



**CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.**

1500 Bishop Street, P.O. Box 1060, Cambridge, ON N1R 5X6  
Phone: 519-621-3530, Fax: 519-621-0383

November 16, 2010

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
P.O Box 2319  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

**Dear Ms. Walli:**

**Re: Cambridge and North Dumfries Hydro Inc. (OEB Licence ED-2002-0574)  
Updates to 2011 IRM3 Rate Application (EB- 2010-0068)**

Cambridge and North Dumfries Hydro Inc. (CND) filed its 2011 IRM3 Rate Application on November 1, 2010. CND recently discovered an error in the smart meter rate calculation model and the resultant smart meter rate adder that were included in its application.

Cambridge and North Dumfries Hydro Inc. is hereby requesting to update the following sections of its 2011 rate application:

- The Manager's Summary included in Tab 2
- The Smart Meter Rate Calculation Model included in Tab 8

Two copies of this letter have been forwarded to your attention via courier.

If you require any additional information or clarification, please contact me at (519) 621-8405, ext. 2355.

Yours truly,

**CAMBRIDGE & NORTH DUMFRIES HYDRO INC.**

John W. Grotheer, CMA  
President & CEO

## Revised Manager's Summary

Cambridge and North Dumfries Hydro Inc. (“CND”) licensed electricity distributor (ED-2002- 0574) that owns and operates the electricity distribution system in it's in the City of Cambridge and the Township of North Dumfries. CND serves approximately 50,000 Residential, General Service, Large User, Street Light and Unmetered Scattered Load customers and connections. CND also provides Low Voltage facilities to Hydro One Networks Inc. and Waterloo North Hydro Inc.

In this application Cambridge and North Dumfries Hydro Inc. is applying for rates and other charges effective May 1, 2011. Cambridge and North Dumfries Hydro Inc. completed a full cost of service rebasing application for May 1, 2010 rates (EB-2009-0260). This is Cambridge and North Dumfries Hydro Inc. first application under the Board's 3rd Generation Incentive Regulation Mechanism ("IRM3").

Cambridge and North Dumfries Hydro Inc. has adhered to the Board's directions in completing the Board approved IRM3 rate models and incorporated the necessary adjustment.

Cambridge and North Dumfries Hydro Inc. is requesting to update its 2011 rate application to reflect a revised smart meter rate calculation model and smart meter rate adder. Details are provided on page 5.

This Manager's Summary will address the following items:

- Price Cap Adjustment
- Shared Tax Savings
- Revenue to Cost Ratio Adjustment
- Deferral and Variance Account Rider
- **Smart Meter Adder - Revised**
- Retail Transmission Service Rates

1           • Late Payment Class Action Recovery

2           • Customer Bill Impacts – Tab 10

3   **Price Cap Adjustment**

4   The price cap adjustment under the Board's 3rd Generation IRM plan is determined as  
5   the annual percentage change in the productivity factor (GDP-IPI) less the X-Factor. For  
6   IRM3 the X-Factor is a productivity factor of 0.72% plus a stretch factor. In the attached  
7   application, Cambridge and North Dumfries Hydro Inc. electricity distribution rates for  
8   2011 have been adjusted based on the following figures:

9           - Price escalator (GDP-IPI) – 1.3%;

10          - Productivity factor – -0.72%; and

11          - Stretch factor – -0.4%.

12          - Resulting Price Cap Index – 0.18%

13   Cambridge and North Dumfries Hydro Inc. understands that upon publication of the 2010  
14   GDP-IPI by Statistics Canada at the end of February 2011, the Board will update the  
15   rate application to reflect this change. In addition, once the Board establishes the final  
16   groupings of distributor specific stretch factors, the Board will update that data  
17   accordingly.

18   The 2011 IRM3 Rate Generator is included in the evidence in Tab 4.

19   **Tax Sharing**

20   As part of the Supplemental Report of the Board on 3rd Generation Incentive Regulation  
21   for Ontario's Electricity Distributors (EB-2007-0673) – September 17, 2008; the Board  
22   determined that there would be a 50/50 sharing of the impact of currently known  
23   legislated tax changes. As part of this application, Cambridge and North Dumfries Hydro  
24   Inc. has identified a reduction in the capital tax rate and the income tax rate.

Cambridge and North Dumfries Hydro Inc. has completed the 2011 IRM3 Shared Tax Savings Workform and has determined the tax sharing amounts. This model is included in Tab 5. These rate riders are included at page J2.7 of the Rate Generator Workform.

#### **Revenue to Cost Ratio Adjustment**

In order to implement the final phase of the Revenue to Cost Ratio adjustment for large users and street light rate class as agreed upon by Cambridge and North Dumfries Hydro Inc. and the intervenors, and approved by the Board in Cambridge and North Dumfries Hydro Inc. 2010 cost of service application, Cambridge and North Dumfries Hydro Inc. proposes the following Revenue to Cost ratios as determined by the Supplemental Model.

For 2011, Cambridge and North Dumfries Hydro Inc. is proposing to increase the revenue to cost ratios for Large Users and Street Lighting class to reach the bottom of the Board's target range that is 85% and 70% respectively. The revenues from the increase has been distributed to the General Service < 50 kW and General Service > 50 rate classes. Resulting in a revenue to cost ratio of 109% for each rate class as agreed by the parties in Cambridge and North Dumfries Hydro Inc. 2010 cost of service rate application. The 2011 IRM3 Revenue Cost Ratio Adjustment Workform is included in Tab 6. The rate adjustments resulting from the above movements in the revenue to cost ratios are determined in Sheet C 1.9 of the workform and entered in the Rate Generator Model at Sheet D1.2.

#### **Deferral and Variance Account Disposition**

The Report of the Board on Electricity Distributor's Deferral and Variance Account Review Report (the "EDDVAR Report") has detailed that during the IRM plan term, the Group 1 audited account balances will be reviewed and disposed of if the preset disposition threshold of \$0.001/kWh (debit or credit) is exceeded. Cambridge and North Dumfries Hydro Inc. cost of service rebasing application included disposition of the majority of the accounts. The accounts subject to review at this point are related only to 2009 activity and interest. Cambridge and North Dumfries Hydro Inc. has not included Account 1595 in this analysis as it is currently being disposed of through approval in the

1 2010 Cost of Service application. This account is being cleared over a two year period  
2 and any residual will be brought forward in a future year.

