

Appendices

SECTION	APPENDIX	REF#	DESCRIPTION
Rate Design	Appendix	2IR_A	Rate Schedule
RateBase	Appendix	2IR_B	Pro-Formas
RateBase	Appendix	2IR_C	Pass Through Charges
RateBase	Appendix	2IR_D	Revised BS-F - Depreciation Expense Calcs
RateBase	Appendix	2IR_E	Variance Analysis of CapEx
Load Forecast	Appendix	2IR_F	Load Forecast
Operating Cost	Appendix	2IR_G	Actual 2009 and to date 2010 OM&A
Operating Cost	Appendix	2IR_H	Cost Drivers
Deferral and Variance Accounts	Appendix	2IR_I	Disposal of DVA Balances
Deferral and Variance Accounts	Appendix	2IR_J	DVA Rate Rider
Deferral and Variance Accounts	Appendix	2IR_K	2009 Audit Review
RTSR	Appendix	2IR_L	RTSR at Current Rates
Smart Meter	Appendix	2IR_M	RRWF (without Smart Meter Capital in RB)

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

Appendix 1-1

Monthly Rates and Charges

		Effective May 1/10
Residential		
Service Charge	\$	9.00
Distribution Volumetric Rate	\$/kWh	0.0181
Low Voltage Service Rate	\$/kWh	0.0010
Deferral Account Rate Rider - effective until April 30, 2014	\$/kWh	(0.0022)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
GS<50kW		
Service Charge	\$	20.50
Distribution Volumetric Rate	\$/kWh	0.0086
Low Voltage Service Rate	\$/kWh	0.0009
Deferral Account Rate Rider - effective until April 30, 2014	\$/kWh	(0.0022)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
GS>50kW		
Service Charge	\$	72.00
Distribution Volumetric Rate	\$/kW	2.1067
Low Voltage Service Rate	\$/kW	0.3276
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(0.7758)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
Retail Transmission Rate – Network Service Rate	\$/kW	1.9008
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5572
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Appendix 1-1

Monthly Rates and Charges

Effective
May 1/10

Intermediate Users

Service Charge	\$	320.00
Distribution Volumetric Rate	\$/kW	1.0414
Low Voltage Service Rate	\$/kW	0.3863
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(0.6866)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
Retail Transmission Rate – Network Service Rate	\$/kW	2.1258
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8367
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sentinel Lights

Service Charge (per connection)	\$	6.76
Distribution Volumetric Rate	\$/kW	2.9492
Low Voltage Service Rate	\$/kW	0.2585
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(2.8044)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
Retail Transmission Rate – Network Service Rate	\$/kW	1.4408
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2290
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lights

Service Charge (per connection)	\$	5.94
Distribution Volumetric Rate	\$/kW	7.4745
Low Voltage Service Rate	\$/kW	0.2532
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(1.1178)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
Retail Transmission Rate – Network Service Rate	\$/kW	1.4334
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

microFIT Generator Service (effective September 21, 2009)

Service Charge	\$	5.25
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Specific Service Charges

Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge	\$	30.00

Appendix 1-1

Monthly Rates and Charges

		Effective May 1/10
Special Meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	40.00
Install / remove load control device – during regular hours	\$	40.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Retailer Service Agreement -- standard charge	\$	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	\$	0.30
Service Transaction Request -- request fee (per request)	\$	0.25
Service Transaction Request -- processing fee (per processed request)	\$	0.50

Appendix 1-1

Monthly Rates and Charges

		Effective May 1/10
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.35)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	
LOSS FACTORS		
Secondary Metered Customer < 5000 kWh		1.0460
Primary Metered Customer < 5000 kWh		1.0356

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

**AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2009



Collins Barrow

Gagné Gagnon Bisson Hébert
Chartered Accountants / Comptables Agréés

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AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/
Corporation de distribution électrique de Hearst
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2009 and the statements of loss, retained earnings and contributed capital and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2009 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.

Chartered Accountants
Licenced Public Accounts
February 19, 2010

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

STATEMENT OF LOSS

YEAR ENDED DECEMBER 31, 2009

	Budget	2009 Actual	2008 Actual (Restated Note 12)
SERVICE REVENUE			
Electricity	\$ 5,016,661	\$ 4,737,262	\$ 4,893,801
Distribution	908,262	812,167	903,146
Wholesale market services, transmission and connection	1,284,734	1,182,668	1,280,912
	<u>7,209,657</u>	<u>6,732,097</u>	<u>7,077,859</u>
COST OF SALES			
Electricity	4,966,498	4,752,324	4,906,061
Wholesale market services	1,358,070	1,134,136	1,343,296
	<u>6,324,568</u>	<u>5,886,460</u>	<u>6,249,357</u>
GROSS MARGIN	885,089	845,637	828,502
INTEREST INCOME	122,055	50,630	151,642
OTHER REVENUE	73,910	66,903	80,769
	<u>1,081,054</u>	<u>963,170</u>	<u>1,060,913</u>
EXPENDITURES DISTRIBUTION, OPERATION AND MAINTENANCE			
Lines and feeders	293,318	292,299	284,245
Transformers	65,310	63,420	68,964
Meters	9,330	7,165	6,569
	<u>367,958</u>	<u>362,884</u>	<u>359,778</u>
ADMINISTRATION AND FINANCE			
Meter reading, billing and collecting	153,460	204,010	174,112
General administration	359,451	301,095	227,700
Interest on long-term debt	-	204,000	-
	<u>512,911</u>	<u>709,105</u>	<u>401,812</u>
AMORTIZATION	140,000	103,155	110,000
TOTAL EXPENDITURES	<u>1,020,869</u>	<u>1,175,144</u>	<u>871,590</u>
INCOME (LOSS) BEFORE PAYMENTS IN LIEU OF TAXES	60,185	(211,974)	189,323
PAYMENTS IN LIEU OF TAXES (RECOVERY)			
Current	-	10,588	-
Future	-	(70,100)	1,800
	-	<u>(59,512)</u>	<u>1 800</u>
NET INCOME (LOSS)	\$ 60,185	\$ (152,462)	\$ 187,523

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

**STATEMENT OF RETAINED EARNINGS
AND CONTRIBUTED CAPITAL**

YEAR ENDED DECEMBER 31, 2009

	2009	2008 (Restated Note 12)
RETAINED EARNINGS		
BALANCE, BEGINNING OF YEAR	\$ 2,814,140	\$ 2,512,315
PRIOR PERIOD ADJUSTMENT (note 12)	-	114,302
BALANCE, RESTATED	2,814,140	2,626,617
NET INCOME (LOSS)	(152,462)	187,523
BALANCE, END OF YEAR	\$ 2,661,678	\$ 2,814,140
CONTRIBUTED CAPITAL		
BALANCE, BEGINNING OF YEAR	\$ 206,640	\$ 206,640
REDUCTION OF NOTIONAL EQUITY IN ONTARIO HYDRO	-	-
BALANCE, END OF YEAR	\$ 206,640	\$ 206,640

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

BALANCE SHEET

DECEMBER 31, 2009

	2009	2008 (Restated Note 12)
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,785,308	\$ 4,583,782
Unbilled revenue	774,346	872,969
Accounts receivable (note 3)	530,520	485,334
Income taxes recoverable	30,766	26,959
Inventory	117,358	119,256
Prepaid expenses	9,431	13,003
Future income taxes	95,900	25,800
	<u>5,343,629</u>	<u>6,127,103</u>
PROPERTY AND EQUIPMENT (note 4)	850,472	971,758
OTHER ASSETS (note 5)	13,003	14,276
	<u>13,003</u>	<u>14,276</u>
	<u>\$ 6,207,104</u>	<u>\$ 7,113,137</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 829,086	\$ 1,451,464
Other regulatory assets and liabilities (note 7)	412,524	725,944
Due to Town of Hearst	345,779	158,130
Demand loan (note 8)	1,700,000	1,700,000
Customers' deposits	41,397	46,819
	<u>3,328,786</u>	<u>4,082,357</u>
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,661,678	2,814,140
CONTRIBUTED CAPITAL	206,640	206,640
	<u>2,878,318</u>	<u>3,030,780</u>
	<u>\$ 6,207,104</u>	<u>\$ 7,113,137</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2009

	2009	2008 (Restated Note 12)
OPERATING ACTIVITIES		
Net income (loss)	\$ (152,462)	\$ 187,523
Items not requiring cash:		
Amortization	103,155	110,000
Future income taxes (recovery)	(70,100)	1,800
	(119,407)	299,323
Changes in:		
Unbilled revenue	98,623	(4,825)
Accounts receivable	(45,186)	(22,079)
Income taxes recoverable/payable	(3,807)	2,000
Inventory	1,898	(14,270)
Prepaid expenses	3,572	2,932
Accounts payable and accrued liabilities	(622,378)	119,359
Other regulatory assets and liabilities	(313,420)	3,313
Due to Town of Hearst	187,649	76,903
Change in customers deposits	(5,422)	(3,479)
	(817,878)	459,177
INVESTING ACTIVITIES		
Purchase of property and equipment	(25,677)	(114,484)
Decapitalization of smart meters stranded costs	45,081	-
	19,404	(114,484)
INCREASE (DECREASE) IN CASH POSITION	(798,474)	344,693
CASH POSITION, BEGINNING OF YEAR	2,883,782	2,539,089
CASH POSITION, END OF YEAR (note 10)	\$ 2,085,308	\$ 2,883,782

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. NATURE OF BUSINESS

The corporation, incorporated under the Ontario Business Corporations Act, owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

RATE REGULATED ENTITY

The Ontario Energy Board (OEB) has regulatory oversight of electricity matters in the Province of Ontario. Among other duties, the Board has the authority to issue distribution licences along with conditions pertaining to accounting records and filing requirements for rate setting purposes.

All energy has to be purchased through Independent Electricity System Operations (IESO) in a weighted average basis whereas the price paid for the electricity is based on the market price adjusted for the peak periods of demand.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment and the principles explained under the heading regulation, all principles employed are in accordance with Canadian generally accepted accounting principles.

REVENUE RECOGNITION

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed.

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

FUTURE INCOME TAXES

Income taxes are provided, at current rates, for all items included in the statement of income regardless of the period in which such items are reported for income tax purposes. The principal item which results in timing differences between financial and tax reporting purposes is amortization. Future income taxes are adjusted for changes in income tax rates.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REGULATION

The entity has to follow regulatory accounting treatments that differ from Canadian generally accepted accounting policies for enterprises operating in non regulated environment.

Transition costs: certain costs to set up the company have been deferred in accordance with OEB guidelines. These costs have been increased for the prescribed OEB rate of return with an offsetting interest income credit.

Pre-market opening energy variance: this asset represents the utility's cost of power based on time-of-use rates and the amounts billed to non time-of-use customers. These costs have been increased for the prescribed OEB rate of return with an affecting interest income credit.

Other regulatory assets: OEB has allowed the deferral of their annual costs assessments. These costs will be subject to recovery starting in 2009 subject to OEB approval.

Retail services and settlement variances: the net difference between the amount paid in the year to IESO and Hydro One and the amount billed to customers and retailers, based on Board-approved rates is recorded by journal entry in the following variance accounts.

- a) Power Charges
- b) Wholesale Market Service Charges;
- c) Retail Transmission Network Service Charges;
- d) Retail Transmission Connection Service Charges;
- e) Provincial Benefit / Global Adjustment;

Smart meters: Effective May 1, 2006, the OEB has allowed the corporation to defer capital expenditures, operating expenditures, amortization expense and revenues relating to smart meters. Total expenditures deferred at December 31, 2009 amounted to \$ 537,315 (2008 - \$ 19,326). The company has deferred these items in accordance with the criteria set out in the AP Handbook.

