WV)	1,489	(1.1249)	(1,679.30)	1,489	(0.3348)	(499.89)	1,179.44	(71.77)%
	Distribution Sub-Total	1,489		(86.44)	1,489		18,251.17	18,278.43	217,384.00%
kW	Retail Transmission (WV)	1,489	2.3873	4,355.03	1,489	2.81707450	4,191.09	(1,163.93)	(27.48)%
	Delivery Sub-Total			4,347.48			14,462.77	18,155.29	239.00%
Other Charges (WV)	Other Charges (WV)	545,221	0.0000	0.00	545,221	0.0000	0.00	0.00	0.00%
	Cost of Power (Community (WV))	545,221	0.0000	96,439.34	545,221	0.0000	0.00	0.00	0.00%
Total Bill Before Taxes	Other Charges (WV)			0.00			0.00	0.00	0.00%
	Cost of Power (Community (WV))			0.00			0.00	0.00	0.00%
GST HST	Total Bill Before Taxes			47,647.39			\$7,247.71	15,398.41	21.85%
	GST HST		13.00%	6,195.16		13.00%	7,442.26	1,246.55	20.00%
Total Bill				53,842.55			84,688.91	71,526.46	132.85%

Street Lighting									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Billing Determinants	Monthly Service Charge	0	0.7650	0.00	0	1.1272	0.00	0.00	NDIV0%
	Distribution (WV)	0	0.0000	0.00	0	4.8716	0.00	0.00	NDIV0%
Connections	Low Voltage Rider (WV)	0	0.0004	0.00	0	0.0002	0.00	0.00	NDIV0%
	WJWM & SJSM Rider (WV)	0	0.00	0.00	0	0.0000	0.00	0.00	NDIV0%
WV	Delivered & Unmetered Area (WV)	0	(1.1249)	0.00	0	(0.3348)	0.00	0.00	NDIV0%
	Distribution Sub-Total			0.00			0.00	0.00	NDIV0%
kW	Retail Transmission (WV)	0	2.3873	0.00	0	2.81707450	0.00	0.00	NDIV0%
	Delivery Sub-Total			0.00			0.00	0.00	NDIV0%
Other Charges (WV)	Other Charges (WV)	0	0.0000	0.00	0	0.0000	0.00	0.00	NDIV0%
	Cost of Power (Community (WV))	0	0.0000	0.00	0	0.0000	0.00	0.00	NDIV0%
Total Bill Before Taxes	Other Charges (WV)			0.00			0.00	0.00	NDIV0%
	Cost of Power (Community (WV))			0.00			0.00	0.00	NDIV0%
GST HST	Total Bill Before Taxes			0.00			0.00	0.00	NDIV0%
	GST HST		13.00%	0.00		13.00%	0.00	0.00	NDIV0%
Total Bill				0.00			0.00	0.00	NDIV0%

Sentinel Lighting									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Billing Determinants	Monthly Service Charge	1	0.4850	0.49	1	0.4850	0.49	0.01	267.30%
	Distribution (WV)	1	2.0225	2.02	1	11.1018	11.10	9.08	267.31%
Connections	Low Voltage Rider (WV)	1	0.0079	0.08	1	0.0064	0.06	(0.02)	(27.49)%
	WJWM & SJSM Rider (WV)	1	0.00	0.00	1	0.0000	0.00	0.00	0.00%
WV	Delivered & Unmetered Area (WV)	1	(3.3700)	(3.37)	1	(0.3348)	(0.33)	3.04	(91.65)%
	Distribution Sub-Total			0.18			12.34	12.15	6,686.50%
kW	Retail Transmission (WV)	1	2.8897	2.89	1	2.83239187	2.83	(0.15)	(5.19)%
	Delivery Sub-Total			2.89			10.28	12.63	276.36%
Other Charges (WV)	Other Charges (WV)	52	0.0135	0.70	52	0.0135	0.70	0.00	0.11%
	Cost of Power (Community (WV))	52	0.0000	0.00	52	0.0000	0.00	0.00	0.11%
Total Bill Before Taxes	Other Charges (WV)			0.73			0.28	12.63	168.43%
	Cost of Power (Community (WV))			0.00			0.00	0.00	0.00%
GST HST	Total Bill Before Taxes			3.64			1.52	1.52	106.43%
	GST HST		13.00%	0.47		13.00%	0.20	0.20	106.43%
Total Bill				4.11			2.72	1.58	106.43%

Sentinel Lighting									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Billing Determinants	Monthly Service Charge	0	0.4850	0.00	0	0.4850	0.00	0.00	NDIV0%
	Distribution (WV)	0	2.0225	0.00	0	11.1018	0.00	0.00	NDIV0%
Connections	Low Voltage Rider (WV)	0	0.0079	0.00	0	0.0064	0.00	0.00	NDIV0%
	WJWM & SJSM Rider (WV)	0	0.00	0.00	0	0.0000	0.00	0.00	NDIV0%
WV	Delivered & Unmetered Area (WV)	0	(3.3700)	0.00	0	(0.3348)	0.00	0.00	NDIV0%
	Distribution Sub-Total			0.00			0.00	0.00	NDIV0%
kW	Retail Transmission (WV)	0	2.8897	0.00	0	2.83239187	0.00	0.00	NDIV0%
	Delivery Sub-Total			0.00			0.00	0.00	NDIV0%
Other Charges (WV)	Other Charges (WV)	0	0.0135	0.00	0	0.0135	0.00	0.00	NDIV0%
	Cost of Power (Community (WV))	0	0.0000	0.00	0	0.0000	0.00	0.00	NDIV0%
Total Bill Before Taxes	Other Charges (WV)			0.00			0.00	0.00	NDIV0%
	Cost of Power (Community (WV))			0.00			0.00	0.00	NDIV0%
GST HST	Total Bill Before Taxes			0.00			0.00	0.00	NDIV0%
	GST HST		13.00%	0.00		13.00%	0.00	0.00	NDIV0%
Total Bill				0.00			0.00	0.00	NDIV0%

Unmetered Scattered											
		2010 BILL			2011 BILL			IMPACT			
		Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	Change % of Total Bill			
Consumption	1 Connections	Monthly Service Charge	1	7.38	7.38	1	8.27	8.27	12.00%	5.00%	
	630 kWh	Distribution (Volts)	630	0.01916	9.593	630	0.01975	11.00	1.20	15.10%	12.80%
		Low Voltage Ratio (Volts)	630	0.0002	0.13	630	0.0002	0.13	0.00	0.00%	0.00%
		Urban & Suburban (Volts)	630	0.0001	0.06	630	0.0001	0.06	0.00	0.00%	0.00%
		Delivered & Voucher (Volts)	630	0.0001	0.06	630	0.0001	0.06	0.00	0.00%	0.00%
		Delivered & Voucher (Volts)	630	0.0001	0.06	630	0.0001	0.06	0.00	0.00%	0.00%
		Delivered & Voucher (Volts)	630	0.0001	0.06	630	0.0001	0.06	0.00	0.00%	0.00%
		Delivered & Voucher (Volts)	630	0.0001	0.06	630	0.0001	0.06	0.00	0.00%	0.00%
		Delivered & Voucher (Volts)	630	0.0001	0.06	630	0.0001	0.06	0.00	0.00%	0.00%
		Distribution Sub-Total			14.75			18.89	3.14	28.74%	23.00%
	Retail Transmission (Volts)	630	0.0008	0.52	630	0.0008	0.52	0.00	0.00%	0.00%	
	Delivery Sub-Total			21.81			26.87	5.06	28.80%	23.00%	
	Other Charges (Volts)	630	0.0101	6.39	630	0.0103	6.49	0.10	0.11%	0.20%	
	Cost of Power Commodity (Volts)	630	0.0003	0.20	630	0.0003	0.20	0.00	0.00%	0.00%	
	Total Bill Before Taxes			42.29			71.22	4.54	5.50%	86.30%	
	GST/Net	13.00%	5.35		13.00%	5.51	0.02	0.50%	11.50%		
	Total bill			\$1-19			\$1-23	4.54	5.50%	100.00%	

Unmetered Scattered											
		2010 BILL				2011 BILL				IMPACT	
		Volume	RATE	CHARGE	Volume	RATE	CHARGE	Change	Change	% of Total Bill	
		+	-	=	+	-	=				
Consumption	Monthly Service Charge			7.38			8.27	0.89	12.06%	85.50%	
Connections	Distribution (WVH)	0	0.0102	0.00	0	0.0175	0.00	0.00	#DIV/0!	0.00%	
WVH	Low Voltage Rider (WVH)	0	0.0000	0.00	0	0.0000	0.00	0.00	#DIV/0!	0.00%	
	Urban & Suburban (WVH)	0.000	0.00	0.00	0	0.0000	0.00	0.00	0.00%	0.00%	
	Delaware & Maryland Area (WVH)	0.00045	0.00	0.00	0.00007	0.00	0.00	0.00	#DIV/0!	0.00%	
	Distribution Sub-Total				7.38			8.27	0.89	12.06%	85.50%
	Retail Transmission (WVH)	0	0.0006	0.00	0	0.00166721	0.00	0.00	#DIV/0!	0.00%	
	Delivery Sub-Total			7.38			8.27	0.89	12.06%	85.50%	
	Other Charges (WVH)	0	0.0112	0.00	0	0.0100	0.00	0.00	#DIV/0!	0.00%	
	Cost of Power Components	0	0.0603	0.00	0	0.0603	0.00	0.00	#DIV/0!	0.00%	
	Total Meter Before Taxes			7.38			8.27	0.89	12.06%	85.50%	
GST HST			13.05%	0.96		13.05%	1.08	1.12	12.05%	11.50%	
	Total Bill			8.34			9.35	1.01	12.84%	100.00%	

**RATES SCHEDULE (Part 1)**  
*Schedule of Distribution Rates and Charges*  
*Effective May 1, 2011*

Customer Class	Item Description	Unit	Rate (\$)
<b>Residential</b>	Monthly Service Charge	per month	15.36
	Distribution Volumetric Rate	per kWh	0.0143
	Low Voltage Rider	per kWh	0.0002
	LRAM and SSM Rate Rider	per kWh	0.0000
	Smart Meter Rate Adder	per month	(0.43)
	Deferral and Variance Account Rider	per kWh	(0.0007)
<b>GS &lt; 50 kW</b>	Monthly Service Charge	per month	16.78
	Distribution Volumetric Rate	per kWh	0.0178
	Low Voltage Rider	per kWh	0.0002
	LRAM and SSM Rate Rider	per kWh	0.0000
	Smart Meter Rate Rider	per month	(0.43)
	Deferral and Variance Account Rider	per kWh	(0.0008)
<b>GS &gt;50 to 999 kW</b>	Monthly Service Charge	per month	88.37
	Distribution Volumetric Rate	per kW	2.9288
	Low Voltage Rider	per kW	0.0821
	LRAM and SSM Rate Rider	per kWh	0.0000
	Smart Meter Rate Rider	per month	(0.43)
	Deferral and Variance Account Rider	per kW	(0.3405)
<b>GS &gt;1000 to 4999 kW</b>	Monthly Service Charge	per month	1,008.02
	Distribution Volumetric Rate	per kW	3.1373
	Low Voltage Rider	per kW	0.0808
	LRAM and SSM Rate Rider	per kWh	0.0000
	Smart Meter Rate Rider	per month	(0.43)
	Deferral and Variance Account Rider	per kW	(0.4110)
<b>Large Use</b>	Monthly Service Charge	per month	4,219.51
	Distribution Volumetric Rate	per kW	2.5261
	Low Voltage Rider	per kW	0.0903
	LRAM and SSM Rate Rider	per kW	0.0000
	Smart Meter Rate Rider	per month	(0.43)
	Deferral and Variance Account Rider	per kW	(0.3564)
<b>Sentinel Lights</b>	Monthly Service Charge	per month	1.47
	Distribution Volumetric Rate	per kW	11.1018
	Low Voltage Rider	per kW	0.0564
	LRAM and SSM Rate Rider	per kW	0.0000
	Deferral and Variance Account Rider	per kW	(0.2828)
<b>Street Lighting</b>	Monthly Service Charge	per month	1.14
	Distribution Volumetric Rate	per kW	4.9716
	Low Voltage Rider	per kW	0.0552
	LRAM and SSM Rate Rider	per kW	0.0000
	Deferral and Variance Account Rider	per kW	(0.3348)
<b>Unmetered and Scattered</b>	Monthly Service Charge	per month	8.27
	Distribution Volumetric Rate	per kWh	0.0175
	Low Voltage Rider	per kWh	0.0002
	LRAM and SSM Rate Rider	per kWh	0.0000
	Deferral and Variance Account Rider	per kWh	(0.0007)

**RATES SCHEDULE (Part 2)**  
*Schedule of Distribution Rates and Charges*  
*Effective May 1, 2011*

Item Description (Rate Code)	Calculation Basis	Rate (\$)
Arrears certificate (1)	Standard	15.00
Statement of account (2)	Standard	15.00
Pulling post dated cheques (3)	Standard	15.00
Duplicate invoices for previous billing (4)	Standard	15.00
Request for other billing information (5)	Standard	15.00
Easement letter (6)	Standard	15.00
Income tax letter (7)	Standard	15.00
Notification charge (8)	Standard	15.00
Account history (9)	Standard	15.00
Credit reference/credit check (plus credit agency costs) (10)	Standard	15.00
Returned cheque charge (plus bank charges) (11)	Standard	15.00
Charge to certify cheque (12)	Standard	15.00
Legal letter charge (13)	Standard	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable) (14)	Standard	30.00
Special meter reads (15)	Standard	30.00
Collection of account charge - no disconnection (16)	Standard	30.00
Collection of account charge - no disconnection - after regular hours (17)	Standard	165.00
Disconnect/Reconnect at meter - during regular hours (18)	Standard	65.00
Install/Remove load control device - during regular hours (19)	Standard	65.00
Disconnect/Reconnect at meter - after regular hours (20)	Standard	185.00
Install/Remove load control device - after regular hours (21)	Standard	185.00
Disconnect/Reconnect at pole - during regular hours (22)	Standard	185.00
Disconnect/Reconnect at pole - after regular hours (23)	Standard	415.00
Meter dispute charge plus Measurement Canada fees (if meter found correct) (24)	Standard	30.00
Service call - customer-owned equipment (25)	Standard	30.00
Service call - after regular hours (26)	Standard	165.00
Temporary service install & remove - overhead - no transformer (27)	Standard	500.00
Temporary service install & remove - underground - no transformer (28)	Standard	300.00
Temporary service install & remove - overhead - with transformer (29)	Standard	1,000.00
Specific Charge for Access to the Power Poles \$/pole/year (30)	Standard	22.35
Administrative Billing Charge (31)	Additional Charge	150.00

Loss Factors	
Supply Facilities Loss Factor (3 year average)	1.0048
Distribution Loss Factor - Secondary Metered Customer < 5,000 kW	1.0312
Distribution Loss Factor - Secondary Metered Customer > 5,000 kW	1.0100
Distribution Loss Factor - Primary Metered Customer < 5,000 kW	1.0209
Distribution Loss Factor - Primary Metered Customer > 5,000 kW	1.0000
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0362
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0149
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0258
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0048

## 2011 Test Year Distribution Revenue Reconciliation

Customer Class	Fixed Distribution Revenue	Variable Distribution Revenue	Transformer Allowance Credit	Total Distribution Revenue	Expected
Residential	\$ 4,991,754	\$ 3,696,845		\$ 8,688,599	\$ 8,699,058
GS < 50 kW	\$ 460,409	\$ 1,335,797		\$ 1,796,206	\$ 1,797,243
GS >50 to 999 kW	\$ 310,572	\$ 1,487,622	(\$41,349)	\$ 1,756,845	\$ 1,756,842
GS >1000 to 4999 kW	\$ 136,070	\$ 606,270	(\$111,058)	\$ 631,283	\$ 631,279
Large Use	\$ 101,268	\$ 438,331	\$0	\$ 539,599	\$ 539,603
Sentinel Lights	\$ 4,801	\$ 5,165		\$ 9,966	\$ 9,966
Street Lighting	\$ 39,091	\$ 88,542		\$ 127,634	\$ 127,633
Unmetered and Scattered	\$ 19,990	\$ 26,597		\$ 46,587	\$ 46,559

<b>Total</b>	<b>\$ 6,063,956</b>	<b>\$ 7,685,169</b>	<b>(\$152,407)</b>	<b>\$ 13,596,718</b>	<b>\$ 13,608,183</b>
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Difference Due to Rate Rounding

\$ 11,465
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**Forecast Revenue For 2011 Test Year Based on Existing Rates (Less Low Voltage Rate Component)**

<b>Customer Class</b>	<b>Annual kWh</b>	<b>Annual kW For Dx</b>	<b>Annual kW For Tx</b>	<b>Annualized Customers</b>	<b>Annualized Connections</b>	<b>Fixed Distribution Revenue</b>	<b>Variable Distribution Revenue</b>	<b>Dist. Rev. Before TX Allow.</b>
Residential	258,520,606			324,984		\$4,455,531	\$3,309,064	\$7,764,594
GS < 50 kW	75,044,767			27,438		\$403,338	\$1,170,698	\$1,574,036
GS >50 to 999 kW	187,300,109	507,929	68,915	3,514		\$249,174	\$1,201,658	\$1,450,833
GS >1000 to 4999 kW	94,342,584	193,246	185,096	135		\$125,043	\$566,133	\$691,176
Large Use	78,821,751	173,521	0	24		\$99,030	\$428,649	\$527,679
Sentinel Lights	167,188	465			3,268	\$1,307	\$1,406	\$2,713
Street Lighting	6,320,787	17,810			34,375	\$5,500	\$12,458	\$17,958
Unmetered and Scattered	1,519,815				2,417	\$17,838	\$23,709	\$41,548
<b>Total</b>	<b>702,037,607</b>	<b>892,971</b>	<b>254,011</b>	<b>356,095</b>	<b>40,060</b>	<b>\$5,356,761.75</b>	<b>\$6,713,775.35</b>	<b>\$12,070,537.10</b>

**Less Transformer Allowances:**

GS >50 to 999 kW	(\$41,349.22)
GS >1000 to 4999 kW	(\$111,057.50)
Large Use	\$0.00

<b>Net Revenue At Existing Rates</b>	<b>\$ 11,918,130</b>
Budgeted Revenue Offsets	\$ 1,453,649
<b>Total Revenue</b>	<b>\$ 13,371,779</b>
Revenue Requirement	\$ 15,061,832
<b>Revenue Deficiency</b>	<b>\$ 1,690,053</b>

Table a)

<b>Appendix 2-O Cost Allocation</b>				
<b>Classes</b>	<b>Cost Allocated in 2006 Informational Filing</b>	<b>%</b>	<b>Cost Allocated in Test Year Study (Column 7A)</b>	<b>%</b>
Residential	5,358,896	54.94%	9,317,733	61.86%
GS< 50kW	1,289,836	13.22%	1,984,035	13.17%
GS > 50 - 999 kW	1,708,476	17.52%	2,165,183	14.38%
GS > 1000 - 4999 kW	526,345	5.40%	622,047	4.13%
Large Users	421,280	4.32%	524,425	3.48%
Streetlights	327,716	3.36%	374,779	2.49%
Sentinel Lights	53,863	0.55%	26,739	0.18%
Unmetered & Scattered	67,004	0.69%	46,891	0.31%
<b>Total</b>	<b>9,753,416</b>	<b>100%</b>	<b>15,061,832</b>	<b>100%</b>

**Appendix 2-O**  
**Calculated Class Revenues**

	Column 7B	Column 7C	Column 7D	Column 7E
Classes	L.F x current approved rates	L.F x existing rates x (1 + d)	L.F. x proposed rates	Miscellaneous Revenue
Residential	7,764,594	8,865,654	8,699,058	951,506
GS< 50kW	1,574,036	1,797,243	1,797,243	185,596
GS > 50 - 999 kW	1,409,483	1,609,356	1,756,842	191,823
GS > 1000 - 4999 kW	580,119	662,382	631,279	52,972
Large Users	527,679	602,506	539,603	37,265
Streetlights	17,958	20,504	127,633	27,583
Sentinel Lights	2,713	3,098	9,966	1,884
Unmetered & Scattered	41,548	47,439	46,559	5,021
<b>Total</b>	<b>11,918,130</b>	<b>13,608,183</b>	<b>13,608,183</b>	<b>1,453,649</b>

Table c)

Appendix 2-O Re-balancing Revenue-to-Cost Ratios			
	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios
Classes	Most Recent Year: 2006	= (Column 7C + Column 7E) / (Column 7A)	=(Column 7D + column 7E)/(Column 7A)
Residential	102.3	105.4	103.6
GS< 50kW	110.9	99.9	99.9
GS > 50 - 999 kW	79.1	83.2	90.0
GS > 1000 - 4999 kW	156.7	115.0	110.0
Large Users	139.8	122.0	110.0
Streetlights	9.0	12.8	41.4
Sentinel Lights	11.0	18.6	44.3
Unmetered & Scattered	64.8	111.9	110.0

Table d)

<b>Appendix 2-O</b> <b>Proposed Revenue to Cost Ratios</b>				
<b>Classes</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Policy Range</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Residential	103.6%	101.8%		85-115
GS< 50kW	99.9%	99.9%		80-120
GS > 50 - 999 kW	90.0%	95.0%		80-180
GS > 1000 - 4999 kW	110.0%	105.0%		80-180
Large Users	110.0%	105.0%		85-115
Streetlights	41.4%	70.0%		70-120
Sentinel Lights	44.3%	70.0%		70-120
Unmetered & Scattered	110.0%	105.0%		80-120

File Number: EB-2010-0137

Exhibit: Appendix 2-Q-Residential

Page: xx

Date:

Customer Class: Residential

Consumption 100 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	100	\$ 1.28	\$ 0.0143	100	\$ 1.43	\$ 0.15	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	100	\$ 0.03	\$ 0.0002	100	\$ 0.02	-\$ 0.01	-33.33%
Volumetric Rate Adder(s)			100	\$ -		100	\$ -	\$ -	
Volumetric Rate Rider(s)			100	\$ -		100	\$ -	\$ -	
Smart Meter Disposition Rider			100	\$ -		100	\$ -	\$ -	
LRAM & SSM Rate Rider			100	\$ -		100	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	100	-\$ 0.39	-\$ 0.0007	100	-\$ 0.07	\$ 0.32	-82.88%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 16.79</b>			<b>\$ 16.31</b>	<b>-\$ 0.48</b>	<b>-2.85%</b>
RTSR - Network	per kWh	\$ 0.0059	103.51	\$ 0.61	\$ 0.0055	103.619	\$ 0.57	-\$ 0.04	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	103.51	\$ 0.49	\$ 0.0046	103.619	\$ 0.48	-\$ 0.01	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 17.89</b>			<b>\$ 17.36</b>	<b>-\$ 0.53</b>	<b>-2.94%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	103.51	\$ 0.54	\$ 0.0052	103.619	\$ 0.54	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	103.51	\$ 0.13	\$ 0.0013	103.619	\$ 0.13	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	103.51	\$ 0.04	\$ 0.0003730	103.619	\$ 0.04	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	100	\$ 0.70	\$ 0.0070	100	\$ 0.70	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	103.51	\$ 6.73	\$ 0.0650	103.619	\$ 6.74	\$ 0.01	0.11%
Energy Second Block		\$ 0.0750	0	\$ -	\$ 0.0750	0	\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 26.28</b>			<b>\$ 25.76</b>	<b>-\$ 0.52</b>	<b>-1.97%</b>
HST		13%		\$ 3.42	13%		\$ 3.35	-\$ 0.07	-1.97%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 29.69</b>			<b>\$ 29.11</b>	<b>-\$ 0.58</b>	<b>-1.95%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Notes:

Customer Class:

Residential

Consumption 250 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	250	\$ 3.20	\$ 0.0143	250	\$ 3.58	\$ 0.38	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	250	\$ 0.08	\$ 0.0002	250	\$ 0.05	-\$ 0.03	-33.33%
Volumetric Rate Adder(s)			250	\$ -		250	\$ -	\$ -	
Volumetric Rate Rider(s)			250	\$ -		250	\$ -	\$ -	
Smart Meter Disposition Rider			250	\$ -		250	\$ -	\$ -	
LRAM & SSM Rate Rider			250	\$ -		250	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	250	-\$ 0.98	-\$ 0.0007	250	-\$ 0.17	\$ 0.81	-82.88%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 18.17</b>			<b>\$ 18.39</b>	<b>\$ 0.22</b>	<b>1.19%</b>
RTSR - Network	per kWh	\$ 0.0059	258.775	\$ 1.53	\$ 0.0055	259.048	\$ 1.42	-\$ 0.11	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	258.775	\$ 1.22	\$ 0.0046	259.048	\$ 1.20	-\$ 0.01	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 20.91</b>			<b>\$ 21.01</b>	<b>\$ 0.10</b>	<b>0.46%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	258.775	\$ 1.35	\$ 0.0052	259.048	\$ 1.35	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	258.775	\$ 0.34	\$ 0.0013	259.048	\$ 0.34	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	258.775	\$ 0.10	\$ 0.0003730	259.048	\$ 0.10	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	250	\$ 1.75	\$ 0.0070	250	\$ 1.75	\$ -	0.00%
				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	258.775	\$ 16.82	\$ 0.0650	259.048	\$ 16.84	\$ 0.02	0.11%
Energy Second Block		\$ 0.0750	0	\$ -	\$ 0.0750	0	\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 41.51</b>			<b>\$ 41.63</b>	<b>\$ 0.12</b>	<b>0.28%</b>
HST		13%		\$ 5.40	13%		\$ 5.41	\$ 0.02	0.28%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 46.91</b>			<b>\$ 47.04</b>	<b>\$ 0.13</b>	<b>0.28%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Notes:

Customer Class:

Residential

Consumption 500 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	500	\$ 6.40	\$ 0.0143	500	\$ 7.15	\$ 0.75	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	500	\$ 0.15	\$ 0.0002	500	\$ 0.10	-\$ 0.05	-33.33%
Volumetric Rate Adder(s)			500	\$ -		500	\$ -	\$ -	
Volumetric Rate Rider(s)			500	\$ -		500	\$ -	\$ -	
Smart Meter Disposition Rider			500	\$ -		500	\$ -	\$ -	
LRAM & SSM Rate Rider			500	\$ -		500	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	500	-\$ 1.95	-\$ 0.0007	500	-\$ 0.33	\$ 1.62	-82.88%
Disposition Rate Rider									
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 20.47</b>			<b>\$ 21.84</b>	<b>\$ 1.37</b>	<b>6.71%</b>
RTSR - Network	per kWh	\$ 0.0059	517.55	\$ 3.05	\$ 0.0055	518.096	\$ 2.84	-\$ 0.21	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	517.55	\$ 2.43	\$ 0.0046	518.096	\$ 2.40	-\$ 0.03	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 25.96</b>			<b>\$ 27.09</b>	<b>\$ 1.13</b>	<b>4.37%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	517.55	\$ 2.69	\$ 0.0052	518.096	\$ 2.69	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	517.55	\$ 0.67	\$ 0.0013	518.096	\$ 0.67	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	517.55	\$ 0.19	\$ 0.0003730	518.096	\$ 0.19	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	500	\$ 3.50	\$ 0.0070	500	\$ 3.50	\$ -	0.00%
Energy First Block	per kWh	\$ 0.0650	517.55	\$ 33.64	\$ 0.0650	518.096	\$ 33.68	\$ 0.04	0.11%
Energy Second Block		\$ 0.0750	0	\$ -	\$ 0.0750	0	\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 66.90</b>			<b>\$ 68.08</b>	<b>\$ 1.17</b>	<b>1.75%</b>
HST		13%		\$ 8.70	13%		\$ 8.85	\$ 0.15	1.75%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 75.60</b>			<b>\$ 76.93</b>	<b>\$ 1.33</b>	<b>1.76%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