3 The Threshold Test, based on the above total claim amount and Cambridge & North  
4 Dumfries Hydro Inc.'s 2010 approved cost of service volumes of 1,439,110,974 kWh,  
5 determined an amount of \$0.00819 per kWh which is above the ceiling rate of \$0.001  
6 per kWh established by the Board. As a result Cambridge and North Dumfries Hydro Inc.  
7 is proposing that the audited balances in Group 1 accounts be disposed of over a period  
8 of one year.

9 In the 2010 cost of service rate application Cambridge and North Dumfries Hydro Inc.  
10 applied for the disposition of the balance in the Global Adjustment sub account of \$2.1  
11 million from both RPP and non-RPP customers. In its Decision, the Board didn't approve  
12 the requested disposition of the Global Adjustment sub account of \$2.1 million indicating  
13 that the balance was considered immaterial.

14 The Board was also considered it inappropriate to collect the \$2.1 million balance from  
15 both RPP and Non- RPP customers because Cambridge and North Dumfries Hydro Inc.  
16 exiting CIS/Billing system does not have the capability to implement a separate rate rider  
17 specific to non-RPP customers. As at December 31, 2009 the balance in the Global  
18 Adjustment sub account is \$7.87 million.

19 Cambridge & North Dumfries Hydro Inc. is working vigorously on implementing its new  
20 CIS/Billing system and has a go live date of March/April 2011. The new CIS/Billing  
21 system has the capability to implement a separate rate rider for non- RPP customer.  
22 Given the material audited balance of \$7.87 million as of December 31, 2009 and the  
23 ability to implement a separate rate rider for non- RPP customers, Cambridge and North  
24 Dumfries Hydro Inc. request that the Board approved the proposed disposition of the  
25 \$7.87 as of December 31, 2009 plus the applicable interest to April 30, 2011 over a  
26 period of one year to non-RPP customers.

27 The Deferral and Variance Workform with the supporting details is provided in Tab 7

1     **Smart Meter Adder – Revised**

2     Cambridge and North Dumfries Hydro Inc. have discovered an error in its 2011 IRM3  
3     smart meter workform that was submitted on November 1, 2010.

4     Specifically, the “PILS” tab and “Avg Nt Fix Ass & UCC” tab in the Smart Meter Rate  
5     Calculation Model had a few incorrect references to other tabs in the model. As a result,  
6     the Smart Meter Rate Calculation Model and the resultant smart meter rate adder,  
7     included in the rate application, are incorrect.

8     Cambridge and North Dumfries Hydro Inc. request that the updated Smart Meter Rate  
9     Calculation Model submitted with this revised manager's summary replaces the one that  
10    was submitted with the rate application on November 1, 2010.

11    Cambridge and North Dumfries Hydro Inc. is also requesting to update the smart meter  
12    adder to \$1.61 per meter per month, instead of the \$2.80 per meter per month included  
13    in the rate application submitted on November 1, 2010.

14    **Retail Transmission Rates**

15    The Board's Revision to Guideline G-2008-0001 - Electricity Distribution Retail  
16    Transmission Service Rates (“RTSR”s) were issued July 8, 2010. Based on the most  
17    recent Decision and Rate Order of the Board (EB-2008-0272), new Uniform  
18    Transmission Rates (UTR's) are effective January 1, 2010 and are as follows:

19           Network Service Rate \$2.97 per kW per month;

20           Line Connection Service Rate \$0.73 per kW per month; and

21           Transformation Connection Service Rate \$1.71 per kW per month.

22    For 2011, the Guideline instructs distributors to adjust RTSR's based on a comparison of  
23    historical transmission costs adjusted for new UTR levels and revenues generated from  
24    existing RTSRs. The Guideline further notes that once the January 1, 2011 UTR rates  
25    have been determined, the Board will adjust each distributor's rate application model to  
26    incorporate any changes.

The 2011 RTST Adjustment Workform as provided by the Board and completed by Cambridge and North Dumfries Hydro Inc. is included in this application in Tab 9. The results from pages F1.1 and F1.2 of this model are included in the 2011 IRM3 Rate Generator at pages L1.1 and L2.1.

#### **Late Payment Class Action Recovery**

As part of this application, Cambridge and North Dumfries Hydro Inc. is seeking recovery of a one-time expense in the amount of \$195,530.53 which is to be paid on June 30, 2011. This payment will serve to resolve long-standing litigation against all former municipal electric utilities ("MEUs") in the Province in relation to late payment penalty ("LPP") charges collected pursuant to, first, Ontario Hydro rate schedules and, after industry restructuring, Ontario Energy Board rate orders (the "LPP Class Action").

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

(a) Former MEUs collectively pay \$17 million in damages;

(b) Payment is not due until June 30, 2011; and

(c) Amounts paid, after deduction for class counsel fee, will be paid to the Winter Warmth Fund or similar charities.

Cambridge and North Dumfries Hydro Inc. will make a payment of \$195,530.53 by June 30, 2011. This amount represents Cambridge and North Dumfries Hydro Inc.'s share of the settlement, applicable taxes and legal fees. Cambridge and North Dumfries Hydro Inc. believes that the settlement is in its best interest and the best interest of its customers and that the payment in connection with the settlement will be a prudent one.

Cambridge and North Dumfries Hydro Inc., along with all other electricity distributors filing for cost of service and IRM applications for 2011 electricity distribution rates (the "LDCs"), proposes that the Board hold a generic hearing at the earliest opportunity to determine if all costs and damages incurred in this litigation and settlement are recoverable from customers and, if so, the form and timing of recovery from customers.

1 If the Board agrees to hold this generic hearing, the LDCs will collectively file written  
2 evidence to address the prudence of the settlement, the costs incurred, the methodology  
3 of allocating total settlement costs amongst the LDCs, the proposed method of recovery,  
4 and any other matters the Board determines appropriate.

5 If the Board determines that it will not hold a generic proceeding, Cambridge and North  
6 Dumfries Hydro Inc. asks to be advised of this fact as soon as possible so that it can file,  
7 to permit adjudication as part of this proceeding, written evidence to address the  
8 prudence of the settlement, the costs incurred, the methodology of allocating total  
9 settlement costs amongst the LDCs, the proposed method of recovery, and any other  
10 matters the Board determines appropriate

# 11 **Conclusion**

12 A copy of the current tariff sheet and the proposed tariff sheet is included in Tab 3 and  
13 the customer bill impacts are provided in Tab 10. In summary, the bill impact for a RPP  
14 Residential customer in Cambridge and North Dumfries Hydro Inc. service territory, with  
15 a monthly electricity consumption of 800 kWh, will be 0.4% or \$0.45 per month after  
16 HST. The bill impact for a General Service Less Than 50 kW customer that is on the  
17 RPP with a monthly electricity consumption of 2,000 kWh, will be -1.4% or -\$3.54 per  
18 month after HST.

