

Hydro One Brampton Networks Inc.

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November 8, 2010

Ms. Kirsten Walli
 Board Secretary
 Ontario Energy Board
 PO Box 2319
 2300 Yonge Street, 27th Floor
 Toronto ON M4P 1E4

Dear Ms. Walli,

Re: Hydro One Brampton Networks Inc. Update to 2011 Cost of Service Filing Submitted June 30, 2010

On September 30th Hydro One Brampton Networks Inc. ("Hydro One Brampton") filed updates to its 2011 Cost of Service application along with its responses to Board Staff and Intervenor Interrogatories. Furthermore, as a result of additional information brought to Hydro One Brampton's attention during the technical conference, additional adjustments have been made to Hydro One Brampton's Revenue Requirement associated with the following three issues:

- 1) PST cost savings adjustments.
- 2) Additional OM&A due to Low Income Energy Assistance Program ("LEAP").
- 3) Green Energy Act ("GEA") Capital Expenditures adjustments.

Impact on Revenue Requirement

The total impact on Revenue Requirement as the result of these three adjustments causes a reduction of \$221,296 to the Revenue Requirement filed on September 30, 2010.

Table 1 - Impact on Revenue Requirement Due to Expenditure Adjustments			
	Updated Revenue Requirement	Potential Adjustments	Adjusted Revenue Requirement
Submitted June 30, 2010	66,581,755		
Opening Fixed Asset Adjustments		(307,181)	66,274,573
Depreciation Change in Half Year Rule		(673,366)	65,908,389
Expense Indirect Overheads		(2,532,351)	64,049,404
Filed September 30, 2010	66,581,755	(3,512,898)	63,068,857
Submitted September 30, 2010	63,068,857		
PST Savings on Capital & Operating Expenditures		(133,386)	62,935,471
LEAP OM&A cost adjustment		76,057	63,144,914
GEA Capital excluded from Fixed Assets		(163,967)	62,904,890
Filed November 2, 2010	63,068,857	(221,296)	62,847,561

Appendix A provides the revenue deficiency calculations and identifies all adjustments made to revenue requirement since the June 30, 2010 submission filed.

Further details regarding the revenue requirement adjustments in this filing are as follows:

- 1) PST adjustments - Hydro One Brampton made adjustments to its revenue deficiency in relation to cost reductions relating to PST savings for both Capital and Operating expenditures for 2010 & 2011. Although the PST cost savings were taken into consideration for some expenditures in 2011, not all the PST savings were reflected for each year. For 2011, Revenue Requirement was reduced by \$133K attributable to reductions in OM&A costs of \$105K, depreciation expense of \$9K, Capital Expenditures of \$103K in 2010 and Capital Expenditures of \$411K in 2011.
- 2) Low Income Energy Assistance Program – On October 20th the OEB issued a letter providing guidance to distributors filing cost of service applications for 2011 rates. This letter stated that distributors should include the LEAP amount as part of their OM&A expenses. Hydro One Brampton has made an adjustment increasing its OM&A expenses by \$75K and increasing its revenue deficiency by \$76K in this submission.
- 3) Green Energy Act – Hydro One Brampton was made aware that adjustments were required to its revenue deficiency in relation to capital costs pertaining to the GEA. Given the uncertainty relating to the amounts that Hydro One Brampton will recover for GEA, Hydro One Brampton has removed GEA capital expenditures for both 2010 and 2011 and is requesting a rate rider and permission to establish a variance account for GEA expenditures. Hydro One Brampton has increased its revenue deficiency by \$163K and removed \$1.0 Million in 2010 and \$1.0 Million in 2011 for GEA capital expenditures. Hydro One Brampton requests a rate rider of \$0.10/Customer/Month to recover the revenue requirement associated with its GEA expenditures. In addition, Hydro One Brampton requests permission to establish a variance account to capture the difference in the proposed revenue requirement entitlement and the revenue requirement collected by way of the rate rider.

In addition, Hydro One Brampton also submits an updated revenue requirement work form supporting the revised revenue requirement, and the GEA rate rider computations.