Customer Class: **Residential**

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	800	\$ 10.24	\$ 0.0143	800	\$ 11.44	\$ 1.20	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	800	\$ 0.24	\$ 0.0002	800	\$ 0.16	-\$ 0.08	-33.33%
Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
LRAM & SSM Rate Rider			800	\$ -		800	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	800	-\$ 3.12	-\$ 0.0007	800	-\$ 0.53	\$ 2.59	-82.88%
Disposition Rate Rider									
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 23.23</b>			<b>\$ 25.99</b>	<b>\$ 2.76</b>	<b>11.90%</b>
RTSR - Network	per kWh	\$ 0.0059	828.08	\$ 4.89	\$ 0.0055	828.953	\$ 4.55	-\$ 0.34	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	828.08	\$ 3.89	\$ 0.0046	828.953	\$ 3.85	-\$ 0.04	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 32.01</b>			<b>\$ 34.39</b>	<b>\$ 2.38</b>	<b>7.43%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	828.08	\$ 4.31	\$ 0.0052	828.953	\$ 4.31	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	828.08	\$ 1.08	\$ 0.0013	828.953	\$ 1.08	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	828.08	\$ 0.31	\$ 0.0003730	828.953	\$ 0.31	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	228.08	\$ 17.11	\$ 0.0750	228.953	\$ 17.17	\$ 0.07	0.38%
<b>Total Bill (before Taxes)</b>				<b>\$ 99.66</b>			<b>\$ 102.11</b>	<b>\$ 2.45</b>	<b>2.46%</b>
HST		13%		\$ 12.96	13%		\$ 13.27	\$ 0.32	2.46%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 112.61</b>			<b>\$ 115.38</b>	<b>\$ 2.77</b>	<b>2.46%</b>
<b>Loss Factor (%)</b>			<b>3.5100%</b>				<b>3.62%</b>		

Notes:

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Customer Class:

Residential

Consumption 1000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	1000	\$ 12.80	\$ 0.0143	1000	\$ 14.30	\$ 1.50	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	1000	\$ 0.30	\$ 0.0002	1000	\$ 0.20	-\$ 0.10	-33.33%
Volumetric Rate Adder(s)			1000	\$ -		1000	\$ -	\$ -	
Volumetric Rate Rider(s)			1000	\$ -		1000	\$ -	\$ -	
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	1000	-\$ 3.90	-\$ 0.0007	1000	-\$ 0.67	\$ 3.23	-82.88%
Disposition Rate Rider									
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 25.07</b>			<b>\$ 28.76</b>	<b>\$ 3.69</b>	<b>14.72%</b>
RTSR - Network	per kWh	\$ 0.0059	1035.1	\$ 6.11	\$ 0.0055	1036.19	\$ 5.68	-\$ 0.42	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	1035.1	\$ 4.86	\$ 0.0046	1036.19	\$ 4.81	-\$ 0.06	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 36.04</b>			<b>\$ 39.25</b>	<b>\$ 3.21</b>	<b>8.91%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1035.1	\$ 5.38	\$ 0.0052	1036.19	\$ 5.39	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1035.1	\$ 1.35	\$ 0.0013	1036.19	\$ 1.35	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1035.1	\$ 0.39	\$ 0.0003730	1036.19	\$ 0.39	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	1000	\$ 7.00	\$ 0.0070	1000	\$ 7.00	\$ -	0.00%
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	435.1	\$ 32.63	\$ 0.0750	436.191	\$ 32.71	\$ 0.08	0.25%
<b>Total Bill (before Taxes)</b>				<b>\$ 122.04</b>			<b>\$ 125.34</b>	<b>\$ 3.30</b>	<b>2.70%</b>
HST		13%		\$ 15.87	13%		\$ 16.29	\$ 0.43	2.70%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 137.90</b>			<b>\$ 141.63</b>	<b>\$ 3.73</b>	<b>2.70%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Notes:

Customer Class:

Residential

Consumption 1500 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	1500	\$ 19.20	\$ 0.0143	1500	\$ 21.45	\$ 2.25	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	1500	\$ 0.45	\$ 0.0002	1500	\$ 0.30	-\$ 0.15	-33.33%
Volumetric Rate Adder(s)			1500	\$ -		1500	\$ -	\$ -	
Volumetric Rate Rider(s)			1500	\$ -		1500	\$ -	\$ -	
Smart Meter Disposition Rider			1500	\$ -		1500	\$ -	\$ -	
LRAM & SSM Rate Rider			1500	\$ -		1500	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	1500	-\$ 5.85	-\$ 0.0007	1500	-\$ 1.00	\$ 4.85	-82.88%
Disposition Rate Rider									
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 29.67</b>			<b>\$ 35.68</b>	<b>\$ 6.01</b>	<b>20.24%</b>
RTSR - Network	per kWh	\$ 0.0059	1552.65	\$ 9.16	\$ 0.0055	1554.29	\$ 8.52	-\$ 0.64	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	1552.65	\$ 7.30	\$ 0.0046	1554.29	\$ 7.21	-\$ 0.08	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 46.13</b>			<b>\$ 51.41</b>	<b>\$ 5.29</b>	<b>11.46%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1552.65	\$ 8.07	\$ 0.0052	1554.29	\$ 8.08	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1552.65	\$ 2.02	\$ 0.0013	1554.29	\$ 2.02	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1552.65	\$ 0.58	\$ 0.0003730	1554.29	\$ 0.58	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	1500	\$ 10.50	\$ 0.0070	1500	\$ 10.50	\$ -	0.00%
				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	952.65	\$ 71.45	\$ 0.0750	954.287	\$ 71.57	\$ 0.12	0.17%
<b>Total Bill (before Taxes)</b>				<b>\$ 178.00</b>			<b>\$ 183.42</b>	<b>\$ 5.42</b>	<b>3.04%</b>
HST		13%		\$ 23.14	13%		\$ 23.84	\$ 0.70	3.04%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 201.14</b>			<b>\$ 207.26</b>	<b>\$ 6.12</b>	<b>3.04%</b>
<b>Loss Factor (%)</b>				<b>3.5100%</b>			<b>3.62%</b>		

Notes:

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Customer Class:

Residential

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 13.71	1	\$ 13.71	\$ 15.36	1	\$ 15.36	\$ 1.65	12.04%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0128	2000	\$ 25.60	\$ 0.0143	2000	\$ 28.60	\$ 3.00	11.72%
Low Voltage Rate Adder	per kWh	\$ 0.0003	2000	\$ 0.60	\$ 0.0002	2000	\$ 0.40	-\$ 0.20	-33.33%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
LRAM & SSM Rate Rider			2000	\$ -		2000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0039	2000	-\$ 7.80	-\$ 0.0007	2000	-\$ 1.34	\$ 6.46	-82.88%
Disposition Rate Rider									
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 34.27</b>			<b>\$ 42.59</b>	<b>\$ 8.32</b>	<b>24.29%</b>
RTSR - Network	per kWh	\$ 0.0059	2070.2	\$ 12.21	\$ 0.0055	2072.38	\$ 11.37	-\$ 0.85	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0047	2070.2	\$ 9.73	\$ 0.0046	2072.38	\$ 9.62	-\$ 0.11	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 56.21</b>			<b>\$ 63.58</b>	<b>\$ 7.36</b>	<b>13.10%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2070.2	\$ 10.77	\$ 0.0052	2072.38	\$ 10.78	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2070.2	\$ 2.69	\$ 0.0013	2072.38	\$ 2.69	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	2070.2	\$ 0.77	\$ 0.0003730	2072.38	\$ 0.77	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC) Energy	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	1470.2	\$ 110.27	\$ 0.0750	1472.38	\$ 110.43	\$ 0.16	0.15%
<b>Total Bill (before Taxes)</b>				<b>\$ 233.96</b>			<b>\$ 241.50</b>	<b>\$ 7.54</b>	<b>3.22%</b>
HST		13%		\$ 30.41	13%		\$ 31.39	\$ 0.98	3.22%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 264.37</b>			<b>\$ 272.89</b>	<b>\$ 8.52</b>	<b>3.22%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

Customer Class: General Service < 50

Consumption 1000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	1000	\$ 15.60	\$ 0.0178	1000	\$ 17.80	\$ 2.20	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	1000	\$ 0.20	\$ 0.0002	1000	\$ 0.20	\$ -	0.00%
Volumetric Rate Adder(s)			1000	\$ -		1000	\$ -	\$ -	
Volumetric Rate Rider(s)			1000	\$ -		1000	\$ -	\$ -	
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -	
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	1000	-\$ 3.70	-\$ 0.0008	1000	-\$ 0.77	\$ 2.93	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 28.96</b>			<b>\$ 33.58</b>	<b>\$ 4.62</b>	<b>15.96%</b>
RTSR - Network	per kWh	\$ 0.0054	1035.1	\$ 5.59	\$ 0.0050	1036.19	\$ 5.20	-\$ 0.39	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	1035.1	\$ 4.35	\$ 0.0041	1036.19	\$ 4.30	-\$ 0.05	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 38.90</b>			<b>\$ 43.08</b>	<b>\$ 4.18</b>	<b>10.76%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1035.1	\$ 5.38	\$ 0.0052	1036.19	\$ 5.39	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1035.1	\$ 1.35	\$ 0.0013	1036.19	\$ 1.35	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1035.1	\$ 0.39	\$ 0.0003730	1036.19	\$ 0.39	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1000	\$ 7.00	\$ 0.0070	1000	\$ 7.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	435.1	\$ 32.63	\$ 0.0750	436.191	\$ 32.71	\$ 0.08	0.25%
<b>Total Bill (before Taxes)</b>				<b>\$ 124.89</b>			<b>\$ 129.17</b>	<b>\$ 4.27</b>	<b>3.42%</b>
HST		13%		\$ 16.24	13%		\$ 16.79	\$ 0.56	3.42%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 141.13</b>			<b>\$ 145.96</b>	<b>\$ 4.83</b>	<b>3.42%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Notes:

Customer Class:

General Service &lt; 50

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	2000	\$ 31.20	\$ 0.0178	2000	\$ 35.60	\$ 4.40	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	2000	\$ 0.40	\$ 0.0002	2000	\$ 0.40	\$ -	0.00%
Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
LRAM & SSM Rate Rider			2000	\$ -		2000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	2000	-\$ 7.40	-\$ 0.0008	2000	-\$ 1.53	\$ 5.87	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 41.06</b>			<b>\$ 50.82</b>	<b>\$ 9.76</b>	<b>23.76%</b>
RTSR - Network	per kWh	\$ 0.0054	2070.2	\$ 11.18	\$ 0.0050	2072.38	\$ 10.40	-\$ 0.78	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	2070.2	\$ 8.69	\$ 0.0041	2072.38	\$ 8.59	-\$ 0.10	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 60.93</b>			<b>\$ 69.81</b>	<b>\$ 8.88</b>	<b>14.57%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2070.2	\$ 10.77	\$ 0.0052	2072.38	\$ 10.78	\$ 0.01	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2070.2	\$ 2.69	\$ 0.0013	2072.38	\$ 2.69	\$ 0.00	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	2070.2	\$ 0.77	\$ 0.0003730	2072.38	\$ 0.77	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	1470.2	\$ 110.27	\$ 0.0750	1472.38	\$ 110.43	\$ 0.16	0.15%
<b>Total Bill (before Taxes)</b>				<b>\$ 238.68</b>			<b>\$ 247.74</b>	<b>\$ 9.06</b>	<b>3.80%</b>
HST		13%		\$ 31.03	13%		\$ 32.21	\$ 1.18	3.80%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 269.71</b>			<b>\$ 279.94</b>	<b>\$ 10.23</b>	<b>3.79%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

Customer Class:

General Service &lt; 50

Consumption 5000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	5000	\$ 78.00	\$ 0.0178	5000	\$ 89.00	\$ 11.00	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	5000	\$ 1.00	\$ 0.0002	5000	\$ 1.00	\$ -	0.00%
Volumetric Rate Adder(s)			5000	\$ -		5000	\$ -	\$ -	
Volumetric Rate Rider(s)			5000	\$ -		5000	\$ -	\$ -	
Smart Meter Disposition Rider			5000	\$ -		5000	\$ -	\$ -	
LRAM & SSM Rate Rider			5000	\$ -		5000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	5000	-\$ 18.50	-\$ 0.0008	5000	-\$ 3.83	\$ 14.67	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 77.36</b>			<b>\$ 102.52</b>	<b>\$ 25.16</b>	<b>32.52%</b>
RTSR - Network	per kWh	\$ 0.0054	5175.5	\$ 27.95	\$ 0.0050	5180.96	\$ 26.01	-\$ 1.94	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	5175.5	\$ 21.74	\$ 0.0041	5180.96	\$ 21.49	-\$ 0.25	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 127.04</b>			<b>\$ 150.01</b>	<b>\$ 22.97</b>	<b>18.08%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	5175.5	\$ 26.91	\$ 0.0052	5180.96	\$ 26.94	\$ 0.03	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	5175.5	\$ 6.73	\$ 0.0013	5180.96	\$ 6.74	\$ 0.01	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	5175.5	\$ 1.93	\$ 0.0003730	5180.96	\$ 1.93	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	5000	\$ 35.00	\$ 0.0070	5000	\$ 35.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	4575.5	\$ 343.16	\$ 0.0750	4580.96	\$ 343.57	\$ 0.41	0.12%
<b>Total Bill (before Taxes)</b>				<b>\$ 580.03</b>			<b>\$ 603.44</b>	<b>\$ 23.42</b>	<b>4.04%</b>
HST		13%		\$ 75.40	13%		\$ 78.45	\$ 3.04	4.04%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 655.43</b>			<b>\$ 681.89</b>	<b>\$ 26.46</b>	<b>4.04%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

Customer Class:

General Service &lt; 50

Consumption 10000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	10000	\$ 156.00	\$ 0.0178	10000	\$ 178.00	\$ 22.00	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	10000	\$ 2.00	\$ 0.0002	10000	\$ 2.00	\$ -	0.00%
Volumetric Rate Adder(s)			10000	\$ -		10000	\$ -	\$ -	
Volumetric Rate Rider(s)			10000	\$ -		10000	\$ -	\$ -	
Smart Meter Disposition Rider			10000	\$ -		10000	\$ -	\$ -	
LRAM & SSM Rate Rider			10000	\$ -		10000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	10000	-\$ 37.00	-\$ 0.0008	10000	-\$ 7.65	\$ 29.35	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 137.86</b>			<b>\$ 188.69</b>	<b>\$ 50.83</b>	<b>36.87%</b>
RTSR - Network	per kWh	\$ 0.0054	10351	\$ 55.90	\$ 0.0050	10361.9	\$ 52.01	-\$ 3.89	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	10351	\$ 43.47	\$ 0.0041	10361.9	\$ 42.97	-\$ 0.50	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 237.23</b>			<b>\$ 283.68</b>	<b>\$ 46.45</b>	<b>19.58%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	10351	\$ 53.83	\$ 0.0052	10361.9	\$ 53.88	\$ 0.06	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	10351	\$ 13.46	\$ 0.0013	10361.9	\$ 13.47	\$ 0.01	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	10351	\$ 3.86	\$ 0.0003730	10361.9	\$ 3.86	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	10000	\$ 70.00	\$ 0.0070	10000	\$ 70.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	9751	\$ 731.33	\$ 0.0750	9761.91	\$ 732.14	\$ 0.82	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 1,148.95</b>			<b>\$ 1,196.29</b>	<b>\$ 47.34</b>	<b>4.12%</b>
HST		13%		\$ 149.36	13%		\$ 155.52	\$ 6.15	4.12%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 1,298.31</b>			<b>\$ 1,351.81</b>	<b>\$ 53.50</b>	<b>4.12%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

Customer Class:

General Service &lt; 50

Consumption 15000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 14.70	1	\$ 14.70	\$ 16.78	1	\$ 16.78	\$ 2.08	14.15%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.0156	15000	\$ 234.00	\$ 0.0178	15000	\$ 267.00	\$ 33.00	14.10%
Low Voltage Rate Adder	per kWh	\$ 0.0002	15000	\$ 3.00	\$ 0.0002	15000	\$ 3.00	\$ -	0.00%
Volumetric Rate Adder(s)			15000	\$ -		15000	\$ -	\$ -	
Volumetric Rate Rider(s)			15000	\$ -		15000	\$ -	\$ -	
Smart Meter Disposition Rider			15000	\$ -		15000	\$ -	\$ -	
LRAM & SSM Rate Rider			15000	\$ -		15000	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 0.0037	15000	-\$ 55.50	-\$ 0.0008	15000	-\$ 11.48	\$ 44.02	-79.31%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 198.36</b>			<b>\$ 274.87</b>	<b>\$ 76.51</b>	<b>38.57%</b>
RTSR - Network	per kWh	\$ 0.0054	15526.5	\$ 83.84	\$ 0.0050	15542.9	\$ 78.02	-\$ 5.83	-6.95%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0042	15526.5	\$ 65.21	\$ 0.0041	15542.9	\$ 64.46	-\$ 0.75	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 347.41</b>			<b>\$ 417.34</b>	<b>\$ 69.93</b>	<b>20.13%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	15526.5	\$ 80.74	\$ 0.0052	15542.9	\$ 80.82	\$ 0.09	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	15526.5	\$ 20.18	\$ 0.0013	15542.9	\$ 20.21	\$ 0.02	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	15526.5	\$ 5.79	\$ 0.0003730	15542.9	\$ 5.80	\$ 0.01	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	15000	\$ 105.00	\$ 0.0070	15000	\$ 105.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block		\$ 0.0750	14926.5	\$ 1,119.49	\$ 0.0750	14942.9	\$ 1,120.72	\$ 1.23	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 1,717.87</b>			<b>\$ 1,789.14</b>	<b>\$ 71.27</b>	<b>4.15%</b>
HST		13%		\$ 223.32	13%		\$ 232.59	\$ 9.27	4.15%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 1,941.19</b>			<b>\$ 2,021.72</b>	<b>\$ 80.53</b>	<b>4.15%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

Customer Class: General Service > 50 to 999kW

Consumption		30000	kWh	60	kW					
Charge Unit		Current Board-Approved				Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)		Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%	
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -		
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -		
Distribution Volumetric Rate	per kW	\$ 2.3658	60	\$ 141.95	\$ 2.9288	60	\$ 175.73	\$ 33.78	23.80%	
Low Voltage Rate Adder	per kW	\$ 0.1135	60	\$ 6.81	\$ 0.0821	60	\$ 4.93	-\$ 1.88	-27.67%	
Volumetric Rate Adder(s)			60	\$ -		60	\$ -	\$ -		
Volumetric Rate Rider(s)			60	\$ -		60	\$ -	\$ -		
Smart Meter Disposition Rider			60	\$ -		60	\$ -	\$ -		
LRAM & SSM Rate Rider			60	\$ -		60	\$ -	\$ -		
Deferral/Variance Account	per kW	-\$ 1.1644	60	-\$ 69.86	-\$ 0.3405	60	-\$ 20.43	\$ 49.43	-70.75%	
Disposition Rate Rider										
				\$ -			\$ -	\$ -		
				\$ -			\$ -	\$ -		
				\$ -			\$ -	\$ -		
				\$ -			\$ -	\$ -		
				\$ -			\$ -	\$ -		
Sub-Total A - Distribution				\$ 151.95			\$ 248.16	\$ 96.21	63.31%	
RTSR - Network	per kW	\$ 2.4305	60	\$ 145.83	\$ 2.2592	60	\$ 135.55	-\$ 10.28	-7.05%	
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	60	\$ 116.30	\$ 1.9140	60	\$ 114.84	-\$ 1.46	-1.25%	
Sub-Total B - Delivery (including Sub-Total A)				\$ 414.08			\$ 498.55	\$ 84.47	20.40%	
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	31053	\$ 161.48	\$ 0.0052	31085.7	\$ 161.65	\$ 0.17	0.11%	
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	31053	\$ 40.37	\$ 0.0013	31085.7	\$ 40.41	\$ 0.04	0.11%	
Special Purpose Charge	per kWh	\$ 0.0003730	31053	\$ 11.58	\$ 0.0003730	31085.7	\$ 11.59	\$ 0.01	0.11%	
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	30000	\$ 210.00	\$ 0.0070	30000	\$ 210.00	\$ -	0.00%	
Energy				\$ -			\$ -	\$ -		
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%	
Energy Second Block	per kWh	\$ 0.0750	30453	\$ 2,283.98	\$ 0.0750	30485.7	\$ 2,286.43	\$ 2.46	0.11%	
Total Bill (before Taxes)				\$ 3,160.73			\$ 3,247.88	\$ 87.15	2.76%	
HST		13%		\$ 410.90	13%		\$ 422.22	\$ 11.33	2.76%	
Total Bill (including Sub-total B)				\$ 3,571.63			\$ 3,670.11	\$ 98.48	2.76%	
Loss Factor (%)		3.5100%			3.62%					

Notes:

Customer Class:

General Service &gt; 50 to 999kW

Consumption

75000 kWh

100

kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.3658	100	\$ 236.58	\$ 2.9288	100	\$ 292.88	\$ 56.30	23.80%
Low Voltage Rate Adder	per kW	\$ 0.1135	100	\$ 11.35	\$ 0.0821	100	\$ 8.21	-\$ 3.14	-27.67%
Volumetric Rate Adder(s)			100	\$ -		100	\$ -	\$ -	
Volumetric Rate Rider(s)			100	\$ -		100	\$ -	\$ -	
Smart Meter Disposition Rider			100	\$ -		100	\$ -	\$ -	
LRAM & SSM Rate Rider			100	\$ -		100	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1644	100	-\$ 116.44	-\$ 0.3405	100	-\$ 34.05	\$ 82.39	-70.75%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 204.55</b>			<b>\$ 354.97</b>	<b>\$ 150.42</b>	<b>73.54%</b>
RTSR - Network	per kW	\$ 2.4305	100	\$ 243.05	\$ 2.2592	100	\$ 225.92	-\$ 17.13	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	100	\$ 193.83	\$ 1.9140	100	\$ 191.40	-\$ 2.43	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 641.43</b>			<b>\$ 772.29</b>	<b>\$ 130.86</b>	<b>20.40%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	77632.5	\$ 403.69	\$ 0.0052	77714.3	\$ 404.11	\$ 0.43	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	77632.5	\$ 100.92	\$ 0.0013	77714.3	\$ 101.03	\$ 0.11	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	77632.5	\$ 28.96	\$ 0.0003730	77714.3	\$ 28.99	\$ 0.03	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	75000	\$ 525.00	\$ 0.0070	75000	\$ 525.00	\$ -	0.00%
Energy				\$ -			\$ -	\$ -	
Energy First Block	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block	per kWh	\$ 0.0750	77032.5	\$ 5,777.44	\$ 0.0750	77114.3	\$ 5,783.58	\$ 6.14	0.11%
<b>Total Bill (before Taxes)</b>				<b>\$ 7,516.69</b>			<b>\$ 7,654.25</b>	<b>\$ 137.56</b>	<b>1.83%</b>
HST		13%		\$ 977.17	13%		\$ 995.05	\$ 17.88	1.83%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 8,493.85</b>			<b>\$ 8,649.30</b>	<b>\$ 155.45</b>	<b>1.83%</b>
<b>Loss Factor (%)</b>			3.5100%				3.62%		

Notes:

Customer Class:

General Service &gt; 50 to 999kW

Consumption

200000 kWh

500

kW

Charge Unit	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW \$ 2.3658	500	\$ 1,182.90	\$ 2.9288	500	\$ 1,464.40	\$ 281.50	23.80%
Low Voltage Rate Adder	per kW \$ 0.1135	500	\$ 56.75	\$ 0.0821	500	\$ 41.05	-\$ 15.70	-27.67%
Volumetric Rate Adder(s)		500	\$ -		500	\$ -	\$ -	
Volumetric Rate Rider(s)		500	\$ -		500	\$ -	\$ -	
Smart Meter Disposition Rider		500	\$ -		500	\$ -	\$ -	
LRAM & SSM Rate Rider		500	\$ -		500	\$ -	\$ -	
Deferral/Variance Account	per kW -\$ 1.1644	500	-\$ 582.20	-\$ 0.3405	500	-\$ 170.27	\$ 411.93	-70.75%
Disposition Rate Rider			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>			<b>\$ 730.51</b>			<b>\$ 1,423.12</b>	<b>\$ 692.61</b>	<b>94.81%</b>
RTSR - Network	per kW \$ 2.4305	500	\$ 1,215.25	\$ 2.2592	500	\$ 1,129.59	-\$ 85.66	-7.05%
RTSR - Line and Transformation Connection	per kW \$ 1.9383	500	\$ 969.15	\$ 1.9140	500	\$ 957.00	-\$ 12.15	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>			<b>\$ 2,914.91</b>			<b>\$ 3,509.71</b>	<b>\$ 594.80</b>	<b>20.41%</b>
Wholesale Market Service Charge (WMSC)	per kWh \$ 0.0052	207020	\$ 1,076.50	\$ 0.0052	207238	\$ 1,077.64	\$ 1.13	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh \$ 0.0013	207020	\$ 269.13	\$ 0.0013	207238	\$ 269.41	\$ 0.28	0.11%
Special Purpose Charge	per kWh \$ 0.0003730	207020	\$ 77.22	\$ 0.0003730	207238	\$ 77.30	\$ 0.08	0.11%
Standard Supply Service Charge	monthly \$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh \$ 0.0070	200000	\$ 1,400.00	\$ 0.0070	200000	\$ 1,400.00	\$ -	0.00%
Energy			\$ -			\$ -	\$ -	
Energy First Block	per kWh \$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
Energy Second Block	per kWh \$ 0.0750	206420	\$ 15,481.50	\$ 0.0750	206638	\$ 15,497.87	\$ 16.37	0.11%
<b>Total Bill (before Taxes)</b>			<b>\$ 21,258.51</b>			<b>\$ 21,871.18</b>	<b>\$ 612.67</b>	<b>2.88%</b>
HST			\$ 2,763.61			\$ 2,843.25	\$ 79.65	2.88%
<b>Total Bill (including Sub-total B)</b>			<b>\$ 24,022.11</b>			<b>\$ 24,714.43</b>	<b>\$ 692.32</b>	<b>2.88%</b>
<b>Loss Factor (%)</b>			<b>3.5100%</b>			<b>3.62%</b>		

