

Exhibit JT

Technical Conference Responses

Technical Conference Exhibit JT 1.1

Methodology to Determine the Cost Categories in OM&A and Capital Expenditures where HST Adjustment is Expected

Response:

The 2011 Business Plan instructions required HST savings to be excluded in the cost amounts for 2011. A review of the 2011 OM&A costs revealed that there is little evidence to support that the savings were excluded from the amounts budgeted. There may be areas where PST was excluded but this cannot be quantified.

A review of capital expenditures revealed that HST savings were not excluded from inventory and equipment. HST savings were deducted from amounts budgeted for all direct purchases.

Technical Conference Exhibit JT 1.2

To provide high-level estimate of impact under part (b) of VECC's interrogatory and transcript question no. 18.

VECC TC#18b – Original question

It appears that in all cases where there is a difference, with the exception of one, the useful years from the HOBNI Study are less than those from the OEB Study. What would be the impact on 2011 (CGAAP) depreciation expense if, in those instances where the HOBNI value is outside the OEB range, the useful years was altered to align with the minimum (where HOBNI is below)/maximum (where HOBNI is above) OEB value?

Response:

The impact on 2011 (CGAAP) depreciation expense in the instances where the HOBNI value is outside the OEB range, where the useful years is altered to align with the minimum (where HOBNI is below)/maximum (where HOBNI is above) OEB values result in a decrease to distribution expense of approximately \$34,000.

Technical Conference Exhibit JT 1.3

To provide information on the number of of high-density connections made

Response:

High rise Connections

2005	1
2006	0
2007	3
2008	0
2009	0
Projection 2010	3
Projection 2011	4

Technical Conference Exhibit JT 1.4

Ref: Energy Probe Technical Conference Question 10:

Ref: Energy Probe Interrogatory # 22

There still appears to be a mismatch between Tables 5 and 6 with respect to the USL and GS > 50 customers. For example, Table 5 shows 1,105 USL customers in 2003, while this figure is shown for GS > 50 customers in Table 6. Please provide a corrected version of the table(s).

Response:

The tables have been corrected as requested and are provided below. This information will also be provided as a blue oage update to the original application.

Average Number of Customers / Connections							
Year	Residential	GS < 50	USL	GS > 50	Intermediate	Large User	SL
2003	91,671	6,512	1,105	1,357	126	4	2
2004	98,355	6,648	1,130	1,393	124	3	2
2005	104,822	6,892	1,159	1,364	121	3	2
2006	109,778	7,075	1,207	1,402	119	4	2
2007	114,119	7,294	1,250	1,417	117	5	2
2008	119,060	7,437	1,267	1,491	116	6	2
2009	121,041	7,529	1,280	1,554	114	6	2

Exponentially Smoothed Customer / Connection Data					
Year	Residential	GS < 50	GS > 50	USL	Intermediate
2003	91,178	6,504	1,352	1,105	125
2004	97,502	6,621	1,395	1,127	126
2005	104,150	6,868	1,365	1,156	121
2006	109,292	7,055	1,397	1,201	119
2007	113,492	7,262	1,413	1,245	117
2008	118,639	7,430	1,482	1,265	115
2009	120,998	7,530	1,549	1,278	114

Technical Conference Exhibit JT 1.5

Ref: Energy Probe Technical Conference Question 13:

Hydro One Brampton is requested to advise on whether or not volumes used in the load forecast are the actual or forecast values for January and February of 2010.

Response:

All of the energy values associated with the 2010 energy forecast are based strictly on the values projected using the regression model. No 2010 actual values were utilized.

Technical Conference Exhibit JT 1.6

Ref: Energy Probe Technical Conference Question 15

Ref: Energy Probe Interrogatory # 26

- a) Please explain why there is a reduction in revenue in part (c) of the response for the rate classes that have a higher kW forecast than in the original evidence. Did HOBNI change some other billing determinant in addition to the kW billing determinant? If yes, please explain.

Response:

Hydro One Brampton has discovered that their response to Energy Probe IR 26 was incorrect. A revised table has been included in part B of this response.

	GS > 50	Intermediate	Large Use	SLR
2011 Updated	\$ 8,935,857	\$ 8,876,580	\$ 2,366,556	\$ 195,288
2011 Original	\$ 8,955,510	\$ 8,812,785	\$ 2,364,211	\$ 195,409
Difference	\$ (19,653)	\$ 63,795	\$ 2,345	\$ (121)

Technical Conference Exhibit JT 1.7

To Advise for Last Historical year PST Paid on OM&A Expenses and PST Paid on Capital Expenditures

Response:

The PST paid on OM&A and capital expenditures in 2009 is estimated at \$86,000 and \$1,078,000 respectively.

Table 1. Estimated PST in 2009 OM&A Expenses (in thousands)

2009 OM&A (in \$ 000's)					
	A	B	C	D	E
	Material	Labour	Equipment	Other	2009
Operation	52	2,140	178	1,445	3,815
Maintenance	289	1,311	307	1,251	3,159
Billing and Collecting	2	1,928	49	2,919	4,898
Community Relations	0	279	12	72	363
Administrative and General	1	3,403	0	2,198	5,601
TOTAL	344	9,061	547	7,884	17,836
Estimated % PST is applicable to:	79.1%	0.0%	42.3%	8.3%	
Estimated \$ PST is applicable to:	\$ 273	\$ -	\$ 231	\$ 651	1,155
Eligible %:					
<i>Total estimated \$M of PST included in 2009 OM&A</i>					\$86

Table 2. Estimated PST in 2009 Capital Expenditures

2009 CAPITAL EXPENDITURES (in \$ 000's)		A	B	C	D	E
		Material All-in	Labour	Equipment	Other	2009
1)	SUBSTATIONS AND P. & C.	1	36	4	265	306
2)	SCADA EQUIPMENT	21	28	1	72	123
3)	SYSTEM EXPANSION AND ENHANCEMENT PROGRA	1,140	922	143	3,716	5,921
4)	SYSTEM REHABS & EQUIPMENT REPLACEMENT P	1,319	1,092	270	1,382	4,063
5)	ROAD WIDENINGS	3,273	1,916	509	305	6,003
7)	NEW GENERAL SERVICE CUSTOMERS	846	342	65	(888)	365
8)	NEW RESIDENTIAL- HIGH DENSITY	34	9	1	(44)	0
10)	NEW RESIDENTIAL- LOW DENSITY	53	342	72	(984)	(517)
11)	METERING	7,536	828	137	1,264	9,764
12)	VEHICLES		(7)		1,020	1,013
13)	DEPARTMENT TOOLS & EQUIP. > \$500.00	60			100	160
15)	GREEN ENERGY PROGRAMS		10	0	(10)	0
17)	ADMIN. & SERVICE CENTRE	2	4		603	609
18)	ADMINISTRATIVE COMPUTER AS/400		107		67	174
19)	G.I.S. COMPUTER EQUIP. & SOFTWARE				26	26
23)	TRANSFORMER STATION				5,006	5,006
29)	LAND AND LAND RIGHTS				18	18
31)	ASSET DISPOSITIONS & OVERHEAD	48	8	0	203	258
32)	CONTRIBUTED CAPITAL ITEMS				0	0
TOTAL		14,334	5,636	1,203	12,122	33,294
Adjust for Transformer Station					(5,006)	
Adjusted Total					7,116	
Estimated % PST is applicable to:		79.1%	0.0%	42.3%	22.8%	
Estimated \$ PST is applicable to:		\$ 11,343	\$ -	\$ 509	\$ 1,625	\$ 13,478
Total estimated \$M of PST included in 2009 Capital Expenditures						\$ 1,078

Technical Conference Exhibit JT 1.8

Ref: Energy Probe Technical Conference Question 37

Ref: Energy Probe Interrogatory # 23 (f) &
Exhibit 3, Tab 2, Schedule 3.0, Table 9

- a) Please explain the significant difference in average use for the USL class in the two references.

Response:

Hydro One Brampton has discovered an error in their calculation used to respond to Energy Probe Interrogatory # 23 (f). Hydro One Brampton has corrected this error and provides the corrected values in the answer below.

Through adding the 60,477,908 kWh identified in Energy Probe Interrogatory 23 part (g) to purchases for 2009 the average use per customer per rate class is as follows:

<u>Residential</u>	<u>GS<50</u>	<u>USL</u>	<u>GS>50</u>	<u>Intermediate</u>	<u>LU</u>	<u>SL</u>
9,137	37,045	3,988	695,778	6,918,965	57,087,232	13,671,713

- b) Please explain why the SL class average use declines in the interrogatory response when all the other classes have higher average use figures.

Response:

As stated in part A, Hydro One Brampton has discovered and corrected an error in their response to Energy Probe Interrogatory # 23 (f). The corrected values are provided in part A of this response.