Respectfully submitted,



Scott Miller
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cc: Jay Shepherd c/o Jay Shepherd Professional Corporation, for SEC
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Remy A. Fernandes, President & CEO, Hydro One Brampton Networks Inc.
Jamie Gribbon, Vice President Finance and Administration, Hydro One Brampton Networks Inc.

Appendix A

Appendix A - 2011 Revenue Requirement Adjustment - Revenue Deficiency Determination										
Description	Revenue Requirement Filed	Adjustments to Revenue Requirement Revenue At								Adjusted Revenue Requirement
		Opening Fixed Asset Adjustments	Depreciation - Change in Half Year Rule	Expense Indirect Overheads	Existing Rates Adjusted	PST Adjustment	LEAP Adjustment	GEA Adjustment	Total Adjustments	
Revenue										
Revenue Deficiency	4,042,406	(307,181)	(673,366)	(2,532,351)	(191,833)	(133,386)	76,057	(163,967)	(3,926,027)	116,379
Distribution Revenue	58,552,937	0	0	0	191,833	0	0	0	191,833	58,744,770
Other Operating Revenue (Net)	3,986,412	0	0	0	0	0	0	0	0	3,986,412
Total Revenue	66,581,755	(307,181)	(673,366)	(2,532,351)	0	(133,386)	76,057	(163,967)	(3,734,194)	62,847,561
Costs and Expenses										
Administrative & General, Billing & Collecting	14,416,233	0	0	(674,292)	0	(105,100)	75,000	0	(704,392)	13,711,841
Operation & Maintenance	10,890,495	0	0	(2,425,901)	0	0	0	0	(2,425,901)	8,464,594
Depreciation & Amortization	12,494,579	0	(500,000)	514,538	0	(9,368)	0	(51,910)	(46,740)	12,447,839
Capital Taxes	0	0	0	0	0	0	0	0	0	0
Deemed Interest	12,964,060	(126,444)	9,673	28,137	0	(12,160)	435	(56,835)	(157,195)	12,806,865
Total Costs and Expenses	50,765,367	(126,444)	(490,327)	(2,557,518)	0	(126,628)	75,435	(108,745)	(3,334,228)	47,431,139
Utility Income Before Income Taxes	15,816,388	(180,737)	(183,038)	25,168	0	(6,759)	622	(55,222)	(399,966)	15,416,422
Income Taxes:										
Corporate Income Taxes	2,520,659	(51,058)	(192,958)	(3,689)	0	5,712	176	3,068	(238,750)	2,281,908
Total Income Taxes	2,520,659	(51,058)	(192,958)	(3,689)	0	5,712	176	3,068	(238,750)	2,281,908
		0	0	0	0	0	0	0	0	
Utility Net Income	13,295,729	(129,679)	9,920	28,857	0	(12,471)	446	(58,289)	(161,216)	13,134,513
Capital Tax Expense Calculation:										
Total Rate Base	335,073,828	(3,268,121)	250,000	727,232	0	(314,283)	11,250	(1,468,985)	(4,062,907)	331,010,921
Exemption	0	0	0	0	0	0	0	0	0	0
Deemed Taxable Capital	335,073,828	(3,268,121)	250,000	727,232	0	(314,283)	11,250	(1,468,985)	(4,062,907)	331,010,921
Ontario Capital Tax	0	0	0	0	0	0	0	0	0	0
Income Tax Expense Calculation:										
Accounting Income	15,816,388	(180,737)	(183,038)	25,168	0	(6,759)	622	(55,222)	(399,966)	15,416,422
Tax Adjustments to Accounting Income	(6,893,703)	0	(500,000)	(38,226)	0	26,978	0	66,080	(445,167)	(7,338,870)
Taxable Income	8,922,685	(180,737)	(683,038)	(13,058)	0	20,219	622	10,858	(845,134)	8,077,551
Income Tax Expense	2,520,659	(51,058)	(192,958)	(3,689)	0	5,712	176	3,068	(238,750)	2,281,908
	28.25%	28.25%	28.25%	28.25%	0.00%	28.25%	28.25%	28.25%	0.00%	113.00%
Actual Return on Rate Base:										
Rate Base	335,073,828	(3,268,121)	250,000	727,232	0	(314,283)	11,250	(1,468,985)	(4,062,907)	331,010,921
		0	0	0	0	0	0	0	0	
Interest Expense	12,964,060	(126,444)	9,673	28,137	0	(12,160)	435	(56,835)	(157,195)	12,806,865
Net Income	13,295,729	(129,679)	9,920	28,857	0	(12,471)	446	(58,289)	(161,216)	13,134,513
Total Actual Return on Rate Base	26,259,789	(256,123)	19,593	56,993	0	(24,630)	882	(115,125)	(318,411)	25,941,379
Actual Return on Rate Base	7.84%	7.84%	7.84%	7.84%	0.00%	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	(314,283)	11,250	(1,468,985)	(4,062,907)	331,010,921
Return Rates:										
Return on Debt (Weighted)	6.45%	6.45%	6.45%	6.45%	0.00%	6.45%	6.45%	6.45%	6.45%	6.45%
Return on Equity	9.92%	9.92%	9.92%	9.92%	0.00%	9.92%	9.92%	9.92%	9.92%	9.92%
Deemed Interest Expense	12,964,060	(126,444)	9,673	28,137	0	(12,160)	435	(56,835)	(157,195)	12,806,865
Return On Equity	13,295,729	(129,679)	9,920	28,857	0	(12,471)	446	(58,289)	(161,216)	13,134,513
Total Return	26,259,789	(256,123)	19,593	56,993	0	(24,630)	882	(115,125)	(318,411)	25,941,379
Expected Return on Rate Base	7.84%	7.84%	7.84%	7.84%	0.00%	7.84%	7.84%	7.84%	7.84%	7.84%
Tax Exhibit										
Deemed Utility Income	13,295,729	(129,679)	9,920	28,857	0	(12,471)	446	(58,289)	(161,216)	13,134,513
Tax Adjustments to Accounting Income	(6,893,703)	0	(500,000)	(38,226)	0	26,978	0	66,080	(445,167)	(7,338,870)
Taxable Income prior to adjusting revenue to PILs	6,402,026	(129,679)	(490,080)	(9,369)	0	14,507	446	7,791	(606,383)	5,795,643
Tax Rate	28.25%	28.25%	28.25%	28.25%	0.00%	28.25%	28.25%	28.25%	141.25%	169.50%
Total PILs before gross up	1,808,572	(36,634)	(138,448)	(2,647)	0	4,098	126	2,201	(171,303)	1,637,269
Grossed up PILs	2,520,659	(51,058)	(192,958)	(3,689)	0	5,712	176	3,068	(238,750)	2,281,908