19 The rate increase for Street light customer is 30.7% or \$1.84 per month after HST. Even  
20 though the percentage seems high the dollar amount is minimal and the increase also  
21 includes an amount for global adjustment charge. This is the final increase as a result of  
22 the revenue to cost ratio adjustment to reach the bottom of the Board target range that  
23 was agreed upon in Cambridge and North Dumfries Hydro Inc. 2010 cost of service rate  
24 application.



## Sheet 1 Utility Information Sheet

---

**Name of LDC:** Cambridge and North Dumfries Hydro Inc.

**Licence Number:** ED-2002-0574

**Date of Submission:** October 31, 2010

### **Contact Information**

**Name:** John Grotheer

**Title:** President and CEO

**Phone Number:** 519 621 3530 Ext 2355

**E-Mail Address:** [jgrotheer@camhydro.com](mailto:jgrotheer@camhydro.com)

## Sheet 2. Smart Meter Capital Cost and Operational Expense Data

### Smart Meter Unit Installation Plan:

*assume calendar year installation*

Planned number of Residential smart meters to be installed

Planned number of General Service Less Than 50 kW smart meters

### Planned Meter Installation (Residential and Less Than 50 kW only)

### Percentage of Completion

Planned number of General Service Greater Than 50 kW smart meters

Planned / Actual Meter Installations

### Other Unit Installation Plan:

*assume calendar year installation*

Planned number of Collectors to be installed

Planned number of Repeaters to be installed

Other : Please specify

2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
			7,205	37,885			45,090
			285	4,346			4,631
-	-	-	7,490	42,231	-	-	49,721
0%	0%	0%	15%	100%	100%	100%	
							-
-	-	-	7,490	42,231	-	-	49,721

## Capital Costs

### 1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

#### 1.1.1 Smart Meter

*may include new meters and modules, etc.*

#### 1.1.2 Installation Cost

*may include socket kits plus shipping, labour, benefits, vehicle, etc.*

#### 1.1.3a Workforce Automation Hardware

*may include fieldworker handhelds, barcode hardware, etc.*

#### 1.1.3b Workforce Automation Software

*may include fieldworker handhelds, barcode hardware, etc.*

Total Advanced Metering Communication Device (AMCD)

### Asset Type

Asset Type	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
Smart Meter				\$ 1,241,940	\$ 5,152,990			\$ 6,394,930
Smart Meter					\$ 375,651			\$ 375,651
Comp. Hard.								\$ -
Comp. Soft.								\$ -
	\$ -	\$ -	\$ -	\$ 1,241,940	\$ 5,528,641	\$ -	\$ -	\$ 6,770,581

## Sheet 2. Smart Meter Capital Cost and Operational Expense Data

### 1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

#### 1.2.1 Collectors

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
<b>Smart Meter</b>			\$ 148,665	\$ 276,076				\$ 424,741

#### 1.2.2 Repeaters

may include radio licence, etc.

<b>Smart Meter</b>								\$ -
--------------------	--	--	--	--	--	--	--	------

#### 1.2.3 Installation

may include meter seals and rings, collector computer hardware, etc.

<b>Smart Meter</b>								\$ -
--------------------	--	--	--	--	--	--	--	------

Total Advanced Metering Regional Collector (AMRC) (includes LAN)

	\$ -	\$ -	\$ 148,665	\$ 276,076	\$ -	\$ -	\$ -	\$ 424,741
--	------	------	------------	------------	------	------	------	------------

### 1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

#### 1.3.1 Computer Hardware

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
<b>Comp. Hard.</b>				\$ 205,278		\$ 177,637		\$ 382,915

#### 1.3.2 Computer Software

<b>Comp. Soft.</b>								\$ -
--------------------	--	--	--	--	--	--	--	------

#### 1.3.3 Computer Software Licence & Installation (includes hardware & software)

may include AS/400 disc space, backup & recovery computer, UPS, etc

Total Advanced Metering Control Computer (AMCC)

<b>Comp. Soft.</b>								\$ -
	\$ -	\$ -	\$ -	\$ 205,278	\$ -	\$ 177,637	\$ -	\$ 382,915

### 1.4 WIDE AREA NETWORK (WAN)

#### 1.4.1 Activation Fees

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
<b>Tools &amp; Equip</b>								\$ -

Total Wide Area Network (WAN)

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------	------	------	------	------

### 1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

#### 1.5.1 Customer equipment (including repair of damaged equipment)

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
<b>Other Equip.</b>								\$ -

#### 1.5.2 AMI Interface to CIS

<b>Comp. Soft.</b>				\$ 22,550	\$ 10,455	\$ 11,800		\$ 44,805
--------------------	--	--	--	-----------	-----------	-----------	--	-----------

#### 1.5.3 Professional Fees

<b>Comp. Soft.</b>				\$ 39,459				\$ 39,459
--------------------	--	--	--	-----------	--	--	--	-----------

#### 1.5.4 Integration

<b>Comp. Soft.</b>								\$ -
--------------------	--	--	--	--	--	--	--	------

#### 1.5.5 Program Management

<b>Comp. Soft.</b>			\$ 24,197	\$ 36,570	\$ 29,414	\$ 77,896		\$ 168,077
--------------------	--	--	-----------	-----------	-----------	-----------	--	------------

#### 1.5.6 Other AMI Capital

<b>Comp. Soft.</b>						\$ 48,800		\$ 48,800
--------------------	--	--	--	--	--	-----------	--	-----------

Total Other AMI Capital Costs Related To Minimum Functionality

	\$ -	\$ -	\$ 24,197	\$ 98,579	\$ 39,869	\$ 138,496	\$ -	\$ 301,141
--	------	------	-----------	-----------	-----------	------------	------	------------

Total Capital Costs

	\$ -	\$ -	\$ 172,863	\$ 1,821,873	\$ 5,568,510	\$ 316,133	\$ -	\$ 7,879,379
--	------	------	------------	--------------	--------------	------------	------	--------------