The OEB adopted the policy that specific funding for the capital cost of smart meters should be included in distribution rates by all Ontario electric distribution companies. The Board decided that 'seed' funding equivalent to \$ 1.00 (since May 1st, 2009) and \$ 0.25 (from May 25th, 2008 to April 30th, 2009) per customer per month be included in the company's distribution rates commencing July 1, 2008. Revenue has been reduced by the amount for smart meters funded in rates, and have been deferred and netted against smart metering capital costs incurred commencing in 2008 in accordance with the AP Handbook. Accordingly, total smart meter customer revenues, in 2009 of \$ 43,159 (2008 - \$ 20,714) were deferred.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Carrying charges which amounted to \$ 1,218 at December 31, 2009 (2008 - \$ 1,074) are calculated monthly on the opening balance of the smart meter variance account using a specific interest rate as outlined by the OEB.

The balance of the smart meter variance account at December 31, 2009 is \$ 495,374 (2008 - \$ (2,462)).

PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods. In the year of acquisition, only half of the following rate is used:

Building and fixtures	50 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years
Land rights	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

INCOME TAXES

A municipal electric utility is exempt from tax under subsection 149 (1) of the Income Tax Act. Under the Electricity Act of 1998, municipal electric utilities have to make payments in lieu of taxes (PILS) to the province. These payments are generally equivalent to the income taxes that would be otherwise due if the municipal electric utility would have been taxable as a small business corporation under the Income Tax Act.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

CUSTOMERS DEPOSITS

Customers' advance deposits are cash collections from customers to mitigate the financial risk of non-payment of energy bills. Security deposits are refunded on customers account when a customer is deemed to have maintained a good payment history during the relevant time period set out in the customer security deposit policy.

EMPLOYEE FUTURE BENEFITS

The company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System (OMERS), a defined benefit plan established by the province. Both employers and employees are required to make contributions to the plan. Since the corporation is only a contribution to the plan and all the actuarial costs/benefits are assumed by the province, only its yearly contributions/adjustments required by the province are recorded as expenses in the income statement.

FUTURE ACCOUNTING STANDARDS

International Financing Reporting Standards (IFRS):

On February 13, 2008, the Accounting standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian GAAP for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011. A limited number of converged or IFRS-based standards will be incorporated into Canadian GAAP prior to 2011, with the remaining standards to be adopted at the change over date. The company has an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its consolidated financial statements. At this time, the impact of the company's future financial position and results of operations is not reasonably determinable or estimable.

USE OF ESTIMATES

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

3. ACCOUNTS RECEIVABLE

	2009	2008
Electrical energy	\$ 452,377	\$ 419,724
Others	79,384	66,667
	531,761	486,391
Allowance for doubtful accounts	(1,241)	(1,057)
	\$ 530,520	\$ 485,334

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2009 Net	2008 Net
Land	\$ 7,600	\$ -	\$ 7,600	\$ 7,600
Building and fixtures	214,579	78,998	135,581	126,464
Underground lines and feeders	2,024,120	1,579,058	445,062	495,245
Transformers	544,950	459,757	85,193	92,641
Meters	132,180	79,557	52,623	101,297
Office equipment	48,128	32,900	15,228	12,436
Automotive equipment	486,435	465,421	21,014	30,074
Computer equipment	209,636	164,326	45,310	60,781
Other equipment	131,610	89,469	42,141	44,077
Land rights	4,232	3,512	720	1,143
	\$ 3,803,470	\$ 2,952,998	\$ 850,472	\$ 971,758

5. OTHER ASSETS

	Cost	Accumulated Amortization	2009 Net	2008 Net
Organisation costs	\$ 25,471	\$ 12,468	\$ 13,003	\$ 14,276

6. BANK INDEBTEDNESS

The corporation has an approved line of credit of \$ 300,000, at prime, secured by a general security agreement on all of the company's assets.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

7. OTHER REGULATORY ASSETS AND LIABILITIES

	2009	2008
Other regulatory assets	\$ (28,499)	\$ (28,157)
Miscellaneous deferred debits	(4,185)	(4,174)
LV variance account	(72,399)	(55,392)
Smart Meter capital and recovery	(425,600)	21,788
Smart Meter OM&A variance	(69,774)	(19,326)
Deferred payments in lieu of taxes	(8,273)	(6,015)
Contra asset - deferred payments in lieu of taxes	8,273	6,015
Conservation and demand management expenditures and recoveries	18,866	26,808
Qualifying transition costs	(31,740)	(31,471)
Pre-market opening energy variance	(396)	(396)
RSVA - all categories	959,009	749,660
Recovery of regulatory assets balances	54,823	54,185
Other regulatory liabilities	12,419	12,419
	<u>\$ 412,524</u>	<u>\$ 725,944</u>

8. DEMAND LOAN

	2009	2008
The Corporation of the Town of Hearst, promissory note, interest at the lesser of 12 % or a part of the net income for the year, payable on a monthly basis, no fixed capital repayment	\$ 1,700,000	\$ 1,700,000

9. CAPITAL STOCK

	2009	2008
AUTHORIZED		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
ISSUED		
10,000 common shares	\$ 10,000	\$ 10,000

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

10. STATEMENT OF CASH FLOW

CASH POSITION

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	2009	2008
Cash	\$ 3,785,308	\$ 4,583,782
Demand loan	<u>(1,700,000)</u>	<u>(1,700,000)</u>
	\$ 2,085,308	\$ 2,883,782

INTEREST AND INCOME TAXES

Cash payments were made for the following items:

	2009	2008
Interest	\$ 1,318	\$ 1,652
Payments in lieu of taxes	<u>14,070</u>	<u>(2,000)</u>
	\$ 15,388	\$ (348)

11. EMPLOYEE FUTURE BENEFITS

The company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System (OMERS), a defined benefit plan established by the province. Both employers and employees are required to make contributions to the plan. During the year, the company contributed \$26,405 to the plan (2008 - \$25,769). As this is a defined benefit plan, these contributions are the company's pension benefit expenses. No pension liability for this type of plan is included in the company's financial statements.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

12. PRIOR PERIOD ADJUSTMENT

Following an internal Ontario Energy Board audit, the calculation for the variance account RSVA Power had to be modified for the years 2005 to 2008. This modification resulted in the following changes:

- 2008 opening retained earnings were increased by \$ 114,302.
- 2008 electricity revenues were increased by \$ 224,356.
- 2008 general administration expenses were decreased by \$ 7,218.
- 2008 net income was increased by \$ 217,138.
- 2008 other regulatory assets and liabilities were decreased by \$ 217,138.

All income taxes effects were reflected in the 2009 calculations.

13. RELATED PARTY TRANSACTIONS

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

	2009	2008
Service revenue	\$ 510,089	\$ 513,065
Rent expense	8,733	8,604
Clerical and answering services expense	27,256	51,736
Interest on long term debt	204,000	-
Year end balances were as follows:		
Due to Town of Hearst	\$ 345,779	\$ 158,130
Demand loan payable	1,700,000	1,700,000

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

14. CONTINGENT LIABILITIES

Purchasers of electricity in Ontario are required to provide security to the IESO to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this guarantee if the company fails to make a payment required by a default notice issued by the IESO. In this regard, the company has obtained a letter of guarantee as security in the amount of \$ 334,919 from the RBC Royal Bank.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/
CORPORATION DE DISTRIBUTION
ELECTRIQUE DE HEARST**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

15. FINANCIAL INSTRUMENTS

The company's financial instruments consists of cash, accounts receivable, demand loan, accounts payable and accrued liabilities and amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.

C2 Pass-through Charges

Volumes from sheet C1, Account #s from sheet Y4

Electricity (Commodity)		Revenue	Expense	2009		rate (\$/kWh):	\$0.06666	2010		rate (\$/kWh):	\$0.06666
	Customer Class Name	USA #	USA #	Volume		Amount		Volume		Amount	
kWh	Residential	4006	4705	27,948,974		1,863,079		27,852,221		1,856,629	
kWh	GS<50kW	4006	4705	11,955,667		796,965		12,976,189		864,993	
kWh	GS>50kW	4035	4705	18,960,200		1,263,887		19,897,945		1,326,397	
kWh	Intermediate Users	4035	4705	21,035,475		1,402,225		19,353,465		1,290,102	
kWh	Sentinel Lights	4006	4705	27,915		1,861		24,627		1,642	
kWh	Street Lights	4025	4705	1,047,600		69,833		1,052,302		70,146	
	TOTAL			80,975,831		5,397,849		81,156,750		5,409,909	
Transmission - Network		Revenue	Expense	2009				2010			
	Customer Class Name	USA #	USA #	Volume	Rate	Amount		Volume	Rate	Amount	
kWh	Residential	4066	4714	27,948,974	\$0.0044	122,975		27,852,221	\$0.0051	142,046	
kWh	GS<50kW	4066	4714	11,955,667	\$0.0040	47,823		12,976,189	\$0.0046	59,690	
kW	GS>50kW	4066	4714	50,670	\$1.6512	83,666		53,176	\$1.9008	101,077	
kW	Intermediate Users	4066	4714	65,897	\$1.8467	121,692		59,721	\$2.1258	126,955	
kW	Sentinel Lights	4066	4714	99	\$1.2516	124		72	\$1.4408	104	
kW	Street Lights	4066	4714	3,071	\$1.2452	3,824		3,084	\$1.4334	4,421	
	TOTAL			40,024,378		380,104		40,944,463		434,293	
Transmission - Connection		Revenue	Expense	2009				2010			
	Customer Class Name	USA #	USA #	Volume	Rate	Amount		Volume	Rate	Amount	
kWh	Residential	4068	4716	27,948,974	\$0.0050	139,745		27,852,221	\$0.0044	122,550	
kWh	GS<50kW	4068	4716	11,955,667	\$0.0045	53,801		12,976,189	\$0.0039	50,607	
kW	GS>50kW	4068	4716	50,670	\$1.7837	90,380		53,176	\$1.5572	82,806	
kW	Intermediate Users	4068	4716	65,897	\$2.1038	138,634		59,721	\$1.8367	109,689	
kW	Sentinel Lights	4068	4716	99	\$1.4077	139		72	\$1.2290	88	
kW	Street Lights	4068	4716	3,071	\$1.3790	4,235		3,084	\$1.2039	3,713	
	TOTAL			40,024,378		426,934		40,944,463		369,453	
Wholesale Market Service		Revenue	Expense	2009		rate (\$/kWh):	\$0.00520	2010		rate (\$/kWh):	\$0.00520
	Customer Class Name	USA #	USA #	Volume		Amount		Volume		Amount	
kWh	Residential	4062	4708	27,948,974		145,335		27,852,221		144,832	
kWh	GS<50kW	4062	4708	11,955,667		62,169		12,976,189		67,476	
kWh	GS>50kW	4062	4708	18,960,200		98,593		19,897,945		103,469	
kWh	Intermediate Users	4062	4708	21,035,475		109,384		19,353,465		100,638	
kWh	Sentinel Lights	4062	4708	27,915		145		24,627		128	
kWh	Street Lights	4062	4708	1,047,600		5,448		1,052,302		5,472	
	TOTAL			80,975,831		421,074		81,156,750		422,015	
Rural Rate Protection		Revenue	Expense	2009		rate (\$/kWh):	\$0.00130	2010		rate (\$/kWh):	\$0.00130
	Customer Class Name	USA #	USA #	Volume		Amount		Volume		Amount	
kWh	Residential	4062	4730	27,948,974		36,334		27,852,221		36,208	
kWh	GS<50kW	4062	4730	11,955,667		15,542		12,976,189		16,869	
kWh	GS>50kW	4062	4730	18,960,200		24,648		19,897,945		25,867	
kWh	Intermediate Users	4062	4730	21,035,475		27,346		19,353,465		25,160	
kWh	Sentinel Lights	4062	4730	27,915		36		24,627		32	
kWh	Street Lights	4062	4730	1,047,600		1,362		1,052,302		1,368	
	TOTAL			80,975,831		105,269		81,156,750		105,504	
Debt Retirement Charge		Revenue	Expense	2009		rate (\$/kWh):	\$0.00610	2010		rate (\$/kWh):	\$0.00610
	Customer Class Name	USA #	USA #	Volume		Amount		Volume		Amount	
	TOTAL										
Low Voltage Charges		Revenue	Expense	2009				2010			
	Customer Class Name	USA #	USA #	Volume		Amount		Volume		Amount	
	TOTAL (Input amount)	4075	4750			76,944				77,713	
GRAND TOTAL						6,808,174				6,818,887	