2011 GEA Rate Adder Application

Ongoing Funder Rider

Revenue Requirement:

2011 Rate Year Entitlement	163,967
	163,967

Smart Meter Costs for Recovery	163,967
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Forecasted Number of Customers	133,888
Number of Months	12
Rate Adder	0.1021

	2010	2011
Capital	1,003,000	1,024,000
OM&A	-	
	1,005,010	1,026,011
Revenue Requirement		

	2010	2011
Capital	1,003,000	1,024,000
OM&A	-	-
Total Capital & OM&A	1,003,000	1,024,000
Revenue Requirement		163,967
Number of Customers		133,888
Number of months		12
Rate Adder		0.10

2011 GEA Rate Rider Application Revenue Requirement Calculations

Transmission Station Equipment - 1815
Supervisory Control Equipment - 1980
Poles, Towers & Fixtures -1830
Distribution Meters-1860

Operation Expense
15% Working Capital

Deemed Debt - Long Term
Deemed Debt - Short Term
Deemed Equity

Return on Rate Base

Incremental Operating Expenses

Revenue Requirement before PILs

Incremental Operating Expenses
Depreciation Expense
Interest Expense

Grossed up PILs

Revenue Requirement before PILs

Revenue Requirement for GEA

Revenue Requirement for GEA
Total Metered Customers
Annualized amount required per metered customer
Number of months in year
GEA Rate Adder

