

# OTTAWA RIVER POWER CORPORATION – 2010 RATE APPLICATION

(EB-2009-0165)

## VECC'S INTERROGATORIES (ROUND #2)

(Note: Number continues from Round #1)

### Question #15

**Reference:** OEB Staff #9

- a) Please confirm whether the ½ year rule for depreciation was used for 2004 and therefore reflected in the cost of service application for 2006 rates.
- b) If not, please re-do the fixed asset continuity schedules (Exhibit 2/Tab 3/Schedule 3, Attachment 1) assuming the ½ rule is adopted starting January 1, 2010.

### **Response:**

- a) The ½ year was not applied to 2004 and therefore was not reflected in the 2006 rates. As pointed out in the response to OEB Staff #9, for rate-setting purposes only, depreciation was recalculated as though the half-year rule was in effect starting in 2005, in order to derive the rate base and annual expense on that basis.
- b) A Continuity Statement reflecting the scenario requested is presented at Appendix A and its impact on Rate Base is presented below

<b>TOTAL RATE BASE (Preliminary IRs)</b>		<b>2010</b>
Net Fixed Assets in Service:		
Opening Balance	\$8,553,871.76	
Closing Balance	\$8,858,731.75	
Average Balance		\$8,706,301.76
Working Capital Allowance		\$2,817,559.76
<b>TOTAL RATE BASE</b>		<b>\$11,523,861.51</b>

<b>TOTAL RATE BASE ( full year depreciation applied on historical years)</b>		
Net Fixed Assets in Service:		
Opening Balance	\$8,534,335.44	
Closing Balance	\$8,839,195.44	
		\$8,686,765.44
Working Capital Allowance		\$2,817,559.76
<b>TOTAL RATE BASE</b>		<b>\$11,504,325.20</b>

### **Question #16**

**Reference:** VECC #11 and OEB Staff #1

- a) Please re-do the response to part VECC #11 (b) based on the corrected Cost Allocation model.

### **Response:**

<b>Customer Class Name</b>	<b>Service Revenue Requirement</b>	<b>Miscellaneous Revenue (mi)</b>	<b>Base Revenue Requirement *</b>	<b>Allocated Revenue <sup>8</sup></b>	<b>Allocated Cost <sup>8</sup></b>	<b>Revenue to Cost Ratio</b>
Residential	2,338,929	202,987	2,135,943	2,574,512	2,338,929	1.10
General Service Less Than 50 kW	939,983	86,716	853,267	830,335	939,983	0.88
General Service 50 to 4,999 kW	776,310	59,250	717,060	801,568	776,310	1.03
Unmetered Scattered Load	8,489	608	7,881	6,814	8,489	0.80
Sentinel Lighting	19,680	1,396	18,284	13,825	19,680	0.70
Street Lighting	239,859	17,011	222,848	96,197	239,860	0.40
<b>TOTAL</b>	<b>4,323,251</b>	<b>367,968</b>	<b>3,955,284</b>	<b>4,323,252</b>	<b>4,323,252</b>	<b>1.00</b>

### **Question #17**

**Reference:** VECC #12

- a) Please provide examples of previous re-basing decisions for 2010 rates where the Board adopted the 2006 allocation as the starting point.
- b) For any of these examples, did the use of the 2006 allocation result in the one or more of the customer classes experiencing an increase in revenues allocated (relative to what would have resulted from simply using the allocation factors based on revenues at current rates) when the proposal called for a decrease in the revenue to cost ratio for the class?
- c) Please confirm whether or not Elenchus was the consultant used by each of the distributors referenced in response to part (a).

### **Response:**

- a) Elenchus can attest, on behalf of ORPC, that at least two<sup>1</sup> of the 2010 decisions, for which they were the primary consultants, approved a methodology that used the 2006 allocation as a starting point.
- b) In both cases stated above, it did not.

<sup>1</sup> Cooperative Hydro Embrun EB-2009-0132 and Hawkesbury Hydro EB-2009-186

- c) As mentioned in the response to a) in both EB-2009-0132 and EB-2009-0186's cases, Elenchus was the primary consultants.

### **Question #18**

**Reference:** VECC #13 (b)  
Cost Allocation Study – Sheet O2

- a) Please confirm that the anomalous results for the GS>50 class are result of Scenario 3 in Sheet O2 attributing negative values to the customer-related net book value for distribution plant allocated to the class as this in turn leads to negatives for the allocated interest, ROE and PILS.
- b) Can Ottawa River explain what gives rise to the results noted in part (a) and comment on whether they are reasonable?
- c) Does the anomalous allocation to GS>50 impact at all the allocation to the other customer classes and, therefore, the calculation of the applicable maximum service charge values? If not, why not?

### **Response:**

- a) That is correct. Negative values have been allocated to customer related NFA. This has resulted in negatives values for the Allocated Interest, ROE, PILS, and Amortization Expense – GP assigned to Meters. These negatives have caused the results for Scenario 3 to be lower than Scenario 1.
- b) All accounts within the range of 1830-1860 are allocated using the same allocators. On an account by account, and class by class basis for the customer related NFA, all of these accounts are positive.