Notes:

Customer Class:

General Service &gt; 50 to 999kW

Consumption		800000	kWh	999	kW				
Charge Unit	Current Board-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	monthly	\$ 70.90	1	\$ 70.90	\$ 88.37	1	\$ 88.37	\$ 17.47	24.64%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.3658	999	\$ 2,363.43	\$ 2.9288	999	\$ 2,925.87	\$ 562.44	23.80%
Low Voltage Rate Adder	per kW	\$ 0.1135	999	\$ 113.39	\$ 0.0821	999	\$ 82.02	-\$ 31.37	-27.67%
Volumetric Rate Adder(s)			999	\$ -		999	\$ -	\$ -	
Volumetric Rate Rider(s)			999	\$ -		999	\$ -	\$ -	
Smart Meter Disposition Rider			999	\$ -		999	\$ -	\$ -	
LRAM & SSM Rate Rider			999	\$ -		999	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.1644	999	-\$ 1,163.24	-\$ 0.3405	999	-\$ 340.19	\$ 823.04	-70.75%
Disposition Rate Rider									
				\$ -		\$ -		\$ -	
				\$ -		\$ -		\$ -	
				\$ -		\$ -		\$ -	
				\$ -		\$ -		\$ -	
				\$ -		\$ -		\$ -	
Sub-Total A - Distribution				\$ 1,386.65		\$ 2,755.64		\$ 1,368.99	98.73%
RTSR - Network	per kW	\$ 2.4305	999	\$ 2,428.07	\$ 2.2592	999	\$ 2,256.92	-\$ 171.15	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9383	999	\$ 1,936.36	\$ 1.9140	999	\$ 1,912.09	-\$ 24.27	-1.25%
Sub-Total B - Delivery (including Sub-Total A)				\$ 5,751.08		\$ 6,924.65		\$ 1,173.57	20.41%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	828080	\$ 4,306.02	\$ 0.0052	828953	\$ 4,310.56	\$ 4.54	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	828080	\$ 1,076.50	\$ 0.0013	828953	\$ 1,077.64	\$ 1.13	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	828080	\$ 308.87	\$ 0.0003730	828953	\$ 309.20	\$ 0.33	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800000	\$ 5,600.00	\$ 0.0070	800000	\$ 5,600.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	828080	\$ 53,825.20	\$ 0.0650	828953	\$ 53,881.94	\$ 56.74	0.11%
				\$ -		\$ -		\$ -	
				\$ -		\$ -		\$ -	
Total Bill (before Taxes)				\$ 70,867.92		\$ 72,104.23		\$ 1,236.31	1.74%
HST		13%		\$ 9,212.83	13%	\$ 9,373.55		\$ 160.72	1.74%
Total Bill (including Sub-total B)				\$ 80,080.75		\$ 81,477.78		\$ 1,397.03	1.74%
Loss Factor (%)		3.5100%			3.62%				

Notes:

Customer Class: General Service > 1000 to 4999kW

		Consumption		800000 kWh		1000 kWh		kW			
		Current Board-Approved				Proposed				Impact	
Charge Unit		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change		
Monthly Service Charge	monthly	\$ 926.33	1	\$ 926.33	\$ 1,008.02	1	\$ 1,008.02	\$ 81.69	8.82%		
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%		
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -			
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -			
Distribution Volumetric Rate	per kW	\$ 2.9296	1000	\$ 2,929.60	\$ 3.1373	1000	\$ 3,137.30	\$ 207.70	7.09%		
Low Voltage Rate Adder	per kW	\$ 0.1116	1000	\$ 111.60	\$ 0.0808	1000	\$ 80.80	-\$ 30.80	-27.60%		
Volumetric Rate Adder(s)			1000	\$ -		1000	\$ -	\$ -			
Volumetric Rate Rider(s)			1000	\$ -		1000	\$ -	\$ -			
Smart Meter Disposition Rider			1000	\$ -		1000	\$ -	\$ -			
LRAM & SSM Rate Rider			1000	\$ -		1000	\$ -	\$ -			
Deferral/Variance Account	per kW	-\$ 1.4024	1000	-\$ 1,402.40	-\$ 0.4110	1000	-\$ 411.00	\$ 991.40	-70.69%		
Disposition Rate Rider				\$ -			\$ -	\$ -			
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Notes:

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Customer Class: General Service > 1000 to 4999kW

Consumption		1600000	kWh	4000	kW			
Charge Unit	Current Board-Approved			Proposed		Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 926.33	1	\$ 926.33	\$ 1,008.02	1	\$ 81.69	8.82%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	-		1	\$ -	
Service Charge Rate Rider(s)			1	-		1	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.9296	4000	\$ 11,718.40	\$ 3.1373	4000	\$ 830.80	7.09%
Low Voltage Rate Adder	per kW	\$ 0.1116	4000	\$ 446.40	\$ 0.0808	4000	-\$ 123.20	-27.60%
Volumetric Rate Adder(s)			4000	-		4000	\$ -	
Volumetric Rate Rider(s)			4000	-		4000	\$ -	
Smart Meter Disposition Rider			4000	-		4000	\$ -	
LRAM & SSM Rate Rider			4000	-		4000	\$ -	
Deferral/Variance Account	per kW	-\$ 1.4024	4000	-\$ 5,609.60	-\$ 0.4110	4000	\$ 3,965.59	-70.69%
Disposition Rate Rider								
				\$ -		\$ -	\$ -	
				\$ -		\$ -	\$ -	
				\$ -		\$ -	\$ -	
				\$ -		\$ -	\$ -	
				\$ -		\$ -	\$ -	
Sub-Total A - Distribution				\$ 7,483.69		\$ 12,235.98	\$ 4,752.29	63.50%
RTSR - Network	per kW	\$ 2.3905	4000	\$ 9,562.00	\$ 2.2220	4000	-\$ 674.01	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 1.9066	4000	\$ 7,626.40	\$ 1.8827	4000	-\$ 95.58	-1.25%
Sub-Total B - Delivery (including Sub-Total A)				\$ 24,672.09		\$ 28,654.78	\$ 3,982.69	16.14%
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	1656160	\$ 8,612.03	\$ 0.0052	1657906	\$ 9.08	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	1656160	\$ 2,153.01	\$ 0.0013	1657906	\$ 2.27	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	1656160	\$ 617.75	\$ 0.0003730	1657906	\$ 0.65	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	1600000	\$ 11,200.00	\$ 0.0070	1600000	\$ -	0.00%
Energy	per kWh	\$ 0.0650	1656160	\$ 107,650.40	\$ 0.0650	1657906	\$ 113.49	0.11%
				\$ -		\$ -	\$ -	
				\$ -		\$ -	\$ -	
Total Bill (before Taxes)				\$ 154,905.53		\$ 159,013.71	\$ 4,108.18	2.65%
HST		13%		\$ 20,137.72	13%	\$ 20,671.78	\$ 534.06	2.65%
Total Bill (including Sub-total B)				\$ 175,043.25		\$ 179,685.49	\$ 4,642.24	2.65%
Loss Factor (%)		3.5100%			3.62%			

Notes:

### General Service > 1000 to 4999kW

**Notes:**

Customer Class: Large User >5000kW

Consumption 2400000 kWh 5400 kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	5400	\$ 13,339.62	\$ 2.5261	5400	\$ 13,640.94	\$ 301.32	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	5400	\$ 673.92	\$ 0.0903	5400	\$ 487.62	-\$ 186.30	-27.64%
Volumetric Rate Adder(s)			5400	\$ -		5400	\$ -	\$ -	
Volumetric Rate Rider(s)			5400	\$ -		5400	\$ -	\$ -	
Smart Meter Disposition Rider			5400	\$ -		5400	\$ -	\$ -	
LRAM & SSM Rate Rider			5400	\$ -		5400	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	5400	-\$ 6,754.32	-\$ 0.3564	5400	-\$ 1,924.45	\$ 4,829.87	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 11,387.64</b>			<b>\$ 16,423.18</b>	<b>\$ 5,035.54</b>	<b>44.22%</b>
RTSR - Network	per kW	\$ 2.5886	5400	\$ 13,978.44	\$ 2.4061	5400	\$ 12,993.12	-\$ 985.32	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	5400	\$ 11,514.42	\$ 2.1056	5400	\$ 11,370.11	-\$ 144.31	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 36,880.50</b>			<b>\$ 40,786.41</b>	<b>\$ 3,905.91</b>	<b>10.59%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2434800	\$ 12,660.96	\$ 0.0052	2411611	\$ 12,540.38	-\$ 120.58	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2434800	\$ 3,165.24	\$ 0.0013	2411611	\$ 3,135.09	-\$ 30.15	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	2434800	\$ 908.18	\$ 0.0003730	2411611	\$ 899.53	-\$ 8.65	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2400000	\$ 16,800.00	\$ 0.0070	2400000	\$ 16,800.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	2434800	\$ 158,262.00	\$ 0.0650	2411611	\$ 156,754.73	-\$ 1,507.27	-0.95%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 228,677.13</b>			<b>\$ 230,916.39</b>	<b>\$ 2,239.26</b>	<b>0.98%</b>
HST		13%		\$ 29,728.03	13%		\$ 30,019.13	\$ 291.10	0.98%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 258,405.16</b>			<b>\$ 260,935.52</b>	<b>\$ 2,530.36</b>	<b>0.98%</b>
<b>Loss Factor (%)</b>			1.45%			0.48%			

Notes:

Customer Class: Large User >5000kW

Consumption		3100000	kWh	7500	kW				
Charge Unit	Current Board-Approved			Proposed			Impact		
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	7500	\$ 18,527.25	\$ 2.5261	7500	\$ 18,945.75	\$ 418.50	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	7500	\$ 936.00	\$ 0.0903	7500	\$ 677.25	-\$ 258.75	-27.64%
Volumetric Rate Adder(s)			7500	\$ -		7500	\$ -	\$ -	
Volumetric Rate Rider(s)			7500	\$ -		7500	\$ -	\$ -	
Smart Meter Disposition Rider			7500	\$ -		7500	\$ -	\$ -	
LRAM & SSM Rate Rider			7500	\$ -		7500	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	7500	-\$ 9,381.00	-\$ 0.3564	7500	-\$ 2,672.85	\$ 6,708.15	-71.51%
Disposition Rate Rider									
				\$ -		\$ -	\$ -	\$ -	
				\$ -		\$ -	\$ -	\$ -	
				\$ -		\$ -	\$ -	\$ -	
				\$ -		\$ -	\$ -	\$ -	
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				\$ -		\$ -	\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 14,210.67</b>		<b>\$ 21,169.23</b>	<b>\$ 6,958.56</b>	<b>48.97%</b>	
RTSR - Network	per kW	\$ 2.5886	7500	\$ 19,414.50	\$ 2.4061	7500	\$ 18,045.99	-\$ 1,368.51	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	7500	\$ 15,992.25	\$ 2.1056	7500	\$ 15,791.81	-\$ 200.44	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 49,617.42</b>		<b>\$ 55,007.03</b>	<b>\$ 5,389.61</b>	<b>10.86%</b>	
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	3144950	\$ 16,353.74	\$ 0.0052	3114998	\$ 16,197.99	-\$ 155.75	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	3144950	\$ 4,088.44	\$ 0.0013	3114998	\$ 4,049.50	-\$ 38.94	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	3144950	\$ 1,173.07	\$ 0.0003730	3114998	\$ 1,161.89	-\$ 11.17	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	3100000	\$ 21,700.00	\$ 0.0070	3100000	\$ 21,700.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	3144950	\$ 204,421.75	\$ 0.0650	3114998	\$ 202,474.86	-\$ 1,946.89	-0.95%
				\$ -		\$ -	\$ -	\$ -	
				\$ -		\$ -	\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 297,354.66</b>		<b>\$ 300,591.52</b>	<b>\$ 3,236.86</b>	<b>1.09%</b>	
HST		13%		\$ 38,656.11	13%	\$ 39,076.90	\$ 420.79	1.09%	
<b>Total Bill (including Sub-total B)</b>				<b>\$ 336,010.77</b>		<b>\$ 339,668.42</b>	<b>\$ 3,657.65</b>	<b>1.09%</b>	
<b>Loss Factor (%)</b>		1.45%			0.48%				

Notes:

Customer Class:

Large User &gt;5000kW

Consumption

4200000 kWh

10000

kW

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	-\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 2.4703	10000	\$ 24,703.00	\$ 2.5261	10000	\$ 25,261.00	\$ 558.00	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	10000	\$ 1,248.00	\$ 0.0903	10000	\$ 903.00	-\$ 345.00	-27.64%
Volumetric Rate Adder(s)			10000	\$ -		10000	\$ -	\$ -	
Volumetric Rate Rider(s)			10000	\$ -		10000	\$ -	\$ -	
Smart Meter Disposition Rider			10000	\$ -		10000	\$ -	\$ -	
LRAM & SSM Rate Rider			10000	\$ -		10000	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	10000	-\$ 12,508.00	-\$ 0.3564	10000	-\$ 3,563.80	\$ 8,944.20	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>\$ 17,571.42</b>			<b>\$ 26,819.27</b>	<b>\$ 9,247.85</b>	<b>52.63%</b>
RTSR - Network	per kW	\$ 2.5886	10000	\$ 25,886.00	\$ 2.4061	10000	\$ 24,061.33	-\$ 1,824.67	-7.05%
RTSR - Line and Transformation Connection	per kW	\$ 2.1323	10000	\$ 21,323.00	\$ 2.1056	10000	\$ 21,055.75	-\$ 267.25	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 64,780.42</b>			<b>\$ 71,936.35</b>	<b>\$ 7,155.93</b>	<b>11.05%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	4260900	\$ 22,156.68	\$ 0.0052	4220320	\$ 21,945.66	-\$ 211.02	-0.95%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	4260900	\$ 5,539.17	\$ 0.0013	4220320	\$ 5,486.42	-\$ 52.75	-0.95%
Special Purpose Charge	per kWh	\$ 0.0003730	4260900	\$ 1,589.32	\$ 0.0003730	4220320	\$ 1,574.18	-\$ 15.14	-0.95%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	4200000	\$ 29,400.00	\$ 0.0070	4200000	\$ 29,400.00	\$ -	0.00%
Energy	per kWh	\$ 0.0650	4260900	\$ 276,958.50	\$ 0.0650	4220320	\$ 274,320.77	-\$ 2,637.73	-0.95%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 400,424.34</b>			<b>\$ 404,663.63</b>	<b>\$ 4,239.30</b>	<b>1.06%</b>
HST		13%		\$ 52,055.16	13%		\$ 52,606.27	\$ 551.11	1.06%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 452,479.50</b>			<b>\$ 457,269.91</b>	<b>\$ 4,790.41</b>	<b>1.06%</b>
<b>Loss Factor (%)</b>			1.45%				0.48%		

Notes:

Customer Class: Large User >5000kW

Consumption		4700000	kWh	13900	kW				
	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 4,126.26	1	\$ 4,126.26	\$ 4,219.51	1	\$ 4,219.51	\$ 93.25	2.26%
Smart Meter Rate Adder	monthly	\$ 2.16	1	\$ 2.16	-\$ 0.43	1	\$ 0.43	-\$ 2.59	-120.00%
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kW	\$ 2.4703	13900	\$ 34,337.17	\$ 2.5261	13900	\$ 35,112.79	\$ 775.62	2.26%
Low Voltage Rate Adder	per kW	\$ 0.1248	13900	\$ 1,734.72	\$ 0.0903	13900	\$ 1,255.17	-\$ 479.55	-27.64%
Volumetric Rate Adder(s)			13900	\$ -		13900	\$ -	\$ -	
Volumetric Rate Rider(s)			13900	\$ -		13900	\$ -	\$ -	
Smart Meter Disposition Rider			13900	\$ -		13900	\$ -	\$ -	
LRAM & SSM Rate Rider			13900	\$ -		13900	\$ -	\$ -	
Deferral/Variance Account	per kW	-\$ 1.2508	13900	-\$ 17,386.12	-\$ 0.3564	13900	-\$ 4,953.69	\$ 12,432.43	-71.51%
Disposition Rate Rider				\$ -			\$ -	\$ -	
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Notes:

File Number: EB-2010-0137  
Exhibit: Appendix 2-Q -Streetlighting

Page: xx

Date:

Customer Class:

Streetlighting

Consumption 526,732 kWh 1,484 kW 2,865 Connections

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$ 0.1600	2864.57	\$ 458.33	\$ 1.1372	2864.57	\$ 3,257.59	\$ 2,799.26	610.75%
Smart Meter Rate Adder	monthly		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	per kWh	\$ 0.6995	1484.14	\$ 1,038.15	\$ 4.9716	1484.14	\$ 7,378.54	\$ 6,340.38	610.74%
Low Voltage Rate Adder	per kWh	\$ 0.0764	1484.14	\$ 113.39	\$ 0.0552	1484.14	\$ 81.92	\$ 31.46	-27.75%
Volumetric Rate Adder(s)			1484.14	\$ -		1484.14	\$ -	\$ -	
Volumetric Rate Rider(s)			1484.14	\$ -		1484.14	\$ -	\$ -	
Smart Meter Disposition Rider			1484.14	\$ -		1484.14	\$ -	\$ -	
LRAM & SSM Rate Rider			1484.14	\$ -		1484.14	\$ -	\$ -	
Deferral/Variance Account	per kWh	-\$ 1.1241	1484.14	-\$ 1,668.32	-\$ 0.3348	1484.14	-\$ 496.88	\$ 1,171.44	-70.22%
Disposition Rate Rider				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>				<b>-\$ 58.44</b>			<b>\$ 10,221.17</b>	<b>\$ 10,279.62</b>	<b>-17588.59%</b>
RTSR - Network	per kWh	\$ 1.6461	1484.14	\$ 2,443.04	\$ 1.5301	1484.14	\$ 2,270.83	-\$ 172.21	-7.05%
RTSR - Line and Transformation Connection	per kWh	\$ 1.3038	1484.14	\$ 1,935.02	\$ 1.2875	1484.14	\$ 1,910.77	-\$ 24.25	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 4,319.61</b>			<b>\$ 14,402.77</b>	<b>\$ 10,083.16</b>	<b>233.43%</b>
Wholesale Market Service Charge (WMS)	per kWh	\$ 0.0052	545221	\$ 2,835.15	\$ 0.0052	545795	\$ 2,838.14	\$ 2.99	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	545221	\$ 708.79	\$ 0.0013	545795	\$ 709.53	\$ 0.75	0.11%
Special Purpose Charge	per kWh	\$ 0.0003730	545221	\$ 203.37	\$ 0.0003730	545795	\$ 203.58	\$ 0.21	0.11%
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	526732	\$ 3,687.13	\$ 0.0070	526732	\$ 3,687.13	\$ -	0.00%
Energy	per kWh	\$ 0.0650	545221	\$ 35,439.34	\$ 0.0650	545795	\$ 35,476.70	\$ 37.36	0.11%
				\$ -			\$ -	\$ -	
				\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>				<b>\$ 47,193.62</b>			<b>\$ 57,318.10</b>	<b>\$ 10,124.47</b>	<b>21.45%</b>
HST		13%		\$ 6,135.17	13%		\$ 7,451.35	\$ 1,316.18	21.45%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 53,328.79</b>			<b>\$ 64,769.45</b>	<b>\$ 11,440.66</b>	<b>21.45%</b>
<b>Loss Factor (%)</b>			3.5100%			3.62%			

Notes:

File Number: EB-2010-0137  
Exhibit: Appendix 2-Q -Sentinel

Page: xx

Date:

Customer Class:

Sentinel

Consumption 50 kWh 1 kW 1 Connections

Charge Unit	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 0.4000	1	\$ 0.40	\$ 1.4692	1	\$ 1.47	\$ 1.07	267.30%
Smart Meter Rate Adder		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	\$ 3.0225	1	\$ 3.02	\$ 11.1018	1	\$ 11.10	\$ 8.08	267.31%
Low Voltage Rate Adder	\$ 0.0779	1	\$ 0.08	\$ 0.0564	1	\$ 0.06	\$ 0.02	-27.60%
Volumetric Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
Volumetric Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
Smart Meter Disposition Rider		1	\$ -		1	\$ -	\$ -	
LRAM & SSM Rate Rider		1	\$ -		1	\$ -	\$ -	
Deferral/Variance Account		1	\$ 3.32	\$ 0.2828	1	\$ 0.28	\$ 3.04	-91.48%
Disposition Rate Rider			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>			<b>\$ 0.18</b>			<b>\$ 12.34</b>	<b>\$ 12.16</b>	<b>6686.50%</b>
RTSR - Network	\$ 1.6545	1	\$ 1.65	\$ 1.5379	1	\$ 1.54	\$ 0.12	-7.05%
RTSR - Line and Transformation Connection	\$ 1.3312	1	\$ 1.33	\$ 1.3145	1	\$ 1.31	\$ 0.02	-1.25%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>			<b>\$ 3.17</b>			<b>\$ 15.20</b>	<b>\$ 12.03</b>	<b>379.76%</b>
Wholesale Market Service Charge (WMSC)	\$ 0.0052	51.755	\$ 0.27	\$ 0.0052	51.8096	\$ 0.27	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	\$ 0.0013	51.755	\$ 0.07	\$ 0.0013	51.8096	\$ 0.07	\$ 0.00	0.11%
Special Purpose Charge	\$ 0.0003730	51.755	\$ 0.02	\$ 0.0003730	51.8096	\$ 0.02	\$ 0.00	0.11%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	\$ 0.0070	50	\$ 0.35	\$ 0.0070	50	\$ 0.35	\$ -	0.00%
Energy	\$ 0.0650	51.755	\$ 3.36	\$ 0.0650	51.8096	\$ 3.37	\$ 0.00	0.11%
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>			<b>\$ 7.49</b>			<b>\$ 19.52</b>	<b>\$ 12.03</b>	<b>160.72%</b>
HST	13%		\$ 0.97	13%		\$ 2.54	\$ 1.56	160.72%
<b>Total Bill (including Sub-total B)</b>			<b>\$ 8.46</b>			<b>\$ 22.06</b>	<b>\$ 13.60</b>	<b>160.76%</b>
<b>Loss Factor (%)</b>		3.5100%			3.62%			

Notes:

File Number: EB-2010-0137  
Exhibit: Appendix 2-Q -USL

Page: xx

Date:

Customer Class:

Unmetered & Scattered

Consumption 630 kWh kW 1 Connections

Charge Unit	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 7.3800	1	\$ 7.38	\$ 8.2702	1	\$ 8.27	\$ 0.89	12.06%
Smart Meter Rate Adder		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
Distribution Volumetric Rate	\$ 0.0156	630	\$ 9.83	\$ 0.0175	630	\$ 11.03	\$ 1.20	12.18%
Low Voltage Rate Adder	\$ 0.0002	630	\$ 0.13	\$ 0.0002	630	\$ 0.13	\$ -	0.00%
Volumetric Rate Adder(s)		630	\$ -		630	\$ -	\$ -	
Volumetric Rate Rider(s)		630	\$ -		630	\$ -	\$ -	
Smart Meter Disposition Rider		630	\$ -		630	\$ -	\$ -	
LRAM & SSM Rate Rider		630	\$ -		630	\$ -	\$ -	
Deferral/Variance Account	per kWh	630	\$ 2.58	per kWh	630	\$ 0.43	\$ 2.15	-83.32%
Disposition Rate Rider			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
<b>Sub-Total A - Distribution</b>			<b>\$ 14.75</b>			<b>\$ 18.99</b>	<b>\$ 4.24</b>	<b>28.74%</b>
RTSR - Network	per kWh	652.113	\$ 3.52	\$ 0.0050	652.8	\$ 3.28	-\$ 0.24	-6.95%
RTSR - Line and Transformation Connection	per kWh	652.113	\$ 2.74	\$ 0.0041	652.8	\$ 2.71	-\$ 0.03	-1.15%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>			<b>\$ 21.01</b>			<b>\$ 24.97</b>	<b>\$ 3.96</b>	<b>18.86%</b>
Wholesale Market Service Charge (WMSC)	per kWh	652.113	\$ 3.39	\$ 0.0052	652.8	\$ 3.39	\$ 0.00	0.11%
Rural and Remote Rate Protection (RRRP)	per kWh	652.113	\$ 0.85	\$ 0.0013	652.8	\$ 0.85	\$ 0.00	0.11%
Special Purpose Charge	per kWh	652.113	\$ 0.24	\$ 0.0003730	652.8	\$ 0.24	\$ 0.00	0.11%
Standard Supply Service Charge	monthly	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
Debt Retirement Charge (DRC)	per kWh	630	\$ 4.41	\$ 0.0070	630	\$ 4.41	\$ -	0.00%
Energy	per kWh	652.113	\$ 42.39	\$ 0.0650	652.8	\$ 42.43	\$ 0.04	0.11%
			\$ -			\$ -	\$ -	
			\$ -			\$ -	\$ -	
<b>Total Bill (before Taxes)</b>			<b>\$ 72.54</b>			<b>\$ 76.55</b>	<b>\$ 4.01</b>	<b>5.53%</b>
HST	13%		\$ 9.43	13%		\$ 9.95	\$ 0.52	5.53%
<b>Total Bill (including Sub-total B)</b>			<b>\$ 81.97</b>			<b>\$ 86.51</b>	<b>\$ 4.54</b>	<b>5.54%</b>
<b>Loss Factor (%)</b>		3.5100%			3.62%			

Notes:

**Bill Impact Summary**

<b>Class</b>	<b>Typical kWh Usage</b>	<b>Typical kW Demand</b>	<b>Monthly \$ Impact</b>	<b>Total Bill Impact %</b>
Residential	800		2.77	2.46%
General Service < 50kW	5,000		26.46	4.04%
General Service > 50 - 999kW	200,000	500	692.32	2.88%
General Service > 1000 - 4999kW	1,600,000	4,000	4,642.24	2.65%
Large Use	3,100,000	7,500	3,657.65	1.09%
Streetlighting	526,732	1,484	11,440.66	21.45%
Sentinel Lighting	50	1	13.60	160.76%
Unmetered & Scattered	630		4.54	5.54%

## APPENDIX C – 2011 RTSR ADJUSTMENT WORKFORM



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## LDC Information

<b>Applicant Name</b>	Milton Hydro Distribution Inc.
<b>OEB Application Number</b>	EB-2010-0137
<b>LDC Licence Number</b>	ED-2003-0014



**Name of LDC:** Milton Hydro Distribution Inc.  
**File Number:** EB-2010-0137

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### Sheet Name

[A1.1 LDC Information](#)

[A2.1 Table of Contents](#)

[B1.1 Rate Class And RTSR Rates](#)

[B1.2 Dist Billing Determinants](#)

[B1.3 UTR's and Sub-Transmission](#)

[C1.1 Historical Wholesale](#)

[C1.2 Current Wholesale](#)

[C1.3 Forecast Wholesale](#)

[D1.1 Adj Network to Curr Whsl](#)

[D1.2 Adj Conn to Curr Whsl](#)

[E1.1 Adj Network to Fcst Whsl](#)

[E1.2 Adj Conn to Fcst Whsl](#)

### Purpose of Sheet

Enter LDC Data

Table of Contents

Enter Rate Class And RTSR Rates

Enter Distributor Billing Determinants

Current and Forecasted UTR's and Hydro One Sub-Transmission Rates

Enter Historical Wholesale Transmission

Calculates Current Wholesale Transmission

Calculates Forecast Wholesale Transmission

Calculates the Adjustment for RTSR-Network needed to recover Current Wholesale

Calculates the Adjustment for RTSR-Connection needed to recover Current Wholesale

Calculates the Adjustment for RTSR-Network needed to recover Forecast Wholesale

Calculates the Adjustment for RTSR-Connection needed to recover Forecast Wholesale



**Name of LDC:** Milton Hydro Distribution Inc.  
**File Number:** EB-2010-0137

## Rate Class And 2010 RTSR Rates

Enter Rate Group and Rate Class in the same order as listed on your current Tariff sheet and Rate Generator.