Income Tax

Net Income
Amortization
CCA
Revised Taxable Income
Tax Rate
Income Taxes Payable

GEA Related Fixed Assets
Less: Exemption
Deemed Taxable Capital
Ontario Capital Tax Rate
NET OCT Amount

Change in Income Taxes Payable
Change in OCT
PILs

[illegible]

Forecast 2011					
\$		144,669			
\$		164,817			
\$		971,000			
\$		188,500	\$	1,468,985	
	-				
\$	-		\$	-	
			\$	1,468,985	
	56.0%		\$	822,632	
	4.0%		\$	58,759	
	40.0%		\$	587,594	
			\$	1,468,985	
	6.76%		\$	55,619	
	2.07%		\$	1,216	
	9.92%		\$	58,289	
			\$	115,125	\$ 115,125
					\$ -
					\$ 51,910
					\$ 167,035
					\$ -
					\$ (51,910)
					\$ (56,835)
					\$ 58,289
				(3,068)	
					167,035
				(3,068)	
				163,967	
					163,967
					133,888
					1.22
					12
					0.10
		58,289			
		51,910			
-		117,990			
-		7,791			
		28.25%			
-		2,201			
		1,955,030			
		-			
		1,955,030			
		0.000%			
		-			
PILs Payable	2,201	Gross Up	28.25%	Grossed Up PILs	3,068
-	-	-	-	-	-
-	2,201	-	-	-	3,068

GEA Fixed Asset Continuity

For Accounting

		Forecast 2010	Forecast		
	Opening Balance	Additions	Amortization For	2010 Net Book Value	2010 Average NBV
			2010		
Transmission Station Equipment - 1815	40	-	-	-	-
Supervisory Control Equipment - 1980	15	-	-	-	-
Poles, Towers & Fixtures -1830	25	1,003,000	20,060	982,940	491,470
Distribution Meters-1860	15	-	-	-	-
		1,003,000	20,060	982,940	491,470

		Forecast 2011	Forecast		
	Opening Balance	Additions	Amortization For	2011 Net Book Value	2011 Average NBV
			2011		
Transmission Station Equipment - 1815	40	293,000	3,663	289,338	144,669
Supervisory Control Equipment - 1980	15	341,000	11,367	329,633	164,817
Poles, Towers & Fixtures -1830	42	-	23,881	959,059	971,000
Distribution Meters-1860	15	390,000	13,000	377,000	188,500
		1,024,000	51,910	1,955,030	1,468,985

Smart Meter Fixed Asset Continuity

For Tax Purposes

	CCA Class	CCA Rate	Opening UCC Balance	2010 Forecast Additions	CCA For Opening UCC	CCA For 2010 Additions	Total CCA - 2010	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	-	-	-	-	-	-
Supervisory Control Equipment - 1980	Class 47	8%	-	-	-	-	-	-
Poles, Towers & Fixtures -1830	Class 47	8%	-	1,003,000	-	40,120	40,120	962,880
Distribution Meters-1860	Class 47	8%	-	-	-	-	-	-
			-	1,003,000	-	40,120	40,120	962,880

	CCA Class	CCA Rate	Opening UCC Balance	2011 Forecast Additions	CCA For Opening UCC	CCA For 2011 Additions	Total CCA - 2011	Closing UCC Balance
Transmission Station Equipment - 1815	Class 47	8%	-	293,000	-	11,720	11,720	281,280
Supervisory Control Equipment - 1980	Class 47	8%	-	341,000	-	13,640	13,640	327,360
Poles, Towers & Fixtures -1830	Class 47	8%	962,880	-	77,030	-	77,030	885,850
Distribution Meters-1860	Class 47	8%	-	390,000	-	15,600	15,600	374,400
			962,880	1,024,000	77,030	40,960	117,990	1,868,890