## Sheet 2. Smart Meter Capital Cost and Operational Expense Data

### O M & A

#### 2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

##### 2.1.1 Maintenance

*may include meter reversion costs, etc.*

##### Total Incremental AMI Operation Expenses

#### 2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

##### 2.2.1 Maintenance

##### Total Advanced Metering Regional Collector (AMRC) (includes LAN)

#### 2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

##### 2.3.1 Hardware Maintenance

*may include server support, etc.*

##### 2.3.2 Software Maintenance

*may include maintenance support, etc.*

##### Total Advanced Metering Control Computer (AMCC)

#### 2.4 WIDE AREA NETWORK (WAN)

##### 2.4.1 WIDE AREA NETWORK (WAN)

*may include serial to Ethernet hardware, etc.*

##### Total Incremental Other Operation Expenses

#### 2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

##### 2.5.1 Business Process Redesign

##### 2.5.2 Customer Communication

*may include project communication, etc.*

##### 2.5.3 Program Management

##### 2.5.4 Change Management

*may include training, etc.*

##### 2.5.5 Administration Cost

##### 2.5.6 Other AMI Expenses

##### Total 2.5 Other AMI OM&A Costs Related To Minimum Functionality

#### Total O M & A Costs

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted	Total
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ 68,823	\$ 61,089	\$ 141,019		\$ 270,931
						\$ 20,500		\$ 20,500
	\$ -	\$ -	\$ -	\$ 68,823	\$ 61,089	\$ 161,519	\$ -	\$ 291,431
								\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								\$ -
				\$ 3,718	\$ 30,424	\$ 59,753		\$ 93,895
								\$ -
								\$ -
			\$ 76	\$ 6,541	\$ 50,805			\$ 57,422
			\$ 741	\$ 38,576	\$ 97,200			\$ 136,517
	\$ -	\$ -	\$ 76	\$ 11,001	\$ 119,805	\$ 156,953	\$ -	\$ 287,834
	\$ -	\$ -	\$ 76	\$ 79,824	\$ 180,894	\$ 318,472	\$ -	\$ 579,266

### Sheet 3. LDC Assumptions and Data

#### Assumptions:

1. Planned meter installations occur evenly through the year.
2. Year assumed January to December
3. Amortization is straight line and has half year rule applied in first year

	2006 EDR Data Information					
	2007	2008	2009	2010	2011	Later
<b>Rate Base</b>						
Deemed Short Term Debt %		0%	0%	4%	4%	4%
Deemed Debt	50%	53%	57%	56%	56%	56%
Deemed Equity	50%	47%	43%	40%	40%	40%
Deemed Short Term Debt Rate%		0.00%	0.00%	2.07%	2.07%	2.07%
Weighted Debt Rate	4.99%	4.99%	4.99%	4.99%	4.99%	4.99%
Proposed ROE	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Weighted Average Cost of Capital	7.00%	6.86%	6.73%	6.82%	6.82%	6.82%
<b>Working Capital Allowance %</b>	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
<b>2006 EDR Tax Rate</b>						
Corporate Income Tax Rate	36.12%	33.50%	33.00%	31.00%	28.25%	29.00%

#### Capital Data:

	2006	2007	2008	2009	2010	2011	Later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted	
Smart Meter	\$ -	\$ -	\$ 148,665	\$ 1,518,016	\$ 5,528,641	\$ -	\$ -	\$ 7,195,323
Computer Hardware	\$ -	\$ -	\$ -	\$ 205,278	\$ -	\$ 177,637	\$ -	\$ 382,915
Computer Software	\$ -	\$ -	\$ 24,197	\$ 98,579	\$ 39,869	\$ 138,496	\$ -	\$ 301,141
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 172,863</b>	<b>\$ 1,821,873</b>	<b>\$ 5,568,510</b>	<b>\$ 316,133</b>	<b>\$ -</b>	<b>\$ 7,879,379</b>

#### Operating Expense Data:

	2006	2007	2008	2009	2010	2011	Later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted	
2.1 Advanced Metering Communication Device (AMCD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3 Advanced Metering Control Computer (AMCC)	\$ -	\$ -	\$ -	\$ 68,823	\$ 61,089	\$ 161,519	\$ -	\$ 291,431
2.4 Wide Area Network (WAN)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5 Other AMI OM&A Costs Related To Minimum Functionality	\$ -	\$ -	\$ 76	\$ 11,001	\$ 119,805	\$ 156,953	\$ -	\$ 287,834
<b>Total O M &amp; A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76</b>	<b>\$ 79,824</b>	<b>\$ 180,894</b>	<b>\$ 318,472</b>	<b>\$ -</b>	<b>\$ 579,266</b>

**Per Meter Cost Split:**

Smart meter including installation
Computer Hardware Costs
Computer Software Costs
Tools & Equipment
Other Equipment
Smart meter incremental operating expenses
Total Smart Meter Capital Costs per meter

	Per Meter	Installed	Investment	% of Invest
\$	144.71	49,721	\$ 7,195,323	85%
\$	7.70	49,721	\$ 382,915	5%
\$	6.06	49,721	\$ 301,141	4%
\$	-	49,721	\$ -	0%
\$	-	49,721	\$ -	0%
\$	11.65	49,721	\$ 579,266	7%
\$	170.12		\$ 8,458,644	100%

**Depreciation Rates**

Smart Meter (years)
Computer Hardware (years)
Computer Software (years)
Tools & Equipment (years)
Other Equipment (years)

2006	2007	2008	2009	2010	2011	Later
Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted
15	15	15	15	15	15	15
5	5	5	5	5	5	5
3	3	3	3	3	3	3
10	10	10	10	10	10	10
10	10	10	10	10	10	10

**CCA Rates**

CCA Class
Smart Meter

2006	2007	2008	2009	2010	2011	Later
Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted
47	47	47	47	47	47	47
8%	8%	8%	8%	8%	8%	8%

CCA Class
Computer Equipment

2006	2007	2008	2009	2010	2011	Later
Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted
45	50	50	50	50	50	50
45%	55%	55%	100%	100%	55%	55%

CCA Class
General Equipment

2006	2007	2008	2009	2010	2011	Later
Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted
8	8	8	8	8	8	8
20%	20%	20%	20%	20%	20%	20%

## Sheet 4. Smart Meter Rev Req Calc

### Smart Meter Revenue Requirement Calculation

#### Average Asset Values

Net Fixed Assets Smart Meters  
 Net Fixed Assets Computer Hardware  
 Net Fixed Assets Computer Software  
 Net Fixed Assets Tools & Equipment  
 Net Fixed Assets Other Equipment  
 Total Net Fixed Assets

#### Working Capital

Operation Expense  
 Working Capital %

#### Smart Meters included in Rate Base

#### Return on Rate Base

Deemed Short Term Debt %  
 Deemed Long Term Debt %  
 Deemed Equity %

Deemed Short Term Debt Rate%  
 Weighted Debt Rate (3. LDC Assumptions and Data)  
 Proposed ROE (3. LDC Assumptions and Data)