Appendix 2IR_D

Account	Description	2004 Opening Balance (a)	2004 Less Fully Depreciated (b)	2004 Net for Depreciation (c) = (a) - (b)	2004 Additions (d)	2004 Total for Depreciation (e) = (c) + 0.5 x (d)	2004 Years (f)	2004.00 Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00	0.00		
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	13,007.06	0.00	13,007.06	1,602.19	13,808.16	25	552.33	
1835	1835 - Overhead Conductors and Devices	1,520,684.46	535,293.60	985,390.86	2,885.08	986,833.40	25	39473.34	
1840	1840 - Underground Conduit	3,086.81	0.00	3,086.81	1,976.29	4,074.96		#VALUE!	
1845	1845 - Underground Conductors and Devices	414,572.82	69,339.75	345,233.07	0.00	345,233.07	25	13809.32	
1850	1850 - Line Transformers	508,705.09	299,334.76	209,370.33	5,443.55	212,092.11	25	8483.68	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	2,460,056.24	903,968.11	1,556,088.13	11,907.11	1,562,041.69	100.00	#VALUE!	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00	0		
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00	0		
1906	1906 - Land Rights	2,432.00	0.00	2,432.00	1,800.00	3,332.00	10	333.20	
1908	1908 - Buildings and Fixtures	185,770.20	0.00	185,770.20	15,799.77	193,670.09	50	3873.40	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00	0		
1915	1915 - Office Furniture and Equipment	30,471.82	11,975.90	18,495.92	2,896.81	19,944.33	10	1994.43	
1920	1920 - Computer Equipment - Hardware	77,301.21	46,805.61	30,495.60	0.00	30,495.60	5	6099.12	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5	0.00	
1925	1925 - Computer Software	49,669.20	0.00	49,669.20	5,313.03	52,325.72	5	10465.14	
1930	1930 - Transportation Equipment	441,136.22	298,468.20	142,668.02	0.00	142,668.02	5	28533.60	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10	185.45	
1940	1940 - Tools, Shop and Garage Equipment	83,808.43	44,622.03	39,186.40	7,111.80	42,742.30	10	4274.23	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00	25	0.00	
1955	1955 - Communication Equipment	0.00	0.00	0.00	0.00	0.00	10	0.00	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	880,043.60	401,871.74	478,171.86	32,921.41	494,632.57	145.00	55758.58	
	Other Plant								
1855	1855 - Services	5,460.87	0.00	5,460.87	0.00	5,460.87	25	218.43	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00			
1860	1860 - Meters	320,899.88	45,744.07	275,155.81	1,458.00	275,884.81	25	11035.39	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	326,360.75	45,744.07	280,616.68	1,458.00	281,345.68	50.00	11253.83	
	TOTAL	3,666,460.59	1,351,583.92	2,314,876.67	46,286.52	2,338,019.93	295.00	#VALUE!	

NOTE: Accounts 1806, 1610 and 1990 are not included in Fixed asset continuity schedule and therefore we do not have closing balance depreciation for them.

However, since their closing balance costs in the trial balance are zero for all years, it is inferred that they have zero depreciation.

Account	Description	2005 Opening Balance (a)	2005 Less Fully Depreciated (b)	2005 Net for Depreciation (c) = (a) - (b)	2005 Additions (d)	2005 Total for Depreciation (e) = (c) + 0.5 x (d)	2005 Years (f)	2005 Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	14,609.25	0.00	14,609.25	8,822.67	19,020.59	25.00	760.82	
1835	1835 - Overhead Conductors and Devices	1,523,569.54	571,972.10	951,597.44	32,507.11	967,851.00	25.00	38714.04	
1840	1840 - Underground Conduit	5,063.10	0.00	5,063.10	-2,084.51	4,020.85	25.00	160.83	
1845	1845 - Underground Conductors and Devices	414,572.82	69,339.75	345,233.07	2,173.59	346,319.87	25.00	13852.79	
1850	1850 - Line Transformers	514,148.64	299,334.76	214,813.88	9,358.59	219,493.18	25.00	8779.73	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	2,471,963.35	940,646.61	1,531,316.74	50,777.45	1,556,705.47	125.00	62268.22	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	0.00	201,569.97	50.00	4031.40	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	33,368.63	11,975.90	21,392.73	8,793.90	25,789.68	10.00	2578.97	
1920	1920 - Computer Equipment - Hardware	77,301.21	46,805.61	30,495.60	1,044.36	31,017.78	5.00	6203.56	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	54,982.23	0.00	54,982.23	0.00	54,982.23	5.00	10996.45	
1930	1930 - Transportation Equipment	441,136.22	441,136.22	0.00	0.00	0.00	5.00	0.00	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	90,920.23	56,717.93	34,202.30	0.00	34,202.30	10.00	3420.23	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	0.00	0.00	0.00	3,546.04	1,773.02	10.00	177.30	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	912,965.01	556,635.66	356,329.35	13,384.30	363,021.50	120.00	28016.55	
	Other Plant								
1855	1855 - Services	5,460.87	0.00	5,460.87	2,463.98	6,692.86	25.00	267.71	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00			
1860	1860 - Meters	322,357.88	45,744.07	276,613.81	893.66	277,060.64	25.00	11082.43	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	327,818.75	45,744.07	282,074.68	3,357.64	283,753.50	50.00	11350.14	
	TOTAL	3,712,747.11	1,543,026.34	2,169,720.77	67,519.39	2,203,480.47	295.00	101,634.91	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Account	Description	2006 Opening Balance (a)	2006 Less Fully Depreciated (b)	2006 Net for Depreciation (c) = (a) - (b)	2006 Additions (d)	2006 Total for Depreciation (e) = (c) + 0.5 x (d)	2006 Years (f)	2006 Depreciation Expense (g) = (e) / (f)		2006 EDR	
	Transmission Plant										
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0			0.00	
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
	Distribution Plant										
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00					
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00					
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00					
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00					
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00					
1830	1830 - Poles, Towers and Fixtures	23,431.92	0.00	23,431.92	3,279.72	25,071.78	25.00	1002.87		2039.86	
1835	1835 - Overhead Conductors and Devices	1,556,076.65	613,420.60	942,656.05	11,153.01	948,232.56	25.00	37929.30		96380.01	
1840	1840 - Underground Conduit	2,978.59	0.00	2,978.59	1,406.55	3,681.87	25.00	147.27		389.61	
1845	1845 - Underground Conductors and Devices	416,746.41	69,339.75	347,406.66	3,470.67	349,142.00	25.00	13965.68		34723.14	
1850	1850 - Line Transformers	523,507.23	299,334.76	224,172.47	3,554.45	225,949.70	25.00	9037.99		22059.56	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00					
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00					
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00					
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00					
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00					
	Sub-Total	2,522,740.80	982,095.11	1,540,645.69	22,864.40	1,552,077.89	125.00	62083.12		155592.17	
	General Plant										
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00				
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00					
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00					
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20		1013.00	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	0.00	201,569.97	50.00	4031.40		9999.50	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00					
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	0.00	28,738.21	10.00	2873.82		6450.01	
1920	1920 - Computer Equipment - Hardware	78,345.57	58,396.21	19,949.36	1,176.12	20,537.42	5.00	4107.48		13360.60	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00		0.00	
1925	1925 - Computer Software	54,982.23	0.00	54,982.23	0.00	54,982.23	5.00	10996.45		27225.46	
1930	1930 - Transportation Equipment	441,136.22	441,136.22	0.00	0.00	0.00	5.00	0.00		14266.80	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45		463.63	
1940	1940 - Tools, Shop and Garage Equipment	90,920.23	65,547.93	25,372.30	0.00	25,372.30	10.00	2537.23		8094.58	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00					
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00					
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60		531.91	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00					
	Sub-Total	926,349.31	578,504.68	347,844.63	1,176.12	348,432.69	120.00	25509.64		81405.48	
										0.00	
	Other Plant										
1855	1855 - Services	7,924.85	0.00	7,924.85	897.43	8,373.57	25.00	334.94		711.87	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00					
1860	1860 - Meters	323,251.54	134,494.13	188,757.41	32,812.89	205,163.86	25.00	8206.55		24806.68	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00				
	Sub-Total	331,176.39	134,494.13	196,682.26	33,710.32	213,537.42	50.00	8541.50		25518.55	
	TOTAL	3,780,266.50	1,695,093.92	2,085,172.58	57,750.84	2,114,048.00	295.00	96,134.25		262,516.20	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Account	Description	2007 Opening Balance (a)	2007 Less Fully Depreciated (b)	2007 Net for Depreciation (c) = (a) - (b)	2007 Additions (d)	2007 Total for Depreciation (e) = (c) + 0.5 x (d)	2007 Years (f)	2007 Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	26,711.64	0.00	26,711.64	1,291.19	27,357.24	25.00	1094.29	
1835	1835 - Overhead Conductors and Devices	1,567,229.66	630,167.71	937,061.95	2,497.42	938,310.66	25.00	37532.43	
1840	1840 - Underground Conduit	4,385.14	0.00	4,385.14	773.04	4,771.66	25.00	190.87	
1845	1845 - Underground Conductors and Devices	420,217.08	69,339.75	350,877.33	0.00	350,877.33	25.00	14035.09	
1850	1850 - Line Transformers	527,061.68	299,334.76	227,726.92	11,124.33	233,289.09	25.00	9331.56	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	2,545,605.20	998,842.22	1,546,762.98	15,685.98	1,554,605.97	125.00	62184.24	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	0.00	201,569.97	50.00	4031.40	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	0.00	28,738.21	10.00	2873.82	
1920	1920 - Computer Equipment - Hardware	79,521.69	71,831.41	7,690.28	0.00	7,690.28	5.00	1538.06	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	54,982.23	13,996.80	40,985.43	0.00	40,985.43	5.00	8197.09	
1930	1930 - Transportation Equipment	441,136.22	441,136.22	0.00	30,826.40	15,413.20	5.00	3082.64	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	90,920.23	65,547.93	25,372.30	3,028.97	26,886.79	10.00	2688.68	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	927,525.43	605,936.68	321,588.75	33,855.37	338,516.44	120.00	23374.94	
	Other Plant								
1855	1855 - Services	8,822.28	0.00	8,822.28	739.65	9,192.11	25.00	367.68	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00			
1860	1860 - Meters	356,064.43	134,494.13	221,570.30	1,499.19	222,319.90	25.00	8892.80	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	364,886.71	134,494.13	230,392.58	2,238.84	231,512.00	50.00	9260.48	
	TOTAL	3,838,017.34	1,739,273.03	2,098,744.31	51,780.19	2,124,634.41	295.00	94,819.66	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Account	Description	2008 Opening Balance (a)	2008 Less Fully Depreciated (b)	2008 Net for Depreciation (c) = (a) - (b)	2008 Additions (d)	2008 Total for Depreciation (e) = (c) + 0.5 x (d)	2008 Years (f)	2008 Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	28,002.83	0.00	28,002.83	2,625.07	29,315.37	25.00	1172.61	
1835	1835 - Overhead Conductors and Devices	1,569,727.08	630,167.71	939,559.37	9,897.50	944,508.12	25.00	37780.32	
1840	1840 - Underground Conduit	5,158.18	0.00	5,158.18	714.83	5,515.60	25.00	220.62	
1845	1845 - Underground Conductors and Devices	420,217.08	69,339.75	350,877.33	3,173.08	352,463.87	25.00	14098.55	
1850	1850 - Line Transformers	538,186.01	299,334.76	238,851.25	4,385.92	241,044.21	25.00	9641.77	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	2,561,291.18	998,842.22	1,562,448.96	20,796.40	1,572,847.16	125.00	62913.89	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	0.00	201,569.97	50.00	4031.40	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	0.00	28,738.21	10.00	2873.82	
1920	1920 - Computer Equipment - Hardware	79,521.69	77,300.53	2,221.16	14,156.76	9,299.54	5.00	1859.91	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	54,982.23	49,669.20	5,313.03	60,975.07	35,800.57	5.00	7160.11	
1930	1930 - Transportation Equipment	471,962.62	441,136.22	30,826.40	14,472.00	38,062.40	5.00	7612.48	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	93,949.20	78,547.93	15,401.27	2,821.80	16,812.17	10.00	1681.22	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	961,380.80	660,078.20	301,302.60	92,425.63	347,515.42	120.00	26182.19	
	Other Plant								
1855	1855 - Services	9,561.93	0.00	9,561.93	204.03	9,663.95	25.00	386.56	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00	25.00	0.00	
1860	1860 - Meters	357,563.62	134,494.13	223,069.49	1,058.40	223,598.69	25.00	8943.95	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	367,125.55	134,494.13	232,631.42	1,262.43	233,262.64	75.00	9330.51	
	TOTAL	3,889,797.53	1,793,414.55	2,096,382.98	114,484.46	2,153,625.21	320.00	98,426.59	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Account	Description	2009 Opening Balance (a)	2009 Less Fully Depreciated (b)	2009 Net for Depreciation (c) = (a) - (b)	2009 Additions (d)	2009 Total for Depreciation (e) = (c) + 0.5 x (d)	2009 Years (f)	2009 Depreciation Expense (g) = (e) / (f)	
	Transmission Plant								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Distribution Plant								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	30,627.90	0.00	30,627.90	1,969.17	31,612.49	25.00	1264.50	
1835	1835 - Overhead Conductors and Devices	1,579,624.58	644,218.71	935,405.87	2,355.06	936,583.40	25.00	37463.34	
1840	1840 - Underground Conduit	5,873.01	0.00	5,873.01	0.00	5,873.01	25.00	234.92	
1845	1845 - Underground Conductors and Devices	423,390.16	69,339.75	354,050.41	0.00	354,050.41	25.00	14162.02	
1850	1850 - Line Transformers	542,571.93	299,334.76	243,237.17	2,377.69	244,426.02	25.00	9777.04	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	2,582,087.58	1,012,893.22	1,569,194.36	6,701.92	1,572,545.32	125.00	62901.81	
	General Plant								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	13,009.06	208,074.50	50.00	4161.49	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	5,965.92	31,721.17	10.00	3172.12	
1920	1920 - Computer Equipment - Hardware	93,678.45	77,300.53	16,377.92	0.00	16,377.92	5.00	3275.58	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	115,957.33	54,982.26	60,975.07	0.00	60,975.07	5.00	12195.01	
1930	1930 - Transportation Equipment	486,434.62	441,136.22	45,298.40	0.00	45,298.40	5.00	9059.68	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	96,771.00	82,807.94	13,963.06	0.00	13,963.06	10.00	1396.31	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	Sub-Total	1,053,806.46	669,651.27	384,155.19	18,974.98	393,642.68	120.00	34223.45	
	Other Plant								
1855	1855 - Services	9,765.96	0.00	9,765.96	0.00	9,765.96	25.00	390.64	
1861	1861 - Smart Meters	0.00	0.00	0.00	437,189.97	218,594.99	15.00	14573.00	
1860	1860 - Meters	358,622.02	271,900.41	86,721.61	6,194.22	89,818.72	25.00	3592.75	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	368,387.98	271,900.41	96,487.57	443,384.19	318,179.67	65.00	18556.39	
	TOTAL	4,004,282.02	1,954,444.90	2,049,837.12	469,061.09	2,284,367.67	310.00	115,681.65	