The negative value appears to be due to the only account outside of the 1830-1860 range with non-zero values: sub-account 1820-3. The asset is not included nor allocated in the total assets by class, however the accumulated amortization is. Both of these behaviours are standard to the 2006 Cost Allocation model.

Account 1820-3 has an accumulated amortization total of \$1,662,689. Of that, \$665,928 is allocated to GS>50 on the basis of kWh (Allocator is CEN). Again, the allocator is the default value in the 2006 Cost Allocation model. This has resulted in the allocation of a relatively large amount of amortization under a scenario where the class is typically allocated relatively small amounts on the basis of customer or connection counts.

- c) The inclusion of amortization that perhaps should not have been included, or the exclusion of base assets that perhaps should have been included affects all classes in the same way. All classes have been allocated amortization for sub-account 1820-3, and none have been allocated the base asset for this account. It would seem reasonable that the Scenario 3 (maximum service charge) values should be higher for all classes.

### **Question #19**

**Reference:** VECC #3 (a) and (b)

- a) Was the line truck that was ordered in 2009 delivered in 2010? If not please indicate when Ottawa River expects to take delivery of the truck.
- b) Please indicate the amounts associated with the line truck referred to in part a) above, that Ottawa River proposes to include in rate base in 2010 and 2011

### **Response:**

- a) The line truck that was to be delivered in September 2010 has been delayed until October 28, 2010. ORPC has been in contact with the manufacturer. The truck is completed but requires some minor adjustments before delivery.
- b) The amount that Ottawa River Power proposes to include in its test year to account for this vehicle is \$282,000.

### **Question #20**

**Reference:** VECC #4 (g) and 4 (o) including Appendix B  
Exhibit 2, Tab 4, Schedule 1, Table 1  
Exhibit 2, Tab 4, Schedule 3, page 1

- a) Please confirm that for each year, 2005-2009 inclusive, actual capital spending by Ottawa River was significantly less than the Board of Directors' approved capital budgets in each year.
- b) Please provide Ottawa River's reasons for actual spending being significantly below approved capital budget in each year 2005-2009.
- c) Please provide the most recent 2010 year to date figure with respect to Ottawa River's capital spending.
- d) Please provide the year to date capital contributions received by Ottawa River in 2010.

### **Response:**

- a) Ottawa River Power Corporation confirms that actual spending from 2005-2009 inclusive was significantly less than the Board of Directors approved capital budgets each year.

- b) Please refer to responses to Board Question #11 of the first round of interrogatories for the yearly reasons for this under spending.
- c) Please refer to the table below for details on capital spending up to July 31, 2010.
- d) Please refer to the second last row of the table below the total for capital contributions up to July 31, 2010.

<b>FIXED ASSETS</b>	<b>Year to Date 2010</b>	<b>Budget</b>	<b>Variance</b>
LAND		24000	(24,000)
LAND RIGHTS			
BUILDINGS	6,366	60,000	(53,634)
DIST'N STN EQUIP - Under 50KV	34,565	150,000	(115,435)
POLES,TOWERS,FIXTURES	24,787	103,470	(78,683)
OVERHEAD CONDUCTORS	75,619	80,490	(4,871)
UNDERGROUND CONDUIT	38,308	51,000	(12,692)
UNDERGROUND CONDUCTORS	60,369	82,350	(21,981)
DIST'N TRANSFORMERS	13,451	179,420	(165,969)
CUSTOMER SERVICES	40,010	87,200	(47,190)
DIST'N METERS	80,298	24,000	56,298
GENERAL OFFICE EQUIPMENT	4,519	8,000	(3,481)
COMPUTER HARDWARE		6,000	(6,000)
COMPUTER SOFTWARE	1,050	18,700	(17,650)
TRANSPORTATION EQUIPMENT		302,000	(302,000)
TOOLS, STORES & GARAGE EQUIPMENT	58	10,000	(9,942)
COMMUNICATION EQUIPMENT	3,625	3,700	(75)
LOAD MANAGEMENT EQUIPMENT			
SYSTEM SUPERVISORY EQUIPMENT	69,123	80,000	(10,877)
CONTRIBUTED CAPITAL	(56,488)	(103000)	46,512
<b>TOTAL 2010 ADDITIONS as of July 31, 2010</b>	<b>395,661</b>	<b>1,167,330</b>	<b>(771,669)</b>