Technical Conference Exhibit JT 1.9

To explain the impact on revenue requirement of moving \$3.6 million of assets from inventory to fixed assets.

Response:

Based on Accounting Procedures Handbook Article 510 if the six conditions listed are met spare transformers and meters should be accounted for as capital assets.

In Hydro One Brampton's case all conditions above were met and such inventory totaling \$3.4 Million was reclassified as capital assets in the 2011 test year.

According to the regulatory accounting definition of rate base the average net book value of fixed assets plus a working capital allowance comprises the total rate base. Hydro One Brampton submits that the capitalization of inventory to fixed assets qualifies as part of rate base. The total revenue requirement relating to this reclassification is \$317K.

Technical Conference Exhibit JT 1.10

To provide most up to date business plan.

Response:

This document has been filed in confidence. A redacted public version had been filed with the Ontario Energy Board.

Technical Conference Exhibit JT 1.11

To provide the Foster Associates Depreciation Study to reset depreciation rates for assets acquired prior to January 1st 2010

Response:

The Foster Associates Service Life review submitted as Appendix M in response to OEB IR#24 only addresses Property, Plant and Equipment (PP&E) installed after January 1st 2010 which applies depreciation at the asset component level. The componentization framework used in the review performed by Foster Associates Inc. (FA) cannot be applied to legacy PP&E investments acquired before January 1st 2010 as the Company tracked those assets at the USoA level only. Legacy assets will continue to be depreciated by USoA. The Company determined that it was appropriate to apply FA go-forward rates to the legacy USoA account structure based on a judgmental average of the underlying profile lives to be used for new investments. Judgement was needed because fixed asset records do not provide enough granular detail to allow the legacy costs and accumulated depreciation to be allocated to the new go-forward IFRS account profiles.

The Company calculated a weighted average service life for each legacy USoA.

For example:

Determination of Preliminary Depreciation Service Life for USoA 1830

<i>Profile ID</i>	<i>Service Life</i>	<i>Weighting¹</i>
<i>1830001</i>	<i>40 years</i>	<i>80%</i>
<i>1830002</i>	<i>50 years</i>	<i>20%</i>

$$\begin{aligned} & [80\% \times (40 \text{ years Profile ID } 1830001)] + [20\% \times (50 \text{ years Profile ID } 1830002)] \\ & = 42 \text{ years} \end{aligned}$$

The average service life calculation included engineering and financial judgments by each USoA. Significant changes from the study performed by Kinectrics on behalf of the OEB were reviewed for reasonableness in terms of rationale, direction and quantum of the difference. In the event that the calculated result appeared unusual, HOBNI staff challenged the assumptions used in deriving the depreciation service life. No changes were made to the engineering estimates based on the FA go-forward IFRS rates.

Final USoA service lives and the basis for any significant changes from the status quo are shown below.

¹ Weightings are determined by considering the relative cost and / or quantity of each profile ID (PID) in comparison to the cost and / or quantity of other profile IDs included in the USoA.

HOBNI Depreciation Review for Legacy Assets
December 2009

US of A	Original Dep'n Rate	Revised dep'n rate for legacy assets	Explanation of weighting for useful life calculation
1805	Not depreciated	Not depreciated	No change
1806	50	50	No change
1808	50	50	No change
1815	40	40	No change
1820	30	40	The main component of this account is the transformer. Useful life recommended by Foster Associates for transformer on MS station is 40 years (see PID 18200001)
1830	25	42	Approximately 80% of poles installed prior to December 31, 2009 are wood. Calculation based on (80% x 40 yrs for PID 1830001 + 20% x 50 yrs for PID 1830002). Used weighted average of 42 years.
1835	25	50	Foster Associate review shows that PID 1835001 and 1835002 have a useful life of 50 years. PID 1835003 for switches has a useful life of 25 years. Switches are currently only 5% of total asset value. Use 50 years for all assets in USoA.
1840	25	50	Foster Associates review shows that PID 1840001 has a useful life of 50 years. PID 1840002 for underground conduit - concrete encased has useful life of 75 years. Concrete encased conduit is currently only 5% of total asset value. Use 50 years for all assets in USoA.
1845	25	35	Foster Associates review shows that PID 1845001 and 1845004 have a useful life of 30 years. PID 1845010 underground secondary cables has a useful life of 50 years. Approximately 65% of cable is primary, 35% secondary and 5% is switchgear. (Calculation 65% x 30 yrs for PID 1845001 + 5% x 30 years for PID 1845004 + 35% x 50 yrs for PID 1845010). Used 35 years for USoA (rounded from 37%).
1850	25	40	Foster Associates review shows that PID 1850001 and 1850002 have a useful life of 40 years. There are only these two components in this account. Used 40 years for this USoA.
1855	25	50	Foster Associates review shows that PID 1855001 and 1855002 have a useful life of 50 years. There are only these two components in this account. Used 50 years for this USoA.
1860	15	15	No change
1915	10	10	No change
1925	5	5	No change
1930	Between 4-10	Between 4-10	No change
1935	10	10	No change
1940	10	10	No change
1950	8	8	No change
1955	10	10	No change
1960	10	10	No change
1980	15	15	No change

Technical Conference Exhibit JT 1.12

To provide estimated breakdown between costs of internal study and Foster & Associates study

Response:

The depreciation expense from 2011 additions is associated with the Foster & Associates study.
The depreciation expense due to prior additions is associated to the internal study.

The estimated breakdown of depreciation expense is as follows:

Depreciation due to 2011 additions	1,478,527
Depreciation due to prior additions	11,030,590
Total	12,509,117

Technical Conference Exhibit JT 1.13

To explain why executives had larger benefits increase than other staff.

Response:

Executives did not have any significant increases in benefits that were not enjoyed by other employee groups. The executive group received higher merit increases over the years in review than other groups which reflected in the allocation of benefits to this group. The estimated allocation of benefits is prorated to all groups based on the amount of base wages.

Technical Conference Exhibit JT 1.14

To Explain who previously did work now being done by new positions

Response:

JT1.14

POSITION	No. of Hires	Year							Position Rationale Code	Rationale
		2005	2006	2007	2008	2009	2010	2011		
Accounts Receivable Analyst	1						1		R	Replacement
Accounting Supervisor	1	1							W	Work previously done by Controller. Increased workload had generated a new position.
Assistant Supervisor – Customer Accounts	1						1		W	Work previously done by Supervisor and Senior Representatives. Increases in customers and call volume. Introduction of Smart Meter program has increased call volume.
Building General Helper	1						1		W	Building is aging. Work previously done by Foreman and Service Center Maintainer.
Building Maintenance Supervisor	1			1					W	Position was created to resolve workload issues. Building is ageing. Work previously done by Building Maintenance staff of three and Manager.
Buyer	1				1				W	
Conservation & Demand Management (CDM) Representative	1							1	W	Work previously done by Energy Services Supervisor. Green Energy Act has increased workload.
Clerk III - Smart Meter	1				1				P	New Program
Credit & Collections Clerk	1					1			W	Work previously done by Credit & Collections Representatives. Workload has generated this new clerk role.
Credit Representative	1							1	W	Work previously done by other Credit Representatives. Increased workload has generated a new position.
Customer Accounts Representative	3			1			1	1	W	Work previously done by other C. A. Representatives. Increased workload has generated a new position.

POSITION	No. of Hires	Year							Position Rationale Code	Rationale
		2005	2006	2007	2008	2009	2010	2011		
Drafting Supervisor	1						1		R	Replacement
Draftsperson	1						1		R	Replacement
Energy Services Advisor	1	1							W	Work previously done by one Energy Services Advisor. Increased workload and new programs has generated a new position.
Engineering Technician	3								R (1),	Replacement
				1			2		W, P (2),	Introduction of Asset Management Program. Workload has generated this new department, and thus these new positions.
Financial Analyst	1		1						W	Work previously done by Accounting Supervisor. Increased workload had generated a new position.
Fleet Mechanic	1						1		S, W	Work previously done by two Mechanics and one Foreman. Increase in staffing, and workload has generated new equipment, hence the need for additional staff.
GIS/Operations Analyst	1			1					P, W	New OMS system has increased workload. Work previously done by Contractor.
GIS/OMS Systems Analyst	1				1				P, W	New OMS system has increased workload. Work previously done by Contractor.
Health, Safety & Environment Coordinator	1							1	S, W	New legislation and legal requirements for documentation has increased workload. Work previously done by HS&E Manager.
Health, Safety & Environment Supervisor	1			1					W	Workload, changes to legislation- work previously done by HSE Manager
IFRS Project Lead	1				1				P	New Program

POSITION	No. of Hires	Year							Position Rationale Code	Rationale
		2005	2006	2007	2008	2009	2010	2011		
Information Technology Supervisor	1		1						W	Work previously done by Manager of IT & Customer Service. Increase in workload had generated a new position.
Journeyman Operator	1		1						W	Work previously done by 7 Operators. Increase in workload had generated a new position.
Line Apprentice	3						2	1	S	Succession planning
Line Supervisor	1		1						W	Work previously divided among four Line Supervisors. Increase in workload and staff has generated this new position.
Human Resources Manager	1							1	W, S	Work previously done by V.P. Of Finance & Administration and HS&E Manager. HS&E Manager expected to retire in 2012. Requirement to have an individual who may potentially Supervise HR & HSE and be able to do the Labour Relations functions.
Meter Apprentice	3	1		1	1				W	Increased workload and programs (Smart Meters) has generated a new position.
Office Services Clerk I - Fleet	1		1						W	Work previously done by Fleet Supervisor. Increased workload had generated a new position.
Operations Analyst	1				1				P	New Program
Outage Planning Coordinator	1						1		W	Work previously done by Operations Supervisor and Operators
Project Engineer	3	1					1	1	W (1), S (2)	
Protection & Control Learner	1				1				W	Work previously done by P&C staff (3). Increase in workload had generated a new position.
Regulatory Affairs Analyst	1					1			W	Work previously done by Settlements Analyst. Increase in workload had generated a new position.