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Account	Description	2010 Opening Balance (a)	2010 Less Fully Depreciated (b)	2010 Net for Depreciation (c) = (a) - (b)	2010 Additions (d)	2010 Total for Depreciation (e) = (c) + 0.5 x (d)	2010 Years (f)	2010 Depreciation Expense (g) = (e) / (f)
	Transmission Plant							
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0	
	Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Plant							
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00		
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00		
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00		
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00		
1830	1830 - Poles, Towers and Fixtures	32,597.07	0.00	32,597.07	10,000.00	37,597.07	25.00	1503.88
1835	1835 - Overhead Conductors and Devices	1,581,979.64	688,281.46	893,698.18	18,500.00	902,948.18	25.00	36117.93
1840	1840 - Underground Conduit	5,873.01	0.00	5,873.01	0.00	5,873.01	25.00	234.92
1845	1845 - Underground Conductors and Devices	423,390.16	69,339.75	354,050.41	13,300.00	360,700.41	25.00	14428.02
1850	1850 - Line Transformers	544,949.62	299,334.76	245,614.86	16,500.00	253,864.86	25.00	10154.59
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00		
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00		
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00		
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00		
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	2,588,789.50	1,056,955.97	1,531,833.53	58,300.00	1,560,983.53	125.00	62439.34
	General Plant							
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00	
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00		
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00		
1906	1906 - Land Rights	4,232.00	2,432.00	1,800.00	0.00	1,800.00	10.00	180.00
1908	1908 - Buildings and Fixtures	214,579.03	0.00	214,579.03	0.00	214,579.03	50.00	4291.58
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1915	1915 - Office Furniture and Equipment	48,128.45	13,424.32	34,704.13	25,000.00	47,204.13	10.00	4720.41
1920	1920 - Computer Equipment - Hardware	93,678.45	78,344.89	15,333.56	0.00	15,333.56	5.00	3066.71
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	10,000.00	5,000.00	5.00	1000.00
1925	1925 - Computer Software	115,957.33	54,982.26	60,975.07	25,000.00	73,475.07	5.00	14695.01
1930	1930 - Transportation Equipment	486,434.62	441,136.22	45,298.40	12,500.00	51,548.40	5.00	10309.68
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45
1940	1940 - Tools, Shop and Garage Equipment	96,771.00	82,807.94	13,963.06	2,000.00	14,963.06	10.00	1496.31
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00		
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00		
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00		
	Sub-Total	1,072,781.44	673,127.63	399,653.81	74,500.00	436,903.81	120.00	40299.76
	Other Plant							
1855	1855 - Services	9,765.96	0.00	9,765.96	1,000.00	10,265.96	25.00	410.64
1861	1861 - Smart Meters	437,189.97	0.00	437,189.97	114,896.00	494,637.97	15.00	32,975.86
1860	1860 - Meters	132,180.02	42,361.25	89,818.77	0.00	89,818.77	25.00	3,592.75
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00	
	Sub-Total	368,387.98	42,361.25	99,584.73	115,896.00	594,722.70	65.00	36,979.25
	TOTAL	4,029,958.92	1,772,444.85	2,031,072.07	248,696.00	2,592,610.04	310.00	139,718.36

NOTE: Accounts 1806, 1610 and 1990 are not included
However, since their closing balance costs in th

Appendix 2IR_E

Capital Projects

Enter planned capital expenditures and asset retirements

		2004	2005	2006	2007	2008	2009	2010
Gross Capital Asset Account	2006 EDR Approved	Additions	Additions	Additions	Additions	Additions	Additions	Additions
1830-Poles, Towers and Fixtures	13,007	1,602	8,823	3,280	1,291	2,625	1,969	10,000
1835-Overhead Conductors and Devices	1,520,684	2,885	32,507	11,153	2,497	9,898	2,355	18,500
1840-Underground Conduit	3,087	1,976		1,406	773	715		
1845-Underground Conductors and Devices	414,573			3,471		3,173		13,300
1850-Line Transformers	508,705	5,443	9,359	3,555	11,124	4,386	2,378	16,500
1855-Services	5,461		2,464	897	740	204		1,000
1860-Meters	320,900	1,458	702	33,044	1,499	1,058	443,384	
1905-Land	7,600							114,896
1906-Land Rights	2,432	1,800						
1908-Buildings and Fixtures	185,770	15,800					13,009	
1915-Office Furniture and Equipment	30,471	2,897	8,794				5,965	25,000
1920-Computer Equipment - Hardware	77,301		1,044	1,176		14,157		10,000
1925-Computer Software	49,669	5,313				60,975		25,000
1930-Transportation Equipment	441,136				30,826	14,472		12,500
1935-Stores Equipment	1,855							
1940-Tools, Shop and Garage Equipment	83,808	7,112			3,546	2,822		2,000
1955-Communication Equipment	0		3,546					
TOTAL	3,666,459	46,286	67,239	57,982	52,297	114,484	469,060	248,696

Appendix 2IR_F

C1 Load Data and Forecast

CUSTOMERS (CONNECTIONS)

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential	2,340	2,318	2,316	2,318	2,318	2,320	2,320	2,322
GS<50kW	395	399	391	391	391	391	391	391
GS>50kW	39	41	41	41	41	39	39	38
Intermediate Users	3	3	3	3	3	3	3	3
Sentinel Lights	23	46	45	38	38	12	12	10
Street Lights	900	903	909	916	916	915	915	922
TOTAL	3,700	3,710	3,705	3,707	3,707	3,680	3,680	3,686

METERED KILOWATT-HOURS (kWh)

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential	27,473,386	25,897,339	27,069,577	26,596,195	26,581,493	26,604,427	26,719,860	26,627,362
GS<50kW	12,719,994	12,993,046	12,370,240	12,592,670	12,405,535	12,405,535	11,429,892	12,405,535
GS>50kW	21,314,306	19,484,942	21,523,842	20,680,870	20,524,699	19,523,494	18,126,386	19,022,892
Intermediate Users	47,635,245	53,977,594	44,939,095	24,123,994	24,123,994	20,110,397	20,110,397	18,502,357
Sentinel Lights	64,848	60,823	54,603	42,445	42,445	26,687	26,687	23,544
Street Lights	1,108,379	1,091,309	1,097,289	1,159,799	1,159,799	1,001,530	1,001,530	1,006,025
TOTAL	110,316,158	113,505,053	107,054,646	85,195,973	84,837,965	79,672,071	77,414,752	77,587,715

KILOWATTS (kW)