## APPENDIX A

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 EDR Approved	Variance to 2006 Actual			2006 Balance
		Additions	Ret./Other	Amortization	
1805-Land					
Gross Assets	130,499		0		130,499
Accumulated Amortization					
Net Book Value	130,499		0		130,499
1806-Land Rights					
Gross Assets	8,703	2,105	0		10,809
Accumulated Amortization	-4,879			-779	-5,657
Net Book Value	3,825	2,105	0	-779	5,152
1808-Buildings and Fixtures					
Gross Assets	486,068	35,500	-148,854		372,714
Accumulated Amortization	-213,314		592	-20,090	-232,813
Net Book Value	272,754	35,500	-148,262	-20,090	139,901
1810-Leasehold Improvements					
Gross Assets	9,540		19,275		28,815
Accumulated Amortization				-2,305	-2,305
Net Book Value	9,540		19,275	-2,305	26,510
1820-Distribution Station Equipment - Normally Primary below 50 kV					
Gross Assets	1,892,012	32,403	129,579		2,053,994
Accumulated Amortization	-1,400,699		400	-106,297	-1,506,596
Net Book Value	491,313	32,403	129,979	-106,297	547,398
1830-Poles, Towers and Fixtures					
Gross Assets	7,443,478	379,674	0		7,823,153
Accumulated Amortization	-4,382,697		5,772	-690,437	-5,067,361
Net Book Value	3,060,781	379,674	5,772	-690,437	2,755,791
1835-Overhead Conductors and Devices					
Gross Assets	1,060,716	706,398	0		1,767,114
Accumulated Amortization	-118,417		10,292	-156,685	-264,810

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 EDR Approved	Variance to 2006 Actual			2006 Balance
		Additions	Ret./Other	Amortization	
Net Book Value	942,299	706,398	10,292	-156,685	1,502,304
1840-Underground Conduit					
Gross Assets	2,854,963	78,545	0		2,933,508
Accumulated Amortization	-1,396,761		1,033	-216,757	-1,612,485
Net Book Value	1,458,202	78,545	1,033	-216,757	1,321,023
1845-Underground Conductors and Devices					
Gross Assets	95,234	109,615	-0		204,849
Accumulated Amortization	-7,623		2,122	-66,291	-71,792
Net Book Value	87,611	109,615	2,121	-66,291	133,057
1850-Line Transformers					
Gross Assets	2,583,980	259,683	0		2,843,663
Accumulated Amortization	-1,377,695		4,337	-263,066	-1,636,423
Net Book Value	1,206,285	259,683	4,338	-263,066	1,207,240
1855-Services					
Gross Assets	262,003	251,718	0		513,721
Accumulated Amortization	-26,445		4,101	-41,119	-63,463
Net Book Value	235,558	251,718	4,101	-41,119	450,259
1860-Meters					
Gross Assets	826,266	57,443	-21,124		862,585
Accumulated Amortization	-416,131		21,789	-78,248	-472,590
Net Book Value	410,135	57,443	665	-78,248	389,995
1908-Buildings and Fixtures					
Gross Assets	-193,827		193,827		
Accumulated Amortization	193,827		-193,827		
Net Book Value	1		-1		
1915-Office Furniture and Equipment					
Gross Assets	127,988	2,474	-7,687		122,774



**Appendix 2-1***Capital Asset Continuity Statements*

	2006 EDR Approved	Variance to 2006 Actual			2006 Balance
		Additions	Ret./Other	Amortization	
Accumulated Amortization	-108,465		7,545	-6,889	-107,810
Net Book Value	19,523	2,474	-142	-6,889	14,965
1920-Computer Equipment - Hardware					
Gross Assets	219,999	25,590	0		245,589
Accumulated Amortization	-221,828		2,237	-34,057	-253,648
Net Book Value	-1,829	25,590	2,237	-34,057	-8,058
1925-Computer Software					
Gross Assets	18,638	88,188	37,731		144,557
Accumulated Amortization			-35,428	-54,142	-89,570
Net Book Value	18,638	88,188	2,304	-54,142	54,988
1930-Transportation Equipment					
Gross Assets	1,371,407	133,580	-0		1,504,987
Accumulated Amortization	-1,172,237		189	-100,040	-1,272,088
Net Book Value	199,170	133,580	188	-100,040	232,899
1935-Stores Equipment					
Gross Assets	1,761		0		1,761
Accumulated Amortization	-1,322			-346	-1,668
Net Book Value	439		0	-346	93
1940-Tools, Shop and Garage Equipment					
Gross Assets	204,216	27,738	0		231,955
Accumulated Amortization	-160,486		1,020	-23,346	-182,811
Net Book Value	43,730	27,738	1,021	-23,346	49,143
1955-Communication Equipment					
Gross Assets	26,661	2,883	-0		29,544
Accumulated Amortization	-22,645		250	-6,850	-29,244
Net Book Value	4,016	2,883	249	-6,850	300
1960-Miscellaneous Equipment					