#### Return on Rate Base

#### Operating Expenses

Incremental Operating Expenses (3. LDC Assumptions and Data)

#### Amortization Expenses

Amortization Expenses - Smart Meters  
 Amortization Expenses - Computer Hardware  
 Amortization Expenses - Computer Software  
 Amortization Expenses - Tools & Equipment  
 Amortization Expenses - Other Equipment

#### Total Amortization Expenses

#### Revenue Requirement Before PILs

#### Calculation of Taxable Income

Incremental Operating Expenses  
 Depreciation Expenses  
 Interest Expense

#### Taxable Income For PILs

#### Grossed up PILs (\$ PILs)

Revenue Requirement Before PILs  
 Grossed up PILs (\$ PILs)

#### Revenue Requirement for Smart Meters

	2006 Audited Actual		2007 Audited Actual		2008 Audited Actual	
Net Fixed Assets Smart Meters	\$ -		\$ -		\$ 71,854.97	
Net Fixed Assets Computer Hardware	\$ -		\$ -		\$ -	
Net Fixed Assets Computer Software	\$ -		\$ -		\$ 10,082.23	
Net Fixed Assets Tools & Equipment	\$ -		\$ -		\$ -	
Net Fixed Assets Other Equipment	\$ -		\$ -		\$ -	
Total Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ 81,937.20	\$ 81,937.20
Working Capital						
Operation Expense	\$ -		\$ -		\$ 76.10	
Working Capital %	\$ -	\$ -	\$ -	\$ -	\$ 11.42	\$ 11.42
Smart Meters included in Rate Base		\$ -		\$ -		\$ 81,948.61
Return on Rate Base						
Deemed Short Term Debt %					0	
Deemed Long Term Debt %	50.0%	\$ -	50.0%	\$ -	53.3%	\$ 43,678.61
Deemed Equity %	50.0%	\$ -	50.0%	\$ -	46.7%	\$ 38,270.00
		\$ -		\$ -		\$ 81,948.61
Deemed Short Term Debt Rate%					0.0%	
Weighted Debt Rate (3. LDC Assumptions and Data)	5.0%	\$ -	5.0%	\$ -	5.0%	\$ 2,179.56
Proposed ROE (3. LDC Assumptions and Data)	9.0%	\$ -	9.0%	\$ -	9.0%	\$ 3,444.30
Return on Rate Base		\$ -	\$ -	\$ -		\$ 5,623.86
Operating Expenses						
Incremental Operating Expenses (3. LDC Assumptions and Data)		\$ -		\$ -		\$ 76.10
Amortization Expenses						
Amortization Expenses - Smart Meters		\$ -		\$ -		\$ 4,955.52
Amortization Expenses - Computer Hardware		\$ -		\$ -		\$ -
Amortization Expenses - Computer Software		\$ -		\$ -		\$ 4,032.89
Amortization Expenses - Tools & Equipment		\$ -		\$ -		\$ -
Amortization Expenses - Other Equipment		\$ -		\$ -		\$ -
Total Amortization Expenses		\$ -		\$ -		\$ 8,988.41
Revenue Requirement Before PILs		\$ -		\$ -		\$ 14,688.37
Calculation of Taxable Income						
Incremental Operating Expenses		\$ -		\$ -		-\$ 76.10
Depreciation Expenses		\$ -		\$ -		-\$ 8,988.41
Interest Expense		\$ -		\$ -		-\$ 2,179.56
Taxable Income For PILs		\$ -		\$ -		\$ 3,444.30
Grossed up PILs (\$ PILs)		\$ -		\$ -		\$ 283.99
Revenue Requirement Before PILs		\$ -		\$ -		\$ 14,688.37
Grossed up PILs (\$ PILs)		\$ -		\$ -		\$ 283.99
Revenue Requirement for Smart Meters		\$ -		\$ -		\$ 14,972.36

2009 Audited Actual	2010 Actual	2011 Forecasted	Later Forecasted
\$ 872,462.11 \$ 92,375.10 \$ 57,206.00 \$ - \$ - \$ 1,022,043.21	\$ 4,217,834.85 \$ 164,222.41 \$ 90,396.93 \$ - \$ - \$ 4,472,454.18	\$ 6,594,611.33 \$ 203,103.46 \$ 117,145.49 \$ - \$ - \$ 6,914,860.28	\$ - \$ - \$ - \$ - \$ - \$ -
\$ 1,022,043.21	\$ 4,472,454.18	\$ 6,914,860.28	\$ -
\$ 79,824.15 \$ 11,973.62	\$ 180,893.81 \$ 27,134.07	\$ 318,471.62 \$ 47,770.74	\$ - \$ -
\$ 1,034,016.83	\$ 4,499,588.25	\$ 6,962,631.03	\$ -
0 56.7% 43.3%	0.04 56.0% 40.0%	0.04 56.0% 40.0%	0.04 56.0% 40.0%
\$ 586,287.54 \$ 447,729.29 \$ 1,034,016.83	\$ 2,519,769.42 \$ 1,799,835.30 \$ 4,319,604.72	\$ 3,899,073.38 \$ 2,785,052.41 \$ 6,684,125.79	\$ - \$ - \$ -
0.0% 5.0% 9.0%	2.1% 5.0% 9.9%	2.1% 5.0% 9.9%	2.1% 5.0% 9.9%
\$ 29,255.75 \$ 40,295.64 \$ 69,551.38	\$ 125,736.49 \$ 177,283.78 \$ 303,020.27	\$ 194,563.76 \$ 274,327.66 \$ 468,891.42	\$ - \$ - \$ -
\$ 79,824.15	\$ 180,893.81	\$ 318,471.62	\$ -
\$ 60,511.56 \$ 20,527.80 \$ 24,495.56 \$ - \$ -	\$ 295,400.13 \$ 41,055.60 \$ 47,570.15 \$ - \$ -	\$ 479,688.18 \$ 58,819.30 \$ 77,297.64 \$ - \$ -	\$ - \$ - \$ - \$ - \$ -
\$ 105,534.92	\$ 384,025.88	\$ 615,805.11	\$ -
\$ 254,910.45	\$ 867,939.97	\$ 1,403,168.16	\$ -
-\$ 79,824.15 -\$ 105,534.92 -\$ 29,255.75 \$ 40,295.64	-\$ 180,893.81 -\$ 384,025.88 -\$ 125,736.49 \$ 177,283.78	-\$ 318,471.62 -\$ 615,805.11 -\$ 194,563.76 \$ 274,327.66	\$ - \$ - \$ - \$ -
-\$ 42,944.25	\$ 23,814.73	\$ 98,712.35	\$ -
\$ 254,910.45 -\$ 42,944.25 \$ 211,966.20	\$ 867,939.97 \$ 23,814.73 \$ 891,754.70	\$ 1,403,168.16 \$ 98,712.35 \$ 1,501,880.50	\$ - \$ - \$ -