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential								
GS<50kW								
GS>50kW	60,958	55,083	57,195	56,061	56,061	50,670	50,670	53,176
Intermediate Users	108,040	115,268	109,115	70,701	70,701	65,897	65,897	59,721
Sentinel Lights	182	168	148	121	121	99	99	72
Street Lights	3,072	3,036	3,056	3,069	3,069	3,071	3,071	3,084
TOTAL	172,252	173,555	169,514	129,952	129,952	119,737	119,737	116,053

WHOLESALE kWh's ¹

Customer Class Name	Loss Factor
Residential	1.0460
GS<50kW	1.0460
GS>50kW	1.0460
Intermediate Users	1.0460
Sentinel Lights	1.0460
Street Lights	1.0460

2009 Normalized	2009 Actual	2010 Normalized
27,828,231	27,948,974	27,852,221
12,976,189	11,955,667	12,976,189
20,421,575	18,960,200	19,897,945
21,035,475	21,035,475	19,353,465
27,915	27,915	24,627
1,047,600	1,047,600	1,052,302

¹ Metered kWh's multiplied by Loss Factor

Appendix 2IR_G

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

B4 OM&A Expenses (2009 actuals and 2010 to date)

Enter projected expenses for Operations, Maintenance and Administration

Account Grouping	Account Description	2008 Actual	2009 ACTUAL	2010 YEAR TO DATE - SEPT.30. 2010
3500-Distribution Expenses - Operation	5020-Overhead Distribution Lines and Feeders - Operation Labour	5,036.06	6,976.00	1,918.00
3500-Distribution Expenses - Operation	5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	43,304.73	49,419.00	29,065.00
3500-Distribution Expenses - Operation	5035-Overhead Distribution Transformers- Operation	174.34		17.00
3500-Distribution Expenses - Operation	5040-Underground Distribution Lines and Feeders - Operation Labour	167.52	39.00	15.00
3500-Distribution Expenses - Operation	5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	471.93	535.00	495.00
3500-Distribution Expenses - Operation	5055-Underground Distribution Transformers - Operation	40.86	242.00	
3500-Distribution Expenses - Operation	5065-Meter Expense	432.43	1,384.00	
3500-Distribution Expenses - Operation	5085-Miscellaneous Distribution Expense	18,046.16	20,962.00	13,932.00
3500-Distribution Expenses - Operation	5095-Overhead Distribution Lines and Feeders - Rental Paid	6,622.86	5,368.00	
3500-Distribution Expenses - Operation	5096-Other Rent	3,150.00	3,150.00	3,075.00
3550-Distribution Expenses - Maintenance	5105-Maintenance Supervision and Engineering	75,836.39	32,961.00	3,133.00
3550-Distribution Expenses - Maintenance	5120-Maintenance of Poles, Towers and Fixtures	47,147.17	63,404.00	43,191.00
3550-Distribution Expenses - Maintenance	5125-Maintenance of Overhead Conductors and Devices	65,650.13	84,391.00	66,897.00
3550-Distribution Expenses - Maintenance	5130-Maintenance of Overhead Services	5,085.41	12,875.00	5,636.00
3550-Distribution Expenses - Maintenance	5135-Overhead Distribution Lines and Feeders - Right of Way	41.13		
3550-Distribution Expenses - Maintenance	5145-Maintenance of Underground Conduit	1,019.22	701.00	1,219.00
3550-Distribution Expenses - Maintenance	5150-Maintenance of Underground Conductors and Devices	1,792.84	772.00	2,984.00
3550-Distribution Expenses - Maintenance	5155-Maintenance of Underground Services	10,874.59	10,746.00	9,823.00

3550-Distribution Expenses Maintenance	5160-Maintenance of Line Transformers	68,748.44	63,178.00	40,318.00
3550-Distribution Expenses Maintenance	5175-Maintenance of Meters	6,136.28	5,781.00	2,049.00
3650-Billing and Collecting	5310-Meter Reading Expense	38,156.76	62,213.00	22,654.00
3650-Billing and Collecting	5315-Customer Billing	85,499.82	103,479.00	76,277.00
3650-Billing and Collecting	5320-Collecting	17,885.65	19,645.00	12,733.00
3650-Billing and Collecting	5330-Collection Charges	4,388.02	3,233.00	3,092.00
3650-Billing and Collecting	5335-Bad Debt Expense	17,931.46	13,130.00	
3650-Billing and Collecting	5340-Miscellaneous Customer Accounts Expenses	10,250.04	10,410.00	8,214.00
3700-Community Relations	5515-Advertising Expense	2,619.28	3,850.00	1,082.00
3800-Administrative and General Expenses	5605-Executive Salaries and Expenses	9,762.17	8,557.00	
3800-Administrative and General Expenses	5615-General Administrative Salaries and Expenses	71,685.92	67,068.00	52,188.00
3800-Administrative and General Expenses	5620-Office Supplies and Expenses	1,871.29	1,634.00	1,768.00
3800-Administrative and General Expenses	5630-Outside Services Employed	33,204.50	10,620.00	22,519.00
3800-Administrative and General Expenses	5635-Property Insurance	522.62	533.00	537.00
3800-Administrative and General Expenses	5640-Injuries and Damages	8,281.44	6,153.00	2,031.00
3800-Administrative and General Expenses	5645-Employee Pensions and Benefits	-	78,898.00	48,443.00
3800-Administrative and General Expenses	5655-Regulatory Expenses	9,705.64	5,989.00	36,494.00
3800-Administrative and General Expenses	5665-Miscellaneous General Expenses	13,490.35	32,987.50	11,690.00
3800-Administrative and General Expenses	5670-Rent	8,604.12	8,733.00	8,917.00
3800-Administrative and General Expenses	5680-Electrical Safety Authority Fees	2,161.00	2,622.00	2,093.00
TOTAL		695,798.57	802,638.50	534,499.00

Appendix 2IR_H

Appendix 2-H

OM&A Cost Driver Table

OM&A	2006	2007	2008	Bridge Year	Test Year
Opening Balance	\$638,069	\$628287	\$665483	\$695799	\$896847
Cost Driver #1	5120-Maintenance of Poles Towers and Fixtures \$30,268	5085-Miscellaneous Distribution Expense \$21,416	5105-Maintenance Supervision and Engineering \$71,194	5630-Outside Services Employed \$108,065	5310-Meter Reading Expenses \$52,079
Cost Driver #2	5630-Outside Services Employed \$28,568	5315-Customer Billing \$10,937	5335-Bad Debt Expense \$12,931	5645-Employee Pension and benefits \$82,692	5125-Maintenance of Overhead conductors and devices \$18,300
Cost Driver #3	5315-Customer Billing \$17,579			5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses \$17,947	5120-Maintenance of Poles Towers and Fixtures \$11,700
Closing Balance	\$628287	\$665483	\$695799	\$896847	\$867878

The colored cell represents the amounts exceeding the materiality threshold

Ontario Energy Board

2006 EDR to 2006 Actuals;

Cost Driver #1; Maintenance of Poles Towers and Fixtures \$30,268

Explanation;

This increase can be broken down as such;

Tower rental (starting in 2006). Hearst Power had to retire their tower as it did not confirm to code \$2,700.

Safety Training & supply – in conformance to ESA \$4,600.

ESA – audit (new ESA regulation) \$1,690.

Joined the Utility Standard Forums in order to meet ESA standards \$5,000.

The rest is attributable to wages increase

Cost Driver #2; Outside Services Employed \$28,568

Explanation;

Outside consultants were hired to assist with the Cost Allocation Information filing (regulatory compliance)

Cost Driver #3; Customer Billing \$17,579

Explanation;

These costs relate to upgrade of Harris software. (deregulation requirement) \$4,536

2006 Actual to 2007 Actual;

Cost Driver #1; Miscellaneous Distribution Expense \$21,416

Explanation;

This is due to the reclassification of expenses posted to the wrong account 5012. While doing cost allocation, it was discovered that warehouse expenses were being incorrectly posted to account 5012 Station. Building Expenses instead of 5085.

Cost Driver #2; Customer Billing \$10,937

Explanation;

Increase in CIS annual support fee (Advanced Utility System)

2007 Actual to 2008 Actual;

Cost Driver #1; Maintenance Supervision and Engineering \$71,194

Explanation;

This increase accounts for a Superintendent position

Cost Driver #2; Bad Debt Expense \$12,931

Explanation;

This Increase in bad debts was caused by the downturn in the economy. Hearst was hit particularly hard during this period. Customers went bankrupt i.e. a motel closed leaving a bad debt of \$6,817. A restaurant owner went bankrupt owing \$1,686.

2008 Actual to 2009 Actual;

Cost Driver #1; Outside Services Employed \$108,065

Explanation;

These costs relate to the hiring of external consultants to assist in putting together the rebasing application.

Cost Driver #2; Employee Pension and benefits \$82,692

Explanation;

This is not a cost increase per se but a timing issue. At year end, Hearst reallocates overhead on direct labour distribution. Details of the reallocation is presented below.

Ontario Energy Board

DEC.31, 2009

ALLOCATION OF OVERHEADS

<u>Acct.No.</u>	<u>USoA</u>	<u>Descrip.</u>	<u>Amount</u>	<u>%</u>	
45020.000010	5020	O/H Dist. - Labour - Primary	3971.65	2.124%	1756.48
45020.000020	5020	oOH Dist Lines & Feeders 0- Op. Labour	864.93	0.463%	382.52
45025.000030	5025	OH Dist Lines & Feeders - Safety Train.lab.	3047.15	1.630%	1347.62
45027.000010	5027	91-8 Cheyenne Yellow Pick - U p labour	28.42	0.015%	12.57
45027.000020	5027	99-10 Pick up Truck - Labour	172.93	0.092%	76.48
45027.000030	5027	86-7 Bucket Truck (Boom)labour	56.84	0.030%	25.14
45027.000040	5027	95-9 New Bucket truck - labour	85.26	0.046%	37.71
45027.000060	5027	00-11 New Digger Truck (Auger)-labour	228.94	0.122%	101.25
45055.000010	5055	Meter Expense - Labour	167.73	0.090%	74.18
45065.000010	5065	Meter Expense - Labour	63.15	0.034%	27.93
45085.000010	5085	Misc. Dist. Exp. - Warehouse - Labour	4582.46	2.451%	2026.61
45105.000010	5105	Mtce Supervision & Eng. - Labour	24099.39	12.889%	10658.07
45120.000030	5120	Mtce of Poles...-primary - labour	22759	12.172%	10065.27
45120.000050	5120	Mtce of Poles...-secondary - labour	13755.67	7.357%	6083.51
45125.000030	5125	Mtce of OH cond....-primary - labour	20810.89	11.130%	9203.71
45125.000050	5125	Mtce of OH cond... - secondary - labour	13897.83	7.433%	6146.38
45130.000010	5130	Mtce of OH services - labour	8927.06	4.774%	3948.03
45145.000030	5145	Mtce of UG Conduit - Primary - Labour	328.64	0.176%	145.34
45145.000050	5145	Mtce of UG Conduit - Secondary - labour	157.1	0.084%	69.48
45150.000030	5150	Mtce of UG Conduit - Primary - labour	306.74	0.164%	135.66
45150.000050	5150	Mtce of UG Conduit - Secondary - labour	228.79	0.122%	101.18
45155.000010	5155	Mtce of UG Services - Labour	7451.12	3.985%	3295.29
45160.000010	5160	Mtce of Line Transformers - labour	4839.81	2.588%	2140.43
45175.000010	5175	Mtce of Meters - Labour	2767.15	1.480%	1223.78
45175.000030	5175	Mtce of Meters - Single Phase - Labour	28.92	0.015%	12.79
45310.000010	5310	Meter Reading Expenses - Labour	24925.4	13.331%	11023.37
45315.000010	5315	Customer Billing - Labour	28427.2	15.203%	12572.06
			186,980.17	100.00%	<u>82,692.84</u>
45640.000010	5640	Injuries & Damages - WSIB	3795.09		
45645.000010	5645	Empoyee Pension & Benefits - Sickness	9073.92		
45645.000020	5645	" " " - Stat. Hol.	10878.96		
45645.000030	5645	" " " - Vac W/pay	25283.82		
45645.000040	5645	" " " - OMERS	26404.97		
45645.000060	5645	" " " - EHT	7256.08		
			<u>82692.84</u>		