REVENUE REQUIREMENT WORK FORM

Name of LDC: (1)
 File Number:
 Rate Year: Version: 1.0

Table of Content

<u>Sheet</u>	<u>Name</u>
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7	Bill Impacts

Notes:

(1) Pale green cells represent inputs

(2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

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REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

File Number:

Rate Year: 2011

Data Input							(1)
		Application		Adjustments		Per Board Decision	
1	<u>Rate Base</u>						
	Gross Fixed Assets (average)	\$535,539,506	(4)			\$535,539,506	
	Accumulated Depreciation (average)	(\$258,116,877)	(5)			(\$258,116,877)	
	<u>Allowance for Working Capital:</u>						
	Controllable Expenses	\$22,176,435	(6)			\$22,176,435	
	Cost of Power	\$335,078,839				\$335,078,839	
	Working Capital Rate (%)	15.00%				15.00%	
2	<u>Utility Income</u>						
	Operating Revenues:						
	Distribution Revenue at Current Rates	\$58,744,770					
	Distribution Revenue at Proposed Rates	\$58,861,149					
	<u>Other Revenue:</u>						
	Specific Service Charges	\$316,281					
	Late Payment Charges	\$1,450,331					
	Other Distribution Revenue	\$1,967,800					
	Other Income and Deductions	\$252,000					
	<u>Operating Expenses:</u>						
	OM+A Expenses	\$22,176,435				\$22,176,435	
	Depreciation/Amortization	\$12,447,839				\$12,447,839	
	Property taxes	\$ -				\$0	
	<u>Capital taxes</u>	\$0					
	Other expenses	\$ -				\$0	
3	<u>Taxes/PILs</u>						
	Taxable Income:						
	Adjustments required to arrive at taxable income	(\$7,338,871)	(3)				
	<u>Utility Income Taxes and Rates:</u>						
	Income taxes (not grossed up)	\$1,637,269					
	<u>Income taxes (grossed up)</u>	\$2,281,908					
	Capital Taxes	\$ -					
	Federal tax (%)	16.50%					
	Provincial tax (%)	11.75%					
	Income Tax Credits						
4	<u>Capitalization/Cost of Capital</u>						
	<u>Capital Structure:</u>						
	Long-term debt Capitalization Ratio (%)	56.0%				56.0%	
	Short-term debt Capitalization Ratio (%)	4.0%	(2)			4.0%	(2)
	Common Equity Capitalization Ratio (%)	40.0%				40.0%	
	Preferred Shares Capitalization Ratio (%)						
	<u>Cost of Capital</u>						
	Long-term debt Cost Rate (%)	6.76%					
	Short-term debt Cost Rate (%)	2.07%					
	Common Equity Cost Rate (%)	9.92%					
	Preferred Shares Cost Rate (%)						

Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

File Number:

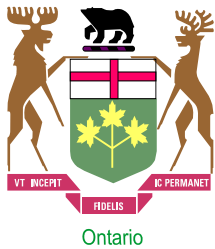
Rate Year: 2011

		Rate Base		
Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$535,539,506	\$ -	\$535,539,506
2	Accumulated Depreciation (average) (3)	(\$258,116,877)	\$ -	(\$258,116,877)
3	Net Fixed Assets (average) (3)	\$277,422,629	\$ -	\$277,422,629
4	Allowance for Working Capital (1)	\$53,588,291	\$ -	\$53,588,291
5	Total Rate Base	\$331,010,920	\$ -	\$331,010,920

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$22,176,435	\$ -	\$22,176,435
7	Cost of Power	\$335,078,839	\$ -	\$335,078,839
8	Working Capital Base	\$357,255,274	\$ -	\$357,255,274
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$53,588,291	\$ -	\$53,588,291

Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
 (3) Average of opening and closing balances for the year.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

File Number:

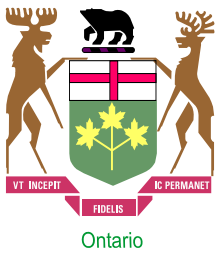
Rate Year: 2011

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<u>Operating Revenues:</u>				
1	Distribution Revenue (at Proposed Rates)	\$58,861,149	\$ -	\$58,861,149
2	Other Revenue (1)	\$3,986,412	\$ -	\$3,986,412
3	Total Operating Revenues	\$62,847,561	\$ -	\$62,847,561
<u>Operating Expenses:</u>				
4	OM+A Expenses	\$22,176,435	\$ -	\$22,176,435
5	Depreciation/Amortization	\$12,447,839	\$ -	\$12,447,839
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$34,624,274	\$ -	\$34,624,274
10	Deemed Interest Expense	\$12,806,865	\$ -	\$12,806,865
11	Total Expenses (lines 4 to 10)	\$47,431,139	\$ -	\$47,431,139
12	Utility income before income taxes	\$15,416,421	\$ -	\$15,416,421
13	Income taxes (grossed-up)	\$2,281,908	\$ -	\$2,281,908
14	Utility net income	\$13,134,513	\$ -	\$13,134,513

Notes

(1)	<u>Other Revenues / Revenue Offsets</u>		
	Specific Service Charges	\$316,281	\$316,281
	Late Payment Charges	\$1,450,331	\$1,450,331
	Other Distribution Revenue	\$1,967,800	\$1,967,800
	Other Income and Deductions	\$252,000	\$252,000
	Total Revenue Offsets	\$3,986,412	\$3,986,412



REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

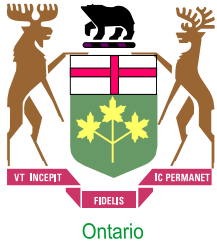
File Number:

Rate Year: 2011

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$13,134,513	\$13,134,513
2	Adjustments required to arrive at taxable utility income	(\$7,338,871)	(\$7,338,871)
3	Taxable income	<u>\$5,795,642</u>	<u>\$5,795,642</u>
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$1,637,269	\$1,637,269
5	Capital taxes	\$ -	\$ -
6	Total taxes	<u>\$1,637,269</u>	<u>\$1,637,269</u>
7	Gross-up of Income Taxes	<u>\$644,639</u>	<u>\$644,639</u>
8	Grossed-up Income Taxes	<u>\$2,281,908</u>	<u>\$2,281,908</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$2,281,908</u>	<u>\$2,281,908</u>
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	16.50%	16.50%
12	Provincial tax (%)	11.75%	11.75%
13	Total tax rate (%)	<u>28.25%</u>	<u>28.25%</u>

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

File Number:

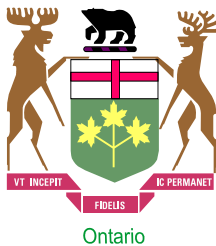
Rate Year: 2011

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
	Debt				
1	Long-term Debt	56.00%	\$185,366,115	6.76%	\$12,532,788
2	Short-term Debt	4.00%	\$13,240,437	2.07%	\$274,077
3	Total Debt	60.00%	\$198,606,552	6.45%	\$12,806,865
	Equity				
4	Common Equity	40.00%	\$132,404,368	9.92%	\$13,134,513
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$132,404,368	9.92%	\$13,134,513
7	Total	100%	\$331,010,920	7.84%	\$25,941,379
Per Board Decision					
	Debt				
8	Long-term Debt	56.00%	\$185,366,115	6.76%	\$12,532,788
9	Short-term Debt	4.00%	\$13,240,437	2.07%	\$274,077
10	Total Debt	60.00%	\$198,606,552	6.45%	\$12,806,865
	Equity				
11	Common Equity	40.0%	\$132,404,368	9.92%	\$13,134,513
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$132,404,368	9.92%	\$13,134,513
14	Total	100%	\$331,010,920	7.84%	\$25,941,379

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

File Number:

Rate Year: 2011

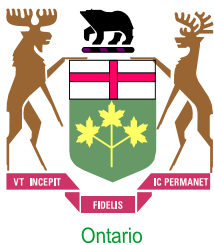
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Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$116,379		\$116,379
2	Distribution Revenue	\$58,744,770	\$58,744,770	\$58,744,770	\$58,744,770
3	Other Operating Revenue Offsets - net	\$3,986,412	\$3,986,412	\$3,986,412	\$3,986,412
4	Total Revenue	\$62,731,182	\$62,847,561	\$62,731,182	\$62,847,561
5	Operating Expenses	\$34,624,274	\$34,624,274	\$34,624,274	\$34,624,274
6	Deemed Interest Expense	\$12,806,865	\$12,806,865	\$12,806,865	\$12,806,865
	Total Cost and Expenses	\$47,431,139	\$47,431,139	\$47,431,139	\$47,431,139
7	Utility Income Before Income Taxes	\$15,300,042	\$15,416,421	\$15,300,042	\$15,416,421
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	(\$7,338,871)	(\$7,338,871)	(\$7,338,871)	(\$7,338,871)
9	Taxable Income	\$7,961,171	\$8,077,550	\$7,961,171	\$8,077,550
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%
11	Income Tax on Taxable Income	\$2,249,031	\$2,281,908	\$2,249,031	\$2,281,908
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$13,051,011	\$13,134,513	\$13,051,011	\$13,134,513
14	Utility Rate Base	\$331,010,920	\$331,010,920	\$331,010,920	\$331,010,920
	Deemed Equity Portion of Rate Base	\$132,404,368	\$132,404,368	\$132,404,368	\$132,404,368
15	Income/Equity Rate Base (%)	9.86%	9.92%	9.86%	9.92%
16	Target Return - Equity on Rate Base	9.92%	9.92%	9.92%	9.92%
	Sufficiency/Deficiency in Return on Equity	-0.06%	0.00%	-0.06%	0.00%
17	Indicated Rate of Return	7.81%	7.84%	7.81%	7.84%
18	Requested Rate of Return on Rate Base	7.84%	7.84%	7.84%	7.84%
19	Sufficiency/Deficiency in Rate of Return	-0.03%	0.00%	-0.03%	0.00%
20	Target Return on Equity	\$13,134,513	\$13,134,513	\$13,134,513	\$13,134,513
21	Revenue Sufficiency/Deficiency	\$83,502	\$0	\$83,502	\$0
22	Gross Revenue Sufficiency/Deficiency	\$116,379 (1)		\$116,379 (1)	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



REVENUE REQUIREMENT WORK FORM

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File Number:

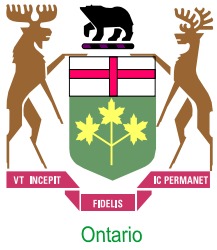
Rate Year: 2011

Revenue Requirement			
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$22,176,435	\$22,176,435
2	Amortization/Depreciation	\$12,447,839	\$12,447,839
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$2,281,908	\$2,281,908
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$12,806,865	\$12,806,865
	Return on Deemed Equity	\$13,134,513	\$13,134,513
8	Distribution Revenue Requirement before Revenues	\$62,847,561	\$62,847,561
9	Distribution revenue	\$58,861,149	\$58,861,149
10	Other revenue	\$3,986,412	\$3,986,412
11	Total revenue	\$62,847,561	\$62,847,561
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$0 (1)	\$0 (1)

Notes

(1)

Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Name of LDC: Hydro One Brampton Networks Inc

File Number:

Rate Year: 2011

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate Order	Change			Current	Per Draft Rate Order	Change	
				\$	%				\$	%
Residential	800 kWh/month	\$ 10.60	\$ 10.51	-\$ 0.09	-0.8%		\$ 112.15	\$ 114.76	\$ 2.61	2.3%
GS < 50kW	2000 kWh/month	\$ 20.27	\$ 18.76	-\$ 1.51	-7.4%		\$ 282.06	\$ 280.09	-\$ 1.97	-0.7%

Notes:

Delivery charge has not been updated at this time as Rate Design has not been updated since the September 30, 2010 filing. The the Monthly Delivery Charge and the Total Bill amounts will be updated when final board decision has been made. Total Bill includes all rate riders/adders applicable to that class.