POSITION	No. of Hires	Year							Position Rationale Code	Rationale
		2005	2006	2007	2008	2009	2010	2011		
Regulatory Affairs Supervisor	1			1					W	Increased workload. Work previously performed by the Regulatory Affairs Manager.
Retailer Support Representative	1				1				W	Increased workload. Work previously performed by the Collections Supervisor
Smart Metering Project Coordinator	1		1						P	New Program
(Smart Metering Supervisor)	-1							-1	C	Completion of program
Software Developer	1						1		S,W	Implementation of new computer software systems and programs. Work previously done by other Software Developers (5).
V.P. of Engineering & Operations	1				1				W	The position was in place in the past until early 2003 when the incumbent was promoted to President & CEO. He continued to fulfill the duties of the role under the direction of Hydro One. The decision to replace this position came in 2009 when workload had increased significantly and the President & CEO was no longer able to fulfill both functions.
Temporary Staff Changes		-1	1	-1	-4	5				
TOTAL:	48	3	7	6	5	7	14	6		

Legend C = Completion of Project, P = New Program, R = Replacement, S = Succession Planning, W = Work Related.

Employee Costs

	Last Rebasings Year (2004)	2006	2007	2008	Historical Year (Bridge Year - 1) (2009)	Bridge Year (2010)	Test Year (2011)
Number of Employees (FTEs including Part-Time)							
Executive	2	2	2	3	3	3	3
Management	27	30	32	33	34	35	35
Non-Union	16	16	21	22	25	28	30
Union	138	144	146	149	149	159	163
Total	183	192	201	207	211	225	231
Number of Part-Time Employees							
Executive	-	-	-	-	-	-	-
Management	-	-	-	-	-	-	-
Non-Union	5	5	6	7	7	7	7
Union	-	-	-	-	-	-	-
Total	5	5	6	7	7	7	7
Total Salary and Wages							
Executive	\$ 332,375	\$ 365,974	\$ 415,026	\$ 610,009	\$ 599,308	\$ 611,294	\$ 611,294
Management	\$ 2,428,323	\$ 2,825,771	\$ 3,127,382	\$ 3,475,795	\$ 3,489,836	\$ 3,664,328	\$ 3,664,328
Non-Union	\$ 941,133	\$ 931,035	\$ 1,148,006	\$ 1,238,373	\$ 1,359,568	\$ 1,568,398	\$ 1,680,426
Union	\$ 8,515,684	\$ 9,181,446	\$ 9,575,375	\$ 10,381,430	\$ 10,445,953	\$ 11,481,434	\$ 11,770,275
Total	\$ 12,217,515	\$ 13,304,226	\$ 14,265,789	\$ 15,705,607	\$ 15,894,665	\$ 17,325,454	\$ 17,726,324
Current Benefits							
Executive	\$ 78,348	\$ 88,081	\$ 102,832	\$ 143,796	\$ 155,792	\$ 160,466	\$ 165,280
Management	\$ 572,405	\$ 680,091	\$ 774,881	\$ 819,340	\$ 907,197	\$ 934,413	\$ 962,445
Non-Union	\$ 221,844	\$ 224,076	\$ 284,445	\$ 291,918	\$ 353,425	\$ 364,028	\$ 374,949
Union	\$ 2,007,319	\$ 2,209,741	\$ 2,372,518	\$ 2,447,187	\$ 2,715,467	\$ 2,796,931	\$ 2,880,839
Total	\$ 2,879,916	\$ 3,201,989	\$ 3,534,676	\$ 3,702,241	\$ 4,131,881	\$ 4,255,837	\$ 4,383,513
Accrued Pension and Post-Retirement Benefits							
Executive	\$ 2,857	\$ 8,720	\$ 10,008	\$ 15,381	\$ 9,313	\$ 6,598	\$ 11,726
Management	\$ 20,870	\$ 67,330	\$ 75,413	\$ 87,638	\$ 54,231	\$ 38,423	\$ 68,283
Non-Union	\$ 8,088	\$ 22,184	\$ 27,683	\$ 31,224	\$ 21,127	\$ 14,969	\$ 26,602
Union	\$ 73,186	\$ 218,766	\$ 230,897	\$ 261,757	\$ 162,328	\$ 115,010	\$ 204,389
Total	\$ 105,000	\$ 317,000	\$ 344,000	\$ 396,000	\$ 247,000	\$ 175,000	\$ 311,000
Total Benefits (Current + Accrued)							
Executive	\$ 81,204	\$ 96,801	\$ 112,840	\$ 159,177	\$ 165,106	\$ 167,065	\$ 177,006
Management	\$ 593,275	\$ 747,421	\$ 850,293	\$ 906,978	\$ 961,428	\$ 972,836	\$ 1,030,728
Non-Union	\$ 229,932	\$ 246,260	\$ 312,127	\$ 323,143	\$ 374,552	\$ 378,997	\$ 401,550
Union	\$ 2,080,505	\$ 2,428,507	\$ 2,603,416	\$ 2,708,944	\$ 2,877,795	\$ 2,911,941	\$ 3,085,227
Total	\$ 2,984,916	\$ 3,518,989	\$ 3,878,676	\$ 4,098,241	\$ 4,378,881	\$ 4,430,837	\$ 4,694,513
Total Compensation (Salary, Wages, & Benefits)							
Executive	\$ 413,579	\$ 462,775	\$ 527,866	\$ 769,186	\$ 764,414	\$ 778,359	\$ 788,301
Management	\$ 3,021,598	\$ 3,573,192	\$ 3,977,675	\$ 4,382,773	\$ 4,451,264	\$ 4,637,163	\$ 4,695,056
Non-Union	\$ 1,171,065	\$ 1,177,295	\$ 1,460,133	\$ 1,561,516	\$ 1,734,120	\$ 1,947,394	\$ 2,081,976
Union	\$ 10,596,189	\$ 11,609,953	\$ 12,178,791	\$ 13,090,374	\$ 13,323,748	\$ 14,393,375	\$ 14,855,503
Total	\$ 15,202,431	\$ 16,823,215	\$ 18,144,465	\$ 19,803,848	\$ 20,273,546	\$ 21,756,291	\$ 22,420,836
Compensation - Average Yearly Base Wages							
Executive	\$ 134,734	\$ 143,250	\$ 154,730	\$ 150,403	\$ 155,244	\$ 158,349	\$ 158,349
Management	\$ 80,383	\$ 84,279	\$ 85,940	\$ 91,234	\$ 90,060	\$ 91,862	\$ 91,862
Non-Union	\$ 57,166	\$ 56,497	\$ 52,549	\$ 53,183	\$ 51,464	\$ 52,493	\$ 52,493
Union	\$ 58,105	\$ 59,486	\$ 61,505	\$ 62,417	\$ 64,565	\$ 66,502	\$ 66,502
Total	\$ 62,147	\$ 63,983	\$ 65,387	\$ 67,305	\$ 68,410	\$ 69,928	\$ 69,718
Compensation - Average Yearly Overtime							
Executive	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management	\$ 4,098	\$ 1,986	\$ 1,770	\$ 2,026	\$ 1,643	\$ 1,644	\$ 1,693
Non-Union	\$ 1,224	\$ 844	\$ 484	\$ 487	\$ 947	\$ 871	\$ 837
Union	\$ 4,080	\$ 4,066	\$ 3,766	\$ 5,153	\$ 5,102	\$ 4,925	\$ 4,948
Total	\$ 5,729	\$ 4,989	\$ 4,744	\$ 7,163	\$ 6,613	\$ 6,553	\$ 6,649
Compensation - Average Yearly Incentive Pay							
Executive	\$ 34,000	\$ 39,870	\$ 53,000	\$ 50,267	\$ 44,567	\$ 41,559	\$ 41,559
Management	\$ 6,278	\$ 7,329	\$ 9,175	\$ 9,748	\$ 10,978	\$ 9,944	\$ 9,944
Non-Union	\$ 2,250	\$ 1,338	\$ 2,267	\$ 1,836	\$ 3,100	\$ 2,581	\$ 2,409
Union	\$ 652	\$ -	\$ -	\$ 475	\$ -	\$ -	\$ -
Total	\$ 9,320	\$ 7,296	\$ 9,515	\$ 3,009	\$ 11,689	\$ 10,283	\$ 9,909
Compensation - Average Yearly Benefits							
Executive	\$ 40,602	\$ 48,400	\$ 56,420	\$ 53,059	\$ 55,035	\$ 55,688	\$ 59,002
Management	\$ 21,973	\$ 24,914	\$ 26,572	\$ 27,484	\$ 28,277	\$ 27,795	\$ 29,449
Non-Union	\$ 14,371	\$ 15,391	\$ 14,863	\$ 14,688	\$ 14,982	\$ 13,536	\$ 13,385
Union	\$ 15,076	\$ 16,865	\$ 17,832	\$ 18,181	\$ 19,314	\$ 18,314	\$ 18,928
Total	\$ 16,311	\$ 18,328	\$ 19,297	\$ 19,798	\$ 20,753	\$ 19,693	\$ 20,323
Total Compensation							
Total Compensation	\$ 15,202,431	\$ 16,823,215	\$ 18,144,465	\$ 19,803,848	\$ 20,273,546	\$ 21,756,291	\$ 22,420,836
Total Compensation Charged to OM&A	\$ 10,544,640	\$ 12,160,301	\$ 13,595,845	\$ 14,958,675	\$ 14,467,552	\$ 15,543,678	\$ 16,013,061
Total Compensation Capitalized	\$ 4,657,791	\$ 4,662,914	\$ 4,548,620	\$ 4,845,173	\$ 5,805,994	\$ 6,212,614	\$ 6,407,775