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 EDR Approved	Variance to 2006 Actual			2006 Balance
		Additions	Ret./Other	Amortization	
Gross Assets	4,500		-4,500		
Accumulated Amortization					
Net Book Value	4,500		-4,500		
1970-Load Management Controls - Customer Premises					
Gross Assets	250,715	4,197	0		254,912
Accumulated Amortization	-212,678		0	-31,551	-244,229
Net Book Value	38,037	4,197	1	-31,551	10,683
1975-Load Management Controls - Utility Premises					
Gross Assets	64,873		0		64,873
Accumulated Amortization	-64,873				-64,873
Net Book Value	-0		0		
1980-System Supervisory Equipment					
Gross Assets	485,610	12,926	0		498,536
Accumulated Amortization	-344,379		154	-53,420	-397,645
Net Book Value	141,231	12,926	155	-53,420	100,891
1995-Contributions and Grants - Credit					
Gross Assets	-367,732	-509,959	-37,365		-915,056
Accumulated Amortization			29,592	75,701	105,293
Net Book Value	-367,732	-509,959	-7,773	75,701	-809,763
<b>TOTAL</b>					
<b>Gross Assets</b>	<b>19,868,272</b>	<b>1,700,701</b>	<b>160,885</b>		<b>21,729,857</b>
<b>Accumulated Amortization</b>	<b>-11,459,747</b>		<b>-137,831</b>	<b>-1,877,011</b>	<b>-13,474,589</b>
<b>Net Book Value</b>	<b>8,408,525</b>	<b>1,700,701</b>	<b>23,054</b>	<b>-1,877,011</b>	<b>8,255,268</b>

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 Balance	2007 Changes			2007 Balance
		Additions	Ret./Other	Amortization	
1805-Land					
Gross Assets	130,499				130,499
Accumulated Amortization					
Net Book Value	130,499				130,499
1806-Land Rights					
Gross Assets	10,809				10,809
Accumulated Amortization	-5,657			-306	-5,963
Net Book Value	5,152			-306	4,846
1808-Buildings and Fixtures					
Gross Assets	372,714				372,714
Accumulated Amortization	-232,813		0	-8,351	-241,164
Net Book Value	139,901		0	-8,351	131,550
1810-Leasehold Improvements					
Gross Assets	28,815	19,588			48,403
Accumulated Amortization	-2,305		392	-1,936	-3,850
Net Book Value	26,510	19,588	392	-1,936	44,553
1820-Distribution Station Equipment - Normally Primary below 50 kV					
Gross Assets	2,053,994	18,175	-0		2,072,168
Accumulated Amortization	-1,506,596		303	-42,793	-1,549,085
Net Book Value	547,398	18,175	303	-42,793	523,083
1830-Poles, Towers and Fixtures					
Gross Assets	7,823,153	117,646	0		7,940,798
Accumulated Amortization	-5,067,361		2,353	-270,271	-5,335,279
Net Book Value	2,755,791	117,646	2,353	-270,271	2,605,519
1835-Overhead Conductors and Devices					
Gross Assets	1,767,114	247,669			2,014,783
Accumulated Amortization	-264,810		4,953	-80,591	-340,449

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 Balance	2007 Changes			2007 Balance
		Additions	Ret./Other	Amortization	
Net Book Value	1,502,304	247,669	4,953	-80,591	1,674,334
1840-Underground Conduit					
Gross Assets	2,933,508				2,933,508
Accumulated Amortization	-1,612,485			-108,708	-1,721,193
Net Book Value	1,321,023			-108,708	1,212,315
1845-Underground Conductors and Devices					
Gross Assets	204,849	42,993			247,842
Accumulated Amortization	-71,792		0	-9,054	-80,846
Net Book Value	133,057	42,993	0	-9,054	166,996
1850-Line Transformers					
Gross Assets	2,843,663	114,212	63,052		3,020,928
Accumulated Amortization	-1,636,423		3,545	-115,604	-1,748,482
Net Book Value	1,207,240	114,212	66,597	-115,604	1,272,446
1855-Services					
Gross Assets	513,721	177,265	-63,052		627,934
Accumulated Amortization	-63,463		2,284	-25,117	-86,296
Net Book Value	450,259	177,265	-60,769	-25,117	541,638
1860-Meters					
Gross Assets	862,585	8,005	-8,078		862,512
Accumulated Amortization	-472,590		8,076	-31,884	-496,398
Net Book Value	389,995	8,005	-2	-31,884	366,114
1908-Buildings and Fixtures					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1915-Office Furniture and Equipment					
Gross Assets	122,774				122,774

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 Balance	2007 Changes			2007 Balance
		Additions	Ret./Other	Amortization	
Accumulated Amortization	-107,810			-2,130	-109,940
Net Book Value	14,965			-2,130	12,834
1920-Computer Equipment - Hardware					
Gross Assets	245,589	5,497			251,086
Accumulated Amortization	-253,648		549	-14,997	-268,096
Net Book Value	-8,058	5,497	549	-14,997	-17,009
1925-Computer Software					
Gross Assets	144,557	16,211			160,768
Accumulated Amortization	-89,570		-950	-31,148	-121,667
Net Book Value	54,988	16,211	-950	-31,148	39,101
1930-Transportation Equipment					
Gross Assets	1,504,987	81,506			1,586,493
Accumulated Amortization	-1,272,088		-0	-52,426	-1,324,515
Net Book Value	232,899	81,506	-0	-52,426	261,978
1935-Stores Equipment					
Gross Assets	1,761				1,761
Accumulated Amortization	-1,668			-138	-1,806
Net Book Value	93			-138	-45
1940-Tools, Shop and Garage Equipment					
Gross Assets	231,955	2,274	-0		234,229
Accumulated Amortization	-182,811		114	-9,167	-191,864
Net Book Value	49,143	2,274	114	-9,167	42,364
1955-Communication Equipment					
Gross Assets	29,544				29,544
Accumulated Amortization	-29,244			-50	-29,294
Net Book Value	300			-50	250
1960-Miscellaneous Equipment					