## Sheet 5. PILs

### PILs Calculation

	2006	2007	2008	2009	2010	2011	Later
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted	Forecasted
<b>INCOME TAX</b>							
Net Income	\$ -	\$ -	\$ 3,444.30	\$ 40,295.64	\$ 177,283.78	\$ 274,327.66	\$ -
Amortization	\$ -	\$ -	\$ 8,988.41	\$ 105,534.92	\$ 384,025.88	\$ 615,805.11	\$ -
CCA - Smart Meters	\$ -	\$ -	\$ 5,946.62	\$ 72,138.14	\$ 348,233.38	\$ 541,520.36	\$ -
CCA - Computers	\$ -	\$ -	\$ 6,654.27	\$ 169,471.40	\$ 171,862.79	\$ 97,900.53	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ 168.18	\$ 95,778.99	\$ 41,213.50	\$ 250,711.89	\$ -
Tax Rate (3. LDC Assumptions and Data)	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	29.00%
Income Taxes Payable	\$ -	\$ -	\$ 56.34	\$ 31,607.07	\$ 12,776.18	\$ 70,826.11	\$ -
<b>ONTARIO CAPITAL TAX</b>							
Smart Meters	\$ -	\$ -	\$ 143,709.94	\$ 1,601,214.28	\$ 6,834,455.42	\$ 6,354,767.25	\$ -
Computer Hardware	\$ -	\$ -	\$ -	\$ 184,750.21	\$ 143,694.61	\$ 262,512.31	\$ -
Computer Software	\$ -	\$ -	\$ 20,164.46	\$ 94,247.54	\$ 86,546.31	\$ 147,744.68	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ 163,874.39	\$ 1,880,212.03	\$ 7,064,696.34	\$ 6,765,024.23	\$ -
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ 163,874.39	\$ 1,880,212.03	\$ 7,064,696.34	\$ 6,765,024.23	\$ -
Ontario Capital Tax Rate	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ 368.72	\$ 4,230.48	\$ 5,298.52	\$ -	\$ -
<b>Gross Up</b>							
	PILs Payable	PILs Payable	PILs Payable	PILs Payable	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	\$ -	\$ -	\$ 56.34	\$ 31,607.07	\$ 12,776.18	\$ 70,826.11	\$ -
Change in OCT	\$ -	\$ -	\$ 368.72	\$ 4,230.48	\$ 5,298.52	\$ -	\$ -
PIL's	\$ -	\$ -	\$ 312.38	\$ 27,376.59	\$ 18,074.71	\$ 70,826.11	\$ -
	Gross Up	Gross Up	Gross Up	Gross Up	Gross Up	Gross Up	Gross Up
	36.12%	36.12%	33.50%	33.00%	31.00%	28.25%	29.00%
	Grossed Up	Grossed Up	Grossed Up	Grossed Up	Grossed Up	Grossed Up	Grossed Up
	PILs	PILs	PILs	PILs	PILs	PILs	PILs
Change in Income Taxes Payable	\$ -	\$ -	\$ 84.72	\$ 47,174.73	\$ 18,516.21	\$ 98,712.35	\$ -
Change in OCT	\$ -	\$ -	\$ 368.72	\$ 4,230.48	\$ 5,298.52	\$ -	\$ -
PIL's	\$ -	\$ -	\$ 283.99	\$ 42,944.25	\$ 23,814.73	\$ 98,712.35	\$ -

This model is the sole and direct responsibility of the user. The user is free to change the model in any way to suit individual needs. There is no guarantee that utilization of this model or its inherent calculations will be accepted by the OEB.

## Sheet 6. Avg Net Fixed Assets &UCC

### Smart Meter Average Net Fixed Assets

#### Net Fixed Assets - Smart Meters

Opening Capital Investment  
Capital Investment (3. LDC Assumptions and Data)  
Closing Capital Investment

Opening Accumulated Amortization  
Amortization (15 Years Straight Line)  
Closing Accumulated Amortization

Opening Net Fixed Assets  
Closing Net Fixed Assets  
Average Net Fixed Assets

	2006	2007	2008	2009	2010	2011
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted
Opening Capital Investment	\$ -	\$ -	\$ -	\$ 148,665.45	\$ 1,666,681.35	\$ 7,195,322.63
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 148,665.45	\$ 1,518,015.90	\$ 5,528,641.28	\$ -
Closing Capital Investment	\$ -	\$ -	\$ 148,665.45	\$ 1,666,681.35	\$ 7,195,322.63	\$ 7,195,322.63
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ 4,955.52	\$ 65,467.08	\$ 360,867.21
Amortization (15 Years Straight Line)	\$ -	\$ -	\$ 4,955.52	\$ 60,511.56	\$ 295,400.13	\$ 479,688.18
Closing Accumulated Amortization	\$ -	\$ -	\$ 4,955.52	\$ 65,467.08	\$ 360,867.21	\$ 840,555.38
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ 143,709.94	\$ 1,601,214.28	\$ 6,834,455.42
Closing Net Fixed Assets	\$ -	\$ -	\$ 143,709.94	\$ 1,601,214.28	\$ 6,834,455.42	\$ 6,354,767.25
Average Net Fixed Assets	\$ -	\$ -	\$ 71,854.97	\$ 872,462.11	\$ 4,217,834.85	\$ 6,594,611.33

#### Net Fixed Assets - Computer Hardware

Opening Capital Investment  
Capital Investment (3. LDC Assumptions and Data)  
Closing Capital Investment

Opening Accumulated Amortization  
Amortization (5 Years Straight Line)  
Closing Accumulated Amortization

Opening Net Fixed Assets  
Closing Net Fixed Assets  
Average Net Fixed Assets

	2006	2007	2008	2009	2010	2011
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted
Opening Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ 205,278.01	\$ 205,278.01
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -	\$ 205,278.01	\$ -	\$ 177,637.00
Closing Capital Investment	\$ -	\$ -	\$ -	\$ 205,278.01	\$ 205,278.01	\$ 382,915.01
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ 20,527.80	\$ 61,583.40
Amortization (5 Years Straight Line)	\$ -	\$ -	\$ -	\$ 20,527.80	\$ 41,055.60	\$ 58,819.30
Closing Accumulated Amortization	\$ -	\$ -	\$ -	\$ 20,527.80	\$ 61,583.40	\$ 120,402.71
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ 184,750.21	\$ 143,694.61
Closing Net Fixed Assets	\$ -	\$ -	\$ -	\$ 184,750.21	\$ 143,694.61	\$ 262,512.31
Average Net Fixed Assets	\$ -	\$ -	\$ -	\$ 92,375.10	\$ 164,222.41	\$ 203,103.46