Enter the RTSR-Network and RTSR-Connection rates as approved on your current Tariff sheet.

Rate Group	Rate Class	Vol Metric	RTSR - Network	RTSR - Connection
RES	Residential	kWh	0.0059	0.0047
GSLT50	General Service Less Than 50 kW	kWh	0.0054	0.0042
GSGT50	General Service 50 to 999 kW	kW	2.4305	1.9383
GSGT50	General Service 1,000 to 4,999 kW	kW	2.3905	1.9066
LU	Large Use	kW	2.5886	2.1323
SL	Street Lighting	kW	1.6461	1.3038
Sen	Sentinel Lighting	kW	1.6545	1.3312
USL	Unmetered Scattered Load	kWh	0.0054	0.0042
NA	Rate Class 9	NA		
NA	Rate Class 10	NA		
NA	Rate Class 11	NA		
NA	Rate Class 12	NA		
NA	Rate Class 13	NA		
NA	Rate Class 14	NA		
NA	Rate Class 15	NA		
NA	Rate Class 16	NA		
NA	Rate Class 17	NA		
NA	Rate Class 18	NA		
NA	Rate Class 19	NA		
NA	Rate Class 20	NA		
NA	Rate Class 21	NA		
NA	Rate Class 22	NA		
NA	Rate Class 23	NA		
NA	Rate Class 24	NA		
NA	Rate Class 25	NA		



**Name of LDC:** Milton Hydro Distribution Inc.  
**File Number:** EB-2010-0137

## 2009 Distributor Billing Determinants

Enter the most recently reported RRR billing determinants

Loss Adjusted Billed kWh **Yes**

Loss Adjusted Billed kW **No**

Rate Class	Vol Metric	Billed Customers or Connections A	Billed kWh B	Billed kW C	Applicable Loss Factor D	Load Factor E = B / (C * 730)	Loss Adjusted Billed kWh F = B * D
Residential	kWh	24,832	230,386,763	0	1.0351		238,473,338
General Service Less Than 50 kW	kWh	2,203	73,566,124	0	1.0351		76,148,295
General Service 50 to 999 kW	kW	274	185,653,127	494,158	1.0351	51.49%	192,169,552
General Service 1,000 to 4,999 kW	kW	12	117,357,757	260,952	1.0351	61.64%	121,477,014
Large Use	kW	2	60,254,116	154,282	1.0145	53.53%	61,127,801
Street Lighting	kW	7,228	5,438,382	15,174	1.0351	49.12%	5,629,269
Sentinel Lighting	kW	279	172,687	480	1.0351	49.31%	178,748
Unmetered Scattered Load	kWh	183	1,259,845	0	1.0351		1,304,066
Total		35,013	674,088,801	925,046			696,508,083



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Uniform Transmission and Hydro One Sub-Transmission Rates

### Uniform Transmission Rates

Rate Description	Vol Metric	Effective January 1, 2009	Effective July 1, 2009	Effective January 1, 2010	Effective January 1, 2011
		Rate	Rate	Rate	Rate
Network Service Rate	kW	\$ 2.57	\$ 2.66	\$ 2.97	\$ 2.97
Line Connection Service Rate	kW	\$ 0.70	\$ 0.70	\$ 0.73	\$ 0.73
Transformation Connection Service Rate	kW	\$ 1.62	\$ 1.57	\$ 1.71	\$ 1.71

### Hydro One Sub-Transmission Rates

Rate Description	Vol Metric	Effective May 1, 2008	Effective May 1, 2009	Effective May 1, 2010	Effective May 1, 2011
		Rate	Rate	Rate	Rate
Network Service Rate	kW	\$ 2.01	\$ 2.24	\$ 2.65	\$ 2.65
Line Connection Service Rate	kW	\$ 0.50	\$ 0.60	\$ 0.64	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.38	\$ 1.39	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 1.88	\$ 1.99	\$ 2.14	\$ 2.14

### Hydro One Sub-Transmission Rate Rider 6A

Rate Description	Vol Metric	Effective May 1, 2008	Effective May 1, 2009	Effective May 1, 2010	Effective May 1, 2011
		Rate	Rate	Rate	Rate
RSVA Transmission network – 4714 – which affects 1584	kW	\$ -	\$ -	\$ 0.0470	\$ 0.0470
RSVA Transmission connection – 4716 – which affects 1586	kW	\$ -	\$ -	-\$ 0.0250	-\$ 0.0250
RSVA LV – 4750 – which affects 1550	kW	\$ -	\$ -	\$ 0.0580	\$ 0.0580
RARA 1 – 2252 – which affects 1590	kW	\$ -	\$ -	-\$ 0.0750	-\$ 0.0750
Hydro One Sub-Transmission Rate Rider 6A	kW	\$ -	\$ -	\$ 0.0050	\$ 0.0050



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## 2009 Historical Wholesale Transmission

Enter billing detail for wholesale transmission for the same reporting period as the billing determinants on sheet B1.2.

### IESO

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	77,928	\$2.66	\$ 207,288	84,430	\$0.70	\$ 59,101	87,119	\$1.57	\$ 136,777	\$ 195,878
February	81,412	\$2.66	\$ 216,556	84,863	\$0.70	\$ 59,404	87,566	\$1.57	\$ 137,478	\$ 196,882
March	82,489	\$2.66	\$ 219,421	85,378	\$0.70	\$ 59,765	88,097	\$1.57	\$ 138,312	\$ 198,077
April	70,747	\$2.66	\$ 188,188	76,166	\$0.70	\$ 53,316	78,592	\$1.57	\$ 123,389	\$ 176,705
May	75,229	\$2.66	\$ 200,108	77,863	\$0.70	\$ 54,504	80,343	\$1.57	\$ 126,138	\$ 180,642
June	108,128	\$2.66	\$ 287,622	113,909	\$0.70	\$ 79,736	117,537	\$1.57	\$ 184,533	\$ 264,269
July	99,039	\$2.66	\$ 263,444	99,056	\$0.70	\$ 69,339	99,056	\$1.57	\$ 155,518	\$ 224,857
August	121,397	\$2.66	\$ 322,916	123,251	\$0.70	\$ 86,276	123,251	\$1.57	\$ 193,504	\$ 279,780
September	92,103	\$2.66	\$ 244,994	94,881	\$0.70	\$ 66,417	94,881	\$1.57	\$ 148,963	\$ 215,380
October	86,679	\$2.66	\$ 230,566	86,679	\$0.70	\$ 60,675	86,679	\$1.57	\$ 136,086	\$ 196,761
November	91,378	\$2.66	\$ 243,065	92,155	\$0.70	\$ 64,509	92,155	\$1.57	\$ 144,683	\$ 209,192
December	99,397	\$2.66	\$ 264,396	101,261	\$0.70	\$ 70,883	101,261	\$1.57	\$ 158,980	\$ 229,862
<b>Total</b>	<b>1,085,927</b>	<b>\$2.66</b>	<b>\$2,888,565</b>	<b>1,119,892</b>	<b>\$0.70</b>	<b>\$783,924</b>	<b>1,136,536</b>	<b>\$1.57</b>	<b>\$1,784,361</b>	<b>\$2,568,285</b>

### Hydro One

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	24,959	\$2.01	\$ 50,168	25,031	\$0.50	\$ 12,516	25,031	\$1.38	\$ 34,543	\$ 47,058
February	24,489	\$2.01	\$ 49,223	25,001	\$0.50	\$ 12,501	25,001	\$1.38	\$ 34,501	\$ 47,002
March	22,721	\$2.01	\$ 45,669	22,721	\$0.50	\$ 11,361	22,721	\$1.38	\$ 31,355	\$ 42,715
April	21,974	\$2.01	\$ 44,168	22,072	\$0.50	\$ 11,036	22,072	\$1.38	\$ 30,459	\$ 41,495
May	16,304	\$2.05	\$ 33,376	16,984	\$0.52	\$ 8,766	16,984	\$1.38	\$ 23,465	\$ 32,231
June	15,136	\$2.24	\$ 33,905	15,491	\$0.60	\$ 9,295	15,491	\$1.39	\$ 21,532	\$ 30,827
July	9,711	\$2.24	\$ 21,753	9,711	\$0.60	\$ 5,827	9,711	\$1.39	\$ 13,498	\$ 19,325
August	14,067	\$2.24	\$ 31,510	14,067	\$0.60	\$ 8,440	14,067	\$1.39	\$ 19,553	\$ 27,993
September	14,040	\$2.24	\$ 31,450	14,818	\$0.60	\$ 8,891	14,818	\$1.39	\$ 20,597	\$ 29,488
October	13,711	\$2.24	\$ 30,713	13,793	\$0.60	\$ 8,276	13,793	\$1.39	\$ 19,172	\$ 27,448
November	14,400	\$2.24	\$ 32,256	14,741	\$0.60	\$ 8,845	14,741	\$1.39	\$ 20,490	\$ 29,335
December	17,156	\$2.24	\$ 38,429	17,929	\$0.60	\$ 10,757	17,929	\$1.39	\$ 24,921	\$ 35,679
<b>Total</b>	<b>208,668</b>	<b>\$2.12</b>	<b>\$ 442,618</b>	<b>212,359</b>	<b>\$0.55</b>	<b>\$116,508</b>	<b>212,359</b>	<b>\$1.38</b>	<b>\$ 294,088</b>	<b>\$ 410,597</b>

### Total

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	102,887	\$2.50	\$ 257,456	109,461	\$0.65	\$ 71,617	112,150	\$1.53	\$ 171,319	\$ 242,936
February	105,901	\$2.51	\$ 265,779	109,864	\$0.65	\$ 71,905	112,567	\$1.53	\$ 171,979	\$ 243,884
March	105,210	\$2.52	\$ 265,091	108,099	\$0.66	\$ 71,125	110,818	\$1.53	\$ 169,667	\$ 240,792
April	92,721	\$2.51	\$ 232,356	98,238	\$0.66	\$ 64,352	100,664	\$1.53	\$ 153,848	\$ 218,200
May	91,533	\$2.55	\$ 233,484	94,847	\$0.67	\$ 63,270	97,327	\$1.54	\$ 149,603	\$ 212,873
June	123,264	\$2.61	\$ 321,526	129,400	\$0.69	\$ 89,031	133,028	\$1.55	\$ 206,065	\$ 295,096
July	108,750	\$2.62	\$ 285,196	108,767	\$0.69	\$ 75,166	108,767	\$1.55	\$ 169,016	\$ 244,182
August	135,464	\$2.62	\$ 354,426	137,318	\$0.69	\$ 94,716	137,318	\$1.55	\$ 213,057	\$ 307,773
September	106,143	\$2.60	\$ 276,444	109,699	\$0.69	\$ 75,308	109,699	\$1.55	\$ 169,560	\$ 244,868
October	100,390	\$2.60	\$ 261,279	100,472	\$0.69	\$ 68,951	100,472	\$1.55	\$ 155,258	\$ 224,209
November	105,778	\$2.60	\$ 275,321	106,896	\$0.69	\$ 73,353	106,896	\$1.55	\$ 165,173	\$ 238,526
December	116,553	\$2.60	\$ 302,825	119,190	\$0.68	\$ 81,640	119,190	\$1.54	\$ 183,901	\$ 265,541
<b>Total</b>	<b>1,294,595</b>	<b>\$2.57</b>	<b>\$3,331,183</b>	<b>1,332,251</b>	<b>\$0.68</b>	<b>\$900,433</b>	<b>1,348,895</b>	<b>\$1.54</b>	<b>\$2,078,449</b>	<b>\$2,978,882</b>



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Current Wholesale Transmission

The purpose of this sheet is to calculate the expected billing when current 2010 UTR rates are applied against historical (2009) transmission units.

### IESO

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	77,928	\$2.9700	\$ 231,446	84,430	\$0.7300	\$ 61,634	87,119	\$1.7100	\$ 148,973	\$ 210,607
February	81,412	\$2.9700	\$ 241,794	84,863	\$0.7300	\$ 61,950	87,566	\$1.7100	\$ 149,737	\$ 211,687
March	82,489	\$2.9700	\$ 244,993	85,378	\$0.7300	\$ 62,326	88,097	\$1.7100	\$ 150,646	\$ 212,972
April	70,747	\$2.9700	\$ 210,120	76,166	\$0.7300	\$ 55,601	78,592	\$1.7100	\$ 134,392	\$ 189,993
May	75,229	\$2.9700	\$ 223,429	77,863	\$0.7300	\$ 56,840	80,343	\$1.7100	\$ 137,386	\$ 194,226
June	108,128	\$2.9700	\$ 321,141	113,909	\$0.7300	\$ 83,154	117,537	\$1.7100	\$ 200,988	\$ 284,141
July	99,039	\$2.9700	\$ 294,146	99,056	\$0.7300	\$ 72,311	99,056	\$1.7100	\$ 169,386	\$ 241,697
August	121,397	\$2.9700	\$ 360,549	123,251	\$0.7300	\$ 89,973	123,251	\$1.7100	\$ 210,759	\$ 300,732
September	92,103	\$2.9700	\$ 273,546	94,881	\$0.7300	\$ 69,263	94,881	\$1.7100	\$ 162,247	\$ 231,510
October	86,679	\$2.9700	\$ 257,437	86,679	\$0.7300	\$ 63,276	86,679	\$1.7100	\$ 148,221	\$ 211,497
November	91,378	\$2.9700	\$ 271,393	92,155	\$0.7300	\$ 67,273	92,155	\$1.7100	\$ 157,585	\$ 224,858
December	99,397	\$2.9700	\$ 295,209	101,261	\$0.7300	\$ 73,921	101,261	\$1.7100	\$ 173,156	\$ 247,077
<b>Total</b>	<b>1,085,927</b>	<b>\$2.9700</b>	<b>\$3,225,202</b>	<b>1,119,892</b>	<b>\$0.7300</b>	<b>\$817,521</b>	<b>1,136,536</b>	<b>\$1.7100</b>	<b>\$1,943,476</b>	<b>\$2,760,997</b>

### Hydro One

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	Includes Hydro One Rate Rider B1.3 UTR's and Sub-Transmission Cell K48			Includes Hydro One Rate Rider B1.3 UTR's and Sub-Transmission Cell K50						
January	24,959	\$2.6970	\$ 67,314	25,031	\$0.6150	\$ 15,394	25,031	\$1.5000	\$ 37,547	\$ 52,941
February	24,489	\$2.6970	\$ 66,047	25,001	\$0.6150	\$ 15,376	25,001	\$1.5000	\$ 37,502	\$ 52,877
March	22,721	\$2.6970	\$ 61,279	22,721	\$0.6150	\$ 13,973	22,721	\$1.5000	\$ 34,082	\$ 48,055
April	21,974	\$2.6970	\$ 59,264	22,072	\$0.6150	\$ 13,574	22,072	\$1.5000	\$ 33,108	\$ 46,682
May	16,304	\$2.6970	\$ 43,972	16,984	\$0.6150	\$ 10,445	16,984	\$1.5000	\$ 25,476	\$ 35,921
June	15,136	\$2.6970	\$ 40,822	15,491	\$0.6150	\$ 9,527	15,491	\$1.5000	\$ 23,237	\$ 32,763
July	9,711	\$2.6970	\$ 26,191	9,711	\$0.6150	\$ 5,972	9,711	\$1.5000	\$ 14,567	\$ 20,539
August	14,067	\$2.6970	\$ 37,939	14,067	\$0.6150	\$ 8,651	14,067	\$1.5000	\$ 21,101	\$ 29,752
September	14,040	\$2.6970	\$ 37,866	14,818	\$0.6150	\$ 9,113	14,818	\$1.5000	\$ 22,227	\$ 31,340
October	13,711	\$2.6970	\$ 36,979	13,793	\$0.6150	\$ 8,483	13,793	\$1.5000	\$ 20,690	\$ 29,172
November	14,400	\$2.6970	\$ 38,837	14,741	\$0.6150	\$ 9,066	14,741	\$1.5000	\$ 22,112	\$ 31,177
December	17,156	\$2.6970	\$ 46,270	17,929	\$0.6150	\$ 11,026	17,929	\$1.5000	\$ 26,894	\$ 37,920
<b>Total</b>	<b>208,668</b>	<b>\$2.6970</b>	<b>\$ 562,778</b>	<b>212,359</b>	<b>\$0.6150</b>	<b>\$130,601</b>	<b>212,359</b>	<b>\$1.5000</b>	<b>\$ 318,539</b>	<b>\$ 449,139</b>

### Total

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	102,887	\$2.9038	\$ 298,761	109,461	\$0.7037	\$ 77,028	112,150	\$1.6631	\$ 186,520	\$ 263,548
February	105,901	\$2.9069	\$ 307,840	109,864	\$0.7038	\$ 77,326	112,567	\$1.6634	\$ 187,239	\$ 264,564
March	105,210	\$2.9110	\$ 306,272	108,099	\$0.7058	\$ 76,299	110,818	\$1.6669	\$ 184,727	\$ 261,027
April	92,721	\$2.9053	\$ 269,384	98,238	\$0.7042	\$ 69,175	100,664	\$1.6640	\$ 167,500	\$ 236,675
May	91,533	\$2.9214	\$ 267,401	94,847	\$0.7094	\$ 67,285	97,327	\$1.6734	\$ 162,862	\$ 230,147
June	123,264	\$2.9365	\$ 361,963	129,400	\$0.7162	\$ 92,681	133,028	\$1.6855	\$ 224,224	\$ 316,905
July	108,750	\$2.9456	\$ 320,336	108,767	\$0.7197	\$ 78,283	108,767	\$1.6913	\$ 183,952	\$ 262,235
August	135,464	\$2.9417	\$ 398,488	137,318	\$0.7182	\$ 98,624	137,318	\$1.6885	\$ 231,860	\$ 330,484
September	106,143	\$2.9339	\$ 311,412	109,699	\$0.7145	\$ 78,376	109,699	\$1.6816	\$ 184,474	\$ 262,850
October	100,390	\$2.9327	\$ 294,415	100,472	\$0.7142	\$ 71,758	100,472	\$1.6812	\$ 168,911	\$ 240,669
November	105,778	\$2.9328	\$ 310,229	106,896	\$0.7141	\$ 76,339	106,896	\$1.6810	\$ 179,697	\$ 256,035
December	116,553	\$2.9298	\$ 341,479	119,190	\$0.7127	\$ 84,947	119,190	\$1.6784	\$ 200,050	\$ 284,997
<b>Total</b>	<b>1,294,595</b>	<b>\$2.9260</b>	<b>\$3,787,980</b>	<b>1,332,251</b>	<b>\$0.7117</b>	<b>\$948,122</b>	<b>1,348,895</b>	<b>\$1.6769</b>	<b>\$2,262,014</b>	<b>\$3,210,136</b>



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Forecast Wholesale Transmission

The purpose of this sheet is to calculate the expected billing when forecasted 2011 UTR rates are applied against historical (2009) transmission units.

### IESO

Month	Network			Line Connection			Transformation Connection			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	77,928	\$2.9700	\$ 231,446	84,430	\$0.7300	\$ 61,634	87,119	\$1.7100	\$ 148,973	\$ 210,607
February	81,412	\$2.9700	\$ 241,794	84,863	\$0.7300	\$ 61,950	87,566	\$1.7100	\$ 149,737	\$ 211,687
March	82,489	\$2.9700	\$ 244,993	85,378	\$0.7300	\$ 62,326	88,097	\$1.7100	\$ 150,646	\$ 212,972
April	70,747	\$2.9700	\$ 210,120	76,166	\$0.7300	\$ 55,601	78,592	\$1.7100	\$ 134,392	\$ 189,993
May	75,229	\$2.9700	\$ 223,429	77,863	\$0.7300	\$ 56,840	80,343	\$1.7100	\$ 137,386	\$ 194,226
June	108,128	\$2.9700	\$ 321,141	113,909	\$0.7300	\$ 83,154	117,537	\$1.7100	\$ 200,988	\$ 284,141
July	99,039	\$2.9700	\$ 294,146	99,056	\$0.7300	\$ 72,311	99,056	\$1.7100	\$ 169,386	\$ 241,697
August	121,397	\$2.9700	\$ 360,549	123,251	\$0.7300	\$ 89,973	123,251	\$1.7100	\$ 210,759	\$ 300,732
September	92,103	\$2.9700	\$ 273,546	94,881	\$0.7300	\$ 69,263	94,881	\$1.7100	\$ 162,247	\$ 231,510
October	86,679	\$2.9700	\$ 257,437	86,679	\$0.7300	\$ 63,276	86,679	\$1.7100	\$ 148,221	\$ 211,497
November	91,378	\$2.9700	\$ 271,393	92,155	\$0.7300	\$ 67,273	92,155	\$1.7100	\$ 157,585	\$ 224,858
December	99,397	\$2.9700	\$ 295,209	101,261	\$0.7300	\$ 73,921	101,261	\$1.7100	\$ 173,156	\$ 247,077
<b>Total</b>	<b>1,085,927</b>	<b>\$2.9700</b>	<b>\$3,225,202</b>	<b>1,119,892</b>	<b>\$0.7300</b>	<b>\$817,521</b>	<b>1,136,536</b>	<b>\$1.7100</b>	<b>\$1,943,476</b>	<b>\$2,760,997</b>

### Hydro One

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	Includes Hydro One Rate Rider B1.3 UTR's and Sub-Transmission Cell M48			Includes Hydro One Rate Rider B1.3 UTR's and Sub-Transmission Cell M50						
January	24,959	\$2.6970	\$ 67,314	25,031	\$0.6150	\$ 15,394	25,031	\$1.5000	\$ 37,547	\$ 52,941
February	24,489	\$2.6970	\$ 66,047	25,001	\$0.6150	\$ 15,376	25,001	\$1.5000	\$ 37,502	\$ 52,877
March	22,721	\$2.6970	\$ 61,279	22,721	\$0.6150	\$ 13,973	22,721	\$1.5000	\$ 34,082	\$ 48,055
April	21,974	\$2.6970	\$ 59,264	22,072	\$0.6150	\$ 13,574	22,072	\$1.5000	\$ 33,108	\$ 46,682
May	16,304	\$2.6970	\$ 43,972	16,984	\$0.6150	\$ 10,445	16,984	\$1.5000	\$ 25,476	\$ 35,921
June	15,136	\$2.6970	\$ 40,822	15,491	\$0.6150	\$ 9,527	15,491	\$1.5000	\$ 23,237	\$ 32,763
July	9,711	\$2.6970	\$ 26,191	9,711	\$0.6150	\$ 5,972	9,711	\$1.5000	\$ 14,567	\$ 20,539
August	14,067	\$2.6970	\$ 37,939	14,067	\$0.6150	\$ 8,651	14,067	\$1.5000	\$ 21,101	\$ 29,752
September	14,040	\$2.6970	\$ 37,866	14,818	\$0.6150	\$ 9,113	14,818	\$1.5000	\$ 22,227	\$ 31,340
October	13,711	\$2.6970	\$ 36,979	13,793	\$0.6150	\$ 8,483	13,793	\$1.5000	\$ 20,690	\$ 29,172
November	14,400	\$2.6970	\$ 38,837	14,741	\$0.6150	\$ 9,066	14,741	\$1.5000	\$ 22,112	\$ 31,177
December	17,156	\$2.6970	\$ 46,270	17,929	\$0.6150	\$ 11,026	17,929	\$1.5000	\$ 26,894	\$ 37,920
<b>Total</b>	<b>208,668</b>	<b>\$2.6970</b>	<b>\$ 562,778</b>	<b>212,359</b>	<b>\$0.6150</b>	<b>\$130,601</b>	<b>212,359</b>	<b>\$1.5000</b>	<b>\$ 318,539</b>	<b>\$ 449,139</b>

### Total

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	102,887	\$2.9038	\$ 298,761	109,461	\$0.7037	\$ 77,028	112,150	\$1.6631	\$ 186,520	\$ 263,548
February	105,901	\$2.9069	\$ 307,840	109,864	\$0.7038	\$ 77,326	112,567	\$1.6634	\$ 187,239	\$ 264,564
March	105,210	\$2.9110	\$ 306,272	108,099	\$0.7058	\$ 76,299	110,818	\$1.6669	\$ 184,727	\$ 261,027
April	92,721	\$2.9053	\$ 269,384	98,238	\$0.7042	\$ 69,175	100,664	\$1.6640	\$ 167,500	\$ 236,675
May	91,533	\$2.9214	\$ 267,401	94,847	\$0.7094	\$ 67,285	97,327	\$1.6734	\$ 162,862	\$ 230,147
June	123,264	\$2.9365	\$ 361,963	129,400	\$0.7162	\$ 92,681	133,028	\$1.6855	\$ 224,224	\$ 316,905
July	108,750	\$2.9456	\$ 320,336	108,767	\$0.7197	\$ 78,283	108,767	\$1.6913	\$ 183,952	\$ 262,235
August	135,464	\$2.9417	\$ 398,488	137,318	\$0.7182	\$ 98,624	137,318	\$1.6885	\$ 231,860	\$ 330,484
September	106,143	\$2.9339	\$ 311,412	109,699	\$0.7145	\$ 78,376	109,699	\$1.6816	\$ 184,474	\$ 262,850
October	100,390	\$2.9327	\$ 294,415	100,472	\$0.7142	\$ 71,758	100,472	\$1.6812	\$ 168,911	\$ 240,669
November	105,778	\$2.9328	\$ 310,229	106,896	\$0.7141	\$ 76,339	106,896	\$1.6810	\$ 179,697	\$ 256,035
December	116,553	\$2.9298	\$ 341,479	119,190	\$0.7127	\$ 84,947	119,190	\$1.6784	\$ 200,050	\$ 284,997
<b>Total</b>	<b>1,294,595</b>	<b>\$2.9260</b>	<b>\$3,787,980</b>	<b>1,332,251</b>	<b>\$0.7117</b>	<b>\$948,122</b>	<b>1,348,895</b>	<b>\$1.6769</b>	<b>\$2,262,014</b>	<b>\$3,210,136</b>



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Adjust RTSR-Network to Current Network Wholesale

The purpose of this sheet is to re-align current RTSR-Network to recover current wholesale Network costs.