Technical Conference Exhibit JT 1.15

To confirm change in depreciation and its revenue requirement impact.

Response:

The impact of using the new rates to calculate 2011 depreciation is a decrease in 2011 depreciation of approximately \$6.7 million. Without this change, it is confirmed that the revenue requirement impact would be \$9.0 million.

Technical Conference Exhibit JT 1.16

Undertaking No. JT1.16: To Locate numbers within OM&A with Reference to School Energy Coalition Question No. 31(A).

Response:

The change in the provision for environmental costs is reflected in the 2011 Tax Reserves section of the Revenue Requirement Model, which rolls forward to the 2011 Tax Adjustments section of the Revenue Requirement Model. The 2011 Test Year opening provision is \$167,000 and the 2011 Test year closing provision is \$174,000. There is no impact to OM&A in relation to the provision for environmental costs in the 2011 Test Year. The total revenue requirement impact is \$2,756 to PILS pertaining to the change in this provision.

Technical Conference Exhibit JT 1.17

Amount of Taxes to be Returned to Ratepayers as per SEC Interrogatory No. 31(b).

Reference: SEC IR

31. [Ex. 4/8/1.0] With respect to the Summary of Taxes:

- b. P. 5. Please confirm that there is included in the Applicant's revenue requirement at current rates, the grossed-up sum of \$10,240,872, plus escalation under IRM, for a total of approximately \$10.6 million, in respect of the recovery of PILs. Please confirm that the amount actually needed for revenue requirement in the Test Year for recovery of PILs is \$2,314,658, grossed-up. Please show where in the Application the difference between the two, \$8.3 million, has been reflected in a reduction in revenue requirement for the Test Year.

Response:

In 2006 the Federal Government eliminated the Large Corporation Tax (LCT) and in 2007 the Ontario Capital Tax (OCT) was reduced to 0.285% from 0.3%, and in 2009 the OCT was reduced further to 0.225% from 0.285%. In 2008 and 2009 ratepayers benefited from federal income tax reductions as well.

Table 1 below shows the amount of tax savings of \$3,636,688 that ratepayers are expected to receive as a result of these tax changes during the 2006 to 2009 rate years. Hydro One Brampton rates have been adjusted to reflect these tax changes. Note the federal income tax & OCT reductions for 2009 did not commence to be returned to ratepayers in rates until the 2010 rate year.

TABLE 1: AMOUNT OF TAXES TO BE RETURNED TO RATEPAYERS BY RATE YEAR

	2006 OEB Approved	2006	2007	2008	2009	Total
Federal Income tax Rate	36.12%	36.12%	36.12%	33.50%	33.00%	
Large Corporation Tax Reduction	293,006	-	-	-	-	
Ontario Capital Tax Reduction - 2007	0.30%	0.3000%	0.2850%	0.2850%	0.2250%	
Federal Tax Reduction - 2008		-	-	(990,811)	(990,811)	(1,981,623)
Federal Tax Reduction - 2009		-	-		(180,281)	(180,281)
		-	-	(990,811)	(1,171,092)	(2,161,904)
Large Corporation Tax Reduction - 2006		(293,006)	(293,006)	(293,006)	(293,006)	(1,172,024)
Ontario Capital Tax Reduction - 2007		-	(43,212)	(43,212)	(43,212)	(129,637)
Ontario Capital Tax Reduction - 2009		-			(173,124)	(173,124)
		-	(43,212)	(43,212)	(216,337)	(302,761)
Total Tax Savings		(293,006)	(336,218)	(1,327,030)	(1,680,435)	(3,636,688)

Having adjusted for the tax changes between 2006 and 2009, Hydro One Brampton recalculated the PILs proxies per rate year in table 2 below as follows:

TABLE 2: UPDATED PILS PROXY BY RATE YEAR

	2006 OEB Approved	2006	2007	2008	2009	Total
PILs Proxy	10,240,872	10,240,872	10,240,872	10,240,872	10,240,872	
Adjustment to PILs Proxy		(293,006)	(336,218)	(1,327,030)	(1,680,435)	
PILs Proxy Before IPI - X Factor	10,240,872	9,947,866	9,904,654	8,913,843	8,560,437	
IPI - X factor - 2007			1.0092	1.0092	1.0092	
IPI - X factor - 2008				1.009	1.009	
IPI - X factor - 2009					1.013	
PILs Proxy adjusted for Growth Factor	10,240,872	9,947,866	9,995,777	9,076,813	8,830,266	37,850,722

Technical Conference Exhibit JT 1.18

To provide calculation of resulting volumetric rate if fixed charge remains at \$101.68

Reference: Exhibit 8, Tab 2, Schedule 1.0 SEC IR 31 (b)

Original question SEC IR 31 (b) was:

P. 3 Please advise, with respect to the restated Table 3, what the fixed rate would be for GS>50 if the monthly charge were to be moved no further away from the top of the range. Please advise the volumetric rate that would result if that fixed rate were to be implemented.

Response:

In the response to SEC IR 36 (a) an updated "Table 3: Monthly Service Charge Analysis" was provided.

The undertaking asks what the resulting volumetric rate would be if the fixed charge remains at \$101.68. Hydro One Brampton has recalculated the volumetric rate to be \$2.6599/kW. The existing fixed revenue split is 21.6% and the variable revenue split is 78.4%. To illustrate this hypothetical scenario for SEC the fixed revenue split was changed to 80.97% and the variable revenue split was 19.03%. However, Hydro One Brampton notes that it is not seeking any changes to its Fixed/Variable revenue splits for customer classes other than the Street Lighting Class.

Technical Conference Exhibit JT 1.19

To provide estimated amount of pooled residual net book value of removed meters, less any sales received when smart meters will have been fully deployed, to provide the actual amount if smart meters have been fully deployed.

Reference: OEB TC #8 c)

Original question:

Please provide the estimated amount of the pooled residual net book value of removed meters, less any sale proceeds at the time when smart meters will have been fully deployed. Please provide the actual amount if smart meters have been fully deployed.

Response:

Table below provides a table of the estimated Smart Meter Capital. It is expected that the Smart Meter Capital will be fully deployed by the end of December 31, 2011.