## Sheet 6. Avg Net Fixed Assets &UCC

### Net Fixed Assets - Computer Software

	2006	2007	2008	2009	2010	2011
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted
Opening Capital Investment	\$ -	\$ -	\$ -	\$ 24,197.35	\$ 122,775.99	\$ 162,644.91
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ 24,197.35	\$ 98,578.64	\$ 39,868.92	\$ 138,496.00
Closing Capital Investment	\$ -	\$ -	\$ 24,197.35	\$ 122,775.99	\$ 162,644.91	\$ 301,140.91
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ 4,032.89	\$ 28,528.45	\$ 76,098.60
Amortization Year 1 (3 Years Straight Line)	\$ -	\$ -	\$ 4,032.89	\$ 24,495.56	\$ 47,570.15	\$ 77,297.64
Closing Accumulated Amortization	\$ -	\$ -	\$ 4,032.89	\$ 28,528.45	\$ 76,098.60	\$ 153,396.24
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ 20,164.46	\$ 94,247.54	\$ 86,546.31
Closing Net Fixed Assets	\$ -	\$ -	\$ 20,164.46	\$ 94,247.54	\$ 86,546.31	\$ 147,744.68
Average Net Fixed Assets	\$ -	\$ -	\$ 10,082.23	\$ 57,206.00	\$ 90,396.93	\$ 117,145.49

### Net Fixed Assets - Tools & Equipment

	2006	2007	2008	2009	2010	2011
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted
Opening Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### Net Fixed Assets - Other Equipment

	2006	2007	2008	2009	2010	2011
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Actual	Forecasted
Opening Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Investment (3. LDC Assumptions and Data)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Sheet 6. Avg Net Fixed Assets &UCC

### For PILs Calculation

#### UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted
Opening UCC	\$ -	\$ -	\$ -	\$ 142,718.83	\$ 1,588,596.59	\$ 6,769,004.49
Capital Additions	\$ -	\$ -	\$ 148,665.45	\$ 1,518,015.90	\$ 5,528,641.28	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ 148,665.45	\$ 1,660,734.73	\$ 7,117,237.87	\$ 6,769,004.49
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 74,332.73	\$ 759,007.95	\$ 2,764,320.64	\$ -
Reduced UCC	\$ -	\$ -	\$ 74,332.73	\$ 901,726.78	\$ 4,352,917.23	\$ 6,769,004.49
CCA Rate Class	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%
CCA	\$ -	\$ -	\$ 5,946.62	\$ 72,138.14	\$ 348,233.38	\$ 541,520.36
Closing UCC	\$ -	\$ -	\$ 142,718.83	\$ 1,588,596.59	\$ 6,769,004.49	\$ 6,227,484.13

#### UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted
Opening UCC	\$ -	\$ -	\$ -	\$ 17,543.08	\$ 151,928.33	\$ 19,934.46
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ 205,278.01	\$ -	\$ 177,637.00
Capital Additions Computer Software	\$ -	\$ -	\$ 24,197.35	\$ 98,578.64	\$ 39,868.92	\$ 138,496.00
UCC Before Half Year Rule	\$ -	\$ -	\$ 24,197.35	\$ 321,399.73	\$ 191,797.25	\$ 336,067.46
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 12,098.68	\$ 151,928.33	\$ 19,934.46	\$ 158,066.50
Reduced UCC	\$ -	\$ -	\$ 12,098.68	\$ 169,471.40	\$ 171,862.79	\$ 178,000.96
CCA Rate Class	45	50	50	50	50	50
CCA Rate	45%	55%	55%	100%	100%	55%
CCA	\$ -	\$ -	\$ 6,654.27	\$ 169,471.40	\$ 171,862.79	\$ 97,900.53
Closing UCC	\$ -	\$ -	\$ 17,543.08	\$ 151,928.33	\$ 19,934.46	\$ 238,166.93

#### UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Actual	2011 Forecasted
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA Rate Class	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Sheet 7. Smart Meter Funding Adder Collected