Rate Class	Vol Metric	Current RTSR - Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR - Network
		(A) Column H Sheet B1.1	(B) Column O Sheet B1.2	(C) Column I Sheet B1.2	(D) = (A) * (B) or (A) * (C)	(F) = (D) / (E)	(H) = (G) * (F)	(I) = (H) / (B) or (H) / (C)
Residential	kWh	\$ 0.0059	238,473,338	0	\$ 1,406,993	34.53%	\$ 1,307,815	\$ 0.0055
General Service Less Than 50 kW	kWh	\$ 0.0054	76,148,295	0	\$ 411,201	10.09%	\$ 382,216	\$ 0.0050
General Service 50 to 999 kW	kW	\$ 2.4305	192,169,552	494,158	\$ 1,201,051	29.47%	\$ 1,116,390	\$ 2.2592
General Service 1,000 to 4,999 kW	kW	\$ 2.3905	121,477,014	260,952	\$ 623,806	15.31%	\$ 579,834	\$ 2.2220
Large Use	kW	\$ 2.5886	61,127,801	154,282	\$ 399,374	9.80%	\$ 371,223	\$ 2.4061
Street Lighting	kW	\$ 1.6461	5,629,269	15,174	\$ 24,978	0.61%	\$ 23,217	\$ 1.5301
Sentinel Lighting	kW	\$ 1.6545	178,748	480	\$ 794	0.02%	\$ 738	\$ 1.5379
Unmetered Scattered Load	kWh	\$ 0.0054	1,304,066	0	\$ 7,042	0.17%	\$ 6,546	\$ 0.0050
			696,508,083	925,046	\$ 4,075,239 (E)	100.00%	\$ 3,787,980 (G) Cell G73 Sheet C1.2	



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Adjust RTSR-Connection to Current Connection Wholesale

The purpose of this sheet is to re-align current RTSR-Connection to recover current wholesale Connection costs.

Rate Class	Vol Metric	Current RTSR - Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR - Connection
		(A) Column J Sheet B1.1	(B) Column O Sheet B1.2	(C) Column I Sheet B1.2	(D) = (A) * (B) or (A) * (C)	(F) = (D) / (E)	(H) = (G) * (F)	(I) = (H) / (B) or (H) / (C)
Residential	kWh	\$ 0.0047	238,473,338	0	\$ 1,120,825	34.48%	\$ 1,106,777	\$ 0.0046
General Service Less Than 50 kW	kWh	\$ 0.0042	76,148,295	0	\$ 319,823	9.84%	\$ 315,814	\$ 0.0041
General Service 50 to 999 kW	kW	\$ 1.9383	192,169,552	494,158	\$ 957,826	29.46%	\$ 945,822	\$ 1.9140
General Service 1,000 to 4,999 kW	kW	\$ 1.9066	121,477,014	260,952	\$ 497,531	15.30%	\$ 491,295	\$ 1.8827
Large Use	kW	\$ 2.1323	61,127,801	154,282	\$ 328,976	10.12%	\$ 324,852	\$ 2.1056
Street Lighting	kW	\$ 1.3038	5,629,269	15,174	\$ 19,784	0.61%	\$ 19,536	\$ 1.2875
Sentinel Lighting	kW	\$ 1.3312	178,748	480	\$ 639	0.02%	\$ 631	\$ 1.3145
Unmetered Scattered Load	kWh	\$ 0.0042	1,304,066	0	\$ 5,477	0.17%	\$ 5,408	\$ 0.0041
			696,508,083	925,046	\$ 3,250,880	100.00%	\$ 3,210,136	
					(E)		(G) Cell Q73 Sheet C1.2	



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Adjust RTSR-Network to Forecast Network Wholesale

The purpose of this sheet is to update re-aligned RTSR-Network rates to recover forecast wholesale Network costs.

Rate Class	Vol Metric	Adjusted RTSR - Network	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR - Network
		(A) Column S Sheet D1.1	(B) Column O Sheet B1.2	(C) Column I Sheet B1.2	(D) = (A) * (B) or (A) * (C)	(F) = (D) / (E)	(H) = (G) * (F)	(I) = (H) / (B) or (H) / (C)
Residential	kWh	\$ 0.0055	238,473,338	0	\$ 1,307,815	34.53%	\$ 1,307,815	\$ 0.0055
General Service Less Than 50 kW	kWh	\$ 0.0050	76,148,295	0	\$ 382,216	10.09%	\$ 382,216	\$ 0.0050
General Service 50 to 999 kW	kW	\$ 2.2592	192,169,552	494,158	\$ 1,116,390	29.47%	\$ 1,116,390	\$ 2.2592
General Service 1,000 to 4,999 kW	kW	\$ 2.2220	121,477,014	260,952	\$ 579,834	15.31%	\$ 579,834	\$ 2.2220
Large Use	kW	\$ 2.4061	61,127,801	154,282	\$ 371,223	9.80%	\$ 371,223	\$ 2.4061
Street Lighting	kW	\$ 1.5301	5,629,269	15,174	\$ 23,217	0.61%	\$ 23,217	\$ 1.5301
Sentinel Lighting	kW	\$ 1.5379	178,748	480	\$ 738	0.02%	\$ 738	\$ 1.5379
Unmetered Scattered Load	kWh	\$ 0.0050	1,304,066	0	\$ 6,546	0.17%	\$ 6,546	\$ 0.0050
			696,508,083	925,046	\$ 3,787,980	100.00%	\$ 3,787,980	
					(E)		Cell G73 Sheet C1.3	



Name of LDC: Milton Hydro Distribution Inc.  
File Number: EB-2010-0137

## Adjust RTSR-Connection to Forecast Connection Wholesale

The purpose of this sheet is to update re-aligned RTSR-Connection rates to recover forecast wholesale Connection costs.

Rate Class	Vol Metric	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR - Connection
		(A) Column S Sheet D1.2	(B) Column O Sheet B1.2	(C) Column I Sheet B1.2	(D) = (A) * (B) or (A) * (C)	(F) = (D) / (E)	(H) = (G) * (F)	(I) = (H) / (B) or (H) / (C)
Residential	kWh	\$ 0.0046	238,473,338	0	\$ 1,106,777	34.48%	\$ 1,106,777	\$ 0.0046
General Service Less Than 50 kW	kWh	\$ 0.0041	76,148,295	0	\$ 315,814	9.84%	\$ 315,814	\$ 0.0041
General Service 50 to 999 kW	kW	\$ 1.9140	192,169,552	494,158	\$ 945,822	29.46%	\$ 945,822	\$ 1.9140
General Service 1,000 to 4,999 kW	kW	\$ 1.8827	121,477,014	260,952	\$ 491,295	15.30%	\$ 491,295	\$ 1.8827
Large Use	kW	\$ 2.1056	61,127,801	154,282	\$ 324,852	10.12%	\$ 324,852	\$ 2.1056
Street Lighting	kW	\$ 1.2875	5,629,269	15,174	\$ 19,536	0.61%	\$ 19,536	\$ 1.2875
Sentinel Lighting	kW	\$ 1.3145	178,748	480	\$ 631	0.02%	\$ 631	\$ 1.3145
Unmetered Scattered Load	kWh	\$ 0.0041	1,304,066	0	\$ 5,408	0.17%	\$ 5,408	\$ 0.0041
			696,508,083	925,046	\$ 3,210,136	100.00%	\$ 3,210,136	
					(E)	Cell Q73 Sheet C1.3		

## EXHIBIT 9 – DEFERRAL AND VARIANCE ACCOUNTS

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## APPENDIX A – 2011 EDR SMART METER CALCULATION MODEL

## 1 DESCRIPTION OF DEFERRAL AND VARIANCE ACCOUNTS

2 This exhibit provides descriptions of the Deferral and Variance Accounts utilized by Milton Hydro  
3 including the continuity of these accounts and a request for disposition of selected balances and  
4 methodology of the calculation of proposed rate riders. Milton Hydro is also requesting the  
5 disposition of its Smart Meter variance accounts 1555 and 1556.

6 The following is a list of all Deferral and Variance accounts used by Milton Hydro as of January  
7 2005. The descriptions of these accounts are consistent with the Accounting Procedures  
8 Handbook ("APH").

### 9 Group 1

1550	Low Voltage Variance Account
1580	RSVA – Wholesale Market Service Charges
1584	RSVA – Retail Transmission Network Charges
1586	RSVA – Retail Transmission Connection Charges
1588	RSVA – Power (excluding the Global Adjustment sub-account)
1588	RSVA – Power – Sub-Account – Global Adjustment
1590	Recovery of Regulatory Asset Balances
1595	Disposition and Recovery of Regulatory Balance Control Account

### 10 Group 2

1508	Other Regulatory Assets – Sub-Account – OEB Cost Assessments
1508	Other Regulatory Assets – Sub-Account – Pension Contributions
1508	Other Regulatory Assets – Sub-Account – Allowance Pension Contributions
1508	Other Regulatory Assets – Sub-Account – 3rd Tranche CDM
1508	Other Regulatory Assets – Sub-Account – Hydro One Regulatory Costs
1508	Other Regulatory Assets – Sub-Account – IFRS Costs
1582	Retail Settlement Variance Account ("RSVA") – One-time Wholesale Market Service

1   **Group 3**

1555	Smart Meter Capital and Recovery Offset
1556	Smart Meter Operation, Maintenance and Administration
1565	Conservation and Demand Management ("CDM") Expenditures and Recoveries
1566	CDM Contra Account

2   All deferral and variance accounts have been prepared by Milton Hydro in accordance with the  
3   approved procedures and methods authorized by the Board except for USoA classification  
4   RCVA retail 1518 and RCVA str 1545. Consistent with Milton Hydro's 2006 EDR Application,  
5   revenues derived from the Retail Services Revenues and the Service Transaction Request  
6   services are treated as revenue offsets to Milton Hydro's distribution revenue requirement. This  
7   revenue is recorded in USoA classification 4082 – Retail Services Revenues and 4084 – STR  
8   Revenues in Exhibit 3 – Operating Revenue, Table 29.

9   Milton Hydro has applied the prescribed interest rates provided on the OEB website and set out  
10   in Table 1 below in the calculation of carrying charges for each regulatory deferral and variance  
11   accounts. Milton Hydro has used the last published rate to calculate interest on the 2010 Bridge  
12   Year and 2011 Test Year.

**Table 1 -  
Prescribed Interest Rates**

Year	Quarter	Prescribed Interest Rates
2010	Q3	0.89
	Q2	0.55
	Q1	0.55
2009	Q4	0.55
	Q3	0.55
	Q2	1.00
	Q1	2.45
2008	Q4	3.35
	Q3	3.35
	Q2	4.08
	Q1	5.14
2007	Q4	5.14
	Q3	4.59
	Q2	4.59
	Q1	4.59
2006	Q4	4.59
	Q3	4.59
	Q2	4.14
	Q1	7.25
2005	Q4	7.25
	Q3	7.25
	Q2	7.25
	Q1	7.25

Milton Hydro plans to continue using the above accounts going forward as required. As provided for in Exhibit 1 – Administration – Accounting Orders Requested, Milton Hydro is requesting an accounting order to establish a deferral account for the recovery of a one-time expense in regards to the Late Payment Penalty Litigation. Milton Hydro will continue to track new costs and or variances in account 1508 related to the implementation of IFRS unless directed otherwise.

**Retail Settlement Variance Accounts (RSVA): 1550, 1580, 1582, 1584, 1586, 1588**

Milton Hydro has used the accrual approach for these RSVA accounts. This approach has been used consistently over time and among accounts for the applicable period.

**Other Deferral Accounts: 1508, 1555, 1556, 1565, 1566, 1590, 1595**

**1508 Sub Account – OEB Assessments**

- This account includes amounts paid for OEB Cost Assessments for the period January 1, 2004 to April 30, 2006 in excess of amounts previously included in rates.

**1508 Sub Account – Pension Contributions**

- This account includes the pensions costs associated with the cash contributions paid to Ontario Municipal Employees Retirement Savings (“OMERS”) for the January 1, 2004 to April 30, 2006 in excess of amounts previously included in rates.

**1508 Sub Account – 3<sup>rd</sup> Tranche CDM**

- On March 23, 2007 Milton Hydro filed an application to recover \$300,750 for CDM initiatives which consisted of the disposition of \$95,121 and an additional amount of \$205,629 for CDM initiatives to be undertaken in 2007. Milton Hydro did not continue with the CDM initiatives due to the implementation of the OPA programs. As a result \$205,457 was set up in USoA classification 1508 for disposition.

**1508 Sub Account – Hydro One Regulatory Asset Recovery**

- This account includes amounts charged by Hydro One for regulatory rate riders approved by the OEB and effective June 1, 2009.

**1555 Smart Meter Capital and Recovery Offset Variance Account**

- This account includes Smart Meter capital expenditures, stranded meter costs, revenues received from the smart meter adder and carrying charges. Milton Hydro is requesting the disposition of this variance account as discussed further in this Exhibit at Page 16.

**1556 Smart Meter Operation, Maintenance and Administration**

- This account includes Milton Hydro’s incremental operating, maintenance, amortization and administrative expenses directly related to smart meters. Milton Hydro is requesting the disposition of this variance account as discussed further in this Exhibit at Page 16.

1     **1565 Conservation and Demand Management Expenditures**

2     **1566 Contra Account - Conservation and Demand Management Expenditures**

3         • Account 1565 recorded costs that were incurred for conservation and demand  
4             management activities and expenditures, and the revenue proxy amount equivalent to  
5             the Milton Hydro's third tranche CDM plan. This account has not been used since  
6             January 1, 2008.

7         • Account 1566 recorded the offsetting entry for amounts recorded in account 1565 for the  
8             reversal of entries to the accounts of original entries. This account has not been used  
9             since January 1, 2008.

10    **1590 Recovery of Regulatory Asset Balances**

11         • This account includes the OEB-approved disposition of Milton Hydro's regulatory assets  
12             filed as part of Milton Hydro's 2006 EDR Application.

13    **1595 Disposition and Recovery of Regulatory Balances Control Account**

14         • This account includes the OEB-approved disposition of the December 31, 2008 Group 1  
15             Deferral and Variance accounts filed as part of Milton Hydro's 2010 IRM Application.

16    **Continuity Schedules:**

17    As per the filing guidelines, Milton Hydro has included the deferral and variance account  
18    continuity schedules as follows:

- 19         • 2005 Continuity Schedule, Table 2
- 20         • 2006 Continuity Schedule, Table 3
- 21         • 2007 Continuity Schedule, Table 4
- 22         • 2008 Continuity Schedule, Table 5
- 23         • 2009 Continuity Schedule, Table 6
- 24         • 2010 Continuity Schedule, Table 7
- 25         • 2011 Continuity Schedule, Table 8

The continuity schedules for 2005, 2006, 2007, 2008 and 2009 will agree with the trial balances reported through the Reporting and Record-keeping Requirements ("RRR") by Milton Hydro except for USoA classification 1590. In filing Milton Hydro's 2010 IRM Application an adjustment was required to correct the 2005 opening balance for USoA classification 1590. In its Decision approving Milton Hydro's 2010 IRM Application the OEB accepted Milton Hydro's proposed adjustment which provided for the OEB-approved disposition of the December 31, 2008 balance in USoA classification 1590.

**Table 2 -  
2005 Continuity Schedule**

Account Number	Account Description	Opening Principal Amounts as of Jan-1-05 <sup>1</sup>	Transactions (additions) during 2005, excluding Carrying Charges and adjustments <sup>5</sup>	Transactions (reductions) during 2005, excluding Carrying Charges and adjustments <sup>5</sup>	Adjustments during 2005 - instructed by Board <sup>2</sup>	Adjustments during 2005 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-05	Opening Carrying Charges Amounts as of Jan-1-05	Carrying Charges Jan-1 to Dec-31-05	Closing Carrying Charges Amounts as of Dec-31-05	Total
1550	GROUP 1										
1580	Low Voltage Variance Account						\$ -		\$ -	\$ -	\$ -
1584	RSVA - Wholesale Market Service Charges		\$ 444,725				\$ 444,725		\$ (2,502)	\$ (2,502)	\$ 442,223
1586	RSVA - Retail Transmission Network Charges		\$ 22,906				\$ 22,906		\$ 4,862	\$ 4,862	\$ 27,768
1588	RSVA - Retail Transmission Connection Charges		\$ (53,308)	See footnote 5			\$ (53,308)		\$ 8,306	\$ 8,306	\$ (45,002)
1588	RSVA - Power (excluding the Global Adjustment sub-account)		\$ (900,987)				\$ (900,987)		\$ 9,900	\$ 9,900	\$ (891,087)
1588	RSVA - Power - Sub-Account - Global Adjustment		\$ (263,112)				\$ (263,112)			\$ -	\$ (263,112)
1590	Recovery of Regulatory Asset Balances		\$ 318,788	\$ (272,979)			\$ 45,809		\$ (31,612)	\$ (31,612)	\$ 14,197
		\$ -	\$ (430,988)		\$ -	\$ -	\$ (703,967)	\$ -	\$ (11,046)	\$ (11,046)	\$ (715,013)
1508	GROUP 2										
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments		\$ 62,223				\$ 62,223		\$ 2,047	\$ 2,047	\$ 64,270
1508	Other Regulatory Assets - Sub-Account - Pension Contributions		\$ 157,890				\$ 157,890		\$ 2,706	\$ 2,706	\$ 160,595
1508	Other Regulatory Assets - Sub-Account - Allowance Pension Contributions		\$ (157,890)				\$ (157,890)		\$ (2,706)	\$ (2,706)	\$ (160,595)
1525	Miscellaneous Deferred Debits		\$ 6,480	\$ (926)			\$ 5,554		\$ 2,293	\$ 2,293	\$ 7,847
1582	Retail Settlement Variance Account (RSVA) - One-time Wholesale Market Service		\$ 34,876				\$ 34,876		\$ 968	\$ 968	\$ 35,844
		\$ -	\$ 103,578	\$ (926)	\$ -	\$ -	\$ 102,653	\$ -	\$ 5,308	\$ 5,308	\$ 107,961
1565	GROUP 3										
1565	Conservation and Demand Management (CDM) Expenditures and Recoveries	\$ 245,564	\$ 332,091	\$ (643,234)			\$ (65,579)	\$ 430	\$ 2,297	\$ 2,727	\$ (62,852)
1566	CDM Contra Account	\$ -	\$ 634,170	\$ (568,591)			\$ 65,579	\$ -	\$ (2,727)	\$ (2,727)	\$ 62,852
1572	Extraordinary Event Costs						\$ -		\$ 69,953	\$ 69,953	\$ 69,953
	No sub-total										

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[illegible]

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[illegible]

Table 7 -  
2010 Continuity Schedule

Account Number	Account Description	2009					2010										Total	
		Closing Principal Balance as of Dec-31-09	Closing Carrying Charges Amounts as of Dec-31-09	Transfer of Board-approved amounts to 1995 as per 2009 EDR (principal)	Transfer of Board-approved amounts to 1995 as per 2009 EDR (interest only)	Closing Principal Amounts as of Dec-31-09 after 2008 Distribution	Transactions (additions) during 2010, excluding Carrying Charges and adjustments <sup>1</sup>	Transactions (reductions) during 2010, excluding Carrying Charges and adjustments <sup>2</sup>	Adjustments during 2010 - instructed by Board <sup>3</sup>	Adjustments during 2010 - other <sup>4</sup>	Transfer of Board-approved amounts to 1995 as per 2008 EDR	Closing Interest Charges Amounts as of Dec-31-09 after 2008 Distribution	Transactions (additions) during 2010, excluding Carrying Charges and adjustments <sup>1</sup>	Transactions (reductions) during 2010, excluding Carrying Charges and adjustments <sup>2</sup>	Projected Carrying Charges on Jan 1 - 10 balance from Jan 1, 2010 to Dec 31, 2010 <sup>5</sup>	Closing Principal Balance as of Dec-31-10		Closing Carrying Charges Amounts as of Dec-31-10
GROUP 1								See footnote 5										
1550	Low Voltage Variance Account	\$ (105,250)	\$ (619)	\$ (2,618)	\$ 401	\$ (107,868)						\$ (218)			\$ (778)	\$ (108,864)	\$ (996)	\$ (108,864)
1580	RSVA - Wholesale Market Service Charges	\$ (1,857,782)	\$ (76,704)	\$ 1,636,096	\$ 78,831	\$ (221,686)						\$ 2,128			\$ (1,599)	\$ (221,686)	\$ 528	\$ (221,158)
1584	RSVA - Retail Transmission Network Charges	\$ 79,752	\$ 10,915	\$ 25,302	\$ (10,582)	\$ 105,654						\$ 333			\$ 762	\$ 105,654	\$ 1,095	\$ 106,749
1586	RSVA - Retail Transmission Connection Charges	\$ (71,377)	\$ (40,842)	\$ 81,369	\$ 40,982	\$ 9,992						\$ 140			\$ 72	\$ 9,992	\$ 212	\$ 10,205
1588	RSVA - Power (excluding the Global Adjustment sub-account)	\$ (1,049,667)	\$ (81,056)	\$ 559,990	\$ 85,179	\$ (489,677)						\$ 4,123			\$ (3,533)	\$ (489,677)	\$ 590	\$ (489,087)
1588	RSVA - Power - Sub-Account - Global Adjustment	\$ 924,581	\$ -	\$ (235,843)	\$ (3,093)	\$ 688,738						\$ (3,093)			\$ 4,969	\$ 688,738	\$ 1,876	\$ 690,613
1590	Recovery of Regulatory Asset Balances	\$ 207,648	\$ (44,827)	\$ (207,651)	\$ 42,355	\$ (3)						\$ (2,472)			\$ (8)	\$ (3)	\$ (2,472)	\$ (2,470)
	Sub-totals	\$ (1,872,095)	\$ (233,133)	\$ 1,857,245	\$ 234,073	\$ (14,850)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 940	\$ -	\$ -	\$ (107)	\$ (14,850)	\$ 833	\$ (14,017)
1595	Disposition and Recovery of Regulatory Balances Control Account	\$ -	\$ -	\$ (1,857,245)	\$ (234,073)	\$ (1,857,245)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (234,073)	\$ -	\$ -	\$ (13,388)	\$ (1,857,245)	\$ (247,471)	\$ (2,104,716)
	Sub-totals	\$ -	\$ -	\$ (1,857,245)	\$ (234,073)	\$ (1,857,245)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (234,073)	\$ -	\$ -	\$ (13,388)	\$ (1,857,245)	\$ (247,471)	\$ (2,104,716)
GROUP 2																		
1508	Other Regulatory Assets - Sub-Account - OEB Cost Assessments	\$ 80,961	\$ 12,036			\$ 80,961						\$ 12,036			\$ 584	\$ 80,961	\$ 12,620	\$ 93,581
1508	Other Regulatory Assets - Sub-Account - Pension Contributions	\$ 213,452	\$ 11,391			\$ 213,452						\$ 11,391			\$ 1,540	\$ 213,452	\$ 12,931	\$ 226,382
1508	Other Regulatory Assets - Sub-Account - Allowance Pension Contributions	\$ (0)	\$ -			\$ (0)						\$ -			\$ -	\$ (0)	\$ -	\$ (0)
1508	Other Regulatory Assets - Sub-Account - Post 3rd Tranche CDM	\$ (205,457)	\$ 2,212			\$ (205,457)						\$ 2,212			\$ (1,482)	\$ (205,457)	\$ 730	\$ (204,727)
1508	Other Regulatory Assets - Sub-Account - Hydro One Reg. Costs	\$ 1,948	\$ 2			\$ 1,948						\$ 2			\$ 14	\$ 1,948	\$ 16	\$ 1,964
1508	Other Regulatory Assets - Sub-Account - IFRS Costs	\$ 189,730	\$ -			\$ 189,730						\$ -			\$ 1,369	\$ 189,730	\$ 1,369	\$ 191,098
1582	Retail Settlement Variance Account (RSVA) - One-time Wholesale Market Servi	\$ 34,876	\$ 7,532			\$ 34,876						\$ 7,532				\$ 34,876	\$ 7,532	\$ 42,409
	Sub-totals	\$ 315,509	\$ 33,174	\$ -	\$ -	\$ 315,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,174	\$ -	\$ -	\$ 2,024	\$ 315,509	\$ 35,198	\$ 350,707
GROUP 3																		
1555	Smart Meter Capital and Recovery Offset	\$ 1,460,925	\$ 83,287			\$ 1,460,925						\$ 83,287	\$ 167,047	\$ (954,140)	\$ 4,861	\$ 673,832	\$ 88,148	\$ 761,980
1556	Smart Meter Operation, Maintenance and Administration	\$ 707,257	\$ 9,209			\$ 707,257						\$ 9,209	\$ 317,307		\$ 7,391	\$ 1,024,564	\$ 16,601	\$ 1,041,165
1565	Conservation and Demand Management (CDM) Expenditures and Recoveries	\$ 17,614	\$ 2,727			\$ 17,614						\$ 2,727			\$ -	\$ 17,614	\$ 2,727	\$ 20,341
1566	CDM Contra Account	\$ (17,614)	\$ (2,727)			\$ (17,614)						\$ (2,727)			\$ -	\$ (17,614)	\$ (2,727)	\$ (20,341)
	Sub-totals	\$ 2,168,182	\$ 92,496			\$ 2,168,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,496	\$ 484,354	\$ (954,140)	\$ 12,252	\$ 1,698,396	\$ 104,748	\$ 1,803,144
	Grand Total	\$ 611,596	\$ (107,463)	\$ -	\$ -	\$ 611,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (107,463)	\$ 484,354	\$ (954,140)	\$ 771	\$ 141,810	\$ (106,682)	\$ 35,118