**Appendix 2-1***Capital Asset Continuity Statements*

	2006 Balance	2007 Changes			2007 Balance
		Additions	Ret./Other	Amortization	
Gross Assets					
Accumulated Amortization					
Net Book Value					
1970-Load Management Controls - Customer Premises					
Gross Assets	254,912				254,912
Accumulated Amortization	-244,229			-4,390	-248,620
Net Book Value	10,683			-4,390	6,292
1975-Load Management Controls - Utility Premises					
Gross Assets	64,873				64,873
Accumulated Amortization	-64,873				-64,873
Net Book Value					
1980-System Supervisory Equipment					
Gross Assets	498,536				498,536
Accumulated Amortization	-397,645				-397,645
Net Book Value	100,891				100,891
1995-Contributions and Grants - Credit					
Gross Assets	-915,056	-50,096			-965,152
Accumulated Amortization	105,293		-1,002	38,606	142,897
Net Book Value	-809,763	-50,096	-1,002	38,606	-822,255
<b>TOTAL</b>					
<b>Gross Assets</b>	<b>21,729,857</b>	<b>800,943</b>	<b>-8,078</b>		<b>22,522,723</b>
<b>Accumulated Amortization</b>	<b>-13,474,589</b>		<b>20,617</b>	<b>-770,455</b>	<b>-14,224,427</b>
<b>Net Book Value</b>	<b>8,255,268</b>	<b>800,943</b>	<b>12,539</b>	<b>-770,455</b>	<b>8,298,295</b>

## Appendix 2-1

### Capital Asset Continuity Statements

	2007 Balance	2008 Changes			2008 Balance
		Additions	Ret./Other	Amortization	
1805-Land					
Gross Assets	130,499				130,499
Accumulated Amortization					
Net Book Value	130,499				130,499
1806-Land Rights					
Gross Assets	10,809				10,809
Accumulated Amortization	-5,963			-306	-6,269
Net Book Value	4,846			-306	4,540
1808-Buildings and Fixtures					
Gross Assets	372,714	26,104	-1,311		397,506
Accumulated Amortization	-241,164		235	-8,821	-249,750
Net Book Value	131,550	26,104	-1,076	-8,821	147,756
1810-Leasehold Improvements					
Gross Assets	48,403		1,311		49,714
Accumulated Amortization	-3,850		27	-1,989	-5,812
Net Book Value	44,553		1,338	-1,989	43,902
1820-Distribution Station Equipment - Normally Primary below 50 kV					
Gross Assets	2,072,168	12,288			2,084,456
Accumulated Amortization	-1,549,085		205	-43,202	-1,592,083
Net Book Value	523,083	12,288	205	-43,202	492,374
1830-Poles, Towers and Fixtures					
Gross Assets	7,940,798	88,870	-0		8,029,668
Accumulated Amortization	-5,335,279		1,777	-262,053	-5,595,556
Net Book Value	2,605,519	88,870	1,777	-262,053	2,434,112
1835-Overhead Conductors and Devices					
Gross Assets	2,014,783	202,916			2,217,699
Accumulated Amortization	-340,449		4,058	-88,708	-425,099

**Appendix 2-1***Capital Asset Continuity Statements*

	2007 Balance	2008 Changes			2008 Balance
		Additions	Ret./Other	Amortization	
Net Book Value	1,674,334	202,916	4,058	-88,708	1,792,600
1840-Underground Conduit					
Gross Assets	2,933,508				2,933,508
Accumulated Amortization	-1,721,193			-108,708	-1,829,901
Net Book Value	1,212,315			-108,708	1,103,607
1845-Underground Conductors and Devices					
Gross Assets	247,842	4,814	0		252,656
Accumulated Amortization	-80,846		96	-10,106	-90,856
Net Book Value	166,996	4,814	96	-10,106	161,800
1850-Line Transformers					
Gross Assets	3,020,928	59,677	-0		3,080,605
Accumulated Amortization	-1,748,482		1,194	-117,856	-1,865,144
Net Book Value	1,272,446	59,677	1,194	-117,856	1,215,461
1855-Services					
Gross Assets	627,934	120,154			748,088
Accumulated Amortization	-86,296		2,404	-29,924	-113,817
Net Book Value	541,638	120,154	2,404	-29,924	634,271
1860-Meters					
Gross Assets	862,512	15,166	-3,757		873,921
Accumulated Amortization	-496,398		3,985	-32,340	-524,753
Net Book Value	366,114	15,166	228	-32,340	349,168
1908-Buildings and Fixtures					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1915-Office Furniture and Equipment					
Gross Assets	122,774				122,774