Date	Opening	Fund Adder	Int. Rate	Interest	Closing
Jan-06	\$ -		4.99%	\$ -	\$ -
Feb-06	\$ -		4.99%	\$ -	\$ -
Mar-06	\$ -		4.99%	\$ -	\$ -
Apr-06	\$ -		4.14%	\$ -	\$ -
May-06	\$ -		4.14%	\$ -	\$ -
Jun-06	\$ -	\$ 5,949	4.14%	\$ -	\$ 5,949
Jul-06	\$ 5,949	\$ 11,260	4.59%	\$ 23	\$ 17,231
Aug-06	\$ 17,231	\$ 13,331	4.59%	\$ 66	\$ 30,628
Sep-06	\$ 30,628	\$ 12,382	4.59%	\$ 117	\$ 43,127
Oct-06	\$ 43,127	\$ 12,752	4.59%	\$ 165	\$ 56,045
Nov-06	\$ 56,045	\$ 13,722	4.59%	\$ 214	\$ 69,981
Dec-06	\$ 69,981	\$ 12,190	4.59%	\$ 268	\$ 82,440
Jan-07	\$ 82,440	\$ 13,303	4.59%	\$ 315	\$ 96,058
Feb-07	\$ 96,058	\$ 12,841	4.59%	\$ 367	\$ 109,266
Mar-07	\$ 109,266	\$ 13,337	4.59%	\$ 418	\$ 123,021
Apr-07	\$ 123,021	\$ 12,805	4.59%	\$ 471	\$ 136,297
May-07	\$ 136,297	\$ 13,399	4.59%	\$ 521	\$ 150,218
Jun-07	\$ 150,218	\$ 12,820	4.59%	\$ 575	\$ 163,612
Jul-07	\$ 163,612	\$ 13,363	4.59%	\$ 626	\$ 177,601
Aug-07	\$ 177,601	\$ 13,440	4.59%	\$ 679	\$ 191,719
Sep-07	\$ 191,719	\$ 12,729	4.59%	\$ 733	\$ 205,182
Oct-07	\$ 205,182	\$ 12,778	5.14%	\$ 879	\$ 218,839
Nov-07	\$ 218,839	\$ 14,663	5.14%	\$ 937	\$ 234,440
Dec-07	\$ 234,440	\$ 11,520	5.14%	\$ 1,004	\$ 246,963
Jan-08	\$ 246,963	\$ 13,452	5.14%	\$ 1,058	\$ 261,473
Feb-08	\$ 261,473	\$ 12,870	5.14%	\$ 1,120	\$ 275,463
Mar-08	\$ 275,463	\$ 13,462	5.14%	\$ 1,180	\$ 290,105
Apr-08	\$ 290,105	\$ 12,898	4.08%	\$ 986	\$ 303,989
May-08	\$ 303,989	\$ 13,480	4.08%	\$ 1,034	\$ 318,503
Jun-08	\$ 318,503	\$ 12,904	4.08%	\$ 1,083	\$ 332,490
Jul-08	\$ 332,490	\$ 14,059	3.35%	\$ 928	\$ 347,477
Aug-08	\$ 347,477	\$ 12,283	3.35%	\$ 970	\$ 360,730
Sep-08	\$ 360,730	\$ 13,479	3.35%	\$ 1,007	\$ 375,215
Oct-08	\$ 375,215	\$ 13,518	3.35%	\$ 1,047	\$ 389,780
Nov-08	\$ 389,780	\$ 12,830	3.35%	\$ 1,088	\$ 403,699
Dec-08	\$ 403,699	\$ 12,882	3.35%	\$ 1,127	\$ 417,707
Jan-09	\$ 417,707	\$ 13,492	2.45%	\$ 853	\$ 432,053
Feb-09	\$ 432,053	\$ 12,951	2.45%	\$ 882	\$ 445,885
Mar-09	\$ 445,885	\$ 13,614	2.45%	\$ 910	\$ 460,410
Apr-09	\$ 460,410	\$ 13,063	1.00%	\$ 384	\$ 473,857
May-09	\$ 473,857	\$ 14,515	1.00%	\$ 395	\$ 488,767
Jun-09	\$ 488,767	\$ 29,613	1.00%	\$ 407	\$ 518,787
Jul-09	\$ 518,787	\$ 47,642	0.55%	\$ 238	\$ 566,667
Aug-09	\$ 566,667	\$ 48,572	0.55%	\$ 260	\$ 615,498
Sep-09	\$ 615,498	\$ 50,239	0.55%	\$ 282	\$ 666,020
Oct-09	\$ 666,020	\$ 48,985	0.55%	\$ 305	\$ 715,309
Nov-09	\$ 715,309	\$ 50,296	0.55%	\$ 328	\$ 765,933
Dec-09	\$ 765,933	\$ 49,276	0.55%	\$ 351	\$ 815,561

	Approved Deferral and Variance Accounts	CWIP Account
	Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)	Prescribed Interest Rate (per the DEX Mid Term Corporate Bond Index Yield 2)
Q2 2006	4.14	4.68
Q3 2006	4.59	5.05
Q4 2006	4.59	4.72
Q1 2007	4.59	4.72
Q2 2007	4.59	4.72
Q3 2007	4.59	5.18
Q4 2007	5.14	5.18
Q1 2008	5.14	5.18
Q2 2008	4.08	5.18
Q3 2008	3.35	5.43
Q4 2008	3.35	5.43
Q1 2009	2.45	6.61
Q2 2009	1.00	6.61
Q3 2009	0.55	5.67
Q4 2009	0.55	4.66
Q1 2010	0.55	4.34
Q2 2010	0.55	4.34
Q3 2010	0.89	4.66

Jan-10	\$ 815,561	\$ 43,946	0.55%	\$ 374	\$ 859,881
Feb-10	\$ 859,881	\$ 46,395	0.55%	\$ 394	\$ 906,670
Mar-10	\$ 906,670	\$ 53,867	0.55%	\$ 416	\$ 960,952
Apr-10	\$ 960,952	\$ 48,867	0.55%	\$ 440	\$ 1,010,259
May-10	\$ 1,010,259	\$ 45,980	0.55%	\$ 463	\$ 1,056,702
Jun-10	\$ 1,056,702	\$ 54,554	0.55%	\$ 484	\$ 1,111,740
Jul-10	\$ 1,111,740	\$ 51,389	0.89%	\$ 825	\$ 1,163,954
Aug-10	\$ 1,163,954	\$ 49,175	0.89%	\$ 863	\$ 1,213,992
Sep-10	\$ 1,213,992	\$ 51,630	0.89%	\$ 900	\$ 1,266,522
Oct-10	\$ 1,266,522	\$ 50,652	1.20%	\$ 1,267	\$ 1,318,441
Nov-10	\$ 1,318,441	\$ 50,652	1.20%	\$ 1,318	\$ 1,370,411
Dec-10	\$ 1,370,411	\$ 50,652	1.20%	\$ 1,370	\$ 1,422,434
Jan-11	\$ 1,422,434	\$ 50,694	1.20%	\$ 1,422	\$ 1,474,550
Feb-11	\$ 1,474,550	\$ 50,736	1.20%	\$ 1,475	\$ 1,526,761
Mar-11	\$ 1,526,761	\$ 50,778	1.20%	\$ 1,527	\$ 1,579,066
Apr-11	\$ 1,579,066	\$ 50,820	1.20%	\$ 1,579	\$ 1,631,465
May-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Jun-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Jul-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Aug-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Sep-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Oct-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Nov-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Dec-11	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Jan-12	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Feb-12	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Mar-12	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
Apr-12	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
May-12	\$ 1,631,465	\$ -		\$ -	\$ 1,631,465
	<u>\$ 1,589,745</u>			<u>\$ 41,720</u>	

## Sheet 8 Applied for Smart Meter Rate Adder

Description	Amount
Revenue Requirement - 2006	\$ -
Revenue Requirement - 2007	\$ -
Revenue Requirement - 2008	\$ 14,972.36
Revenue Requirement - 2009	\$ 211,966.20
Revenue Requirement - 2010	\$ 891,754.70
Revenue Requirement - 2011	\$ 1,501,880.50
Total Revenue Requirement	<u>\$ 2,620,573.77</u>
Smart Meter Rate Adder Collected	-\$ 1,589,745.35
Carrying Cost / Interest	-\$ 41,719.82
Proposed Smart Meter Recovery	<u>\$ 989,108.60</u>
2011 Expected Metered Customers	51,157
<b>Proposed Smart Meter Rate Adder</b>	<b>\$ 1.61</b>