Table 8 -  
2011 Continuity Schedule

Account Number	Account Description	2010		2011					
		Closing Principal Balance as of Dec-31-10	Closing Carrying Charges Amounts as of Dec-31-10	Transactions (additions) during 2011, excluding Carrying Charges and adjustments <sup>5</sup>	Transactions (reductions) during 2011, excluding Carrying Charges and adjustments <sup>5</sup>	Projected Carrying Charges on Jan 1 - 10 balance for April 30, 2011	Total Jan 1 - 10 Balance Plus Carrying Charges to April 30, 2011	Disposition of Smart Meters (1555, 1556)	Jan 1 - 10 Balance Plus Carrying Charges to April 30, 2011 after Smart Meter
	GROUP 1								
1550	Low Voltage Variance Account	\$ (107,868)	\$ (996)			\$ (316)	\$ (109,179)		\$ (109,179)
1580	RSVA – Wholesale Market Service Charges	\$ (221,686)	\$ 528			\$ (649)	\$ (221,806)		\$ (221,806)
1584	RSVA – Retail Transmission Network Charges	\$ 105,654	\$ 1,095			\$ 309	\$ 107,058		\$ 107,058
1586	RSVA – Retail Transmission Connection Charges	\$ 9,992	\$ 212			\$ 29	\$ 10,234		\$ 10,234
1588	RSVA – Power (excluding the Global Adjustment sub-account)	\$ (489,677)	\$ 590			\$ (1,433)	\$ (490,520)		\$ (490,520)
1588	RSVA – Power – Sub-Account – Global Adjustment	\$ 688,738	\$ 1,876			\$ 2,015	\$ 692,629		\$ 692,629
1590	Recovery of Regulatory Asset Balances	\$ (3)	\$ (2,472)			\$ (0)	\$ (2,476)		\$ (2,476)
									\$ -
	Sub-Totals	\$ (14,850)	\$ 833			\$ (43)	\$ (14,060)	\$ -	\$ (14,060)
1595	Disposition and Recovery of Regulatory Balances Control Account	\$ (1,857,245)	\$ (247,471)			\$ (5,434)	\$ (2,110,150)		\$ (2,110,150)
	Sub-Totals	\$ (1,857,245)	\$ (247,471)			\$ (5,434)	\$ (2,110,150)	\$ -	\$ (2,110,150)
	GROUP 2								
1508	Other Regulatory Assets – Sub-Account – OEB Cost Assessments	\$ 80,961	\$ 12,620			\$ 237	\$ 93,817		\$ 93,817
1508	Other Regulatory Assets – Sub-Account – Pension Contributions	\$ 213,452	\$ 12,931			\$ 625	\$ 227,007		\$ 227,007
1508	Other Regulatory Assets – Sub-Account – Allowance Pension Contributions	\$ (0)	\$ -			\$ (0)	\$ (0)		\$ (0)
1508	Other Regulatory Assets – Sub-Account – Post 3rd Tranche CDM	\$ (205,457)	\$ 730			\$ (601)	\$ (205,328)		\$ (205,328)
1508	Other Regulatory Assets – Sub-Account – Hydro One Reg. Costs	\$ 1,948	\$ 16			\$ 6	\$ 1,970		\$ 1,970
1508	Other Regulatory Assets – Sub-Account – IFRS Costs	\$ 189,730	\$ 1,369			\$ 555	\$ 191,653		\$ 191,653
1582	Retail Settlement Variance Account (RSVA) – One-time Wholesale Market Servi	\$ 34,876	\$ 7,532			\$ 102	\$ 42,511		\$ 42,511
	Sub-Totals	\$ 315,509	\$ 35,198			\$ 923	\$ 351,630	\$ -	\$ 351,630
	GROUP 3								
1555	Smart Meter Capital and Recovery Offset	\$ 673,832	\$ 88,148		\$ (328,895)	\$ 1,009	\$ 434,093	\$ (1,033,072)	\$ (598,979)
1556	Smart Meter Operation, Maintenance and Administration	\$ 1,024,564	\$ 16,601	\$ 76,473		\$ 3,222	\$ 1,120,859	\$ (1,120,859)	\$ 0
1565	Conservation and Demand Management (CDM) Expenditrures and Recoveries	\$ 17,614	\$ 2,727			\$ -	\$ 20,341		\$ 20,341
1566	CDM Contra Account	\$ (17,614)	\$ (2,727)			\$ -	\$ (20,341)		\$ (20,341)
	Sub-Totals	\$ 1,698,396	\$ 104,748			\$ 4,231	\$ 1,554,952	\$ (2,153,931)	\$ (598,978)
	Grand Total	\$ 141,810	\$ (106,692)			\$ (324)	\$ (217,628)	\$ (2,153,931)	\$ (2,371,559)

1     **Disposition of Deferral and Variance Accounts:**

2     Based on the review of the various accounts and the OEB Report Electricity Distributors'  
3     Deferral and Variance Account Review ("EDDVAR Report"), EB-2008-0046 dated July 31, 2009,  
4     Milton Hydro requests the disposition of the December 31, 2009 audited balances, including  
5     carry charges accrued to April 30, 2011, for each of the following deferral and variance  
6     accounts:

7     **Group 1**

1550	Low Voltage Variance Account
1580	RSVA – Wholesale Market Service Charges
1584	RSVA – Retail Transmission Network Charges
1586	RSVA – Retail Transmission Connection Charges
1588	RSVA – Power (excluding the Global Adjustment sub-account)
1588	RSVA – Power – Sub-Account – Global Adjustment
1590	Recovery of Regulatory Asset Balances

8     **Group 2**

1508	Other Regulatory Assets – Sub-Account – OEB Cost Assessments
1508	Other Regulatory Assets – Sub-Account – Pension Contributions
1508	Other Regulatory Assets – Sub-Account – Allowance Pension Contributions
1508	Other Regulatory Assets – Sub-Account – 3 <sup>rd</sup> Tranche CDM
1508	Other Regulatory Assets – Sub-Account – Hydro One Regulatory Costs
1582	Retail Settlement Variance Account (RSVA) – One-time Wholesale Market Service

9     **Group 3**

1555	Smart Meter Capital and Recovery Offset
1556	Smart Meter Operation, Maintenance and Administration

10

11     On March 25, 2010, The OEB approved the disposition of the Milton Hydro's December 31,  
12     2008 audited balances for the Group 1 deferral and variance accounts. The December 31,  
13     2008 balances for each account were transferred to USoA classification 1595 and are not  
14     included in the account balances for disposition in this Application. Milton Hydro is not  
15     proposing the disposition of the deferral account currently capturing the costs of implementation  
16     of the International Financial Reporting Standards.

1    **GROUP 1 AND GROUP 2 DISPOSITION**

2    Based on the EDDVAR Report detailed calculations for the clearance of the remaining balances  
3    in the Group 1 and balances in Group 2 asset accounts was completed. The amounts requested  
4    for disposition by Milton Hydro are set out Table 9.

5    Milton Hydro has calculated the rate rider in a manner consistent with the 2006 EDR Regulatory  
6    Asset Model and the EDDVAR Report for the Group 1 deferral and variance accounts.

7    Milton Hydro used the 2009 actual customer counts, distribution revenue, kWh consumption and  
8    kW demand to determine the allocators required to calculate the deferral and variance account  
9    rate riders. The 2009 customer class data is set out in Table 10 and the customer class  
10   allocators are set out in Table 11. Milton Hydro used the 2009 actual customer class data to  
11   better reflect the recovery of the variances over the period the majority of the variances were  
12   accumulated.

13   The clearing of Other Regulatory Assets 1508 was allocated based on 2009 Distribution  
14   revenue a method consistent with the 2006 EDR Regulatory Asset Model.

15   The disposition Global Adjustment – 1588 balance was determined based on an allocation of  
16   kWh billed to Non-RPP customers excluding MUSH customers and the rate rider has been  
17   identified separately as discussed in this Exhibit at Page 15.

18

4

4

**Table 10 -  
2009 Data by Class**

2009 Customer Class Data		Non RPP Customers kWh	kW	kWh	Cust. Num.'s	Dx Revenue
Residential		15,492		230,386,763	24,832	7,107,078
General Service <50kW		281,070		73,566,124	2,203	1,570,851
General Service >50 kW < 999 kW		141,164,286	494,158	185,653,127	274	1,422,348
General Service >1000kW < 4999 kW		103,473,387	260,952	117,357,757	12	813,840
Large User Class		60,254,116	154,282	60,254,116	2	425,847
Sentinel Lights		0	480	172,687	279	3,343
Street Lighting		1,033,473	15,174	5,438,382	3	27,022
Unmetered & Scattered		0	480	1,259,845	183	36,889
Totals		306,221,824	925,526	674,088,801	27,788	\$ 11,407,217

**Table 11 -  
2011 Class Allocators**

2011 Allocators		Non RPP Customers kWh	kW	kWh	Cust. Num.'s	Dx Revenue
Residential		0.0%	0.0%	34.2%	89.4%	62.3%
General Service <50kW		0.1%	0.0%	10.9%	7.9%	13.8%
General Service >50 kW < 999 kW		46.1%	53.4%	27.5%	1.0%	12.5%
General Service >1000kW < 4999 kW		33.8%	28.2%	17.4%	0.0%	7.1%
Large User Class		19.7%	16.7%	8.9%	0.0%	3.7%
Sentinel Lights		0.0%	0.1%	0.0%	1.0%	0.0%
Street Lighting		0.3%	1.6%	0.8%	0.0%	0.2%
Unmetered & Scattered		0.0%	0.1%	0.2%	0.7%	0.3%
Totals		100%	100%	100%	100%	100%

The following Table 12 sets out the methodology and calculation of the deferral and variance rate rider required to dispose of the Group 1 and Group 2 accounts.

Milton Hydro is proposing to dispose of the deferral and variance account balances in Table 12 over a one year period commencing May 1, 2011, which is consistent with the EDDVAR Report.

**Table 12 -  
2011 Rate Rider Calculation**

USoA	Deferral and Variance Accounts	Amount	ALLOCATOR	Residential	GS < 50 KW	GS > 50 < 999	GS > 1000 < 4999	Large Users	Sentinel Lighting	Street Lighting	Unmetered & Scattered	Total
Group 1												
1550	Low Voltage Variance Account	\$ (109,179)	kWh	\$ (37,315)	\$ (11,915)	\$ (30,070)	\$ (19,008)	\$ (9,759)	\$ (28)	\$ (881)	\$ (204)	\$ (109,179)
1580	RSVA – Wholesale Market Service Charges	\$ (221,806)	kWh	\$ (75,808)	\$ (24,207)	\$ (61,088)	\$ (38,616)	\$ (19,826)	\$ (57)	\$ (1,789)	\$ (415)	\$ (221,806)
1584	RSVA – Retail Transmission Network Charges	\$ 107,058	kWh	\$ 36,590	\$ 11,684	\$ 29,485	\$ 18,639	\$ 9,570	\$ 27	\$ 864	\$ 200	\$ 107,058
1586	RSVA – Retail Transmission Connection Charges	\$ 10,234	kWh	\$ 3,498	\$ 1,117	\$ 2,819	\$ 1,782	\$ 915	\$ 3	\$ 83	\$ 19	\$ 10,234
1588	RSVA – Power (excluding the Global Adjustment sub-account)	\$ (490,520)	kWh	\$ (167,647)	\$ (53,532)	\$ (135,096)	\$ (85,399)	\$ (43,846)	\$ (126)	\$ (3,957)	\$ (917)	\$ (490,520)
1590	Recovery of Regulatory Asset Balances	\$ (2,476)	kWh	\$ (846)	\$ (270)	\$ (682)	\$ (431)	\$ (221)	\$ (1)	\$ (20)	\$ (5)	\$ (2,476)
	Subtotal - Group 1	\$ (706,689)		\$ (241,529)	\$ (77,124)	\$ (194,632)	\$ (123,033)	\$ (63,168)	\$ (181)	\$ (5,701)	\$ (1,321)	\$ (706,689)
Group 2												
1508	Other Regulatory Assets	\$ 117,466	Dx Revenue	\$ 73,185	\$ 16,176	\$ 14,647	\$ 8,381	\$ 4,385	\$ 34	\$ 278	\$ 380	\$ 117,466
1582	RSVA - One Time Charges	\$ 42,511	kWh	\$ 14,529	\$ 4,639	\$ 11,708	\$ 7,401	\$ 3,800	\$ 11	\$ 343	\$ 79	\$ 42,511
	Subtotal - Group 2	\$ 159,977		\$ 87,715	\$ 20,815	\$ 26,355	\$ 15,782	\$ 8,185	\$ 45	\$ 621	\$ 459	\$ 159,977
	Total to be Recovered	\$ (546,712)		\$ (153,814)	\$ (56,309)	\$ (168,277)	\$ (107,252)	\$ (54,983)	\$ (136)	\$ (5,080)	\$ (861)	\$ (546,712)
	Balance to be collected or refunded, Variable	\$ (546,712)		\$ (153,814)	\$ (56,309)	\$ (168,277)	\$ (107,252)	\$ (54,983)	\$ (136)	\$ (5,080)	\$ (861)	\$ (546,712)
	Balance to be collected or refunded per year, Variable	\$ (546,712)		\$ (153,814)	\$ (56,309)	\$ (168,277)	\$ (107,252)	\$ (54,983)	\$ (136)	\$ (5,080)	\$ (861)	\$ (546,712)
Class				GS > 1000 < 4999								
Deferral and Variance Account Rate Riders				Residential	GS < 50 KW	GS > 50 < 999	Large Users	Sentinel Lighting	Street Lighting	Unmetered & Scattered		
Billing Determinants				\$ (0.0007)	\$ (0.0008)	\$ (0.3405)	\$ (0.4110)	\$ (0.3564)	\$ (0.2828)	\$ (0.3348)	\$ (0.0007)	
				kWh	kWh	kW	kW	kW	kW	kW	kWh	
Non RPP Global Adjustment (excluding MUSH) Rate Rider			kWh for Non RPP Customers									
1588	RSVA – Power – Sub-Account – Global Adjustment	\$ 692,629		\$ 0.0023								

## Proposed Rate Rider:

The proposed rate rider required to for the disposition of the deferral and variance account balances are set out in Table 13, below. As discussed above, Milton Hydro is proposing to dispose of the variances over a one year period commencing May 1, 2011.

**Table 13 -  
Proposed Rate Riders by Customer Class**

Rate Class	Billing Parameter	Proposed Rate Rider, May 1, 2011 - April 30, 2012
Residential	kWh	(0.0007)
General Service <50kW	kWh	(0.0008)
General Service >50 kW < 999 kW	kW	(0.3405)
General Service >1000kW < 4999 kW	kW	(0.4110)
Large User Class	kW	(0.3564)
Sentinel Lights	kW	(0.2828)
Street Lighting	kW	(0.3348)
Unmetered & Scattered	kWh	(0.0007)

Proposed Separate Rate Rider		
Non-RPP Customers - only	kWh	0.0023

#### **Global Adjustment Variance Account – 1588 Power**

The Global Adjustment Variance Account captures the difference between the global adjustment billed to Non-RPP consumers and the global adjustment charged by the Independent Electricity System Operator. Consistent with the OEB Decision on Milton Hydro's 2010 IRM Rate Application, March 25, 2010, EB-2009-0204, Milton Hydro is proposing that a separate rate rider be established to dispose of this variance amongst Non-RPP customers, excluding the MUSH sector. Milton Hydro proposes to exclude the MUSH sector at this time as the Global Adjustment Variance Account relates to the 2009 year and the MUSH customers only became Non-RPP customers effective November 1, 2009.

Milton Hydro global adjustment rate rider is set out in Table 13 above. Milton Hydro will identify this rate rider as a separate line item with the global adjustment, or Provincial Benefit, as it is identified on the customer's bill.

## GROUP 3: SMART METER DISPOSITION

### Background:

In January 2003, Milton Hydro announced that interval meters would be the standard for all new individual customer connections and all new residential subdivisions signing agreements after this date. The cost of smart metering had been included as a capital cost in the economic evaluations associated with new residential subdivisions since this announcement. The extent to which capital expenditures are funded by Milton Hydro or through capital contributions from developers was dependent on distribution rates and connected loads within the five year connection horizon for each development in accordance with the Distribution System Code. Milton Hydro began billing Regulated Price Plan ("RPP") consumers with smart meters on Time of Use ("TOU") pricing in September of 2005 with over 2,000 low volume and designated consumers being billed on TOU rates.

On August 29, 2006, Ontario Regulation 428/06 made under the Electricity Act, 1998 was filed relating to Priority Installations of smart meters. Milton Hydro was identified as a priority installation for the purposes of Ontario Regulation 427/06, Smart Meters: Discretionary Metering Activity and Procurement Principles, made under the Act.

As a priority installation for the province, Milton Hydro developed a Smart Meter Investment Plan ("SMIP") which was filed with the Board June 22, 2007. The SMIP envisioned that 100% of the metered customer base would have smart meters by the end of the 2007 rate year. In addition to its plan to complete its smart meter implementation by the end of the 2007 rate year, Milton Hydro continued to move RPP consumers from the two tiered pricing to TOU pricing and continued this conversion throughout the 2006 and 2007 rate years in parallel with smart meter installation. Milton Hydro staff assisted the Independent Electricity System Operator ("IESO") in the development of the Central Meter Data Repository, and assisted in its testing. Milton Hydro's ongoing implementation of TOU pricing, at that time, was not dependent on the Central Meter Data Repository.

On May 2, 2007, the OEB issued a Notice of Combined Proceeding pursuant to sections 19, 21 and 78 of the *Ontario Energy Board Act*, 1998 to determine the prudence and recovery of costs associated with smart metering activities for thirteen licensed distributors. Milton Hydro was one

1 of the thirteen licensed distributors deemed to be applicants in the Combined Proceeding, EB-  
2 2007-0063.

3 In that proceeding, Applicants sought the OEB's approval of:

- 4 • The Applicants' interpretation of Minimum Functionality
- 5 • The Applicants' prudence in the purchasing of Smart meters
- 6 • The Applicant's proposed methodology for dealing with stranded meter costs.
- 7 • The Applicants' proposed methodology for recovering smart meter costs through
- 8 rates.
- 9 • The Applicants' proposed accounting procedures related to smart meter costs.

10 In its Decision, the OEB:

- 11 • Determined that there are fourteen cost categories in relation to smart meter
- 12 minimum functionality associated with Ontario Regulation 425/06.
- 13 • Found that the purchasing decisions of the thirteen utilities involved in the
- 14 proceeding were implemented with the necessary due diligence. The terms of the
- 15 contracts each had concluded with their supplier, including the pricing, were prudent;
- 16 • Decided that Utilities could, if they choose, bring forward applications for the
- 17 recovery of stranded costs.
- 18 • Approved the rate relief for smart meter investments.

19 As of June 30, 2010 Milton Hydro had installed 100% of its Residential and General Service <50  
20 kW smart meters and had registered 99.95% of these meters with the Smart Meter Entity's  
21 ("SME") Meter Data Management Repository ("MDM/R"). Milton Hydro is billing 100% of its  
22 Smart meters on TOU rates. Milton Hydro, through its third party contractor Trilliant Energy  
23 Services Inc. ("Trilliant"), reads all smart meters on a daily basis and continues to consistently  
24 achieve a read reliability of greater than 97% of all hourly meter reads. The IESO mandated  
25 target is 98%.

**The Application:**

Milton Hydro is requesting the disposition of its Smart Meter Variance Accounts 1555 and 1556 balances effective April 30, 2011. Milton Hydro is specifically requesting the following specific approvals, also outlined in Appendix 1:

- Approval to include smart meter capital deployed as of December 31, 2009 and the forecasted amount of \$164,000, to be incurred in the 2010 Bridge Year to complete installation of the remaining approximately 87 Smart meters plus additional collectors for Milton Hydro's rural distribution area, in the 2011 Test Year rate base that supports the 2011 Test Year revenue requirement and distribution rates which is the subject of this rate Application;
- Approval to include smart meter operation and maintenance expenses in the 2011 revenue requirement associated with smart meters deployed as of December 31, 2009 and the approximately 87 Smart meters to be deployed in the 2010 Bridge Year;
- A smart meter rate rider credit of (\$0.43) effective May 1, 2011 for a four year period ending April 30, 2015;
- The continuance of the Smart Meter Capital and Recovery Offset Variance Account – 1555 for four years to record the variance account credit balance to be disposed of, incidental capital costs and the accumulated amount of the rate rider for disposition at a date to be determined and as discussed below.

**Smart Meter Program Status:**

As discussed above, Milton Hydro has completed the installation of its SMIP as of June 30, 2010.

**Procurement and Installation:**

Milton Hydro purchased its smart meters and collectors from Ozz/Trilliant and received the same volume discount pricing Ozz/Trilliant offered to Hydro One.

1 The Ozz/Trilliant solution is based on controlled mesh technology in which meters (MeshReader  
2 or Advanced Metering Communication Device [AMCD]) cluster together and talk to or through  
3 other meters and repeaters (MeshRepeater) to find their way to a takeout point in the mesh  
4 cluster, known as collector (MeshGate or Advanced Metering Regional Collector [AMRC]). From  
5 the collector, using cellular technology, data is backhauled (Wide Area Network or WAN) to the  
6 facility hosting the Advanced Metering Control Computer (AMCC).

7 If a communication path is lost, the meter will try to re-establish the communication path, and if  
8 unsuccessful will immediately begin searching for a new path. The endpoints have  
9 approximately 10.5 months (300 days) of interval storage, and there is approximately 60 days of  
10 storage in the MeshGate AMRC.

11 The AMCD is a standards-based product (ANSI and IEEE) using open (IP) protocols supporting  
12 full two way communications and over-the-air firmware upgrade capability.

13 Milton Hydro has not incurred any costs for functionality beyond the minimum functionality  
14 adopted in O.Reg. 425/06. Milton Hydro does not have a billing MDM/R system and uses only  
15 the SME's MDM/R system for billing TOU customers.

16 **Capital and OM&A:**

17 The following Table 14 sets out Milton Hydro's smart meter activity by year and includes the  
18 number of smart meters by customer class, the funding adder revenue, capital costs, stranded  
19 meter costs and OM&A expenditures. These expenditures are reflected in the smart meter  
20 variance account continuity schedules for USoA classifications 1555 and 1556. In addition,  
21 details of Milton Hydro's smart meter investment capital and OM&A have been provided in the  
22 2011 EDR Smart Meter Calculation Model ("Smart Meter Model") attached to this Exhibit as  
23 Appendix A. The capital costs are comprised of the smart meters, collectors and power-line  
24 repeaters, installation costs and stranded meters, which are discussed below. Milton Hydro has  
25 amortized the smart meter related capital and Installation costs over a 15 year period. For the  
26 purpose of this filing Milton Hydro has included its stranded meters in Capital Cost "Other  
27 Equipment".

28 Milton Hydro has approximately 87 smart meters left to replace in the 2010 Bridge Year as well  
29 as additional collectors or power-line repeaters to install its rural distribution service area. The

2010 Bridge Year forecast for these expenditures is \$164,000, which will then complete Milton Hydro's SMIP. This capital expenditure has been included in Milton Hydro's revenue requirement and deferral and variance account continuity schedules and is included in the total requested for disposition.

Milton Hydro has been required to install approximately 300 additional collectors or power-line repeaters in its rural distribution service area in order for the mesh network to successfully communicate with rural smart meters. This concern was raised during the combined proceeding and acknowledged by the OEB in its August 8, 2007 Decision, page 12 "The Board accepts that it is more expensive to install smart meters in a rural area than an urban area." Included in the number of smart meters installed for the 2010 Bridge Year are new Residential and General Service <50 kW customers.

**Table 14 -  
Smart Meter Activities**

Year	SMIP -Smart Meter Installed			% of applicable customers converted	Account 1555			Account 1556
	Residential	GS<50	Other		Funding Adder Revenues Collected	Capital Expenditures	Stranded Meters transferred from 1860	Operating Expenses
2005	304			1%				-
2006	4,704	568		26%	(19,553)			-
2007	9,185	2		45%	(408,141)	1,939,926	246,631	65,052
2008	4,143	584		23%	(624,140)	659,419	180,970	246,395
2009	538	231		4%	(685,689)	677,932	2,315	298,927
2010	87	0		0%	(730,188)	164,000	3,047	317,307
2011 (and beyond)	0	0			(252,423)	-	-	76,473
<b>Total</b>	<b>18,961</b>	<b>1,385</b>		<b>100%</b>	<b>(2,720,134)</b>	<b>3,441,277</b>	<b>432,963</b>	<b>1,004,153</b>
Note: Smart meter costs for 2007 include previous years transferred out of USoA 1860 and into USoA 1555 - See Exhibit 2								
Note: Milton Hydro has installed approximately 6,500 additional smart meters on new residential developments								

Milton Hydro has set out its OM&A smart meter expenditures included in the smart meter variance account 1556 and in the revenue requirement calculations requested for disposition in Table 15 below.

**Table 15 -  
Smart Meter OM&A Expenditures**

Description	2007	2008	2009	2010	2011	Total
Amortization	64,664	151,309	195,887	223,952	76,473	712,285
Metering Expenses	388	15,917	1,794	1,500		19,599
Meter Reading		69,005	85,810	69,055		223,869
Administration		10,163	1,215	1,200		12,578
ODS Maintenance			14,221	21,600		35,821
<b>Total</b>	<b>65,052</b>	<b>246,395</b>	<b>298,927</b>	<b>317,307</b>	<b>76,473</b>	<b>1,004,153</b>

**Stranded Meters:**

As Milton Hydro replaced existing meters with smart meters the net book value ("NBV") of the meters replaced were removed from Milton Hydro' fixed asset account for meter capital USoA classification 1860 and charge to the smart meter variance account USoA classification 1555. The replaced meters were deemed to be stranded meters as they would no longer be used. Milton Hydro did not amortize the balance of the stranded meter costs pending OEB approval for recovery. When Milton Hydro receives OEB approval to dispose of its variance accounts Milton Hydro will amortize the stranded meters over the remaining life not to exceed 15 years. Milton Hydro is requesting recovery of \$432,962.60 of stranded meter costs. A detailed listing of the date of purchase, year stranded, meter type, original cost and net book value of the Stranded Meters is provide in Table 16 below.