Stranded Meter Capital - Continuity Schedule					
Year	Stranded Meter Assets Added	Cumulative Stranded Meter Additions	Change in Accumulated Depreciation	Cumulative Stranded Meter Depreciation	Net Book Value
2006		\$ -		\$ -	\$ -
2007	\$ 688,720.09	\$ 688,720.09	\$ (180,826.97)	\$ (180,826.97)	\$ 507,893.12
2008	\$ 2,011,119.65	\$ 2,699,839.74	\$ (1,112,328.23)	\$ (1,293,155.20)	\$ 1,406,684.54
2009	\$ 2,187,466.26	\$ 4,887,306.00	\$ (1,190,667.33)	\$ (2,483,822.53)	\$ 2,403,483.47
2010	\$ 1,000,000.00	\$ 5,887,306.00	\$ (890,000.00)	\$ (3,373,822.53)	\$ 2,513,483.47
2011	\$ 500,000.00	\$ 6,387,306.00	\$ (738,000.00)	\$ (4,111,822.53)	\$ 2,275,483.47

Technical Conference Exhibit JT 1.20

TO COMPARE PROPOSED ALLOCATION METHODS WITH 2011

Reference: Board Staff IR #73
Board Staff TC #15

Original question:

Hydro One Brampton requests relief of \$5,162,030. How would Hydro One Brampton allocate this proposed recovery to the rate classes in 2011?

Response:

Table 1 below provides the weighted average distribution revenue shares for 2002 to 2005 based on the Rate Adjustment Models for 2002, 2004 & 2005.

Table 1: Proposed Method to Allocate PILS Account 1562 Based on Distribution Revenue Shares						
Customer Class	Distribution Revenue for 2002 RAM	Distribution Revenue for 2002 RAM	Distribution Revenue for 2004 RAM	Distribution Revenue for 2005 RAM	Totals	Weighted Average Distribution Revenue Shares
RESIDENTIAL CLASS	16,164,930	16,164,930	23,673,840	26,713,717	82,717,418	50.89%
GENERAL SERVICE <50 KW CLASS	4,212,272	4,212,272	6,145,958	6,633,943	21,204,447	13.05%
GENERAL SERVICE >50 KW NON TIME OF USE	5,552,508	5,552,508	7,372,605	7,866,674	26,344,295	16.21%
GENERAL SERVICE >50 KW TIME OF USE	6,000,232	6,000,232	7,108,837	7,850,099	26,959,400	16.59%
LARGE USER CLASS	1,170,727	1,170,727	1,274,606	1,260,240	4,876,300	3.00%
STREET LIGHTING AND SENTINEL LIGHTS	85,685	85,685	120,357	133,068	424,796	0.26%
	33,186,355	33,186,355	45,696,205	50,457,741	162,526,656	100.00%

Table 2 below provides the average distribution revenue shares based on the 2011 proposed distribution revenue.

Table 2: Proposed 2011 Distribution Revenue Shares		
Customer Class	Distribution Revenue for 2011 COS	Distribution Revenue Shares 2011
RESIDENTIAL CLASS	32,514,987	53.64%
GENERAL SERVICE <50 KW CLASS	6,565,989	10.83%
GENERAL SERVICE >50 KW NON TIME OF USE	10,086,269	16.64%
GENERAL SERVICE >50 KW TIME OF USE	8,175,966	13.49%
LARGE USER CLASS	1,946,273	3.21%
STREET LIGHTING AND SENTINEL LIGHTS	1,226,752	2.02%
UNMETERED SCATTERED LOAD	106,062	0.17%
	60,622,299	100.00%

Technical Conference Exhibit JT 1.21

To provide management analysis, presentation, or some document which provides reasoning as to how those percentages were arrived at for SCADA, renewable energy investments, and expansions.

Response:

The following is the analysis used to determine the Cost Allocation Percentages as shown in the Table below:

HOBNI Green Energy Investment	Allocation of Cost Responsibility		
	Generator	Provincial Ratepayers	HOBNI Customers
Expansions (up to threshold)	-	81.25%	18.75%
Renewable Enabling Improvements	-	100%	0%
Smart Grid (SCADA Only)	-	50%	50%

The criteria used for the purpose of estimating the direct benefits included the following:

1. New Assets to accommodate Renewable Generators
 - a. Portion of Assets used by Load Customer
 - b. Portion of Asset used by Generator
2. Asset Replacement to accommodate Renewable Generators
 - a. Age of Assets
 - b. Asset Condition
 - c. Asset Depreciation/Remaining life
3. Size of FIT Generators
4. Quantity of potential Generator Connections
5. Customer Load Growth
6. Service Life Improvements
7. Current Design of the Distribution System
8. Operating Practice

Analysis

Projects:

Criteria Question	Expansion	Renewable Enabling Improvements	SCADA
Are New Assets Required to Accommodate	Yes – New transformers will accommodate generator connections.	Yes – Monitoring and communication equipment.	Yes – these SCADA installations are chosen primarily based on generator connections.

Generators?			
Are existing Assets being replaced to Accommodate Generators?	Yes – Existing transformers which served only load customers are required to be upgraded to accommodate the generators.	No	No
Sizes of Generations?	250-500 kW	>249 kW	>75 kW
Quantity of Generators?	Density in some areas of 5-7 generators on one feeder.	Requirement on all generators >249 kW	Density in some areas of 5-7 generators on one feeder.
Load Growth?	<1%	N/A	Feeder loading is a factor for prioritizing.
Service Life Improvements?	Yes	N/A	Yes
Current Design of System?	N/A	N/A	We already have a well developed SCADA system.
Operating Practice?	N/A	N/A	To ensure we can provide maintenance to load customers while still having the generators supply power.
Analysis	The transformers are upgraded because of the generators. Investment is seen to benefit both load customer and generators. The transformers being replaced have an average in-service life of 15 years. The normal service life of a transformer is 40 years.	Monitoring and communication system to be installed on all generator connections which are greater than 249 kW. This is a requirement from the Provincial Transmitter.	These SCADA installations are to allow for proper connection and operation of Generators. These installs are initiated due to generators; however they do benefit load customers from an Operational/Reliability side.
Direct Benefit	A. New assets that	1. New assets -	A. New assets that

Percentage Calculations	<p>benefit both the generators and load customers, investment will be shared equally.</p> <p>B. Replacements of assets, in this case 15 year old transformers being replaced before their time will have a benefit to the load customer = $15/40 = 37.5\%$.</p> <p>C. Therefore, Direct Benefit to Load Customers is $A*B = 50\% * 37.5\% = 18.75\%$</p>	<p>Monitoring & Communication system benefits the generator 100% of the time. This asset offers no benefit to load customers.</p> <p>2. No replacement of existing assets.</p> <p>3. Therefore, Direct Benefit to Load Customers is = 0%</p>	<p>benefit both the generators and the load customers, this investment should be shared equally.</p> <p>B. No replacement of existing assets.</p> <p>C. Therefore, Direct Benefit to Load Customers = 50%</p>
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Technical Conference Exhibit JT 1.22

To provide table of contents for binder of confidential documents

Response:

Documents Filed in Confidence	
2009 Business Plan Approved June 5	Page 1
2009 Business Plan Submitted July 29	Page 27
2009 Business Plan Revised	Page 35
2010 Business Plan With Revisions (Sep 16)	Page 42
2011 Business Plan GAAP	Page 68
2011 Business Plan IFRS	Page 75
2011 Business Plan Final	Page 83
2011 Business Plan Instructions	Page 107
2011 Business Plan Instructions E-mail	Page 158
2011 Submissions to the Board	Page 161
2010 Submissions to the Board	Page 188

Exhibit JT

Technical Conference Handouts

Technical Conference Exhibit KT 1.1



Name of LDC: Hydro One Brampton Networks Inc.
File Number: EB-2010-0132
Version : 1.0

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	585,014	\$2.9700	\$ 1,737,492	609,786	\$0.7300	\$ 445,144	522,933	\$1.7100	\$ 894,215	\$ 1,339,359
February	600,720	\$2.9700	\$ 1,784,138	635,130	\$0.7300	\$ 463,645	544,792	\$1.7100	\$ 931,594	\$ 1,395,239
March	581,099	\$2.9700	\$ 1,725,864	600,781	\$0.7300	\$ 438,570	509,162	\$1.7100	\$ 870,667	\$ 1,309,237
April	506,637	\$2.9700	\$ 1,504,712	559,690	\$0.7300	\$ 408,574	476,627	\$1.7100	\$ 815,032	\$ 1,223,606
May	512,799	\$2.9700	\$ 1,523,013	550,677	\$0.7300	\$ 401,994	478,060	\$1.7100	\$ 817,483	\$ 1,219,477
June	692,451	\$2.9700	\$ 2,056,579	716,470	\$0.7300	\$ 523,023	609,518	\$1.7100	\$ 1,042,276	\$ 1,565,299
July	582,988	\$2.9700	\$ 1,731,474	610,892	\$0.7300	\$ 445,951	522,943	\$1.7100	\$ 894,233	\$ 1,340,184
August	739,351	\$2.9700	\$ 2,195,872	748,564	\$0.7300	\$ 546,452	636,071	\$1.7100	\$ 1,087,681	\$ 1,634,133
September	569,486	\$2.9700	\$ 1,691,373	605,519	\$0.7300	\$ 442,029	520,674	\$1.7100	\$ 890,353	\$ 1,332,381
October	521,737	\$2.9700	\$ 1,549,559	527,922	\$0.7300	\$ 385,383	452,778	\$1.7100	\$ 774,250	\$ 1,159,633
November	549,594	\$2.9700	\$ 1,632,294	569,273	\$0.7300	\$ 415,569	489,656	\$1.7100	\$ 837,312	\$ 1,252,881
December	587,761	\$2.9700	\$ 1,745,650	603,050	\$0.7300	\$ 440,227	516,636	\$1.7100	\$ 883,448	\$ 1,323,674
Total	7,029,637	\$2.9700	\$20,878,022	7,337,754	\$0.7300	\$5,356,560	6,279,850	\$1.7100	\$10,738,544	\$16,095,104