## Appendix 2-1

### Capital Asset Continuity Statements

	2007 Balance	2008 Changes			2008 Balance
		Additions	Ret./Other	Amortization	
Accumulated Amortization	-109,940			-2,130	-112,070
Net Book Value	12,834			-2,130	10,704
1920-Computer Equipment - Hardware					
Gross Assets	251,086	61,500			312,587
Accumulated Amortization	-268,096		6,150	-14,993	-276,938
Net Book Value	-17,009	61,500	6,150	-14,993	35,649
1925-Computer Software					
Gross Assets	160,768	289,259			450,027
Accumulated Amortization	-121,667		48,210	-121,055	-194,513
Net Book Value	39,101	289,259	48,210	-121,055	255,515
1930-Transportation Equipment					
Gross Assets	1,586,493	213,067	-219,864		1,579,695
Accumulated Amortization	-1,324,515		212,640	-47,234	-1,159,109
Net Book Value	261,978	213,067	-7,224	-47,234	420,586
1935-Stores Equipment					
Gross Assets	1,761				1,761
Accumulated Amortization	-1,806		0	-0	-1,806
Net Book Value	-45		0	-0	-45
1940-Tools, Shop and Garage Equipment					
Gross Assets	234,229				234,229
Accumulated Amortization	-191,864		-0	-6,903	-198,767
Net Book Value	42,364		-0	-6,903	35,461
1955-Communication Equipment					
Gross Assets	29,544				29,544
Accumulated Amortization	-29,294				-29,294
Net Book Value	250				250
1960-Miscellaneous Equipment					

**Appendix 2-1***Capital Asset Continuity Statements*

	2007 Balance	2008 Changes			2008 Balance
		Additions	Ret./Other	Amortization	
Gross Assets					
Accumulated Amortization					
Net Book Value					
1970-Load Management Controls - Customer Premises					
Gross Assets	254,912				254,912
Accumulated Amortization	-248,620			-2,134	-250,754
Net Book Value	6,292			-2,134	4,158
1975-Load Management Controls - Utility Premises					
Gross Assets	64,873				64,873
Accumulated Amortization	-64,873				-64,873
Net Book Value					
1980-System Supervisory Equipment					
Gross Assets	498,536				498,536
Accumulated Amortization	-397,645			-18,942	-416,586
Net Book Value	100,891			-18,942	81,950
1995-Contributions and Grants - Credit					
Gross Assets	-965,152	-194,103			-1,159,255
Accumulated Amortization	142,897		-3,882	46,370	185,386
Net Book Value	-822,255	-194,103	-3,882	46,370	-973,870
<b>TOTAL</b>					
<b>Gross Assets</b>	<b>22,522,723</b>	<b>899,711</b>	<b>-223,621</b>		<b>23,198,813</b>
<b>Accumulated Amortization</b>	<b>-14,224,427</b>		<b>277,098</b>	<b>-871,033</b>	<b>-14,818,363</b>
<b>Net Book Value</b>	<b>8,298,295</b>	<b>899,711</b>	<b>53,477</b>	<b>-871,033</b>	<b>8,380,450</b>

## Appendix 2-1

### Capital Asset Continuity Statements

	2008 Balance	2009 Changes			2009 Balance
		Additions	Ret./Other	Amortization	
1805-Land					
Gross Assets	130,499				130,499
Accumulated Amortization					
Net Book Value	130,499				130,499
1806-Land Rights					
Gross Assets	10,809				10,809
Accumulated Amortization	-6,269			-306	-6,574
Net Book Value	4,540			-306	4,235
1808-Buildings and Fixtures					
Gross Assets	397,506	6,329			403,835
Accumulated Amortization	-249,750			-9,074	-258,824
Net Book Value	147,756	6,329		-9,074	145,011
1810-Leasehold Improvements					
Gross Assets	49,714				49,714
Accumulated Amortization	-5,812			-1,989	-7,800
Net Book Value	43,902			-1,989	41,914
1820-Distribution Station Equipment - Normally Primary below 50 kV					
Gross Assets	2,084,456	478,615			2,563,071
Accumulated Amortization	-1,592,083			-51,842	-1,643,925
Net Book Value	492,374	478,615		-51,842	919,147
1830-Poles, Towers and Fixtures					
Gross Assets	8,029,668	78,052			8,107,720
Accumulated Amortization	-5,595,556			-253,359	-5,848,915
Net Book Value	2,434,112	78,052		-253,359	2,258,805
1835-Overhead Conductors and Devices					
Gross Assets	2,217,699	213,146			2,430,845
Accumulated Amortization	-425,099			-97,234	-522,333