To allocate 2009 overheads on direct labour distribution

Ontario Energy Board

Cost Driver #3; 5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses \$17,947
Explanation;

2009 Actual to 2010 Actual;

Cost Driver #1; Meter Reading Expenses \$52,079

Explanation;

These cost are associated with the meter reading of smart

Cost Driver #2; Maintenance of Overhead conductors and devices \$18,300

Explanation;

Wages increase as per last union contract

Cost Driver #3; Maintenance of Poles Towers and Fixtures \$11,700

Explanation;

Wages increase as per last union contract

Appendix 2IR_I

C6 Proposed Deferral /Variance Account Balance Recoveries

Deferral / Variance Account	Recover Balance as at?	Additional Interest to 30 Apr/10?	Balance for Recovery ¹	Additional Interest for Recovery	Total Recovery Amount
1505-Unrecovered Plant and Regulatory Study Costs					
1508-Other Regulatory Assets	31-Dec-08	YES	28,158	183	28,341
1510-Preliminary Survey and Investigation Charges					
1515-Emission Allowance Inventory					
1516-Emission Allowances Withheld					
1518-RCVARetail	31-Dec-08	YES			
1520-Power Purchase Variance Account					
1525-Miscellaneous Deferred Debits	31-Dec-08	YES			
1530-Deferred Losses from Disposition of Utility Plant					
1540-Unamortized Loss on Reacquired Debt					
1545-Development Charge Deposits/ Receivables					
1548-RCVASTR	31-Dec-08	YES			
1550-LV Variance Account	31-Dec-08	YES	55,393	384	55,777
1555-Smart Meters Capital Variance Account	No Recovery	NO			
1556-Smart Meters OM&A Variance Account	No Recovery	NO			
1560-Deferred Development Costs					
1562-Deferred Payments in Lieu of Taxes	No Recovery	NO			
1563-Account 1563 - Deferred PILs Contra Account					
1565-Conservation and Demand Management Expenditures and Recoveries	31-Dec-08	YES	(24,903)	(183)	(25,086)
1566-CDM Contra Account	31-Dec-08	YES	24,903	183	25,086
1570-Qualifying Transition Costs	31-Dec-08	YES	31,472	144	31,616
1571-Pre-market Opening Energy Variance	31-Dec-08	YES	3,381	(4)	3,377
1572-Extraordinary Event Costs					
1574-Deferred Rate Impact Amounts					
1580-RSVAWMS	31-Dec-08	YES	(202,557)	(1,413)	(203,970)
1582-RSVAONE-TIME	31-Dec-08	YES			
1584-RSVANW	31-Dec-08	YES	(81,725)	(498)	(82,223)
1586-RSVACN	31-Dec-08	YES	(249,072)	(1,707)	(250,779)
1588-RSVAPOWER	31-Dec-08	YES	(216,307)	(1,031)	(217,338)
1590-Recovery of Regulatory Asset Balances	31-Dec-08	YES	(54,185)	(342)	(54,527)
1598-1588 Global Adjustment sub-acct	No Recovery	NO			
2425-Other Deferred Credits					
Sub-Total for Recovery					(689,725)

C6 Proposed Deferral /Variance Acc

Deferral / Variance Account	31 Dec/09 Projected Balance	31 Dec/10 Projected Balance	2009 Projected Interest ²	2010 Projected Interest ²
1505-Unrecovered Plant and Regulatory Study Costs				
1508-Other Regulatory Assets	28,295	92	(137)	(137)
1510-Preliminary Survey and Investigation Charges				
1515-Emission Allowance Inventory				
1516-Emission Allowances Withheld				
1518-RCVARetail				
1520-Power Purchase Variance Account				
1525-Miscellaneous Deferred Debits				
1530-Deferred Losses from Disposition of Utility Plant				
1540-Unamortized Loss on Reacquired Debt				
1545-Development Charge Deposits/ Receivables				
1548-RCVASTR				
1550-LV Variance Account	71,677	19,287	(288)	(387)
1555-Smart Meters Capital Variance Account	733	(4,745)	114	9
1556-Smart Meters OM&A Variance Account	55,322	55,626	(106)	(304)
1560-Deferred Development Costs				
1562-Deferred Payments in Lieu of Taxes				
1563-Account 1563 - Deferred PILs Contra Account				
1565-Conservation and Demand Management Expenditures and Recoveries	(16,757)	8,237	137	91
1566-CDM Contra Account	16,757	(8,237)	(137)	(91)
1570-Qualifying Transition Costs	31,580	72	(108)	(108)
1571-Pre-market Opening Energy Variance	3,378	(2)	3	3
1572-Extraordinary Event Costs				
1574-Deferred Rate Impact Amounts				
1580-RSVAWMS	(264,583)	(80,194)	1,060	1,461
1582-RSVAONE-TIME				
1584-RSVANW	(96,094)	(16,629)	374	459
1586-RSVACN	(341,709)	(125,232)	1,280	1,901
1588-RSVAPOWER	(250,644)	(76,117)	773	1,110
1590-Recovery of Regulatory Asset Balances	(54,441)	(171)	256	256
1598-1588 Global Adjustment sub-acct	180,910		(372)	(1,197)
2425-Other Deferred Credits				
Sub-Total for Recovery	(635,575)	(228,014)	2,848	3,068

C6 Proposed Deferral /Variance Account Balance Recoveries

Deferral / Variance Account	Recover Balance as at?	Additional Interest to 30 Apr/10?	Balance for Recovery ¹	Additional Interest for Recovery	Total Recovery Amount
1590-Recovery of Regulatory Asset Balances (residual)	No Recovery	NO			
Total Recoveries Required					(689,725)
Annual Recovery Amounts	# years:	4			(172,431)

¹ per sheet B5, except account 1590 (sheet C5)

² Interest Rate = 0.55% per sheet Y1

³ Recorded in USA # per sheet C5

C6 Proposed Deferral /Variance Acc

Deferral / Variance Account	31 Dec/09 Projected Balance	31 Dec/10 Projected Balance	2009 Projected Interest ²	2010 Projected Interest ²
1590-Recovery of Regulatory Asset Balances (residual)				
Total Recoveries Required				(316)
Annual Recovery Amounts # years:				
	Interest Totals: ³		2,848	2,751

¹ per sheet B5, except account 1590 (sheet C5)

² Interest Rate = 0.55% per sheet Y1

³ Recorded in USA # per sheet C5

Appendix 2IR_J

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

C7 Rate Riders*Allocate recoveries of deferral / variance account balances*

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Residential	GS<50kW	GS>50kW	Intermediate Users
1508-Other Regulatory Assets	28,341	Distribution Revenue (existing rates)	15,689	4,711	5,659	1,772
1550-LV Variance Account	55,777	kWh's	19,142	8,918	13,675	13,301
1565-Conservation and Demand Management Expenditures and Recoveries	(25,086)					
1566-CDM Contra Account	25,086					
1570-Qualifying Transition Costs	31,616	Customers / Connections	19,916	3,354	326	26
1571-Pre-market Opening Energy Variance	3,377	kWh's	1,159	540	828	805
1580-RSVAWMS	(203,970)	kWh's	(70,000)	(32,613)	(50,009)	(48,641)
1584-RSVANW	(82,223)	kWh's	(28,218)	(13,147)	(20,159)	(19,608)
1586-RSVACN	(250,779)	kWh's	(86,065)	(40,097)	(61,486)	(59,803)
1588-RSVAPOWER	(217,338)	kWh's	(74,588)	(34,750)	(53,287)	(51,829)
1590-Recovery of Regulatory Asset Balances	(54,527)	Previously approved recoveries	(34,254)	(5,782)	(571)	(44)
Total Recoveries Required (4 years)	(689,725)		(237,219)	(108,866)	(165,023)	(164,020)
Annual Recovery Amounts	(172,431)		(59,305)	(27,216)	(41,256)	(41,005)
Annual Volume			26,627,362	12,405,535	53,176	59,721
Proposed Rate Rider per			(\$0.0022) kWh	(\$0.0022) kWh	(\$0.7758) kW	(\$0.6866) kW

¹ per sheet C6

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

C7 Rate Riders*Allocate recoveries of deferral / variance account balances*

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Sentinel Lights	Street Lights
1508-Other Regulatory Assets	28,341	Distribution Revenue (existing rates)	20	490
1550-LV Variance Account	55,777	kWh's	17	723
1565-Conservation and Demand Management Expenditures and Recoveries	(25,086)			
1566-CDM Contra Account	25,086			
1570-Qualifying Transition Costs	31,616	Customers / Connections	86	7,908
1571-Pre-market Opening Energy Variance	3,377	kWh's	1	44
1580-RSVAWMS	(203,970)	kWh's	(62)	(2,645)
1584-RSVANW	(82,223)	kWh's	(25)	(1,066)
1586-RSVACN	(250,779)	kWh's	(76)	(3,252)
1588-RSVAPOWER	(217,338)	kWh's	(66)	(2,818)
1590-Recovery of Regulatory Asset Balances	(54,527)	Previously approved recoveries	(703)	(13,174)
Total Recoveries Required (4 years)	(689,725)		(808)	(13,789)
Annual Recovery Amounts	(172,431)		(202)	(3,447)
Annual Volume			72	3,084
Proposed Rate Rider			(\$2.8044)	(\$1.1178)
per			kW	kW

¹ per sheet C6

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

C7 Rate Riders*Allocate recoveries of deferral / variance account balances*

Allocators	Data Source	2010 Projection Total	Residential	GS<50kW	GS>50kW	Intermediate Users
Customers / Connections	C1	3,686	2,322	391	38	3
kWh's	C1	77,587,715	26,627,362	12,405,535	19,022,892	18,502,357
Distribution Revenue (existing rates)	C4	864,128	478,350	143,653	172,546	54,030
Distribution Revenue (proposed rates)	F4	1,212,728	732,368	203,223	134,555	52,787
Transmission Connection Revenue	C2	369,453	122,550	50,607	82,806	109,689
Previously approved recoveries	2006 EDR	(33,945)	(21,323.84)	(3,599.54)	(355.40)	(27.34)
Approved Recoveries	C5					

Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

C7 Rate Riders

Allocate recoveries of deferral / variance account balances

Allocators	Data Source	2010 Projection Total	Sentinel Lights	Street Lights
Customers / Connections	C1	3,686	10	922
kWh's	C1	77,587,715	23,544	1,006,025
Distribution Revenue (existing rates)	C4	864,128	614	14,935
Distribution Revenue (proposed rates)	F4	1,212,728	1,024	88,771
Transmission Connection Revenue	C2	369,453	88	3,713
Previously approved recoveries	2006 EDR	(33,945)	(437.41)	(8,201.00)
Approved Recoveries	C5			

Appendix 2IR_K

**Ontario Energy
Board**

P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'Énergie
de l'Ontario**

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6273



December 16, 2009

Nicole C. Leduc, General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0

Dear Ms. Nicole,

Re: Follow-up of Audit Review of Account 1588 RSVA Power and Sub-account Global Adjustment

By letter dated May 15, 2009, Regulatory Audit and Accounting (Regulatory Audit) of the Ontario Energy Board (OEB) conducted a follow-up review of Hearst Power Distribution Company Limited ("Hearst") to ensure that the prior audit findings in the Audit Review report issued September 17, 2009 have been properly addressed and the required action plans have been implemented.