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 UTRs and Sub-Transmission Cell K48			Includes Hydro One Rate Rider B1.3 UTRs and Sub-Transmission Cell K50						
January	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
February	3	\$2.6970	\$ 8	3	\$0.6150	\$ 2	-	\$1.5000	\$ -	\$ 2
March	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
April	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
May	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
June	12,644	\$2.6970	\$ 34,101	13,547	\$0.6150	\$ 8,331	-	\$1.5000	\$ -	\$ 8,331
July	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
August	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
September	6,158	\$2.6970	\$ 16,608	6,158	\$0.6150	\$ 3,787	-	\$1.5000	\$ -	\$ 3,787
October	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
November	-	\$2.6970	\$ -	-	\$0.6150	\$ -	-	\$1.5000	\$ -	\$ -
December	15,641	\$2.6970	\$ 42,184	15,641	\$0.6150	\$ 9,619	-	\$1.5000	\$ -	\$ 9,619
Total	34,446	\$2.6970	\$ 92,901	35,349	\$0.6150	\$ 21,740	-	\$ -	\$ -	\$ 21,740

Total

Month	Network			Line Connection			Line Transformation			Total Line
	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	585,014	\$2.9700	\$ 1,737,492	609,786	\$0.7300	\$ 445,144	522,933	\$1.7100	\$ 894,215	\$ 1,339,359
February	600,723	\$2.9700	\$ 1,784,146	635,133	\$0.7300	\$ 463,647	544,792	\$1.7100	\$ 931,594	\$ 1,395,241
March	581,099	\$2.9700	\$ 1,725,864	600,781	\$0.7300	\$ 438,570	509,162	\$1.7100	\$ 870,667	\$ 1,309,237
April	506,637	\$2.9700	\$ 1,504,712	559,690	\$0.7300	\$ 408,574	476,627	\$1.7100	\$ 815,032	\$ 1,223,606
May	512,799	\$2.9700	\$ 1,523,013	550,677	\$0.7300	\$ 401,994	478,060	\$1.7100	\$ 817,483	\$ 1,219,477
June	705,095	\$2.9651	\$ 2,090,680	730,017	\$0.7279	\$ 531,355	609,518	\$1.7100	\$ 1,042,276	\$ 1,573,630
July	582,988	\$2.9700	\$ 1,731,474	610,892	\$0.7300	\$ 445,951	522,943	\$1.7100	\$ 894,233	\$ 1,340,184
August	739,351	\$2.9700	\$ 2,195,872	748,564	\$0.7300	\$ 546,452	636,071	\$1.7100	\$ 1,087,681	\$ 1,634,133
September	575,644	\$2.9671	\$ 1,707,982	611,677	\$0.7288	\$ 445,816	520,674	\$1.7100	\$ 890,353	\$ 1,336,169
October	521,737	\$2.9700	\$ 1,549,559	527,922	\$0.7300	\$ 385,383	452,778	\$1.7100	\$ 774,250	\$ 1,159,633
November	549,594	\$2.9700	\$ 1,632,294	569,273	\$0.7300	\$ 415,569	489,656	\$1.7100	\$ 837,312	\$ 1,252,881
December	603,402	\$2.9629	\$ 1,787,834	618,691	\$0.7271	\$ 449,846	516,636	\$1.7100	\$ 883,448	\$ 1,333,293
Total	7,064,083	\$2.9687	\$20,970,923	7,373,103	\$0.7294	\$5,378,300	6,279,850	\$1.7100	\$10,738,544	\$16,116,844

Technical Conference Exhibit KT 1.2

HOBNI Green Energy Investment 2010	Allocation of Cost Responsibility		
	Generator	Provincial Ratepayers	HOBNI Customers
OM&A	\$250K	-	-
Expansions (up to threshold)	-	-	-
Renewable Enabling Improvements	-	\$251K	-
Smart Grid (SCADA Only)	-	\$294.5K	\$294.5K
Smart Grid (Other)			\$16K

Technical Conference Exhibit KT 1.3

TABLE IN REFERENCE TO VECC IR NO.28

Allocation of Cost Responsibility															
HOBNI Green Energy Investment	2011			2012			2013			2014			2015		
	Gen	Prov	HOB	Gen	Prov	HOB	Gen	Prov	HOB	Gen	Prov	HOB	Gen	Prov	HOB
OM&A	\$250k	-	-	\$250k	-	-	\$250k	-	-	\$250k	-	-	\$250k	-	-
Expansions (up to threshold)	-	\$134k	\$31k	-	\$137	\$32k	-	\$140k	\$32k	-	\$142k	\$33k	-	\$145k	\$34k
Renewable Enabling Improvements	-	\$83k	-	-	\$84k	-	-	\$86k	-	-	\$88k	-	-	\$89k	-
Smart Grid (SCADA Only)	-	\$165k	\$165k	-	\$169k	\$169k	-	\$172k	\$172k	-	\$176k	\$176k	-	\$179k	\$179k
Smart Grid (Other)	-	-	\$330k	-	-	\$337k	-	-	\$344k	-	-	\$351k	-	-	\$358k

Technical Conference Exhibit KT 1.4

Exhibit 2, Tab 1, Schedule 1.0 Table 1. Rate Base Calculations Summary

Table 1 Summary of Rate Base							
Description	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test
Opening Balance Gross Fixed Assets	351,758,493	384,136,113	404,647,864	433,205,354	462,676,170	490,620,682	524,673,961
Closing Balance Gross Fixed Assets	368,501,151	404,647,864	433,205,354	462,676,170	490,620,682	524,673,961	550,051,145
Average Gross Fixed Assets	360,129,822	394,391,988	418,926,609	447,940,762	476,648,426	507,647,321	537,362,553
Opening Balance Accumulated Depreciation	143,041,521	169,258,534	183,765,121	199,241,008	215,299,494	232,711,777	251,671,065
Closing Balance Accumulated Depreciation	155,544,566	183,765,121	199,241,008	215,299,494	232,711,777	251,671,065	264,673,776
Average Accumulated Depreciation	149,293,043	176,511,827	191,503,065	207,270,251	224,005,636	242,191,421	258,172,421
Opening Net Book Value	208,716,972	214,877,579	220,882,743	233,964,346	247,376,676	257,908,905	273,002,896
Closing Net Book Value	212,956,585	220,882,743	233,964,346	247,376,676	257,908,905	273,002,896	285,377,369
Average Net Book Value	210,836,778	217,880,161	227,423,544	240,670,511	252,642,790	265,455,900	279,190,133
Working Capital	256,007,904	283,451,085	291,888,329	293,021,651	303,349,708	356,004,175	357,285,374
Working Capital Allowance -15%	38,401,186	42,517,663	43,783,249	43,953,248	45,502,456	53,400,626	53,592,806
Rate Base	249,237,964	260,397,824	271,206,794	284,623,759	298,145,246	318,856,526	332,782,939

Technical Conference Exhibit KT 1.5

Exhibit 4, Tab 2, Schedule 1.3, Table 1. Cost drivers

OM&A Cost Drivers	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge Year	2011 Test Year
Opening Balance	14,016,533	16,155,651	15,925,811	17,173,680	17,836,429	20,393,300
OEB Reclassification (OMERS)	847,621	194,909	-	-	-	-
Wages and Benefits	109,173	92,067	396,053	142,082	1,064,945	459,649
Conservation and Demand Management	555,210	(170,721)	(498,377)	(113)	-	70,949
Bad Debts	(251,895)	(102,901)	191,895	539,898	(452,830)	10,296
Postage & Stationery	223,125	16,148	122,901	137,461	129,729	119,267
Meter Reading	58,753	56,678	70,828	(179,032)	(441,975)	848,611
Tree Clearing	71,428	9,151	(77,728)	123,485	(28,853)	3,795
Regulatory Expenses	184,622	61,110	(10,313)	38,366	95,507	100,000
Load Dispatching	163,775	(37,296)	9,445	2,982	95,536	27,824
Consumer Premises	(539)	59,237	208,440	(66,655)	29,155	16,094
Management Expenses	438,926	(9,725)	(19,870)	29,020	247,986	(24,625)
General Administrative Salaries and Expenses	(81,069)	26,428	68,125	(35,699)	183,930	155,519
Collecting	65,960	42,483	89,852	58,025	244,167	55,212
Meter Maintenance	160,349	(343,085)	107,384	(8,798)	853,859	(612,188)
Line maintenance	(147,017)	93,117	346,480	(229,012)	200,568	683,938
Property Insurance	(7,565)	(229,794)	232,326	-	-	-
Disallowable Costs in Capital	-	-	-	-	-	-
Other	(251,739)	12,354	10,428	110,739	335,147	(101,106)
Closing Balance	16,155,651	15,925,811	17,173,680	17,836,429	20,393,300	22,206,535