Table 16 -  
Stranded Meters

Original Year Purchased	Year Stranded	Type of Meter	Single Phase Non Interval	Three Phase Non Interval	Single Phase Interval	Total # of Meters	Purchase Price	Total Meters, Incl Rural and other	Meters Retired	NBV of Stranded	Original Cost of Stranded	2008 Rural & Other Meters Removed	NBV of Stranded Rural & Others	Original Cost of Rural & Stranded
2003	2008 C1S		272			272	\$ 40.13	107	48	1,541	1,926	59	1,894	2,368
2003	2007 C1S						\$ 40.13	165	165	5,562	6,621			
2004	2008 C1S		231			231	\$ 40.13	130	29	978	1,164	101	3,405	4,053
2004	2007 C1S						\$ 40.13	101	101	3,567	4,053			
2005	2008 C1S						\$ 40.13	2	2			2	71	80
2003	2008 C1SX		16			16	\$ 433.08	21	5	1,732	2,165	16	5,543	6,929
2003	2007 C1SX						\$ 433.08	1	1	364	433			
2004	2008 C1SX		59			59	\$ 390.96	69	12	3,941	4,692	56	18,391	21,894
2004	2007 C1SX						\$ 390.96	9	9	3,096	3,519			
2005	2008 C1SX		50			50	\$ 212.76	83	18	3,370	3,830	65	12,170	13,829
2005	2007 C1SX						\$ 212.76	5	5	979	1,064			
2005	2008 C1SX TX		9			9	\$ 266.76	20	1	235	267	19	4,460	5,068
1996	2008 C1S		2			2	\$ 60.50	2	2	63	121	7		
1996	2008 D4S		9			9	\$ 60.50	9	2	63	121			
2005	2008 I-210		202			202	\$ 40.13	106	22	777	883	84	2,966	3,371
2005	2007 I-210						\$ 40.13	96	96	3,544	3,852			
1996	2008 I50S		3			3	\$ 76.25	3	1	40	76	2		
1993	2008 I60S		1			1	\$ 93.96	1				1	38	94
1985	2007 I70A		9			9	\$ 73.39	1	1	27	73			
1974	2007 I70S		318			318	\$ 93.96	296	296	-	27,812			
1975	2007 I70S		473			473	\$ 93.96	470	470	-	44,161			
1976	2007 I70S		60			60	\$ 93.96	11	11	-	1,034			
1977	2007 I70S		129			129	\$ 93.96	129	129	-	12,121			
1979	2007 I70S		495			495	\$ 93.96	456	456	-	42,846			
1980	2008 I70S		509			509	\$ 93.96	20	20	376	1,879			
1980	2007 I70S						\$ 93.96	489	489	10,502	45,946			
1981	2008 I70S		640			640	\$ 93.96	188	162	3,479	15,222	26	558	2,443
1981	2007 I70S						\$ 93.96	452	452	10,921	42,470			
1982	2008 I70S		127			127	\$ 93.96	5	5	121	470	85	2,054	7,987
1982	2007 I70S						\$ 93.96	37	37	993	3,477			
1983	2008 I70S		207			207	\$ 93.96	112	10	268	940	102	2,738	9,584
1983	2007 I70S						\$ 93.96	95	95	2,805	8,926			
1984	2008 I70S		84			84	\$ 93.96	59	21	620	1,973	38	1,122	3,570
1984	2007 I70S						\$ 93.96	25	25	805	2,349			
1985	2008 I70S		169			169	\$ 93.96	145	12	387	1,128	133	4,285	12,497
1985	2007 I70S						\$ 93.96	24	24	838	2,255			
1986	2009 I70S		250			250	\$ 93.96	41	41	308	3,852			
1986	2008 I70S						\$ 93.96	147	3	34	282	144	1,624	13,530
1986	2007 I70S						\$ 93.96	62	62	932	5,826			
1987	2009 I70S		226			226	\$ 93.96	85	85	958	7,987			
1987	2008 I70S						\$ 93.96	102	15	226	1,409	87	1,308	8,175
1987	2007 I70S						\$ 93.96	39	39	733	3,664			
1988	2008 I70S		442			442	\$ 93.96	239	67	1,259	6,295	172	3,232	16,161
1988	2007 I70S						\$ 93.96	203	203	4,578	19,074			
1994	2008 I70S		14			14	\$ 93.96	14	3	124	282	11		
1995	2008 I70S		205			205	\$ 76.25	86	86	3,148	6,558			
1995	2007 I70S						\$ 76.25	119	119	4,718	9,074			
1996	2008 I70S		422			422	\$ 76.25	367	13	515	991	374	14,829	28,518
1996	2007 I70S						\$ 76.25	35	35	1,496	2,669			
1997	2008 I70S		482			482	\$ 76.25	248	141	6,021	10,751	107	4,569	8,159
1997	2007 I70S						\$ 76.25	234	234	10,706	17,843			
1998	2008 I70S		206			206	\$ 76.25	91	49	2,242	3,736	42	1,922	3,203
1998	2007 I70S						\$ 76.25	115	115	5,612	8,769			
1999	2008 I70S		211			211	\$ 76.25	38	32	1,562	2,440	6	293	458
1999	2007 I70S						\$ 76.25	173	173	8,970	13,191			
2000	2008 I70S		570			570	\$ 76.25	304	175	9,074	13,344	129	6,689	9,836
2000	2007 I70S						\$ 76.25	266	266	14,603	20,283			
2001	2008 I70S		416			416	\$ 76.25	220	47	2,580	3,584	173	9,498	13,191
2001	2007 I70S						\$ 76.25	196	196	11,358	14,945			
2002	2008 I70S		68			68	\$ 40.13	68				68	2,074	2,729
2003	2008 I70S		11			11	\$ 40.13	11	1	32	40	10	321	401
2004	2008 I70S		2			2	\$ 40.13	2	2	67	80			
2006	2008 I70S		1			1	\$ 40.13	1	1	37	40			
2001	2008 J5S		1170			1170	\$ 40.13	83	83	2,398	3,331			
2001	2007 J5S						\$ 40.13	1,087	1,087	33,152	43,621			
2002	2008 J5S		2760			2760	\$ 40.13	597	123	3,751	4,936	474	14,456	19,022
2002	2007 J5S						\$ 40.13	2,163	2,163	69,441	86,801			
2003	2008 J5S		1243			1243	\$ 40.13	213	127	4,077	5,097	86	2,761	3,451
2003	2007 J5S						\$ 40.13	1,030	1,030	34,720	41,334			
1985	2008 K2S		84			84	\$ 76.25	81	30	784	2,288	51	1,333	3,889
1985	2007 K2S						\$ 76.25	3	3	85	229			
1986	2008 K2S		5			5	\$ 76.25	5	5	46	381			
1987	2008 K2S		1			1	\$ 76.25	1	1	12	76			
1988	2007 K2S		2			2	\$ 76.25	2	2	37	153			
1989	2007 K2S		5			5	\$ 76.25	5	5	107	381			
1992	2007 K2S		2			2	\$ 76.25	2	2	61	153			
1993	2007 K2S		2			2	\$ 76.25	2	2	67	153			
1995	2007 K2S		1			1	\$ 76.25	1	1	40	76			
1996	2007 K2S		22			22	\$ 76.25	22	22	939	1,678			
1997	2007 K2S		1			1	\$ 76.25	1	1	46	76			
2002	2008 K2S		11			11	\$ 76.25	11	3	174	229	8		
1985	2008 KS		8			8	\$ 78.00	8	2	53	156	6	160	468
1986	2007 KS		3			3	\$ 78.00	3	3	37	234			
1993	2007 KS		9			9	\$ 78.00	3	3	103	234			
1996	2007 KS		2			2	\$ 78.00	2	2	87	156			
1996	2009 KYS			2			\$ 305.91	1	1	147	306			
1996	2010 KYS						\$ 305.91	1	1	147	306			
2001	2010 V6			1			\$ 40.13	1	1	27	40			
1996	2009 V62S			9			\$ 187.00	2	2	180	374			
1996	2010 V62S						\$ 187.00	7	7	628	1,308			
1995	2010 V65A		1			1	\$ 272.74	1	1	120	273			
1989	2010 V65S		1			1	\$ 334.04	1	1	67	334			
1992	2010 V65S		2			2	\$ 334.04	2	2	214	668			
1993	2010 V65S		2			2	\$ 334.04	2	2	241	668			
1996	2009 V65S		13			13	\$ 334.04	3	3	481	1,002			
1996	2010 V65S						\$ 334.04	10	10	1,603	3,340			
2000	2009 V65S						\$ 334.04	1	1	214	334			
2001	2009 V6-E4S						\$ 40.13	1	1	27	40			
Totals			12,925	33	75	13,033	11,468	12,912	10,168	308,199	667,641	2,744	124,763	224,957

432,963

## Revenue Requirement:

Milton Hydro has calculated its revenue requirement for each of the years that smart meters were being installed as part of its SMIP. Milton Hydro did not initially record smart meters in the OEB USoA classification 1555 prior to the OEB Decision dated August 8, 2007. A reallocation of smart meters installed in 2006 is reflected in the smart meter capital for 2007. The following Table 17 summarizes Milton Hydro's revenue requirement and Table 18 sets out the detailed revenue requirement calculations for 2007 Actual, 2008 Actual and 2009 Actual expenditures and the 2010 Bridge Year expenditures forecasted to be incurred to complete Milton Hydro's SMIP. The 2011 Test Year revenue requirement is calculated for the period January 1, 2011 to April 30, 2011 as Milton Hydro is requesting the disposition of its smart meter variance accounts and the inclusion of the capital in the 2011 Test Year rate base. Milton Hydro has included the carrying charges recorded in the smart meter variance account 1556 for recovery as provided for in Question 8 of the OEB FAQ's issued August, 2008. The detailed calculations are also set out in the Smart Meter Model attached as Appendix A.

**Table 17 -  
Revenue Requirement Summary**

<b>Rate Year</b>	<b>Revenue Requirement</b>
2006 Rate Year Entitlement	-
2007 Rate Year Entitlement	190,147
2008 Rate Year Entitlement	502,465
2009 Rate Year Entitlement	601,753
2010 Bridge Year Entitlement	629,252
2011 Test Year Entitlement to April 30, 2011	177,716
Carrying Charges in Account 1556	19,822
<b>Total Revenue Requirement</b>	<b>2,121,156</b>

3

3

**Revenue Recovered:**

Milton Hydro has an OEB-approved smart meter adder, for the recovery of its revenue requirement associated with the installation of smart meters in accordance with regulations. The smart meter rider is currently \$2.16 and is billed to all metered customers as a fixed charge. The following Table 19 sets out Milton Hydro's smart meter revenue recovered through the OEB-approved smart meter adder and the customer classes contributing to the smart meter revenue.

**Table 19 -  
Smart Meter Revenue Recovered by Customer Class**

Smart Meter Rate Rider Billed:	Total	Residential	GS<50	GS>50-999	GS>1000-499	Large Users
2006	(19,553)	(17,530)	(1,783)	(225)	(12)	(2)
2007	(408,141)	(365,921)	(37,221)	(4,703)	(259)	(37)
2008	(624,140)	(560,818)	(55,646)	(7,271)	(351)	(53)
2009	(685,689)	(622,000)	(56,141)	(7,162)	(334)	(52)
2010 Bridge Year forecast	(730,188)	(664,705)	(57,861)	(7,272)	(298)	(52)
2011 Test Year forecast	(252,423)	(230,208)	(19,607)	(2,490)	(99)	(17)
Total Smart Meter Rate Rider Billed	(2,720,134)	(2,461,183)	(228,260)	(29,124)	(1,354)	(213)

**Disposition:**

Milton Hydro has summarized the revenue requirement, carrying charges included in USoA smart meter classification 1556, and revenue recovered through rates in Table 20 below. The credit balance of (\$598,978) represents Milton Hydro's 2011 Test Year over recovery of its revenue requirement in the completion of its SMIP. It is this amount that Milton Hydro is requesting to dispose of in this Application.

**Table 20 -**

**Smart Meter Revenue Recovered by Customer Class**

<b>Smart Meter Revenue Disposition</b>	<b>Amount</b>
Return on rate base	\$ 895,225
Operating expenses	\$ 1,004,153.36
Grossed up for PILs	\$ 201,956
Subtotal	\$ 2,101,334
Carrying costs - 1556 per FAQ #8 August 2008	\$ 19,822
<b>Net Revenue Requirement</b>	<b>\$ 2,121,156</b>
Less Smart Meter Recovery	(\$2,720,134)
<b>Revenue Disposition to April 30, 2011</b>	<b>(\$598,978)</b>

**Disposition Requested and Rate Rider:**

As of June 30, 2010 Milton Hydro had completed its SMIP and has 100% of the Residential and General Service <50 kW customers converted to smart meters. Over this period and forecasted to the 2011 Test Year, Milton Hydro will have over recovered its revenue requirement by (\$598,978). Milton Hydro proposes to dispose of the OEB smart meter USoA classifications 1555 – Smart Meter Capital and Recovery Offset Variance Account and 1556 – Smart Meter OM&A Variance Account in this Application. Milton Hydro has included the smart meter capital and stranded meter costs in the opening balance of the 2011 Test Year rate base calculations. The 2011 Test Year OM&A accounts include the smart meter related costs that would have been recorded in the variance account had Milton Hydro not requested disposition of these accounts.

Milton Hydro has calculated the rate rider for disposition of the total credit balance in the smart meter variance accounts in the amount of (\$598,978) over four years based on the number of metered customers forecasted to the end of the 2010 Bridge Year. Milton Hydro is proposing a credit rate rider per metered customer per month of (\$0.43). This calculation is set out in Table 21 below.

Milton Hydro is requesting the disposition over four years for two reasons. First, as a means of mitigating any potential rate impacts in Milton Hydro's Cost of Service Rate Application for the 2011 Test Year and any impacts of Milton Hydro's three years of Incentive Regulation Mechanism ("IRM") Rate Applications. Second as a means of mitigating the rate shock that

would be realized by customers should this credit rate rider be implemented over one year and then removed as of May 1, 2012 at the same time as implementing an IRM Application.

### Continuation of Variance Account – 1555:

Milton Hydro is requesting approval to continue to use the smart meter variance account 1555 over this four year period to record the smart meter credit rate rider applied to the accounts of its metered customers. Milton Hydro is one of the fastest growing distributors in Ontario and has estimated the addition of 1,500 new customers for the 2010 Bridge Year and 1,500 new customers for the 2011 Test Year. Should this level of growth continue there is the potential to dispose of a cumulative amount of approximately \$78,000 more than the variance account balance at April 30, 2011. Milton Hydro submits that this over payment of its smart meter variance account is material to its operations and proposes that this be tracked in the smart meter variance account 1555 to drawdown the balance of (\$598,978). Any balance remaining after four years would be disposed of at that time.

**Table 21 -  
Smart Meter Rate Rider for Disposition of Variance**

Description	Rider
Revenue Requirement Disposition Requested	(\$598,978)
2010 Bridge Year # of Metered Customers	28,890
# of months requested (4 years)	48
<b>Rate Rider for Disposition - per Month</b>	<b>(\$0.43)</b>

### Entry Required for Disposition:

Milton Hydro has provided the journal required to dispose of the smart meter variance accounts 1555 and 1556, prepared in accordance with the OEB FAQs issued August 2008, in the following Table 22.

**Table 22 -**

**Journal Entry to Record the Disposition of Smart Meter Variance Accounts 1555 & 1556**

Accounting Treatment for Smart Meter Accounts

(Accounting Treatment for Smart Meter Accounts with respect to smart meter minimum functionality to reflect the Board's EB-2007-063 decision)

1. **To transfer Smart Meters to capital as well as Stranded Meters NBV that was removed from Capital and replaced with Smart Meters**  

<i>Debit</i>	1860 - Meters	\$ 3,441,277.40	
<i>Debit</i>	1860- Stranded Meters	\$ 432,962.60	
<i>Credit</i>	1555- Smart Meter Capital Deferral Account		\$ 3,874,240.00
2. **To transfer accumulated amortization to asset account**  

<i>Debit</i>	1555- Smart Meter Capital Deferral Account	\$ 712,285.35	
<i>Credit</i>	2105- Accumulated Amortization		\$ 712,285.35
3. **To reverse carrying charges as return on assets provides long term interest for recovery**  

<i>Debit</i>	4405- Interest and dividend Income	\$ 89,157.00	
<i>Credit</i>	1555- Smart Meter Capital Deferral Account		\$ 89,157.00
4. **To transfer OM&A expenses to contra account**  

<i>Debit</i>	5695 OM&A Contra Account	\$ 291,867.85	
<i>Credit</i>	1556- Smart Meter OM&A expenses to contra account		\$ 291,867.85
5. **To transfer OM&A expenses to expense account**  

<i>Debit</i>	5175- Meter Maintenance	\$ 291,867.85	
<i>Credit</i>	5695 OM&A Contra Account		\$ 291,867.85
6. **To transfer amortization expenses to expense account**  

<i>Debit</i>	5705- Amortization Expense	\$ 712,285.35	
<i>Credit</i>	1556- Smart Meter OM&A expenses to contra account		\$ 712,285.35
7. **To reverse carrying charges which are included in revenue requirement (Note:Re-recognized as revenue when collected in future rates)**  

<i>Debit</i>	4405- Interest and dividend Income	\$ 19,822.00	
<i>Credit</i>	1556- Smart Meter OM&A expenses to contra account		\$ 19,822.00
8. **To transfer Smart Meter funds collected through rate adder Less over collected and remaining in account 1555 for disposition at next cost of service rate application**  

<i>Debit</i>	1555- Smart Meter Capital Deferral Account	\$ 2,121,155.81	
<i>Credit</i>	4080- Distribution Revenue		\$ 2,121,155.81

1   **Conclusion**

2   Milton Hydro respectfully submits that the costs necessary to fulfill its obligations under  
3   the provincially mandated Smart Meter initiative have been prudently incurred in  
4   accordance with OEB guidelines; the proposed rate rider credit of (\$043) per month; the  
5   proposed disposition over four years; and the proposed continuance of the smart meter  
6   variance account 1555 are just and reasonable, and it is therefore appropriate that the  
7   OEB approve the disposition of Milton Hydro's smart meter variance accounts and record  
8   the accounts in the 2011 Test Year rate base.

## APPENDIX A – 2011 EDR SMART METER CALCULATION MODEL

## 2011 EDR SMART METER RATE CALCULATION MODEL

### Sheet 1 Utility Information Sheet

<b>Legend:</b>	Input Cell	Pull-Down Menu Option	Output Cell
	From Another Sheet		To Another Sheet

*Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.*

**Name of LDC:** Milton Hydro Distribution inc.

**Licence Number:** ED-2003-0014

**EB Number:** EB-2010-0137

**Date of Submission:** August 26, 2010

**Revision:** 0

**Version:** 1.0

#### **Contact Information**

**Name:** Cameron McKenzie

**Title:** Director of Regulatory Affairs

**Phone Number:** 905-876-4611 x 246

**E-Mail Address:** [cameronmckenzie@miltonhydro.com](mailto:cameronmckenzie@miltonhydro.com)

**Milton Hydro Distribution inc.****EB-2010-0137****August 26, 2010****Sheet 2. Smart Meter Capital Cost and Operational Expense Data****Smart Meter Unit Installation Plan: Installed***assume calendar year installation*

Planned number of Residential smart meters to be installed

Planned number of General Service Less Than 50 kW smart meters

Planned number of General Service Greater Than 50 kW smart meters

**Planned Meter Installation (Residential and Less Than 50 kW only)**

Planned Meter Installation Completed before January 1, 2008

**Other Unit Installation Plan:***assume calendar year installation*

Planned number of Collectors to be installed

Planned number of Repeaters to be installed

Other : Please specify

**Capital Costs****1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)****1.1.1 Smart Meter***may include new meters and modules, etc.***1.1.2 Installation Cost***may include socket kits plus shipping, labour, benefits, vehicle, etc.***1.1.3a Workforce Automation Hardware***may include fieldworker handhelds, barcode hardware, etc.***1.1.3b Workforce Automation Software***may include fieldworker handhelds, barcode hardware, etc.***Total Advanced Metering Communication Device (AMCD)****1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)****1.2.1 Collectors***meshgates, etc.***1.2.2 Repeaters***may include radio licences, etc.***1.2.3 Installation***may include meter seals and rings, collector computer hardware, etc.***Total Advanced Metering Regional Collector (AMRC) (includes LAN)****1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)****1.3.1 Computer Hardware****1.3.2 Computer Software****1.3.3 Computer Software Licence & Installation (includes hardware & software)***may include AS400 disc space, backup & recovery computer, UPS, etc.***Total Advanced Metering Control Computer (AMCC)****1.4 WIDE AREA NETWORK (WAN)****1.4.1 Activation Fees****Total Wide Area Network (WAN)****1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY****1.5.1 Customer equipment (including repair of damaged equipment)****1.5.2 AMI Interface to CIS****1.5.3 Professional Fees**

	2007	2008	2009	2010	2011	2012	Total
Planned number of Residential smart meters to be installed	14,193	4,143	538	87			18,961
Planned number of General Service Less Than 50 kW smart meters	570	584	231				
Planned number of General Service Greater Than 50 kW smart meters							-
<b>Planned Meter Installation (Residential and Less Than 50 kW only)</b>	<b>14,763</b>	<b>4,727</b>	<b>769</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>20,346</b>

	2007	2008	2009	2010	2011	2012	Total
Planned number of Collectors to be installed							-
Planned number of Repeaters to be installed							-
Other : Please specify							-
							-
							-
							-

**Asset Type**

	2007	2008	2009	2010	2011	2012	Total
Smart Meter							\$ 2,949,725
			3. LDC Assumptions and Data				
Smart Meter			2009	2010	2011	2012	\$ 403,012
			3. LDC Assumptions and Data				
Comp. Hard.			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
Comp. Soft.			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
<b>\$ 1,851,386 \$ 659,419 \$ 677,932 \$ 164,000 \$ - \$ - \$ 3,352,737</b>							

	2007	2008	2009	2010	2011	2012	Total
Smart Meter							\$ 88,541
			3. LDC Assumptions and Data				
Smart Meter			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
Smart Meter			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
<b>\$ 88,541 \$ - \$ - \$ - \$ - \$ - \$ 88,541</b>							

	2007	2008	2009	2010	2011	2012	Total
Comp. Hard.							\$ -
			3. LDC Assumptions and Data				
Comp. Soft.			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
Comp. Soft.			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
<b>\$ - \$ - \$ - \$ - \$ - \$ - \$ -</b>							

	2007	2008	2009	2010	2011	2012	Total
Comp. Soft.							\$ -
			3. LDC Assumptions and Data				
<b>\$ - \$ - \$ - \$ - \$ - \$ - \$ -</b>							

	2007	2008	2009	2010	2011	2012	Total
Comp. Hard.							\$ -
			3. LDC Assumptions and Data				
Comp. Hard.			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
Comp. Hard.			2009	2010	2011	2012	\$ -
			3. LDC Assumptions and Data				
<b>2007 2008 2009 2010 2011 2012 Total</b>							

**Milton Hydro Distribution inc.****EB-2010-0137****August 26, 2010****Sheet 2. Smart Meter Capital Cost and Operational Expense Data**

1.5.4 Integration

1.5.5 Program Management

1.5.6 Stranded Meters

Total Other AMI Capital Costs Related To Minimum Functionality

**Total Capital Costs**

Comp. Hard.										\$	-
	3. LDC Assumptions and Data										
	2007	2008	2009	2010	2011	2012					Total
Comp. Hard.										\$	-
	3. LDC Assumptions and Data										
	2007	2008	2009	2010	2011	2012					Total
Other Equipme	\$ 246,631	\$ 180,970	\$ 2,315	\$ 3,047						\$	432,963
	3. LDC Assumptions and Data										
	\$ 246,631	\$ 180,970	\$ 2,315	\$ 3,047	\$ -	\$ -				\$	432,963
	3. LDC Assumptions and Data										
	\$ 2,186,558	\$ 840,389	\$ 680,247	\$ 167,047	\$ -	\$ -				\$	3,874,241

**Milton Hydro Distribution inc.****EB-2010-0137****August 26, 2010****Sheet 2. Smart Meter Capital Cost and Operational Expense Data****O M & A****2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)****2.1.1 Maintenance***may include meter reverification costs, etc.***Total Incremental AMI Operation Expenses**

2007	2008	2009	2010	2011	2012	Total
\$ 388	\$ 84,922	\$ 87,604	\$ 70,555			\$ 243,468
3. LDC Assumptions and Data						
\$ 388	\$ 84,922	\$ 87,604	\$ 70,555	\$ -	\$ -	\$ 243,468

**2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)****2.2.1 Maintenance****Total Advanced Metering Regional Collector (AMRC) (includes LAN)**

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)****2.3.1 Hardware Maintenance***may include server support, etc.***2.3.2 Software Maintenance***may include maintenance support, etc.***Total Advanced Metering Control Computer (AMCC)**

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						
		\$ 14,221	\$ 21,600			\$ 35,821
3. LDC Assumptions and Data						
\$ -	\$ -	\$ 14,221	\$ 21,600	\$ -	\$ -	\$ 35,821

**2.4 WIDE AREA NETWORK (WAN)****2.4.1 WIDE AREA NETWORK (WAN)***may include serial to Ethernet hardware, etc.***Total Incremental Other Operation Expenses**

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY****2.5.1 Business Process Redesign**

2007	2008	2009	2010	2011	2012	Total
\$ -	\$ -					\$ -
3. LDC Assumptions and Data						

**2.5.2 Customer Communication***may include project communication, etc.*

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						

**2.5.3 Program Management**

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						

**2.5.4 Change Management***may include training, etc.*

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						

**2.5.5 Administration Cost**

2007	2008	2009	2010	2011	2012	Total
	\$ 10,163	\$ 1,215	\$ 1,200			\$ 12,578
3. LDC Assumptions and Data						

**2.5.6 Other AMI Expenses**

2007	2008	2009	2010	2011	2012	Total
						\$ -
3. LDC Assumptions and Data						

**Total 2.5 Other AMI OM&A Costs Related To Minimum Functionality**

2007	2008	2009	2010	2011	2012	Total
\$ -	\$ 10,163	\$ 1,215	\$ 1,200	\$ -	\$ -	\$ 12,578

**Total O M & A Costs**

2007	2008	2009	2010	2011	2012	Total
\$ 388	\$ 95,086	\$ 103,040	\$ 93,355	\$ -	\$ -	\$ 291,868

**Milton Hydro Distribution inc.****EB-2010-0137****August 26, 2010****Sheet 3. LDC Assumptions and Data****Assumptions:**

1. Planned meter installations occur evenly through the year.
2. Year assumed January to December
3. Amortization is straight line and has half year rule applied in first year

**EDR Data Information**

**Deemed Debt** (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell C 18)  
**Deemed Equity** (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell C 19)  
**Weighted Debt Rate** (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell C 25)  
**Proposed ROE** (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell E 32)

**Weighted Average Cost of Capital****Working Capital Allowance %****EDR Total Metered Customers**

**Residential**  
**General Service Less Than 50 kW**  
**Other Metered Customers**

**Average # Residential, General Service, and Large User Customers****Smart Meter Rate Adders**

**2006 EDR Smart Meter Rate Adder**  
**2007 EDR Smart Meter Rate Adder**  
**2008 EDR Smart Meter Rate Adder**  
**2009 EDR Smart Meter Rate Adder**  
**2010 EDR Smart Meter Rate Adder**

**Corporate Income Tax Rate**

(from 2006 PILs Sheet "Test Year PILs, Tax Provision" Cell D 14)

**Capital Data:**

	2007	2008	2009	2010	2011	2012	Total
Smart Meter	\$ 1,939,927	\$ 659,419	\$ 677,932	\$ 164,000	\$ -	\$ -	\$ 3,441,278
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ 246,631	\$ 180,970	\$ 2,315	\$ 3,047	\$ -	\$ -	\$ 432,963
<b>Total Capital Costs</b>	<b>\$ 1,939,927</b>	<b>\$ 659,419</b>	<b>\$ 677,932</b>	<b>\$ 164,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,441,278</b>

**LDC Amortization Policy:**

	Amortization	CCA Class	CCA Rate
Smart Meter Amortization Rate <i>Enter Amortization Policy</i>	15 Years	47	8 %
Computer Hardware Amortization Rate <i>Enter Amortization Policy</i>	5 Years	45	45 %
Computer Software Amortization Rate <i>Enter Amortization Policy</i>	3 Years	45	45 %
Tools & Equipment Amortization Rate <i>Enter Amortization Policy</i>	10 Years	8	20 %
Other Equipment Amortization Rate <i>Enter Amortization Policy</i>	10 Years	8	20 %

**Operating Expense Data:**

	2007	2008	2009	2010	2011	2012	Total
2.1 Advanced Metering Communication Device (AMCD)	\$ 388	\$ 84,922	\$ 87,604	\$ 70,555	\$ -	\$ -	\$ 243,468
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3 Advanced Metering Control Computer (AMCC)	\$ -	\$ -	\$ 14,221	\$ 21,600	\$ -	\$ -	\$ 35,821
2.4 Wide Area Network (WAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A Costs Related To Minimum Functionality	\$ -	\$ 10,163	\$ 1,215	\$ 1,200	\$ -	\$ -	\$ 12,578
<b>Total O M &amp; A Costs</b>	<b>\$ 388</b>	<b>\$ 95,086</b>	<b>\$ 103,040</b>	<b>\$ 93,355</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 291,868</b>

**Per Meter Cost Split:**

	Per Meter	Installed	Investment	% of Invest
Smart meter including installation	\$ 169.14	20,346	\$ 3,441,278	83%
Computer Hardware Costs	\$ -	20,346	\$ -	0%
Computer Software Costs	\$ -	20,346	\$ -	0%
Tools & Equipment	\$ -	20,346	\$ -	0%
Other Equipment	\$ 21.28	20,346	\$ 432,963	10%
Smart meter incremental operating expenses	\$ 14.35	20,346	\$ 291,868	7%
<b>Total Smart Meter Capital Costs per meter</b>	<b>\$ 204.76</b>		<b>\$ 4,166,109</b>	<b>100%</b>

# Confidential Information

## Smart Meter Revenue Requirement & Proposed Rates- Summary

Milton Hydro Distribution Inc.