This review has found no issues related to the follow-up items and implementation of action plans by Hearst to conform to the recommendations of the audit review, Accounting Procedures Handbook and Board issued Guidelines.

The findings and observations in this follow-up review represent the views of Regulatory Audit and are not necessarily the views of the Board as a whole.

The follow-up review will be reported to the Board and may also be used as evidence in future proceedings involving Hearst.

We wish to thank the staff of Hearst for the assistance and support provided to us during this review.

Yours truly,

Daria Babaie, P. Eng., CMA
Manager, Regulatory Audit & Accounting
Ontario Energy Board
Phone: (416) 440-7614
Fax: (416) 440-7656
Daria.Babaie@oeb.gov.on.ca

Appendix 2IR_L

IESO

TRANS. NETWORKS

MONTH	Volume	ACTUAL RATE	IESO Network Service Charge
Jun-07	7557.00	2.97	22444.29
Jul-07	7246.00	2.97	21520.62
Aug-07	7000.00	2.97	20790
Sep-07	7209.00	2.97	21410.73
Oct-07	6721.00	2.97	19961.37
Nov-07	6571.00	2.97	19515.87
Dec-07	4466.00	2.97	13264.02
Jan-08	4714.00	2.97	14000.58
Feb-08	4373.00	2.97	12987.81
Mar-08	4514.00	2.97	13406.58
Apr-08	3992.00	2.97	11856.24
May-08	3891.00	2.97	11556.27
Jun-08	3754.00	2.97	11149.38
Jul-08	3583.00	2.97	10641.51
Aug-08	3959.00	2.97	11758.23
Sep-08	3796.00	2.97	11274.12
Oct-08	3783.00	2.97	11235.51
Nov-08	4487.00	2.97	13326.39
Dec-08	4338.00	2.97	12883.86
Jan-09	4237.00	2.97	12583.89
Feb-09	4430.00	2.97	13157.1
Mar-09	3786.00	2.97	11244.42
Apr-09	3465.00	2.97	10291.05
May-09	4213.00	2.97	12512.61
Jun-09	3664.00	2.97	10882.08
Jul-09	3234.00	2.97	9604.98
Aug-09	3804.00	2.97	11297.88
Sep-09	3508.00	2.97	10418.76
Oct-09	3553.00	2.97	10552.41
Nov-09	3371.00	2.97	10011.87
Dec-09	3564.00	2.97	10585.08
	140,783		\$ 418,125.51

TRANS. CONNECTION

MONTH	Volume	ACTUAL RATE	IESO Line Connection Service Charge
Jun-07	7850.00	1.71	13423.5
Jul-07	7764.00	1.71	13276.44
Aug-07	7632.00	1.71	13050.72
Sep-07	7721.00	1.71	13202.91
Oct-07	7907.00	1.71	13520.97
Nov-07	7730.00	1.71	13218.3
Dec-07	5254.00	1.71	8984.34
Jan-08	5339.00	1.71	9129.69
Feb-08	5145.00	1.71	8797.95
Mar-08	4907.00	1.71	8390.97
Apr-08	4693.00	1.71	8025.03
May-08	4560.00	1.71	7797.6
Jun-08	4293.00	1.71	7341.03
Jul-08	4095.00	1.71	7002.45
Aug-08	4334.00	1.71	7411.14
Sep-08	4458.00	1.71	7623.18
Oct-08	4451.00	1.71	7611.21
Nov-08	4605.00	1.71	7874.55
Dec-08	5104.00	1.71	8727.84
Jan-09	4985.00	1.71	8524.35
Feb-09	5024.00	1.71	8591.04
Mar-09	4204.00	1.71	7188.84
Apr-09	4077.00	1.71	6971.67
May-09	4391.00	1.71	7508.61
Jun-09	4311.00	1.71	7371.81
Jul-09	3805.00	1.71	6506.55
Aug-09	4085.00	1.71	6985.35
Sep-09	4127.00	1.71	7057.17
Oct-09	4180.00	1.71	7147.8
Nov-09	3966.00	1.71	6781.86
Dec-09	3959.00	1.71	6769.89
	158,956		\$ 271,814.76

line. CONNECTION

MONTH	Volume	ACTUAL RATE	IESO Line Connection Service Charge
Jun-07	7850.00	0.73	5730.5
Jul-07	7764.00	0.73	5667.72
Aug-07	7632.00	0.73	5571.36
Sep-07	7721.00	0.73	5636.33
Oct-07	7907.00	0.73	5772.11
Nov-07	7730.00	0.73	5642.9
Dec-07	5254.00	0.73	3835.42
Jan-08	5339.00	0.73	3897.47
Feb-08	5145.00	0.73	3755.85
Mar-08	4907.00	0.73	3582.11
Apr-08	4693.00	0.73	3425.89
May-08	4560.00	0.73	3328.8
Jun-08	4293.00	0.73	3133.89
Jul-08	4095.00	0.73	2989.35
Aug-08	4334.00	0.73	3163.82
Sep-08	4458.00	0.73	3254.34
Oct-08	4451.00	0.73	3249.23
Nov-08	4605.00	0.73	3361.65
Dec-08	5104.00	0.73	3725.92
Jan-09	4985.00	0.73	3639.05
Feb-09	5024.00	0.73	3667.52
Mar-09	4204.00	0.73	3068.92
Apr-09	4077.00	0.73	2976.21
May-09	4391.00	0.73	3205.43
Jun-09	4311.00	0.73	3147.03
Jul-09	3805.00	0.73	2777.65
Aug-09	4085.00	0.73	2982.05
Sep-09	4127.00	0.73	3012.71
Oct-09	4180.00	0.73	3051.4
Nov-09	3966.00	0.73	2895.18
Dec-09	3959.00	0.73	2890.07
	158,956		\$ 116,037.88

HYDRO ONE

TRANS. NETWORKS

TRANS. CONNECTION

MONTH	Volume	ACTUAL RATE	H1 CURRENT Network Service Charge	MONTH	Volume	ACTUAL RATE	H1 Line Connection Service Charge
Jun-07	9069.00	\$ 2.65	\$ 24,032.85	Jun-07	9069.00	\$ 2.14	19,407.66
Jul-07	8735.00	\$ 2.65	\$ 23,147.75	Jul-07	8735.00	\$ 2.14	18,692.90
Aug-07	8516.00	\$ 2.65	\$ 22,567.40	Aug-07	8516.00	\$ 2.14	18,224.24
Sep-07	8672.00	\$ 2.65	\$ 22,980.80	Sep-07	8672.00	\$ 2.14	18,558.08
Oct-07	9042.00	\$ 2.65	\$ 23,961.30	Oct-07	9352.00	\$ 2.14	20,013.28
Nov-07	12179.00	\$ 2.65	\$ 32,274.35	Nov-07	12179.00	\$ 2.14	26,063.06
Dec-07	12538.00	\$ 2.65	\$ 33,225.70	Dec-07	12538.00	\$ 2.14	26,831.32
Jan-08	12273.00	\$ 2.65	\$ 32,523.45	Jan-08	12273.00	\$ 2.14	26,264.22
Feb-08	11682.00	\$ 2.65	\$ 30,957.30	Feb-08	11878.00	\$ 2.14	25,418.92
Mar-08	10559.00	\$ 2.65	\$ 27,981.35	Mar-08	11061.00	\$ 2.14	23,670.54
Apr-08	9608.00	\$ 2.65	\$ 25,461.20	Apr-08	9608.00	\$ 2.14	20,561.12
May-08	9023.00	\$ 2.65	\$ 23,910.95	May-08	9023.00	\$ 2.14	19,309.22
Jun-08	8326.00	\$ 2.65	\$ 22,063.90	Jun-08	8326.00	\$ 2.14	17,817.64
Jul-08	7806.00	\$ 2.65	\$ 20,685.90	Jul-08	7806.00	\$ 2.14	16,704.84
Aug-08	8735.00	\$ 2.65	\$ 23,147.75	Aug-08	8735.00	\$ 2.14	18,692.90
Sep-08	8248.00	\$ 2.65	\$ 21,857.20	Sep-08	8248.00	\$ 2.14	17,650.72
Oct-08	9337.00	\$ 2.65	\$ 24,743.05	Oct-08	9547.00	\$ 2.14	20,430.58
Nov-08	11364.00	\$ 2.65	\$ 30,114.60	Nov-08	11364.00	\$ 2.14	24,318.96
Dec-08	12741.00	\$ 2.65	\$ 33,763.65	Dec-08	12741.00	\$ 2.14	27,265.74
Jan-09	13073.00	\$ 2.65	\$ 34,643.45	Jan-09	13073.00	\$ 2.14	27,976.22
Feb-09	11637.00	\$ 2.65	\$ 30,838.05	Feb-09	11685.00	\$ 2.14	25,005.90
Mar-09	9017.00	\$ 2.65	\$ 23,895.05	Mar-09	9271.00	\$ 2.14	19,839.94
Apr-09	7662.00	\$ 2.65	\$ 20,304.30	Apr-09	7662.00	\$ 2.14	16,396.68
May-09	8297.00	\$ 2.65	\$ 21,987.05	May-09	8297.00	\$ 2.14	17,755.58
Jun-09	8425.00	\$ 2.65	\$ 22,326.25	Jun-09	8425.00	\$ 2.14	18,029.50
Jul-09	5823.00	\$ 2.65	\$ 15,430.95	Jul-09	5823.00	\$ 2.14	12,461.22
Aug-09	7742.00	\$ 2.65	\$ 20,516.30	Aug-09	7742.00	\$ 2.14	16,567.88
Sep-09	8314.00	\$ 2.65	\$ 22,032.10	Sep-09	8314.00	\$ 2.14	17,791.96
Oct-09	8960.00	\$ 2.65	\$ 23,744.00	Oct-09	8998.00	\$ 2.14	19,255.72
Nov-09	9450.00	\$ 2.65	\$ 25,042.50	Nov-09	9450.00	\$ 2.14	20,223.00
Dec-09	9962.00	\$ 2.65	\$ 26,399.30	Dec-09	9962.00	\$ 2.14	21,318.68
	296,815		\$ 786,559.75		298,373		\$ 638,518.22