EXHIBIT KT1.6: REVISED TABLE WITH REFERENCE TO ENERGY PROBE
TECHNICAL CONFERENCE QUESTION 25

Depreciation Expense 2011								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1805	Land	8,146,892		8,146,892	-	8,146,892	-	-
1806	Land Rights	1,762,208		1,762,208	208,600	1,866,508	various	10,106
1808	Buildings and Fixtures	29,371,381		29,371,381	925,523	29,834,142	various	613,562
1815	Transformer Station Equipment - Normally Primary above 50 kV	13,214,564		13,214,564	1,666,324	14,047,726	various	447,576
1820	Distribution Station Equipment - Normally Primary below 50 kV	41,608,880		41,608,880	971,404	42,094,582	various	582,974
1830	Poles, Towers and Fixtures	67,811,336	16,108,311	51,703,025	5,703,841	54,554,945	42	1,298,927
1835	Overhead Conductors and Devices	21,167,064	2,827,672	18,339,392	1,067,069	18,872,926	50	377,459
1840	Underground Conduit	20,837,095	1,844,737	18,992,358	3,647,050	20,815,883	50	416,318
1845	Underground Conductors and Devices	225,213,413	41,885,292	183,328,121	13,701,644	190,178,943	35	5,433,684
1850	Line Transformers	92,968,767	32,507,327	60,461,440	6,252,444	63,587,662	40	1,589,692
1855	Services	23,675,915	9,948,147	13,727,768	767,000	14,111,268	50	282,225
1860	Meters	44,230,145	18,308,387	25,921,758	991,000	26,417,258	15	1,761,151
1908	Buildings and Fixtures	310,348	3,130	307,218	-	307,218	25	12,289
1915	Office Furniture and Equipment	2,230,247	1,340,668	889,579	168,475	973,817	10	97,382
1920	Computer Equipment - Hardware	4,040,198	2,724,787	1,315,411	305,200	1,468,011	5	293,602
1925	Computer Software	-	-	-	-	-	5	-
1930	Transportation Equipment	11,356,601		11,356,601	2,294,478	12,503,840	various	917,569
1935	Stores Equipment	219,670	56,279	163,391	-	163,391	10	16,339
1940	Tools, Shop and Garage Equipment	3,228,869	1,609,343	1,619,526	104,962	1,672,007	10	167,201
1950	Power Operated Equipment	37,250	1,360	35,890	-	35,890	8	4,486
1955	Communication Equipment	646,668	0	646,668	133,400	713,368	10	71,337
1960	Miscellaneous Equipment	140,982	0	140,982	-	140,982	10	14,098
1980	System Supervisory Equipment	4,612,464	78,448	4,534,016	501,000	4,784,516	7	683,502
1995	Contributions and Grants - Credit	(111,945,750)	(42,995,129)	(68,950,621)	(14,587,030)	(76,244,136)	25	(3,049,765)
2055	Construction Work in Progress--Electric	4,014,340		4,014,340	(1,261,441)	3,383,620	None	-
2040	Electric Plant Held for Future Use	3,369,797		3,369,797	-	3,369,797	None	-
1610	Miscellaneous Intangible Plant - TS CIP	5,118,257		5,118,257	-	5,118,257	None	-
1610	Miscellaneous Intangible Plant - Software CIP	84,843		84,843	-	84,843	None	-
1610	Miscellaneous Intangible Plant - TS in-service	8,313,703		8,313,703	-	8,313,703	various	332,189
1610	Miscellaneous Intangible Plant - Software in-service	2,902,155		2,902,155	554,800	3,179,555	various	238,810
9075	Truck Expense							922,055
9045	Stores and Purchasing Expense							183,540
5725	Miscellaneous Amortization							(1,002,000)
	TOTAL	528,688,302	86,248,761	442,439,541	24,115,743	454,497,412		12,509,117

Technical Conference Exhibit KT 1.7

One Page Document of Changes to Tax Adjustments.

Response:

Question # 30

Ref: Energy Probe Interrogatory # 53 & Appendix AX

- a) Please update the response to part (b) to reflect the information contained in Appendix AX.**

Table Showing Updated Tax Adjustment to Accounting Income

Tax Adjustments to Accounting Income - Revised October 1, 2010			
	Original Tax Adjustments	Revised Tax Adjustments October 1, 2010	Difference
Additions:			
Amortization of tangible assets	10,924,907	10,936,118	11,211
Amortization of intangible assets	567,672	570,998	3,327
Charitable donations	2,650	2,650	0
Non-deductible meals and entertainment expense	15,403	15,403	0
Reserves from financial statements- balance at end of year	8,646,000	8,646,000	0
Capital items expensed	276,138	276,138	0
Other Additions	44,746	44,746	0
Total Additions	20,477,516	20,492,054	14,538
Deductions:			
Capital cost allowance from Schedule 8	18,792,258	19,341,515	549,257
Cumulative eligible capital deduction from Schedule 10	58,438	61,945	3,507
Reserves from financial statements - balance at beginning of year	8,328,000	8,328,000	0
Other Deductions	192,523	192,523	0
Total Deductions	27,371,219	27,923,983	552,764
Total Tax Adjustments	-6,893,703	-7,431,929	-538,226

Technical Conference Exhibit KT 1.8

Updated Schedule with Reference to Energy Probe Technical Conference Question 30.

Response:

Question # 30

Ref: Energy Probe Interrogatory # 53 & Appendix AX

- e) Please provide an updated Appendix A to the September 2, 2010 letter to reflect the results shown in Appendix AX.

Appendix A - 2011 Revenue Requirement Adjustment - Revenue Deficiency Determination							
Description	Revenue Requirement Filed	Adjustments to Revenue Requirement				Total Adjustments	Adjusted Revenue Requirement
		Opening Fixed Asset Adjustments	Depreciation - Change in Half Year Rule	Expense Indirect Overheads	Revenue At Existing Rates Adjusted		
Revenue							
Revenue Deficiency	4,042,406	(307,181)	(673,366)	(2,532,351)	(191,833)	(3,704,730)	337,676
Distribution Revenue	58,552,937	0	0	0	191,833	191,833	58,744,770
Other Operating Revenue (Net)	3,986,412	0	0	0		0	3,986,412
Total Revenue	66,581,755	(307,181)	(673,366)	(2,532,351)	0	(3,512,898)	63,068,857
Costs and Expenses							
Administrative & General, Billing & Collecting	14,416,233	0	0	(674,292)	0	(674,292)	13,741,941
Operation & Maintenance	10,890,495	0	0	(2,425,901)	0	(2,425,901)	8,464,594
Depreciation & Amortization	12,494,579	0	(500,000)	514,538	0	14,538	12,509,117
Capital Taxes	0	0	0	0	0	0	0
Deemed Interest	12,964,060	(126,444)	9,673	28,137	0	(88,635)	12,875,425
Total Costs and Expenses	50,765,367	(126,444)	(490,327)	(2,557,518)	0	(3,174,290)	47,591,077
Utility Income Before Income Taxes	15,816,388	(180,737)	(183,038)	25,168	0	(338,608)	15,477,780
Income Taxes:							
Corporate Income Taxes	2,520,659	(51,058)	(192,958)	(3,689)	0	(247,706)	2,272,953
Total Income Taxes	2,520,659	(51,058)	(192,958)	(3,689)	0	(247,706)	2,272,953
Utility Net Income	13,295,729	(129,679)	9,920	28,857	0	(90,902)	13,204,827
Capital Tax Expense Calculation:							
Total Rate Base	335,073,828	(3,268,121)	250,000	727,232	0	(2,290,889)	332,782,939
Exemption	0	0	0	0	0	0	0
Deemed Taxable Capital	335,073,828	(3,268,121)	250,000	727,232	0	(2,290,889)	332,782,939
Ontario Capital Tax	0	0	0	0	0	0	0
Income Tax Expense Calculation:							
Accounting Income	15,816,388	(180,737)	(183,038)	25,168	0	(338,608)	15,477,780
Tax Adjustments to Accounting Income	(6,893,703)	0	(500,000)	(38,226)	0	(538,226)	(7,431,929)
Taxable Income	8,922,685	(180,737)	(683,038)	(13,058)	0	(876,834)	8,045,851
Income Tax Expense	2,520,659	(51,058)	(192,958)	(3,689)	0	(247,706)	2,272,953
	28.25%	0.00%	0.00%	0.00%	0.00%	0.00%	28.25%
Actual Return on Rate Base:							
Rate Base	335,073,828	(3,268,121)	250,000	727,232	0	(2,290,889)	332,782,939
Interest Expense	12,964,060	(126,444)	9,673	28,137	0	(88,635)	12,875,425
Net Income	13,295,729	(129,679)	9,920	28,857	0	(90,902)	13,204,827
Total Actual Return on Rate Base	26,259,789	(256,123)	19,593	56,993	0	(179,537)	26,080,252
Actual Return on Rate Base	7.84%	7.84%	7.84%	7.84%	7.84%	7.84%	7.84%
Required Return on Rate Base:							
Rate Base	335,073,828	(3,268,121)	250,000	727,232	0	(2,290,889)	332,782,939
Return Rates:							
Return on Debt (Weighted)	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%	6.45%
Return on Equity	9.92%	9.92%	9.92%	9.92%	9.92%	9.92%	9.92%
Deemed Interest Expense	12,964,060	(126,444)	9,673	28,137	0	(88,635)	12,875,425
Return On Equity	13,295,729	(129,679)	9,920	28,857	0	(90,902)	13,204,827
Total Return	26,259,789	(256,123)	19,593	56,993	0	(179,537)	26,080,252