Summary of Actual Costs claimed in this application	2007	2008	2009	2010	2011	Total Actual
<b>Capital Costs (must be installed, and used and useful)</b>						
Smart Meters	\$ 1,939,927	\$ 659,419	\$ 677,932	\$ 164,000	\$ -	\$ 3,441,278
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment (please specify)	\$ 246,631	\$ 180,970	\$ 2,315	\$ 3,047	\$ -	\$ 432,963
<b>Total Capital Costs</b>	<b>\$ 2,186,558</b>	<b>\$ 840,389</b>	<b>\$ 680,247</b>	<b>\$ 167,047</b>	<b>\$ -</b>	<b>\$ 3,874,241</b>
<b>O M &amp; A</b>						
2.1 Advanced metering communication device (AMCD)	\$ 388	\$ 84,922	\$ 87,604	\$ 70,555	\$ -	\$ 243,468
2.2 Advanced metering regional collector (AMRC) (includes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3 Advanced metering control computer (AMCC)	\$ -	\$ -	\$ 14,221	\$ 21,600	\$ -	\$ 35,821
2.4 Wide area network (WAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A costs related to minimum functionalit	\$ -	\$ 10,163	\$ 1,215	\$ 1,200	\$ -	\$ 12,578
<b>Total O M &amp; A Costs</b>	<b>\$ 388</b>	<b>\$ 95,086</b>	<b>\$ 103,040</b>	<b>\$ 93,355</b>	<b>\$ -</b>	<b>\$ 291,868</b>
<b>Summary of Revenue Requirement Calculation</b>						
<b>Net Fixed Assets</b>						
Net Fixed Assets Beginning of Year	\$ -	\$ 2,121,894	\$ 2,810,973	\$ 3,295,333	\$ 3,238,428	\$ 11,466,628
Net Fixed Assets End of Year	\$ 2,121,894	\$ 2,810,973	\$ 3,295,333	\$ 3,238,428	\$ 3,161,955	\$ 14,628,583
<b>Average Net Fixed Asset Values</b>	<b>\$ 1,184,262</b>	<b>\$ 2,556,918</b>	<b>\$ 3,054,311</b>	<b>\$ 3,268,404</b>	<b>\$ 3,200,192</b>	<b>\$ 13,047,606</b>
Working Capital Allowance						
Operation Expense	\$ 388	\$ 95,086	\$ 103,040	\$ 93,355	\$ -	\$ 291,868
Working Capital Allowance 15% (from approved 2006 EDR	\$ 58	\$ 14,263	\$ 15,456	\$ 14,003	\$ -	\$ 43,780
<b>Smart Meters Rate Base</b>	<b>\$ 1,184,320</b>	<b>\$ 2,571,181</b>	<b>\$ 3,069,767</b>	<b>\$ 3,282,407</b>	<b>\$ 3,200,192</b>	<b>\$ 13,091,386</b>
<b>Return on Rate Base</b>						
Deemed Debt 60% Times Weighted Debt Rate 7.25%	\$ 42,932	\$ 99,357	\$ 126,190	\$ 142,785	\$ 46,403	\$ 457,666
Deemed Equity 40% Times ROE 9%	\$ 53,294	\$ 108,067	\$ 119,629	\$ 118,167	\$ 38,402	\$ 437,559
<b>Return on Rate Base</b>	<b>\$ 96,226</b>	<b>\$ 207,424</b>	<b>\$ 245,819</b>	<b>\$ 260,951</b>	<b>\$ 84,805</b>	<b>\$ 895,225</b>
<b>Operating Expenses</b>						
Incremental Operating Expenses	\$ 388	\$ 95,086	\$ 103,040	\$ 93,355	\$ -	\$ 291,868
Amortization Expenses	\$ 64,664	\$ 151,309	\$ 195,887	\$ 223,952	\$ 76,473	\$ 712,286
<b>Total Operating Expenses</b>	<b>\$ 65,052</b>	<b>\$ 246,395</b>	<b>\$ 298,927</b>	<b>\$ 317,307</b>	<b>\$ 76,473</b>	<b>\$ 1,004,153</b>
<b>Stranded Cost</b>						
<b>Total Operating Expenses</b>	<b>\$ 65,052</b>	<b>\$ 246,395</b>	<b>\$ 298,927</b>	<b>\$ 317,307</b>	<b>\$ 76,473</b>	<b>\$ 1,004,153</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Total Actual</b>
Revenue Requirement Before PILs	\$ 161,278	\$ 453,818	\$ 544,746	\$ 578,258	\$ 161,278	\$ 1,899,379
Grossed up PILs	\$ 28,869	\$ 48,647	\$ 57,007	\$ 50,994	\$ 16,438	\$ 201,956
<b>Revenue Requirement for Smart Meters</b>	<b>\$ 190,147</b>	<b>\$ 502,465</b>	<b>\$ 601,753</b>	<b>\$ 629,252</b>	<b>\$ 177,716</b>	<b>\$ 2,101,334</b>

### Rate Rider to Clear Actual over Recovery to April 30, 2011

Revenue Requirement for Smart Meters Installed					\$ 2,101,334
Carrying costs in account 1556					\$ 19,822
<b>Less Smart Meter Adder Recovery</b>	<b>Rate Adder</b>	<b>Average # Metered Customers</b>	<b>No. of Mths</b>	<b>Amount Recovered</b>	
2006	\$ 0.27	9,052	8	(19,553)	
2007	\$ 2.16	21,474	12	(408,141)	
2008	\$ 2.16	23,912	12	(624,140)	
2009	\$ 2.16	26,253	12	(685,689)	
2010	\$ 2.16	28,107	12	(730,188)	
2011	\$ 2.16	29,151	4	(252,423)	(\$2,720,134)
<b>Revenue Disposition to April 30, 2011</b>					<b>(\$598,978)</b>

Smart Meter Revenue Disposition	Amount
Return on rate base	\$ 895,225
Operating expenses	\$ 1,004,153.36
Grossed up for PILs	\$ 201,956
Subtotal	\$ 2,101,334
Carrying costs - 1556 per FAQ #8 August 2008	\$ 19,822
<b>Net Revenue Requirement</b>	<b>\$ 2,121,156</b>
Less Smart Meter Recovery	(\$2,720,134)
<b>Revenue Disposition to April 30, 2011</b>	<b>(\$598,978)</b>

Description	Rider
Revenue Requirement Disposition Requested	(\$598,978)
2010 Bridge Year # of Metered Customers	28,890
# of months requested (4 years)	48
<b>Rate Rider for Disposition - per Month</b>	<b>(\$0.43)</b>

## Clearing Actuals Smart Meter Revenue Requirement Milton Hydro Distribution inc.

Milton Hydro Distribution Inc.  
2011 Smart Meter Rate Rider Application

**Revenue Requirement:**

	Residential	GS<50	GS>50-999	GS>1000-4999	Large Users	Total
2006 Rate Year Entitlement	-					
2007 Rate Year Entitlement	190,147.15					
2008 Rate Year Entitlement	502,465.03					
2009 Rate Year Entitlement	601,753.38					
2010 Bridge Year Entitlement	629,251.98					
2011 Test Year Entitlement to April 30, 2011	177,716.28					
Carrying Charges in Account 1556	19,822.00					
<b>Total Revenue Requirement</b>	<b>2,121,155.81</b>	<b>1,919,226</b>	<b>177,996</b>	<b>22,711</b>	<b>1,056</b>	<b>166</b>
						<b>2,121,156</b>

**Smart Meter Rate Rider Billed:**

	Residential	GS<50	GS>50-999	GS>1000-4999	Large Users	Total
2006	-19,552.98	-17,530.30	-1,783.18	-225.31	-12.40	-1.79
2007	-408,141.30	-365,920.73	-37,221.31	-4,703.01	-258.85	-37.40
2008	-624,140.14	-560,818.07	-55,646.20	-7,271.41	-351.42	-53.04
2009	-685,689.20	-622,000.30	-56,141.37	-7,161.66	-333.87	-52.00
2010 Bridge Year forecast	-730,188.08	-664,705.44	-57,860.54	-7,272.17	-298.09	-51.84
2011 Test Year forecast	-252,422.55	-230,208.48	-19,607.00	-2,490.45	-99.34	-17.28
<b>Total Smart Meter Rate Rider Billed</b>	<b>-2,720,134.25</b>	<b>-2,461,183.33</b>	<b>-228,259.59</b>	<b>-29,124.01</b>	<b>-1,353.97</b>	<b>-213.36</b>
						<b>-2,720,134.25</b>

**Revenue Requirement for Recovery to April 30, 2010**

**-598,978.44**

2011 Average Number of Customers  
Number of Months  
Rate Rider

**28,890**  
48  
-0.43

**Carrying Charges (1555 & 1556)**

	Residential	GS<50	GS>50-999	GS>1000-4999	Large Users	Total
2006	-					
2007	20,274.82	18,344.70	1,701.36	217.08	10.09	1.59
2008	54,350.72	49,176.65	4,560.83	581.92	27.05	4.26
2009	17,870.32	16,169.10	1,499.58	191.33	8.90	1.40
2010 Bridge Year forecast	12,252.18	11,085.80	1,028.14	131.18	6.10	0.96
2011 Test Year forecast	4,230.96	3,828.18	355.04	45.30	2.11	0.33
<b>Total Carrying Charges</b>	<b>108,979.00</b>	<b>98,604.44</b>	<b>9,144.95</b>	<b>1,166.82</b>	<b>54.25</b>	<b>8.55</b>
						<b>108,979.00</b>

**Milton Hydro Distribution inc.**  
**EB-2010-0137**  
**August 26, 2010**  
**Sheet 4. Smart Meter Rate Calc**

**Smart Meter Rate Calculation**

**Average Asset Values**

Net Fixed Assets Smart Meters	\$ 937,631.34	\$ 1,184,262.35
Net Fixed Assets Computer Hardware	\$ -	
Net Fixed Assets Computer Software	\$ -	
Net Fixed Assets Tools & Equipment	\$ -	
Net Fixed Assets Other Equipment	\$ 246,631.01	
Total Net Fixed Assets	\$ 1,184,262.35	\$ 1,184,262.35

**Working Capital**

Operation Expense	\$ 387.67	\$ 95,085.55
Working Capital 15 %	\$ 58.15	\$ 14,262.83

**Smart Meters included in Rate Base**

	\$ 1,184,320.50	\$ 2,571,181.08
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**Return on Rate Base**

Deemed Debt (3. LDC Assumptions and Data)	50.0%	\$ 592,160.25	53.3%	\$ 1,370,439.51
Deemed Equity (3. LDC Assumptions and Data)	50.0%	\$ 592,160.25	46.7%	\$ 1,200,741.56
		\$ 1,184,320.50		\$ 2,571,181.08

**Weighted Debt Rate (3. LDC Assumptions and Data)**

Proposed ROE (3. LDC Assumptions and Data)	7.3%	\$ 42,931.62	7.3%	\$ 99,356.86
	9.0%	\$ 53,294.42	9.0%	\$ 108,066.74
		\$ 96,226.04		\$ 207,423.61

**Return on Rate Base**

**Operating Expenses**

Incremental Operating Expenses (3. LDC Assumptions and Data)	\$ 387.67	\$ 95,085.55
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**Amortization Expenses**

Amortization Expenses - Smart Meters	\$ 64,664.23	\$ 151,309.09
Amortization Expenses - Computer Hardware	\$ -	\$ -
Amortization Expenses - Computer Software	\$ -	\$ -
Amortization Expenses - Tools & Equipment	\$ -	\$ -
Amortization Expenses - Other Equipment	\$ -	\$ -

**Total Amortization Expenses**

	\$ 64,664.23	\$ 151,309.09
--	--------------	---------------

**Revenue Requirement Before PILs**

	\$ 161,277.94	\$ 453,818.25
--	---------------	---------------

**Calculation of Taxable Income**

Incremental Operating Expenses	-\$ 387.67	-\$ 95,085.55
Depreciation Expenses	-\$ 64,664.23	-\$ 151,309.09
Interest Expense	-\$ 42,931.62	-\$ 99,356.86
	\$ 53,294.42	\$ 108,066.74

**Taxable Income For PILs**

	\$ 53,294.42	\$ 108,066.74
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**Grossed up PILs (5. PILs)**

	\$ 28,869.25	\$ 48,646.87
--	--------------	--------------

**Revenue Requirement Before PILs**

	\$ 161,277.94	\$ 453,818.25
--	---------------	---------------

**Grossed up PILs in PILs**

	\$ 28,869.25	\$ 48,646.87
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**Revenue Requirement for Smart Meters**

	\$ 190,147.19	\$ 502,465.12
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**2007 Smart Meter Rate Adder**

Revenue Requirement for Smart Meters	\$ 190,147.19	\$ 502,465.12
2006 EDR Total Metered Customers (3. LDC Assumptions and Data)	21,474	23,919
Annualized amount required per metered customer	\$ 8.85	\$ 21.01
Number of months in year	12	12
	\$ 0.74	\$ 1.75

**2007 Smart Meter Rate Adder**

	\$ 0.74	\$ 1.75
--	---------	---------

	2007		2008		2009		2010		2011
	\$ 937,631.34		\$ 2,129,317.62		\$ 2,624,394.95		\$ 2,835,441.39		\$ 2,767,229.03
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ 246,631.01		\$ 427,600.62		\$ 429,915.65		\$ 432,962.60		\$ 432,962.60
\$ 1,184,262.35	\$ 1,184,262.35		\$ 2,556,918.24	\$ 2,556,918.24	\$ 3,054,310.60	\$ 3,054,310.60	\$ 3,268,403.99	\$ 3,268,403.99	\$ 3,200,191.63
	\$ 387.67		\$ 95,085.55		\$ 103,039.63		\$ 93,355.00		\$ -
\$ 58.15	\$ 58.15		\$ 14,262.83	\$ 14,262.83	\$ 15,455.94	\$ 15,455.94	\$ 14,003.25	\$ 14,003.25	\$ -
\$ 1,184,320.50	\$ 1,184,320.50		\$ 2,571,181.08	\$ 2,571,181.08	\$ 3,069,766.55	\$ 3,069,766.55	\$ 3,282,407.24	\$ 3,282,407.24	\$ 3,200,191.63
50.0%	\$ 592,160.25	53.3%	\$ 1,370,439.51	56.7%	\$ 1,740,557.63	60.0%	\$ 1,969,444.35	60.0%	\$ 1,920,114.98
50.0%	\$ 592,160.25	46.7%	\$ 1,200,741.56	43.3%	\$ 1,329,208.92	40.0%	\$ 1,312,962.90	40.0%	\$ 1,280,076.65
	\$ 1,184,320.50		\$ 2,571,181.08		\$ 3,069,766.55		\$ 3,282,407.24		\$ 3,200,191.63
7.3%	\$ 42,931.62	7.3%	\$ 99,356.86	7.3%	\$ 126,190.43	7.3%	\$ 142,784.72	7.25%	\$ 46,402.78
9.0%	\$ 53,294.42	9.0%	\$ 108,066.74	9.0%	\$ 119,628.80	9.0%	\$ 118,166.66	9.0%	\$ 38,402.30
	\$ 96,226.04		\$ 207,423.61		\$ 245,819.23		\$ 260,951.38		\$ 84,805.08
	\$ 387.67		\$ 95,085.55		\$ 103,039.63		\$ 93,355.00		\$ -
	\$ 64,664.23		\$ 151,309.09		\$ 195,887.47		\$ 223,951.87		\$ 76,472.85
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ -		\$ -		\$ -		\$ -		\$ -
	\$ 64,664.23		\$ 151,309.09		\$ 195,887.47		\$ 223,951.87		\$ 76,472.85
	\$ 161,277.94		\$ 453,818.25		\$ 544,746.33		\$ 578,258.25		\$ 161,277.93
-\$	387.67	-\$	95,085.55	-\$	103,039.63	-\$	93,355.00	-\$	-
-\$	64,664.23	-\$	151,309.09	-\$	195,887.47	-\$	223,951.87	-\$	76,472.85
-\$	42,931.62	-\$	99,356.86	-\$	126,190.43	-\$	142,784.72	-\$	46,402.78
	\$ 53,294.42		\$ 108,066.74		\$ 119,628.80		\$ 118,166.66		\$ 38,402.30
	\$ 28,869.25		\$ 48,646.87		\$ 57,007.16		\$ 50,993.83		\$ 16,438.39
	\$ 161,277.94		\$ 453,818.25		\$ 544,746.33		\$ 578,258.25		\$ 161,277.93
	\$ 28,869.25		\$ 48,646.87		\$ 57,007.16		\$ 50,993.83		\$ 16,438.39
	\$ 190,147.19		\$ 502,465.12		\$ 601,753.49		\$ 629,252.08		\$ 177,716.31
	\$ 190,147.19		\$ 502,465.12		\$ 601,753.49		\$ 629,252.08		\$ 177,716.31
	21,474		23,912		26,253		28,107		29,151
	\$ 8.85		\$ 21.01		\$ 22.92		\$ 22.39		\$ 6.10
	12		12		12		12		12
	\$ 0.74		\$ 1.75		\$ 1.91		\$ 1.87		\$ 0.51

## Milton Hydro Distribution inc.

EB-2010-0137

August 26, 2010

Sheet 5. PILs

## PILs Calculation

	2007	2008	2009	2010	2011
<b>INCOME TAX</b>					
Net Income	\$ 53,294.42	\$ 108,066.74	\$ 119,628.80	\$ 118,166.66	\$ 38,402.30
Amortization	\$ 64,664.23	\$ 151,309.09	\$ 195,887.47	\$ 223,951.87	\$ 76,472.85
CCA - Class 47 (8%) Smart Meters	-\$ 77,597.08	-\$ 175,363.15	-\$ 214,828.14	-\$ 231,319.18	-\$ 73,124.55
CCA - Class 45 (45%) Computers	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Class 8 (20%) Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ 40,361.58	\$ 84,012.69	\$ 100,688.13	\$ 110,799.35	\$ 41,750.60
Tax Rate (3. LDC Assumptions and Data)	36.12%	33.50%	33.00%	31.00%	28.25%
Income Taxes Payable	\$ 14,578.60	\$ 28,144.25	\$ 33,227.08	\$ 34,347.80	\$ 11,794.54
<b>ONTARIO CAPITAL TAX</b>					
Smart Meters	\$ 1,875,262.67	\$ 2,383,372.58	\$ 2,865,417.33	\$ 2,805,465.45	\$ 2,728,992.61
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ 246,631.01	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60	\$ 432,962.60
Rate Base	\$ 2,121,893.68	\$ 2,810,973.20	\$ 3,295,332.98	\$ 3,238,428.05	\$ 3,161,955.21
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ 2,121,893.68	\$ 2,810,973.20	\$ 3,295,332.98	\$ 3,238,428.05	\$ 3,161,955.21
Ontario Capital Tax Rate	0.285%	0.225%	0.225%	0.075%	0.000%
Net Amount (Taxable Capital x Rate)	\$ 6,047.40	\$ 6,324.69	\$ 7,414.50	\$ 1,214.41	\$ -
Note: 2010 OCT rate ends June 30, 2010					
<b>Gross Up</b>					
Change in Income Taxes Payable	\$ 14,578.60	\$ 28,144.25	\$ 33,227.08	\$ 34,347.80	\$ 11,794.54
Change in OCT	\$ 6,047.40	\$ 6,324.69	\$ 7,414.50	\$ 1,214.41	\$ -
PIL's	\$ 20,626.00	\$ 34,468.94	\$ 40,641.58	\$ 35,562.21	\$ 11,794.54
4. Smart Meter Rate Calc					
	Gross Up 36.12%	Gross Up 33.50%	Gross Up 33.00%	Gross Up 31.00%	Gross Up 28.25%
Change in Income Taxes Payable	\$ 22,821.86	\$ 42,322.18	\$ 49,592.66	\$ 49,779.42	\$ 16,438.39
Change in OCT	\$ 6,047.40	\$ 6,324.69	\$ 7,414.50	\$ 1,214.41	\$ -
PIL's	\$ 28,869.25	\$ 48,646.87	\$ 57,007.16	\$ 50,993.83	\$ 16,438.39

**Milton Hydro Distribution inc.****EB-2010-0137****August 26, 2010****Sheet 6. SM Avg Net Fixed Assets & UCC****Smart Meter Average Net Fixed Assets****Net Fixed Assets - Smart Meters**

	2007	2008	2009	2010	2011
Opening Capital Investment	\$ -	\$ 1,939,926.90	\$ 2,599,345.90	\$ 3,277,278.12	\$ 3,441,278.12
Capital Investment (3. LDC Assumptions and Data)	\$ 1,939,926.90	\$ 659,419.00	\$ 677,932.22	\$ 164,000.00	\$ -
Closing Capital Investment	\$ 1,939,926.90	\$ 2,599,345.90	\$ 3,277,278.12	\$ 3,441,278.12	\$ 3,441,278.12
Opening Accumulated Amortization	\$ -	\$ 64,664.23	\$ 215,973.32	\$ 411,860.79	\$ 635,812.67
Amortization Year 1 (15 Years Straight Line)	\$ 64,664.23	\$ 151,309.09	\$ 195,887.47	\$ 223,951.87	\$ 76,472.85
Closing Accumulated Amortization	\$ 64,664.23	\$ 215,973.32	\$ 411,860.79	\$ 635,812.67	\$ 712,285.51
Opening Net Fixed Assets	\$ -	\$ 1,875,262.67	\$ 2,383,372.58	\$ 2,865,417.33	\$ 2,805,465.45
Closing Net Fixed Assets	\$ 1,875,262.67	\$ 2,383,372.58	\$ 2,865,417.33	\$ 2,805,465.45	\$ 2,728,992.61
Average Net Fixed Assets	\$ 937,631.34	\$ 2,129,317.62	\$ 2,624,394.95	\$ 2,835,441.39	\$ 2,767,229.03

**Net Fixed Assets - Computer Hardware**

	2007	2008	2008	2009	2010
Opening Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Year 1 (5 Years Straight Line)	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Fixed Assets - Computer Software**

	2007	2008	2008	2009	2010
Opening Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Year 1 (3 Years Straight Line)	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Fixed Assets - Tools & Equipment**

	2007	2008	2008	2009	2010
Opening Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -

**Milton Hydro Distribution inc.****EB-2010-0137****August 26, 2010****Sheet 6. SM Avg Net Fixed Assets &UCC**

Opening Net Fixed Assets  
 Closing Net Fixed Assets  
 Average Net Fixed Assets

\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-

**Net Fixed Assets - Other Equipment (Stranded Assets)**

Opening Capital Investment  
 Capital Investment (3. LDC Assumptions and Data)  
 Closing Capital Investment

	2007	2008	2008	2009	2010
\$	-	\$ 246,631.01	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60
\$	246,631.01	\$ 180,969.61	\$ 2,315.03	\$ 3,046.95	\$ -
\$	246,631.01	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60	\$ 432,962.60

Opening Accumulated Amortization  
 N/A - Stranded Assets  
 Closing Accumulated Amortization

\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-

Opening Net Fixed Assets  
 Closing Net Fixed Assets  
 Average Net Fixed Assets

\$	-	\$	246,631.01	\$	427,600.62	\$	429,915.65	\$	432,962.60
\$	246,631.01	\$	427,600.62	\$	429,915.65	\$	432,962.60	\$	432,962.60
\$	246,631.01	\$	427,600.62	\$	429,915.65	\$	432,962.60	\$	432,962.60

**Milton Hydro Distribution inc.**

**EB-2010-0137**

**August 26, 2010**

**Sheet 6. SM Avg Net Fixed Assets &UCC**

**For PILs Calculation**

**UCC - Smart Meters**

CCA Class 47 (8%)

Opening UCC

Capital Additions

UCC Before Half Year Rule

Half Year Rule (1/2 Additions - Disposals)

Reduced UCC

CCA Rate Class 47

CCA

Closing UCC

	2007	2008	2008	2009	2010
Opening UCC	\$ -	\$ 1,862,329.82	\$ 2,346,385.68	\$ 2,809,489.76	\$ 2,742,170.57
Capital Additions	\$ 1,939,926.90	\$ 659,419.00	\$ 677,932.22	\$ 164,000.00	\$ -
UCC Before Half Year Rule	\$ 1,939,926.90	\$ 2,521,748.82	\$ 3,024,317.90	\$ 2,973,489.76	\$ 2,742,170.57
Half Year Rule (1/2 Additions - Disposals)	\$ 969,963.45	\$ 329,709.50	\$ 338,966.11	\$ 82,000.00	\$ -
Reduced UCC	\$ 969,963.45	\$ 2,192,039.32	\$ 2,685,351.79	\$ 2,891,489.76	\$ 2,742,170.57
CCA Rate Class 47	8.0%	8.0%	8.0%	8.0%	8.0%
CCA	\$ 77,597.08	\$ 175,363.15	\$ 214,828.14	\$ 231,319.18	\$ 219,373.65
Closing UCC	\$ 1,862,329.82	\$ 2,346,385.68	\$ 2,809,489.76	\$ 2,742,170.57	\$ 2,522,796.93

**UCC - Computer Equipment**

CCA Class 45 (45%)

Opening UCC

Capital Additions Computer Hardware

Capital Additions Computer Software

UCC Before Half Year Rule

Half Year Rule (1/2 Additions - Disposals)

Reduced UCC

CCA Rate Class 45

CCA

Closing UCC

	2007	2008	2008	2009	2010
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -
CCA Rate Class 45	45%	45%	45%	45%	45%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -

**UCC - General Equipment**

CCA Class 8 (20%)

Opening UCC

Capital Additions Tools & Equipment

Capital Additions Other Equipment

UCC Before Half Year Rule

N/A

Reduced UCC

CCA Rate Class 8

CCA - N/A

Closing UCC

	2007	2008	2008	2009	2010
Opening UCC	\$ -	\$ 246,631.01	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ 246,631.01	\$ 180,969.61	\$ 2,315.03	\$ 3,046.95	\$ -
UCC Before Half Year Rule	\$ 246,631.01	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60	\$ 432,962.60
N/A				\$ -	\$ -
Reduced UCC	\$ -	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60	\$ 432,962.60
CCA Rate Class 8	20%	20%	20%	20%	20%
CCA - N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ 246,631.01	\$ 427,600.62	\$ 429,915.65	\$ 432,962.60	\$ 432,962.60