## Appendix 2-1

### Capital Asset Continuity Statements

	2008 Balance	2009 Changes			2009 Balance
		Additions	Ret./Other	Amortization	
Net Book Value	1,792,600	213,146		-97,234	1,908,512
1840-Underground Conduit					
Gross Assets	2,933,508				2,933,508
Accumulated Amortization	-1,829,901			-108,708	-1,938,609
Net Book Value	1,103,607			-108,708	994,900
1845-Underground Conductors and Devices					
Gross Assets	252,656	77,683			330,339
Accumulated Amortization	-90,856			-13,214	-104,070
Net Book Value	161,800	77,683		-13,214	226,269
1850-Line Transformers					
Gross Assets	3,080,605	119,746			3,200,351
Accumulated Amortization	-1,865,144			-119,912	-1,985,056
Net Book Value	1,215,461	119,746		-119,912	1,215,295
1855-Services					
Gross Assets	748,088	127,263			875,351
Accumulated Amortization	-113,817			-35,014	-148,831
Net Book Value	634,271	127,263		-35,014	726,520
1860-Meters					
Gross Assets	873,921	2,847			876,768
Accumulated Amortization	-524,753			-23,096	-547,849
Net Book Value	349,168	2,847		-23,096	328,919
1908-Buildings and Fixtures					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1915-Office Furniture and Equipment					
Gross Assets	122,774				122,774

## Appendix 2-1

### Capital Asset Continuity Statements

	2008 Balance	2009 Changes			2009 Balance
		Additions	Ret./Other	Amortization	
Accumulated Amortization	-112,070			-2,130	-114,201
Net Book Value	10,704			-2,130	8,574
1920-Computer Equipment - Hardware					
Gross Assets	312,587	7,423			320,010
Accumulated Amortization	-276,938			-14,884	-291,822
Net Book Value	35,649	7,423		-14,884	28,188
1925-Computer Software					
Gross Assets	450,027	4,202			454,229
Accumulated Amortization	-194,513			-109,584	-304,097
Net Book Value	255,515	4,202		-109,584	150,133
1930-Transportation Equipment					
Gross Assets	1,579,695	14,240			1,593,935
Accumulated Amortization	-1,159,109			-45,468	-1,204,576
Net Book Value	420,586	14,240		-45,468	389,359
1935-Stores Equipment					
Gross Assets	1,761				1,761
Accumulated Amortization	-1,806				-1,806
Net Book Value	-45				-45
1940-Tools, Shop and Garage Equipment					
Gross Assets	234,229				234,229
Accumulated Amortization	-198,767			-6,630	-205,398
Net Book Value	35,461			-6,630	28,831
1955-Communication Equipment					
Gross Assets	29,544				29,544
Accumulated Amortization	-29,294				-29,294
Net Book Value	250				250
1960-Miscellaneous Equipment					

## Appendix 2-1

### Capital Asset Continuity Statements

	2008 Balance	2009 Changes			2009 Balance
		Additions	Ret./Other	Amortization	
Gross Assets					
Accumulated Amortization					
Net Book Value					
1970-Load Management Controls - Customer Premises					
Gross Assets	254,912				254,912
Accumulated Amortization	-250,754			-839	-251,593
Net Book Value	4,158			-839	3,319
1975-Load Management Controls - Utility Premises					
Gross Assets	64,873				64,873
Accumulated Amortization	-64,873				-64,873
Net Book Value					
1980-System Supervisory Equipment					
Gross Assets	498,536	3,732			502,268
Accumulated Amortization	-416,586			-18,014	-434,600
Net Book Value	81,950	3,732		-18,014	67,668
1995-Contributions and Grants - Credit					
Gross Assets	-1,159,255	-119,236			-1,278,491
Accumulated Amortization	185,386			51,140	236,526
Net Book Value	-973,870	-119,236		51,140	-1,041,966
<b>TOTAL</b>					
<b>Gross Assets</b>	<b>23,198,813</b>	<b>1,014,042</b>			<b>24,212,855</b>
<b>Accumulated Amortization</b>	<b>-14,818,363</b>			<b>-860,157</b>	<b>-15,678,520</b>
<b>Net Book Value</b>	<b>8,380,450</b>	<b>1,014,042</b>		<b>-860,157</b>	<b>8,534,335</b>

## Appendix 2-1

### Capital Asset Continuity Statements

	2009 Balance	2010 Changes			2010 Balance
		Additions	Ret./Other	Amortization	
1805-Land					
Gross Assets	130,499	24,000			154,499
Accumulated Amortization					
Net Book Value	130,499	24,000			154,499
1806-Land Rights					
Gross Assets	10,809				10,809
Accumulated Amortization	-6,574			306	-6,269
Net Book Value	4,235			306	4,540
1808-Buildings and Fixtures					
Gross Assets	403,835	60,000			463,835
Accumulated Amortization	-258,824			9,674	-249,150
Net Book Value	145,011	60,000		9,674	214,686
1810-Leasehold Improvements					
Gross Assets	49,714				49,714
Accumulated Amortization	-7,800			1,989	-5,812
Net Book Value	41,914			1,989	43,902
1820-Distribution Station Equipment - Normally Primary below 50 kV					
Gross Assets	2,563,071	150,000			2,713,071
Accumulated Amortization	-1,643,925			54,148	-1,589,777
Net Book Value	919,147	150,000		54,148	1,123,295
1830-Poles, Towers and Fixtures					
Gross Assets	8,107,720	103,470			8,211,190
Accumulated Amortization	-5,848,915			241,345	-5,607,570
Net Book Value	2,258,805	103,470		241,345	2,603,620
1835-Overhead Conductors and Devices					
Gross Assets	2,430,845	80,490			2,511,335
Accumulated Amortization	-522,333			94,729	-427,604

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### Capital Asset Continuity Statements

	2009 Balance	2010 Changes			2010 Balance
		Additions	Ret./Other	Amortization	
Net Book Value	1,908,512	80,490		94,729	2,083,731
1840-Underground Conduit					
Gross Assets	2,933,508	51,000			2,984,508
Accumulated Amortization	-1,938,609			109,728	-1,828,881
Net Book Value	994,900	51,000		109,728	1,155,627
1845-Underground Conductors and Devices					
Gross Assets	330,339	82,350			412,689
Accumulated Amortization	-104,070			14,861	-89,209
Net Book Value	226,269	82,350		14,861	323,479
1850-Line Transformers					
Gross Assets	3,200,351	179,420			3,379,771
Accumulated Amortization	-1,985,056			120,971	-1,864,085
Net Book Value	1,215,295	179,420		120,971	1,515,686
1855-Services					
Gross Assets	875,351	87,200			962,551
Accumulated Amortization	-148,831			36,758	-112,073
Net Book Value	726,520	87,200		36,758	850,478
1860-Meters					
Gross Assets	876,768	24,000			900,768
Accumulated Amortization	-547,849			23,576	-524,273
Net Book Value	328,919	24,000		23,576	376,495
1908-Buildings and Fixtures					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1915-Office Furniture and Equipment					
Gross Assets	122,774	8,000			130,774



## Appendix 2-1

### Capital Asset Continuity Statements

	2009 Balance	2010 Changes			2010 Balance
		Additions	Ret./Other	Amortization	
Accumulated Amortization	-114,201			2,176	-112,024
Net Book Value	8,574	8,000		2,176	18,750
1920-Computer Equipment - Hardware					
Gross Assets	320,010	6,000			326,010
Accumulated Amortization	-291,822			14,100	-277,722
Net Book Value	28,188	6,000		14,100	48,288
1925-Computer Software					
Gross Assets	454,229	18,700			472,929
Accumulated Amortization	-304,097			103,639	-200,458
Net Book Value	150,133	18,700		103,639	272,471
1930-Transportation Equipment					
Gross Assets	1,593,935	302,000	-168,857		1,727,079
Accumulated Amortization	-1,204,576		168,857	63,535	-972,185
Net Book Value	389,359	302,000		63,535	754,893
1935-Stores Equipment					
Gross Assets	1,761				1,761
Accumulated Amortization	-1,806				-1,806
Net Book Value	-45				-45
1940-Tools, Shop and Garage Equipment					
Gross Assets	234,229	10,000			244,229
Accumulated Amortization	-205,398			7,130	-198,267
Net Book Value	28,831	10,000		7,130	45,961
1955-Communication Equipment					
Gross Assets	29,544	3,700			33,244
Accumulated Amortization	-29,294			370	-28,924
Net Book Value	250	3,700		370	4,320
1960-Miscellaneous Equipment					

## Appendix 2-1

### Capital Asset Continuity Statements

	2009 Balance	2010 Changes			2010 Balance
		Additions	Ret./Other	Amortization	
Gross Assets					
Accumulated Amortization					
Net Book Value					
1970-Load Management Controls - Customer Premises					
Gross Assets	254,912				254,912
Accumulated Amortization	-251,593			839	-250,754
Net Book Value	3,319			839	4,158
1975-Load Management Controls - Utility Premises					
Gross Assets	64,873				64,873
Accumulated Amortization	-64,873			0	-64,873
Net Book Value				0	0
1980-System Supervisory Equipment					
Gross Assets	502,268	80,000			582,268
Accumulated Amortization	-434,600			15,796	-418,804
Net Book Value	67,668	80,000		15,796	163,464
1995-Contributions and Grants - Credit					
Gross Assets	-1,278,491	-103,000			-1,381,491
Accumulated Amortization	236,526			-53,200	183,326
Net Book Value	-1,041,966	-103,000		-53,200	-1,198,165
<b>TOTAL</b>					
<b>Gross Assets</b>	<b>24,212,855</b>	<b>1,167,330</b>	<b>-168,857</b>		<b>25,211,329</b>
<b>Accumulated Amortization</b>	<b>-15,678,520</b>		<b>168,857</b>	<b>862,470</b>	<b>-14,647,193</b>
<b>Net Book Value</b>	<b>8,534,335</b>	<b>1,167,330</b>		<b>862,470</b>	<b>10,564,135</b>