Expected Return on Rate Base	7.84%	7.84%	7.84%	7.84%	7.84%	7.84%	7.84%
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Tax Exhibit							
Deemed Utility Income	13,295,729	(129,679)	9,920	28,857	0	(90,902)	13,204,827
Tax Adjustments to Accounting Income	(6,893,703)	0	(500,000)	(38,226)	0	(538,226)	(7,431,929)
Taxable Income prior to adjusting revenue to PILs	6,402,026	(129,679)	(490,080)	(9,369)	0	(629,128)	5,772,898
Tax Rate	28.25%	28.25%	28.25%	28.25%	0.00%	84.75%	113.00%
Total PILs before gross up	1,808,572	(36,634)	(138,448)	(2,647)	0	(177,729)	1,630,844
Grossed up PILs	2,520,659	(51,058)	(192,958)	(3,689)	0	(247,706)	2,272,953

Technical Conference Exhibit KT 1.9

Updated Table Relating to Board Staff Question 11.

11. Ref: Board staff IR #63 (and #67, #69, #70)

In its response to Board staff IR # 63 (a), Hydro One Brampton states: “Hydro One Brampton excluded regulatory assets/liability movements from PILs calculations both when they were created, and when they were collected, regardless of the actual tax treatment used for those amounts. Hydro One Brampton accounted for these as items that are not trued up in the TaxRec3 tab of the SIMPIL models for each year from 2001 to 2005.”

In 2004 and 2005 SIMPIL models on the schedule “Tax Reserves” Hydro One Brampton included the collections of regulatory assets which it termed “Bill 4 deferred revenue”. These amounts should have been posted to account 1590. The 2004 movement or change in balance was \$2,881,192, and the 2005 movement was \$3,720,374 (\$6,601,566 – 2,881,192).

In Hydro One Brampton’s audited financial statements for 2004 in Note 8, and 2005 in Note 9, there is a description related to the collection, or recoveries, of regulatory assets.

Questions:

Please explain why these collections have not been excluded from the determination of the SIMPIL true-up items for ratepayers in accordance with your response above. The dollar amounts should be shown on “TAXREC 3” as Hydro One Brampton disclosed the other deferred or regulatory amounts.

What would the recalculated balance be in the summary continuity schedule if these collections of regulatory assets were not included in the true-up items?

Please provide a revised schedule(s).

Response:

Revised Account 1562 Balance without Interest Claw-back – 2001 to 2006

EB-2010-0132								
Summary PILs 1562 Balance - Without Interest Claw-back								
Utility Name: Hydro One Brampton								
Reporting period: 2001- 2005								
Sign Convention: + for increase; - for decrease								
Year start:		10/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006	
Year end:		12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	4/30/2006	Total
Opening balance:	=	0	3,779,196	2,922,687	3,592,329	3,157,459	1,916,956	0
Board-approved PILs tax proxy from Decisions (1)	+/-	3,735,614	7,536,775	11,272,389	8,470,679	1,884,194	2,457,305	35,356,957
PILs proxy from April 1, 2005 - input 9/12 of amount	+					5,528,937		5,528,937
True-up Variance Adjustment Q4, 2001 (2)	+/-		2,951					2,951
True-up Variance Adjustment (3)	+/-			221,357	-22,199	122,604	66,662	388,424
Deferral Account Variance Adjustment Q4, 2001 (4)	+/-		0					0
Deferral Account Variance Adjustment (5)	+/-		0	0	-404,274	-481,842	0	-886,116
Adjustments to reported prior years' variances (6)	+/-							0
LCT repeal	+/-						-126,198	-126,198
Carrying charges (7)	+/-	43,582	284,693	195,887	172,209	126,976	36,961	860,309
PILs billed to (collected from) customers (8)	-	0	-8,680,929	-11,019,991	-8,651,285	-8,421,372	-2,906,720	-39,680,297
Ending balance: # 1562		3,779,196	2,922,687	3,592,329	3,157,459	1,916,956	1,444,967	1,444,967

Technical Conference Exhibit KT 1.10

Exhibit No. KT1.10: Table Prepared in Response to Board Staff TC IR No. 13.

13. Ref: Board staff IR #65

In 2001 the debt increased by \$27,648,000 from \$114,579,000 to \$142,253,000. The main driver of this change in debt was the goodwill of \$60,060,000 that resulted from push-down accounting. Since 2001 the debt levels have been fairly constant. In 2009 the goodwill was written off against contributed surplus.

It appears that the primary cause of the increased interest expense was the addition of goodwill.

In response to SEC interrogatory # 40(e) \$32,468,553 of PILs were paid to the Ministry of Finance for the period 2001 through April 30, 2006. During the same period Hydro One Brampton collected from (billed to) ratepayers \$39,660,297.

The difference of \$7,211,744 was caused partially by higher interest expense deductions in the tax returns. The interest claw-back in the Board’s methodology would return part of this benefit to the ratepayers.

Did Hydro One Brampton pay more PILs to the government than it collected from ratepayers in the period from 2006 through 2009? Extending the table out to 2009 would assist the analysis and interpretation. Please provide the amended table.

Response:

Actual and Estimated PILs Proxy Collected vs Regulatory PILs Assessment 2001 to 2009

	Total - August 1, 2001 to December 31, 2005	2006	2007	2008	2009	Totals - 2006 to 2009	Total
Actual amount of proxy collected	36,773,577	2,906,720				2,906,720	39,680,297
Estimated amount of proxy collected		6,827,248	10,077,475	9,313,864	8,740,788	34,959,375	34,959,375
PILS Proxy Collected	36,773,577	9,733,968	10,077,475	9,313,864	8,740,788	37,866,095	74,639,672
Ministry of Revenue PILs assessment	29,253,559	9,644,982	12,331,983	9,160,827	5,556,103	36,693,895	65,947,454
Add Goodwill benefits to shareholders	4,505,615	806,898	750,415	647,264	592,971	2,797,548	7,303,163
Regulatory PILs assessment	33,759,174	10,451,880	13,082,398	9,808,091	6,149,074	39,491,443	73,250,617
Difference	3,014,403	(717,912)	(3,004,923)	(494,227)	2,591,714	(1,625,348)	1,389,055

Technical Conference Exhibit KT 1.11

Exhibit No. KT1.11: Updated Table in Response to VECC Interrogatory No. 56.

14. Ref: Board staff IR #72

a) Please complete the following table based on the answer in a) above and the numerical information provided in answer to OEB IR#72 b).

Tax Item	\$
LCT (grossed up) from 2006 EDR application PILs model for the period May 1, 2006 to April 30, 2007	293,550
OCT from IRR#72	232,453
CCA adjustment	
Sub-total	
Interest carrying charges up to December 31, 2009	44,023
Total	

Response:

Completed Table for 1592

Tax Item	\$
LCT (grossed up) from 2006 EDR application PILs model for the period May 1, 2006 to April 30, 2007	293,550.00
OCT from IRR#72	232,453.00
CCA adjustment (May 1, 2006 to April 30, 2007)	16,322.64
CCA adjustment (May 1, 2007 to April 30, 2008)	16,320.00
Sub-total	558,645.64
Interest carrying charges up to December 31, 2009	44,022.81
Total	602,668.45