BILLED TO Hearst CUSTOMERS

MONTH	total tn BILLED at current rates	total tc BILLED at current rates	Adjustements	Network	Connection
Jun-07	37,587.41	42,269.17			
Jul-07	36,441.76	40,976.51	Supply cost	\$1,204,685	\$1,026,371
Aug-07	35,564.76	39,990.88	Billing Revenues	\$1,046,498	\$1,175,655
Sep-07	36,262.68	40,788.21	Ratio	1.151	0.873
Oct-07	34,978.04	39,335.29			
Nov-07	37,844.28	42,571.38			
Dec-07	41,130.80	46,283.33	Current Rates	T.N.	TC
Jan-08	36,292.47	40,737.06	Residential	\$0.0044	\$0.0050 kWh
Feb-08	43,067.93	48,422.11	GS < 50kW	\$0.0040	\$0.0045 kWh
Mar-08	39,088.95	43,903.46	GS 50 to 4999 kW	\$1.6512	\$1.7837 kWh
Apr-08	37,325.78	41,925.95	Intermediate	\$1.8467	\$2.1038 kWh
May-08	33,129.98	37,173.32	Sent Light	\$1.2516	\$1.4077 KW
Jun-08	32,713.14	36,731.67	Street Lights	\$1.2452	\$1.3790 KW
Jul-08	28,910.02	32,415.43			
Aug-08	29,464.00	33,086.61			
Sep-08	28,186.74	31,641.85			
Oct-08	29,287.98	32,857.82			
Nov-08	31,623.53	35,503.20			
Dec-08	33,434.03	37,535.87			
Jan-09	38,652.83	43,436.27			
Feb-09	42,051.48	47,281.65			
Mar-09	39,487.19	44,394.33			
Apr-09	33,136.79	37,229.26			
May-09	28,576.31	32,115.74			
Jun-09	29,113.34	32,674.12			
Jul-09	28,774.92	32,298.18			
Aug-09	27,436.03	30,816.09			
Sep-09	27,837.95	31,246.25			
Oct-09	28,728.15	32,227.05			
Nov-09	30,247.00	33,961.75			
Dec-09	30,121.40	33,824.73			
	\$ 1,046,497.67	\$ 1,175,654.55	Street Lights	\$ 1.4334	\$ 1.2039 KW

Appendix 2IR_M



Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited
 File Number: EB-2009-0266
 Rate Year: 2010

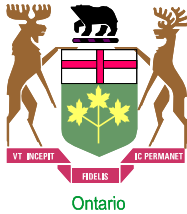
Data Input (1)

	Application	Adjustments	Per Board Decision
1 Rate Base			
Gross Fixed Assets (average)	\$3,876,610 (4)		\$3,876,610
Accumulated Depreciation (average)	(\$3,065,676) (5)		(\$3,065,676)
Allowance for Working Capital:			
Controllable Expenses	\$935,399		\$935,399
Cost of Power	\$6,818,887		\$6,818,887
Working Capital Rate (%)	15.00%		15.00%
2 Utility Income			
Operating Revenues:			
Distribution Revenue at Current Rates	\$794,806		
Distribution Revenue at Proposed Rates	\$1,170,337		
Other Revenue:			
Specific Service Charges	\$7,764 (6)		
Late Payment Charges	\$13,120 (7)		
Other Distribution Revenue	\$15,853 (8)		
Other Income and Deductions	\$32,170 (9)		
Operating Expenses:			
OM+A Expenses	\$935,399		\$935,399
Depreciation/Amortization	\$135,888		\$135,888
Property taxes	\$ -		\$0
Capital taxes	\$0		
Other expenses			
3 Taxes/PILs			
Taxable Income:			
Adjustments required to arrive at taxable income	\$46,392 (3)		
Utility Income Taxes and Rates:			
Income taxes (not grossed up)	\$19,867		
Income taxes (grossed up)	\$23,652		
Capital Taxes	\$ -		
Federal tax (%)	11.00%		
Provincial tax (%)	5.00%		
Income Tax Credits	\$ -		
4 Capitalization/Cost of Capital			
Capital Structure:			
Long-term debt Capitalization Ratio (%)	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% (2)		(2)
Common Equity Capitalization Ratio (%)	40.0%		
Preferred Shares Capitalization Ratio (%)			
			Capital Structure must total 100%
Cost of Capital			
Long-term debt Cost Rate (%)	5.87%		
Short-term debt Cost Rate (%)	2.07%		
Common Equity Cost Rate (%)	9.85%		
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.
- (6) Specific Service Charges: Account 4235
- (7) Late Payment Charges: Account 4225
- (8) Other Distribution Revenues: Accounts 4082, 4084, 4090, 4205, 4210, 4215, 4220, 4240, 4245
- (9) 4305, 4310, 4315, 4320, 4325, 4330, 4335, 4340, 4345, 4350, 4355, 4360, 4365, 4370, 4375, 4380, 4385, 4390, 4395, 4398, 4405, 4408, 4410, 4415



Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited

File Number: EB-2009-0266

Rate Year: 2010

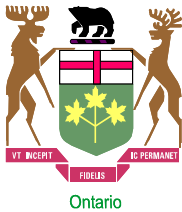
Rate Base

Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)		\$3,876,610	\$ -	\$3,876,610
2	Accumulated Depreciation (average) (3)		(\$3,065,676)	\$ -	(\$3,065,676)
3	Net Fixed Assets (average) (3)		\$810,934	\$ -	\$810,934
4	Allowance for Working Capital (1)		\$1,163,143	\$ -	\$1,163,143
5	Total Rate Base		\$1,974,077	\$ -	\$1,974,077

(1) Allowance for Working Capital - Derivation					
6	Controllable Expenses		\$935,399	\$ -	\$935,399
7	Cost of Power		\$6,818,887	\$ -	\$6,818,887
8	Working Capital Base		\$7,754,286	\$ -	\$7,754,286
9	Working Capital Rate % (2)		15.00%		15.00%
10	Working Capital Allowance		\$1,163,143	\$ -	\$1,163,143

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: Hearst Power Distribution Company Limited

File Number: EB-2009-0266

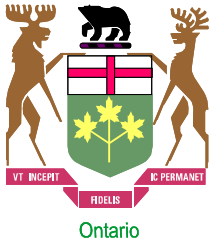
Rate Year: 2010

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<u>Operating Revenues:</u>				
1	Distribution Revenue (at Proposed Rates)	\$1,170,337	\$ -	\$1,170,337
2	Other Revenue	(1) \$68,907	\$ -	\$68,907
3	Total Operating Revenues	\$1,239,244	\$ -	\$1,239,244
<u>Operating Expenses:</u>				
4	OM+A Expenses	\$935,399	\$ -	\$935,399
5	Depreciation/Amortization	\$135,888	\$ -	\$135,888
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$1,071,287	\$ -	\$1,071,287
10	Deemed Interest Expense	\$66,526	\$ -	\$66,526
11	Total Expenses (lines 4 to 10)	\$1,137,813	\$ -	\$1,137,813
12	Utility income before income taxes	\$101,431	\$ -	\$101,431
13	Income taxes (grossed-up)	\$23,652	\$ -	\$23,652
14	Utility net income	\$77,779	\$ -	\$77,779

Notes

(1)	<u>Other Revenues / Revenue Offsets</u>		
	Specific Service Charges	\$7,764	\$7,764
	Late Payment Charges	\$13,120	\$13,120
	Other Distribution Revenue	\$15,853	\$15,853
	Other Income and Deductions	\$32,170	\$32,170
	Total Revenue Offsets	\$68,907	\$68,907



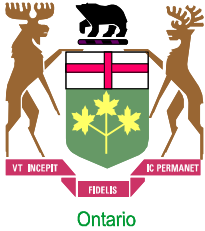
Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited
 File Number: EB-2009-0266
 Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$77,779	\$77,779
2	Adjustments required to arrive at taxable utility income	\$46,392	\$46,392
3	Taxable income	\$124,171	\$124,171
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$19,867	\$19,867
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$19,867	\$19,867
7	Gross-up of Income Taxes	\$3,784	\$3,784
8	Grossed-up Income Taxes	\$23,652	\$23,652
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$23,652	\$23,652
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

Notes



Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited

File Number: EB-2009-0266

Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
	Debt				
1	Long-term Debt	56.00%	\$1,105,483	5.87%	\$64,892
2	Short-term Debt	4.00%	\$78,963	2.07%	\$1,635
3	Total Debt	60.00%	\$1,184,446	5.62%	\$66,526
	Equity				
4	Common Equity	40.00%	\$789,631	9.85%	\$77,779
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$789,631	9.85%	\$77,779
7	Total	100%	\$1,974,077	7.31%	\$144,305
Per Board Decision					
	Debt				
8	Long-term Debt	56.00%	\$1,105,483	5.87%	\$64,892
9	Short-term Debt	4.00%	\$78,963	2.07%	\$1,635
10	Total Debt	60.00%	\$1,184,446	5.62%	\$66,526
	Equity				
11	Common Equity	40.0%	\$789,631	9.85%	\$77,779
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$789,631	9.85%	\$77,779
14	Total	100%	\$1,974,077	7.31%	\$144,305

Notes

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



Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited

File Number: EB-2009-0266

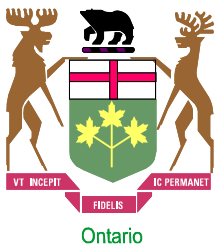
Rate Year: 2010

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		\$375,531		\$375,531
2	Distribution Revenue	\$794,806	\$794,806	\$794,806	\$794,806
3	Other Operating Revenue Offsets - net	\$68,907	\$68,907	\$68,907	\$68,907
4	Total Revenue	\$863,713	\$1,239,244	\$863,713	\$1,239,244
5	Operating Expenses	\$1,071,287	\$1,071,287	\$1,071,287	\$1,071,287
6	Deemed Interest Expense	\$66,526	\$66,526	\$66,526	\$66,526
	Total Cost and Expenses	\$1,137,813	\$1,137,813	\$1,137,813	\$1,137,813
7	Utility Income Before Income Taxes	(\$274,100)	\$101,431	(\$274,100)	\$101,431
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$46,392	\$46,392	\$46,392	\$46,392
9	Taxable Income	(\$227,708)	\$147,823	(\$227,708)	\$147,823
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	Income Tax on Taxable Income	(\$36,433)	\$23,652	(\$36,433)	\$23,652
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$237,667)	\$77,779	(\$237,667)	\$77,779
14	Utility Rate Base	\$1,974,077	\$1,974,077	\$1,974,077	\$1,974,077
	Deemed Equity Portion of Rate Base	\$789,631	\$789,631	\$789,631	\$789,631
15	Income/Equity Rate Base (%)	-30.10%	9.85%	-30.10%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-39.95%	0.00%	-39.95%	0.00%
17	Indicated Rate of Return	-8.67%	7.31%	-8.67%	7.31%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-15.98%	0.00%	-15.98%	0.00%
20	Target Return on Equity	\$77,779	\$77,779	\$77,779	\$77,779
21	Revenue Sufficiency/Deficiency	\$315,446	\$0	\$315,446	\$0
22	Gross Revenue Sufficiency/Deficiency	\$375,531 (1)		\$375,531 (1)	

Notes:

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



Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited
 File Number: EB-2009-0266
 Rate Year: 2010

Revenue Requirement			
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$935,399	\$935,399
2	Amortization/Depreciation	\$135,888	\$135,888
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$23,652	\$23,652
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$66,526	\$66,526
	Return on Deemed Equity	\$77,779	\$77,779
8	Distribution Revenue Requirement before Revenues	<u>\$1,239,244</u>	<u>\$1,239,244</u>
9	Distribution revenue	\$1,170,337	\$1,170,337
10	Other revenue	<u>\$68,907</u>	<u>\$68,907</u>
11	Total revenue	<u>\$1,239,244</u>	<u>\$1,239,244</u>
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>\$0 (1)</u>

Notes

(1)

Line 11 - Line 8



Revenue Requirement Work Form

Name of LDC: Hearst Power Distribution Company Limited

File Number: EB-2009-0266

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
Monthly Delivery Charge					Total Bill				
		Per Draft Rate Order	Change			Current	Per Draft Rate Order	Change	
Current			\$	%				\$	%
Residential	800 kWh/month		\$ -					\$ -	
GS < 50kW	2000 kWh/month		\$ -					\$ -	

Notes: