

EB-2009-0262
EB-2010-0121

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by West Perth
Power Inc. and Clinton Power Corporation for an order
approving just and reasonable rates and other charges
for electricity distribution to be effective December 1,
2010.

BEFORE: Cynthia Chaplin
Presiding Member

Paul Sommerville
Member

DECISION AND ORDER

BACKGROUND

West Perth Power Inc. ("West Perth Power") and Clinton Power Corporation ("Clinton Power") filed cost of service applications with the Ontario Energy Board (the "Board") on June 15, 2010 and June 18, 2010 respectively, under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Schedule B), seeking approval for changes to the rates that West Perth Power and Clinton Power charge for electricity distribution in their respective service areas, to be effective July 1, 2010.

There were several common elements in these applications. To effect a more efficient process and pursuant to section 21(5) of the *Ontario Energy Board Act* the Board determined that the review of these applications would be combined into one proceeding, while maintaining the separate identification of each of the applications.

The Board issued a Notice of Application and Hearing on July 6, 2010. The Vulnerable Energy Consumers Coalition (“VECC”) and the School Energy Coalition (“SEC”) applied for intervenor status and cost eligibility.

In Procedural Order No.1, issued on August 4, 2010, the Board made provision for written interrogatories. The approved intervenors and Board staff filed interrogatories. West Perth Power and Clinton Power filed responses to the interrogatories by September 20, 2010.

In Procedural Order No.2, issued on October 4, 2010 the Board made provisions for a round of written supplemental interrogatories and indicated that a settlement process would be introduced in the proceeding. West Perth Power and Clinton Power filed responses to the supplemental interrogatories on October 29, 2010.

On November 4, 2010, West Perth Power, Clinton Power and the intervenors participated in a Settlement Conference with the assistance of a facilitator. As a result of the Settlement Conference, the parties achieved Settlement Agreements on both applications.

SETTLEMENT AGREEMENTS

On November 25, 2010, West Perth Power, Clinton Power, SEC and VECC filed proposed Settlement Agreements with the Board that constitute a complete settlement of all the issues by the parties in both applications. The Settlement Agreements for West Perth Power and Clinton Power are attached respectively as Appendix 1 and Appendix 2 of this Decision.

On November 30, 2010, the Board issued a *Decision and Order on Interim Rates* declaring West Perth Power’s and Clinton Power’s rates interim as of December 1, 2010. In the Settlement Agreements, the parties agreed upon an effective date for distribution rates of December 1, 2010.

BOARD FINDINGS

The Board has examined the Settlement Agreements and accepts the terms of the Settlement Agreements as filed by the parties. The Board notes that the Settlement Agreement for West Perth Power deferred the disposition of the deferral and variance accounts. The Board expects West Perth Power to apply for disposition of its Group 1 deferral and variance account balances in its forthcoming IRM application.

In addition, the Board notes that the Parties have agreed to defer disposition of West Perth Power's regulatory costs for the preparation of this application to its next cost of service application. The Board accepts the position of the Parties and directs West Perth Power to place the costs for the preparation of this application, \$80,000, into account 1508 – Other Regulatory Assets.

Furthermore, the Board notes that the final bill impacts are relatively high for Clinton Power. However, the Board notes that the Settlement Agreements affected a substantial decrease from what Clinton Power originally requested.

The Board reminds parties that the terms contained in a settlement agreement do not create a precedent for the Board.

The Board commends the parties on achieving settlement of all the issues.

IMPLEMENTATION OF RATES

Pursuant to the approval by the Board of the terms and costs consequences of the Settlement Agreements, the new rates are to be effective December 1, 2010.

The results of the Settlement Agreements together with the Board's findings outlined in this Decision are to be reflected in West Perth Power's and Clinton Power's draft Rate Orders. The Board expects West Perth Power and Clinton Power to file detailed supporting material, including all relevant calculations showing the impact of the implementation of the Settlement Agreements and this Decision on their proposed Revenue Requirements respectively, the allocation of the approved Revenue Requirements to the classes, and the determination of the final rates, including bill impacts.

Given the date of this Decision, the Board notes that both applicants will not be able to implement the new rates until January 1, 2011. As such, the Board expects West Perth Power and Clinton Power to also file a proposal for class-specific rate riders that will recover forgone review for the period December 1, 2010 to December 31, 2010.

The draft Rate Order supporting documentation shall include, but not be limited to, filing a completed version of the Revenue Requirement Work Form excel spreadsheet which can be found on the Board's website. West Perth Power and Clinton Power should also show detailed calculations of any revisions to the rate riders or rate adders reflecting the Settlement Agreements.

COST AWARDS

The Board may grant cost awards to eligible stakeholders pursuant to its power under section 30 of the *Ontario Energy Board Act, 1998*. The Board will determine such cost awards in accordance with its *Practice Direction on Cost Awards*. When determining the amounts of the cost awards, the Board will apply the principles set out in section 5 of the Board's Practice Direction on Cost Awards. The maximum hourly rate set out in the Board's Cost Awards Tariff will also be applied.

All filings with the Board must quote the file numbers EB-2009-0262 or EB-2010-0121 and be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must be received by the Board by 4:45 p.m. on the stated date. Parties should use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available, parties may e-mail their documents to the attention of the Board Secretary at BoardSec@oeb.gov.on.ca. All other filings not filed via the Board's web portal should be filed in accordance with the Board's Practice Directions on Cost Awards.

A cost awards decision will be issued after the following steps have been completed.

1. Intervenors found eligible for cost awards shall file with the Board, and forward to West Perth Power and Clinton Power, their respective cost claims within 21 days from the date of this Decision.

2. West Perth Power and Clinton Power shall file with the Board and forward to intervenors any objections to the claimed costs within 28 from the date of this Decision.
3. Intervenors shall file with the Board and forward to West Perth Power and Clinton Power any responses to any objections for cost claims within 35 days of the date of this Decision.

A Rate Order will be issued after the steps set out below are completed.

THE BOARD DIRECTS THAT:

1. West Perth Power and Clinton Power shall file with the Board, and shall also forward to the intervenors, a draft Rate Order attaching a proposed Tariff of Rates and Charges and other filings reflecting the Board's findings in this Decision within 7 days of the date of this Decision.
2. Intervenors shall file any comments on the draft Rate Order with the Board and forward to West Perth Power and Clinton Power within 7 days of the date of filing of the Draft Rate Order.
3. West Perth Power and Clinton Power shall file with the Board and forward to intervenors, responses to any comments on its draft Rate Order within 3 days of the date of receipt of intervenor submissions.

DATED at Toronto, December 14, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX 1

TO DECISION AND ORDER

SETTLEMENT PROPOSAL

WEST PERTH POWER INC.

BOARD FILE NO: EB-2010-0121

DATED: DECEMBER 14, 2010

EB-2009-0262/EB-2010-0121
West Perth Power Inc.
Proposed Settlement Agreement
November 24, 2010

This settlement agreement (the “**Settlement Proposal**” or “**Settlement Agreement**”) is for the consideration of the Ontario Energy Board (the “**Board**”) in its determination of the rate application by West Perth Power Inc. (“**WPPI**”) for 2010 electricity distribution rates (EB-2009-0262/EB-2010-0121), (the “**Application**”).

WPPI's Application was received by the Board on June 15, 2010. Further to Procedural Order #2, dated October 4, 2010, a settlement conference was scheduled for November 4, 2010 (the “**Settlement Conference**”). The Settlement Conference was duly convened in accordance with Procedural Order No. 2 with Mr. George Dominy as facilitator. The Settlement Conference concluded on November 4, 2010.

WPPI and the following intervenors (the “**Intervenors**” and collectively including WPPI, the “**Parties**”) participated in the Settlement Conference:

School Energy Coalition (“**SEC**”)

Vulnerable Energy Consumers Coalition (“**VECC**”)

The role adopted by the Board Staff in the Settlement Conference is set out on page 5 of the Board's Settlement Conference Guidelines (the “**Guidelines**”). Although Board Staff is not a party to this Agreement, as noted in the Guidelines, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this settlement proposal.

This Agreement represents a complete settlement of all issues. It is acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's Rules of Practice and Procedure.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Settlement Agreement in its entirety, then there is no settlement unless the Parties agree that those portions of the Settlement Agreement that the Board does accept may continue as a valid settlement.

WPPI and Clinton Power Corporation were acquired by the present owner, EARTH Corporation, following an application to the Board in EB-2009-0156 and EB-2009-0157. The acquisition of WPPI was effective January 1, 2010. The Parties recognize that certain background information that would normally be used to prepare the Application was unavailable and have concluded the evidence provided is sufficient for the purpose of this Settlement Agreement. This Settlement Agreement is entered into based upon the understanding that WPPI will likely either be included in a cost of service rate application as part of Erie Thames Powerlines Corporation or submit a cost of service application, either on its own or in conjunction with Clinton Power Corporation, prior to the Board's schedule for applications to set rates for the 2013 Rate Year. The Intervenors recognize WPPI may be involved in such an application and are of the view the such an approach is in the interest of WPPI, the ratepayers and the Board.

It is also agreed that this Settlement Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Settlement Agreement. However, none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Settlement Agreement, if contrary to the terms of this Settlement Agreement, should be applicable for all or any part of the 2010 Test Year.

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Settlement Agreement provide further evidentiary support. The Parties agree that this Settlement Agreement and the Appendices form part of the record in EB-2009-0262/EB-2010-0121. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement.

There is no approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, and without prejudice to the positions of the Parties with respect to the issues that might otherwise be considered in this proceeding should a hearing be required, the Parties have followed the issues list set out at Appendix "A" to this Settlement Agreement.

The appendices attached to this Settlement Agreement are:

“A” - Issues List

“B” - WPPI 2010 Tariff of Rates and Charges

“C” – Bill Impact Summaries

“D” – Bill Impact Comparison (Application vs Settlement)

“E” – WPPI 2010 Revenue Deficiency

“F” – WPPI 2010 Revenue Requirement Work Form

“G” – WPPI 2010 Schedule of Cost of Capital

“H” – WPPI 2010 Summary of Rate Base

“I” – WPPI 2010 Appendix 2-N – Depreciation

“J” – WPPI 2010 PILs and CCA Mappings

“K” – WPPI 2010 OM&A Expenses

“L” – Low Voltage and Retail Transmission

Summary

The Parties established the Service Revenue Requirement by increasing the Distribution Rate for all for all customers by 10% as compared to the 2009 Board approved distribution rates. The USL, Sentinel and Streetlighting were further increased to move each rate class to the lower boundary of the revenue to cost ratio ranges set by the Board. In addition, SS Administration Fees were included in the Revenue Offsets. Based upon the agreed to increase, WPPI has recalculated Capital and OM&A spending to accord with the proposal. The Intervenors were influenced by the most recent audited financial statements for WPPI which showed a loss. The Parties agreement also results in a reduction of the RTS rates which provides a significant offset to the distribution rate increase.

The Parties came to this agreement through a process of recognizing a need for additional revenue for WPPI to provide safe, reliable service yet balancing the impact of such costs on the ratepayers. The Parties acknowledge that WPPI may not actually earn its deemed return on equity and that its PILs provision has been reduced to zero by the application of loss carry forwards. However, the Parties view this as a reasonable approach given the particular circumstances.

The following table summarizes the settlement on the key ratemaking components of the Application:

Summary Comparison (Application vs. Settlement)

Key Ratemaking Components

<i>Rate Base (Exhibit 2)</i>	<u>Application¹</u>	<u>Settlement</u>
Rate Base	\$2,851,534	\$2,658,560
Working Capital Allowance	\$726,955	\$692,787
Capital Expenditures	\$597,000	\$317,000
<i>Revenue and Deficiency (Exhibits 3, 6)</i>		
Other Revenue	\$97,649	\$104,449
Distribution Revenue Requirement	\$1,181,578	\$879,479
Service Revenue Requirement	\$1,279,227	\$983,928
Revenue Deficiency	\$331,040	\$54,759
Transformer Allowance	\$35,703	\$35,703
<i>Operating Costs (Exhibit 4)</i>		
OM&A	\$810,204	\$570,529

¹ For the purpose of this table only, WPPI has included the values as provided in the Application as at June 15, 2010.

Amortization/Depreciation	\$234,992	\$219,058
Grossed-up PILs	\$0	\$0
Revenue Deficiency	\$331,040	\$54,759
<i>Cost of Capital and ROR (Exhibit 5)</i>		
Short Term Debt Rate	2.07%	2.07%
Long Term Debt Rate	5.87%	5.87%
Return on Equity	9.85%	9.85%
Cost of Capital	7.31%	7.31%
Capital Structure	4% STD, 56% LTD, 40% Equity	4% STD, 56% LTD, 40% Equity

Cost Allocation (Exhibit 7)

Residential and General Service

No changes except as a result of the future adjustments to the Streetlighting, Sentinel and Unmetered Scattered rates. Cost allocation in the future will be completed consistent with Erie Thames Powerlines.

Streetlighting, Sentinel and Unmetered Scattered Load (USL)

WPPI will move the revenue to cost ratio 50% of the way to the minimum revenue to cost ratio of 70% in this application and the remaining 50% in the subsequent IRM adjustments over the next two rate years (25% per application). WPPI will not re-allocate costs of the initial 50% increase but will re-allocate costs during the following adjustments to those classes with revenue to cost ratios exceeding 100%.

Rate Design (Exhibit 8)

Loss Adjustment Factors

<u>Total Utility Loss Adjustment Factor</u>	<u>LAF</u>
Supply Facility Loss Factor	1.0034
Distribution Loss Factors	
Secondary Metered Customer	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0151
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0100
Primary Metered Customer	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0049
Total Loss Factor - Primary Metered Customer > 5,000kW	1.0000

Total Loss Factor

Secondary Metered Customer

Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0496
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0134

Primary Metered Customer

Total Loss Factor - Primary Metered Customer < 5,000kW	1.0083
Total Loss Factor - Primary Metered Customer > 5,000kW	1.0034

Bill Impacts

The impacts on the customer are a combination of an increase in distribution rates, a reduction in the RTS and Low Voltage charges and the incorporation of Harmonized Sales Tax.

Residential – 723kWh (average customer)

	APPLICATION	SETTLEMENT
Distribution Charges Impact	\$3.63 or 18.4%	\$1.88 or 9.5%
Total Bill Impact	\$4.66 or 5.7%	\$ 2.93 or 3.3%

GS < 50 kW – 2,833 kWh (average customer)

	APPLICATION	SETTLEMENT
Distribution Charges Impact	\$7.92 or 15.5%	\$ 4.88 or 9.8%
Total Bill Impact	\$ 23.31 or 8.1%	\$7.97 or 2.5%

Variance and Deferral Accounts (Exhibit 9)

❖ No Changes in Methodology.

- ❖ The Parties agree the disposition of the deferral and variance accounts will be deferred to the next IRM rate application.
- ❖ The Parties agree that a new deferral account should be created for the recovery of costs related to the preparation of this cost of service application. The Parties agree the amount to be included in such account will be \$80,000. Disposition will occur at the same time as the disposition of the remainder of the deferral and variance accounts. The Parties did not finalize the duration over which such recovery would be earned but will leave that to the time at which the disposition is determined.

Other

In addition, the Parties agree to the following as part of this Settlement Agreement:

In the event that that Board is unable to implement WPPI's distribution rates by December 1, 2010, the Intervenors will support a December 1, 2010 effective date for distribution rates.

The revenue requirement and rate adjustments arising from this Settlement Agreement will allow WPPI to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2010.

While WPPI has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and OM&A, are ones that must be made by the utility during the course of the year, subject to the Board's normal review in subsequent proceedings.

Settlement Terms by Issue

1. Administration (Exhibit 1)

1 a. Has WPPI responded appropriately to all interrogatories?

Complete Settlement: For the purpose of obtaining a complete settlement of all issues, the Parties agree that the interrogatory responses are sufficient for the purposes of the record in this proceeding,

Evidence: Responses to interrogatories received pursuant to Procedural Order #1, dated August 1, 2010 and Procedural Order #2, dated October 4, 2010.

Supporting parties: WPPI, SEC and VECC.

Parties taking no position: None.

Opposing parties: None

1 b. Is there any key information still missing?

Complete Settlement: For the purpose of obtaining a complete settlement of all issues, the Parties agree that the record before the Board is sufficient to support the resolution of those issues as proposed herein.

Evidence: N/A

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

1 c. Has WPPI responded appropriately to all relevant Board directions from previous proceedings?

Complete Settlement: The Intervenors accept the evidence of WPPI that there are no outstanding Board directions from previous proceedings.

Evidence: Exhibit 1, Tab 1, Schedule 15.

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2. Rate Base (Exhibit 2)

2 a. Are WPPI's planning assumptions (asset condition, economic, business, etc.) appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree that WPPI's assumptions on asset condition, economic and business planning assumptions for 2010 are an appropriate and reasonable foundation for the settlement herein.

Evidence: Exhibit 2, Tab 1, Schedules 1,2,3
Exhibit 2, Tab 2, Schedule 1, 2, 3
Response to Interrogatories Round 2 – Board Staff #4, 5 and 6
Appendix G

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 b. Is the Capital Planning and Budgeting Process appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree that WPPI's capital planning and budgeting process, as it was implemented in respect of the Test Year, was acceptable.

Evidence: Exhibit 1, Tab 2, Schedule 2
Exhibit 2, Tab 1, Schedule 1
Exhibit 2, Tab 3, Schedule 1

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 c. Has the Working Capital Allowance been determined appropriately?

Complete Settlement: WPPI has recalculated the Working Capital Allowance based upon 15% of the Cost of Power and controllable distribution expenses – excluding amortization and PILs. The Working Capital Allowance has been recalculated and remains at \$692,787.

Evidence: Exhibit 2, Tab 4, Schedule 1.

Appendix G

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 d. Are the amounts proposed for Capital Expenditures appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues, the Parties agree that the capital expenditure budget for the Test Year is appropriate. WPPI has not included the capital expenditure related to the Radial Boom Derrick (“RBD”). The RBD was removed as it may not be delivered prior to December 31, 2010.

Evidence: Exhibit 2, Tab 3, Schedule 1
Interrogatories, Round 2, Board Staff #4 and 5; VECC #32

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 e. Are the amounts proposed for the Rate Base appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the revised rate base of \$2,658,560. The Rate Base does not include any costs related to the RBD.

Evidence: Exhibit 2, Tab 2, Schedule 1, 2, 3, 4 and 5
Interrogatories, Round 2, Board Staff 4
Appendix H

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 f. Are the amounts proposed for Depreciation appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the revised depreciation of \$219,058. WPPI uses the Board's approved depreciation rates and policies. As the RBD was removed from the capital expenditures, it was also removed from Depreciation.

Evidence: Exhibit 2, Tab 2, Schedule 1, 2, 3, 4 and 5
Appendix I

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3. Loads, Customers – Throughput Revenue (Exhibit 3)

3a. Are the customer and load forecasts (including methodology and weather normalization) appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the customer and load forecasts, including methodology and weather normalization.

Evidence: Exhibit 3, Tabs 2, Schedule 2, 3, 4.

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 b. Is the impact of CDM initiatives suitably reflected in the load forecast?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree that CDM impacts have been suitably reflected in the load forecast.

Evidence: Exhibit 4, Tab 2, Schedule 2
Interrogatories, Round 2, SEC #5

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 c. Are the proposed Loss Factors suitably reflected in the load forecast?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Intervenor accept the evidence of WPPI that the proposed Loss Factors have been suitably reflected in the load forecast.

Evidence: Exhibit 4, Tab 2, Schedule 6

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 d. Is the proposed amount for Other Revenue appropriate?

Complete Settlement: The Parties agree for the purposes of settlement that Other Revenue of \$104,449 is appropriate.

Evidence: Exhibit 3, Tab 3, Schedules 1, 2, 3, and 4
Appendix F

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 e. Are the Specific Service Charges appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept that the proposed Specific Service Charges which are unchanged from WPPI's existing rates are consistent with the levels established by the Board. The Parties agree that revenue from Specific Service Charges of \$23,585 is appropriate for the purposes of settlement.

Evidence: Exhibit 1, Tab 1, Schedule 17
Exhibit 1, Tab 2, Schedule 1
Revenue Requirement Work Form

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 f. Is the calculation of the proposed Service and Distribution Revenue Requirements appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept WPPI's the calculation of the proposed Service and Distribution Revenue Requirements as set forth in Appendix F to this Agreement. The percentage increase was agreed to by the Parties and the Capital and OM&A spending were adjusted by WPPI to accord with such increase. The agreed to increase in distribution rates was influenced by the loss included in the previous audited financial statements and the acceptance of a below Board approved ROE and no inclusion for PILs. WPPI has calculated the Appendices based upon the agreed to increases for each rate classification and Intervenor's rely upon the correctness of the calculations in entering this Agreement.

Evidence: Appendix F

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4. Operating Costs (Exhibit 4)

4a. Are the proposed Shared Services (including methodologies and Service Agreements) appropriate?

Complete Settlement: See Issue 4e.

Evidence: Interrogatories, Round 2, SEC #5

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 b. Are the Staffing Resources and related costs appropriate?

Complete Settlement: See Issue 4e.

Evidence: Interrogatories, Round 2, SEC #4

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 c. Is WPPI's capitalization policy and depreciation (policy and expenses) appropriate?

Complete Settlement: WPPI utilizes the Board established rates for depreciation. WPPI has re-calculated in Appendix I the depreciation incorporating the change to the capital expenditures. For the purpose of obtaining complete settlement of all issues, the Parties accept for the Test Year the revised depreciation amount and the current WPPI capitalization policy.

Evidence: Exhibit 2, Tab 2, Schedules, 1, 2, 3, 4 and 5,
Exhibit 4, Tab 2, Schedule 5,
Appendix I

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 d. Is the Payment in Lieu of Taxes (including methodology) appropriate?

Complete Settlement: WPPI did not include any provision for PILs in the Application. For the purpose of obtaining complete settlement of all issues, the Parties accept WPPI's approach as appropriate. WPPI is utilizing a tax loss carry forward to eliminate any tax obligation for the Test Year.

Evidence: Exhibit 1, Tab 2, Schedule 5
Exhibit 4, Tab 3, Schedule 3
Revenue Requirement Work Form

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 e. Are the overall levels of OM&A budgets appropriate?

Complete Settlement: WPPI has recalculated the OM&A as provided in Appendix K. For the purpose of obtaining complete settlement of all issues, the Parties accept the revised OM&A as appropriate for the test year.

Evidence: Exhibit 4, Tab 2, Schedule 1, 2, 3, 4, and 5
Interrogatories Round 1 and 2
Appendix K

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

5. Cost of Capital and Rate of Return

5 a. Is the proposed Capital structure appropriate?

Complete Settlement: WPPI has proposed the use of the Board's deemed capital structure for the purpose of setting rates. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed capital structure for the test year.

Evidence: Exhibit 5, Tab 1, Schedule 1, 2 and 3.
Appendix G

Supporting parties: SEC, WPPI and VECC

Parties taking no position: None

Opposing parties: None

5 b. Is the Cost of Debt appropriate?

Complete Settlement: WPPI has proposed the use of the Board's deemed cost of debt for both short and long term debt for the purpose of setting rates. WPPI has deemed short debt to comprise 4% of the capital structure at a rate of 2.07% and long term debt to comprise 56% of the capital structure at a rate of 5.87% for a combined cost of debt of 5.62%. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed cost of debt as appropriate for the test year.

Evidence: Exhibit 5, Tab 1, Schedule 3
Appendix G

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None

Opposing parties: None

5 c. Is the proposed Rate of Return on Equity appropriate?

Complete Settlement: WPPI had utilized the adjusted Return on Equity of 9.85% as provided by the Ontario Energy Board in its letter dated February 24, 2010 – Cost of Capital Parameter Updates for 2010 Cost of Service Applications in the Application. For the purpose of obtaining complete settlement of all issues, the Parties agree to the settlement of this issue and accept the use of the said ROE for the Test Year for the calculation. The Parties recognize that the WPPI will not in fact be able to earn its deemed target ROE for the Test Year but accept this as part of the overall proposal to reach a settlement. The Parties have agreed that an update will not be required for the purposes of this Settlement Agreement.

Evidence: Appendix F and G

Supporting parties: SEC, WPPI

Parties taking no position: EP, CCC and VECC

Opposing parties: None

6. Calculation of Revenue Deficiency or Surplus (Exhibit 6)

6 a. Is the calculation of Revenue Deficiency appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the calculation of revenue deficiency set out in Appendix E attached.

Evidence: Appendix E

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

7. Cost Allocation (Exhibit 7)

7 a. Is WPPI's cost allocation appropriate?

Complete Settlement: WPPI has not altered its cost allocation for the Residential or General Service rate classifications. For the purpose of obtaining complete settlement of all issues, the Parties accept WPPI's cost allocation for the test year.

Evidence: Exhibit 7, Tab 1, Schedule 2

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

7 b. Are the proposed revenue-to-cost ratios appropriate?

Complete Settlement: WPPI has not altered its revenue to cost ratios for the Residential or General Service rate classifications. WPPI has increased the revenue to cost ratios for Streetlighting, Sentinel and Unmetered Scattered rate classes 50% of the amount required to achieve the Board's threshold minimum. This approach is consistent with the practice in other distribution rate applications. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed revenue-to-cost ratios for the test year. The Parties agree the remaining 50% (25% each year) to achieve the Board's threshold minimum (70% revenue to cost ratio) will be applied over the next 2 IRM applications. WPPI will not re-allocate costs of the initial 50% increase but will re-allocate costs during the following adjustments to those classes with revenue to cost ratios exceeding 100%.

Evidence: Exhibit 7, Tab 3, Schedule 1

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8. Rate Design (Exhibit 8)

8 a. Are the customer charges and the fixed-variable splits for each class appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues, the Parties accept the customer charges and the fixed-variable splits for each class as detailed in the attached Appendices will not change.

Evidence: Appendix C and D

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 b. Is WPPI's proposed Tariff of Rates and Charges appropriate?

Complete Settlement: The Intervenors are entering into this Agreement in reliance on WPPI's representation that WPPI's proposed Tariff of Rates and Charges correctly reflects the terms of this Agreement.

Evidence: Appendix B

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 c. Are the customer bill impacts appropriate?

Complete Settlement: WPPI has attached a summary of customer bill impacts resulting from all adjustments (at Appendix "C" and changes contained within this settlement agreement (at Appendix "D"). For the purpose of obtaining complete settlement of all issues, the Parties accept the customer bill impacts for the test year.

Evidence: Appendices C and D

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 d. Are the proposed Retail Transmission Service and Low Voltage rates appropriate?

Complete Settlement: The Retail Transmission Rates and Low Voltage rates have been set based upon the HONI 2009 billing determinants and 2010 approved rates which better reflect the current methodology than a 3 year average. This methodology results in a decrease in the RTS and Low Voltage rates WPPI has recalculated the rates using the 2010 Forecast. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed Retail Transmission and Low Voltage rates as set out in Appendix L.

Evidence: Appendix L

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 e. Is the Smart Meter funding adder appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the continued use of the \$1.00 per month Smart Meter Funding Adder. WPPI can confirm that the installation of the 100% of the Smart Meters will be completed prior to December 31, 2010. WPPI will include in its IRM rate application which is awaiting acceptance of this Settlement Agreement an application for utility specific Smart Meter Adder to be implemented May 1, 2011.

Evidence: Exhibit 1, Tab 2, Schedule 1
Exhibit 8, Tab 1, Schedules 1 and 5

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 f. Is the resulting Distribution Revenue appropriate?

Complete Settlement: The Intervenors have relied on the calculation of distribution revenue by WPPI as set for the in Appendix F attached.

Evidence: Appendix F

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

9. Deferral and Variance Accounts (Exhibit 9)

9. Is the proposal for the amounts, disposition and continuance of WPPI's Deferral and Variance accounts appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties will defer the disposition of and will continue with all of WPPI's Deferral and Variance accounts, subject to any changes expressly set forth elsewhere in this Agreement.

The Parties recognize the costs for the preparation of this Application are not recognized in the historical costs of WPPI and request the establishment of a Deferral Account with a balance of \$80,000 be established to permit WPPI to recover such costs in the future. WPPI will request clearance of this deferral account at its next cost of service application.

Evidence: Exhibit 9, Tabs 1, Schedule 1, 2, 3 and 4

Supporting parties: WPPI, SEC and VECC

Parties taking no position: None.

Opposing parties: None

Opposing parties: None

Appendix A

Issues List

- 1 a. Has WPPI responded appropriately to all interrogatories?
- 1 b. Is there any key information still missing?
- 1 c. Has WPPI responded appropriately to all relevant Board directions from previous proceedings?
- 2 a. Are WPPI's planning assumptions (asset condition, economic, business, etc.) appropriate?
- 2 b. Is the Capital Planning and Budgeting Process appropriate?
- 2 c. Has the Working Capital Allowance been determined appropriately?
- 2 d. Are the amounts proposed for Capital Expenditures appropriate?
- 2 e. Are the amounts proposed for the Rate Base appropriate?
- 2 f. Are the amounts proposed for Depreciation appropriate?
- 3 a. Are the customer and load forecasts (including methodology and weather normalization) appropriate?
- 3 b. Is the impact of CDM initiatives suitably reflected in the load forecast?
- 3 c. Are the proposed Loss Factors suitably reflected in the load forecast?
- 3 d. Is the proposed amount for Other Revenue appropriate?
- 3 e. Are the Specific Service Charges appropriate?
- 3 f. Is the calculation of the proposed Service and Distribution Revenue Requirements appropriate?
- 4 a. Are the proposed Shared Services (including methodologies and Service Agreements) appropriate?
- 4 b. Are the Staffing Resources and related costs appropriate?
- 4 c. Is WPPI's capitalization policy and depreciation (policy and expenses) appropriate?
- 4 d. Is the Payment in Lieu of Taxes (including methodology) appropriate?

- 4 e. Are the overall levels of OM&A budgets appropriate?

- 5 a. Is the proposed Capital structure appropriate?
- 5 b. Is the Cost of Debt appropriate?
- 5 c. Is the proposed Rate of Return on Equity appropriate?
- 6 a. Is the calculation of Revenue Deficiency appropriate?
- 7 a. Is WPPI's cost allocation appropriate?
- 7 b. Are the proposed revenue-to-cost ratios appropriate?
- 8 a. Are the customer charges and the fixed-variable splits for each class appropriate?
- 8 b. Is WPPI's proposed Tariff of Rates and Charges appropriate?
- 8 c. Are the customer bill impacts appropriate?
- 8 d. Are the proposed Retail Transmission Service and Low Voltage rates appropriate?
- 8 e. Is the Smart Meter funding adder appropriate?
- 8 f. Is the resulting Distribution Revenue appropriate?
- 9. Is the proposal for the amounts, disposition and continuance of WPPI's Deferral and Variance accounts appropriate?

Appendix B

West Perth Power Inc. Tariff of Rates and Charges Effective December 1st, 2010

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

Residential	UOM	Rate
Service Charge	\$	\$13.61
Smart Meter Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kWh	\$0.0098
Low Voltage Rate	\$/kWh	\$0.0015
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0046
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS<50 kW		
Service Charge	\$	\$11.95
Smart Meter Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kWh	\$0.0147
Low Voltage Rate	\$/kWh	\$0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0041
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS>50 to 4999 kW		
Service Charge	\$	\$204.84
Smart Meter Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kW	\$2.2348
Low Voltage Rate	\$/kW	\$0.3691
Retail Transmission Rate – Network Service Rate	\$/kW	\$2.0261
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.6457
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
Street Lighting		
Service Charge	\$	\$0.31
Distribution Volumetric Rate	\$/kW	\$19.2657
Low Voltage Rate	\$/kW	\$0.4088
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.5280
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.2723
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Sentinel Lighting

Service Charge	\$	\$0.0000
Distribution Volumetric Rate	\$/kW	\$7.4554
Low Voltage Rate	\$/kW	\$0.4254
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.5359
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.2989
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Unmetered Scattered Load

Service Charge	\$	\$0.67
Distribution Volumetric Rate	\$/kWh	\$0.0258
Low Voltage Rate	\$/kWh	\$0.0011
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0023
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Specific Service Charges**Customer Administration**

Arrears Certificate	\$	15.00
Returned Cheque Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00

Non-Payment of Account

Late Payment - Per month	%	1.50
Late Payment - Per annum	%	19.56
Collection of account charge-no disconnection	\$	30.00
Disconnect/Reconnect at meter-during regular hours	\$	65.00
Disconnect/Reconnect at meter-after regular hours	\$	185.00

Service call - customer owned equipment	\$	30.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.60)
Primary Metering allowance for transformer losses - applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

Once time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly fixed charge, per retailer	\$	20.00
Monthly variable charge, per customer, per retailer	\$/cust.	0.50
Distributor consolidated billing charge per customer per retailer	\$/cust.	0.30
Retailer consolidated billing credit per customer per retailer	\$/cust.	(0.30)

Service Transaction Requests (STR's)

Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

Loss Factors

Total Loss Factor -- Secondary Metered Customer < 5,000 kW		1.0314
Total Loss Factor -- Secondary Metered Customer > 5,000 kW		N/A
Total Loss Factor -- Primary Metered Customer < 5,000 kW		1.0211
Total Loss Factor -- Primary Metered Customer >5,000 kW		N/A

Appendix C

Class	Consumption kWh	Consumption kW	May 2009 Bill	May 2010 Bill	Difference \$	Bill Impact %	Max	Min
Residential	100		\$ 24.81	\$ 27.01	\$ 2.20	8.86%	8.9%	2.0%
	250		\$ 40.47	\$ 42.83	\$ 2.37	5.85%		
	500		\$ 66.49	\$ 69.16	\$ 2.66	4.01%		
Average Customer	723		\$ 89.71	\$ 92.64	\$ 2.93	3.27%		
	1,000		\$ 118.54	\$ 121.81	\$ 3.26	2.75%		
	1,500		\$ 170.60	\$ 174.46	\$ 3.86	2.26%		
	2,000		\$ 222.65	\$ 227.11	\$ 4.46	2.00%		
General Service Less Than 50 kW	1,000		\$ 119.77	\$ 123.76	\$ 3.99	3.3%	3.3%	2.2%
	2,000		\$ 226.72	\$ 232.89	\$ 6.16	2.7%		
Average Customer	2,833		\$ 315.82	\$ 323.79	\$ 7.97	2.5%		
	5,000		\$ 547.59	\$ 560.27	\$ 12.68	2.3%		
	10,000		\$ 1,082.38	\$ 1,105.91	\$ 23.54	2.2%		
GS>50 to 4999 kW	15,000	55	\$ 1,801.92	\$ 1,837.43	\$ 35.51	2.0%	2.0%	0.2%
	20,000	125	\$ 2,732.53	\$ 2,742.10	\$ 9.57	0.4%		
	50,000	250	\$ 6,047.35	\$ 6,059.10	\$ 11.75	0.2%		
Average Customer	133,770	376	\$ 13,588.03	\$ 13,725.22	\$ 137.19	1.0%		
	250,000	450	\$ 23,275.23	\$ 23,640.41	\$ 365.18	1.6%		
Unmetered Scattered Load - Avg Customer	600	1	\$ 55.26	\$ 72.53	\$ 17.27	31.3%		
Street Lighting - Avg Customer	25	1	\$ 6.48	\$ 21.44	\$ 14.96	230.9%		
Sentinel	25	1	\$ 6.38	\$ 11.14	\$ 4.77	74.8%		

Appendix D

Class	Consumption kWh	Consumption kW	Application	Application	Settlement	Settlement	Change	Change
			Difference \$	Bill Impact %	Difference \$	Bill Impact %	Difference \$	Bill Impact %
Residential	100		\$ 2.57	11.70%	\$ 2.20	8.86%	\$ 0.37	2.84%
	250		\$ 3.01	8.27%	\$ 2.37	5.85%	\$ 0.64	2.42%
	500		\$ 3.91	6.48%	\$ 2.66	4.01%	\$ 1.25	2.47%
Average Customer	723		\$ 4.66	5.70%	\$ 2.93	3.27%	\$ 1.73	2.43%
	1,000		\$ 5.59	5.16%	\$ 3.26	2.75%	\$ 2.33	2.40%
	1,500		\$ 7.27	4.64%	\$ 3.86	2.26%	\$ 3.41	2.38%
	2,000		\$ 8.95	4.37%	\$ 4.46	2.00%	\$ 4.49	2.37%
General Service Less Than 50 kW	1,000		\$ 15.66	14.4%	\$ 3.99	3.3%	\$ 11.67	11.0%
	2,000		\$ 19.84	9.6%	\$ 6.16	2.7%	\$ 13.67	6.9%
Average Customer	2,833		\$ 23.31	8.1%	\$ 7.97	2.5%	\$ 15.34	5.5%
	5,000		\$ 32.35	6.5%	\$ 12.68	2.3%	\$ 19.68	4.1%
	10,000		\$ 53.22	5.4%	\$ 23.54	2.2%	\$ 29.68	3.2%
GS>50 to 4999 kW	15,000	55	\$ (18.57)	-1.1%	\$ 35.51	2.0%	\$ (54.08)	-3.1%
	20,000	125	\$ (50.59)	-2.0%	\$ 9.57	0.4%	\$ (60.16)	-2.3%
	50,000	250	\$ (132.57)	-2.4%	\$ 11.75	0.2%	\$ (144.32)	-2.6%
Average Customer	133,770	376	\$ (278.20)	-2.2%	\$ 137.19	1.0%	\$ (415.39)	-3.2%
	250,000	450	\$ (442.60)	-2.1%	\$ 365.18	1.6%	\$ (807.78)	-3.6%
Unmetered Scattered Load - Avg Customer	600	1	\$ 1,309.34	136.6%	\$ 17.27	31.3%	\$ 1,292.07	105.3%
Street Lighting - Avg Customer	25	1	\$ 22.42	378.0%	\$ 14.96	230.9%	\$ 7.46	147.2%
Sentinel	25	1	\$ 7.09	120.5%	\$ 4.77	74.8%	\$ 2.32	45.8%

Appendix E

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$54,759
Distribution Revenue	\$824,719	\$824,719
Other Operating Revenue Offsets - net	\$104,449	\$104,449
Total Revenue	\$929,168	\$983,928
Operating Expenses	\$789,587	\$789,587
Deemed Interest Expense	\$89,593	\$89,593
Total Cost and Expenses	\$879,180	\$879,180
Utility Income Before Income Taxes	\$49,988	\$104,747
Tax Adjustments to Accounting Income per 2009 PILs	\$ -	\$ -
Taxable Income	\$49,988	\$104,747
Income Tax Rate	0.00%	0.00%
Income Tax on Taxable Income	\$ -	\$ -
Income Tax Credits	\$ -	\$ -
Utility Net Income	\$49,988	\$104,747
Utility Rate Base	\$2,658,560	\$2,658,560
Deemed Equity Portion of Rate Base	\$1,063,424	\$1,063,424
Income/Equity Rate Base (%)	4.70%	9.85%
Target Return - Equity on Rate Base	9.85%	9.85%
Sufficiency/Deficiency in Return on Equity	-5.15%	0.00%
Indicated Rate of Return	5.25%	7.31%
Requested Rate of Return on Rate Base	7.31%	7.31%
Sufficiency/Deficiency in Rate of Return	-2.06%	0.00%
Target Return on Equity	\$104,747	\$104,747
Revenue Sufficiency/Deficiency	\$54,759	\$0
Gross Revenue Sufficiency/Deficiency	\$54,759 (1)	



REVENUE REQUIREMENT WORK FORM

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

Table of Content

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

Notes:

(1) Pale green cells represent inputs

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

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REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

File Number:

Rate Year: 2010

Ontario

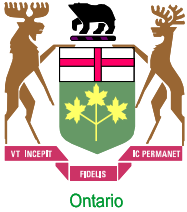
Data Input (1)

	Application	Adjustments	Per Board Decision
1 Rate Base			
Gross Fixed Assets (average)	\$5,046,283 (4)		\$5,046,283
Accumulated Depreciation (average)	(\$3,080,510) (5)		(\$3,080,510)
Allowance for Working Capital:			
Controllable Expenses	\$570,529 (6)		\$570,529
Cost of Power	\$4,048,052		\$4,048,052
Working Capital Rate (%)	15.00%		15.00%
2 Utility Income			
Operating Revenues:			
Distribution Revenue at Current Rates	\$824,719		
Distribution Revenue at Proposed Rates	\$879,479		
Other Revenue:			
Specific Service Charges	\$30,385		
Late Payment Charges	\$15,000		
Other Distribution Revenue	\$59,064		
Other Income and Deductions			
Operating Expenses:			
OM+A Expenses	\$570,529		\$570,529
Depreciation/Amortization	\$219,058		\$219,058
Property taxes			
Capital taxes			
Other expenses			
3 Taxes/PILs			
Taxable Income:			
Adjustments required to arrive at taxable income		(3)	
Utility Income Taxes and Rates:			
Income taxes (not grossed up)			
Income taxes (grossed up)			
Capital Taxes			
Federal tax (%)			
Provincial tax (%)			
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.



REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

File Number:

Rate Year: 2010

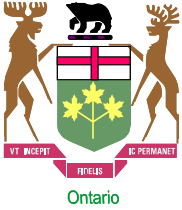
Rate Base

Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$5,046,283	\$ -	\$5,046,283
2	Accumulated Depreciation (average) (3)	(\$3,080,510)	\$ -	(\$3,080,510)
3	Net Fixed Assets (average) (3)	\$1,965,773	\$ -	\$1,965,773
4	Allowance for Working Capital (1)	\$692,787	\$ -	\$692,787
5	Total Rate Base	\$2,658,560	\$ -	\$2,658,560

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$570,529	\$ -	\$570,529
7	Cost of Power	\$4,048,052	\$ -	\$4,048,052
8	Working Capital Base	\$4,618,580	\$ -	\$4,618,580
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$692,787	\$ -	\$692,787

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: West Perth Power

File Number:

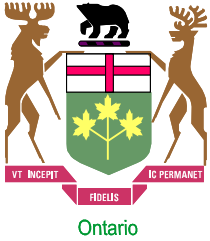
Rate Year: 2010

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$879,479	\$ -	\$879,479
2	Other Revenue (1)	\$104,449	\$ -	\$104,449
3	Total Operating Revenues	\$983,928	\$ -	\$983,928
Operating Expenses:				
4	OM+A Expenses	\$570,529	\$ -	\$570,529
5	Depreciation/Amortization	\$219,058	\$ -	\$219,058
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$789,587	\$ -	\$789,587
10	Deemed Interest Expense	\$89,593	\$ -	\$89,593
11	Total Expenses (lines 4 to 10)	\$879,180	\$ -	\$879,180
12	Utility income before income taxes	\$104,747	\$ -	\$104,747
13	Income taxes (grossed-up)	\$ -	\$ -	\$ -
14	Utility net income	\$104,747	\$ -	\$104,747

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$30,385	\$30,385
	Late Payment Charges	\$15,000	\$15,000
	Other Distribution Revenue	\$59,064	\$59,064
	Other Income and Deductions	\$ -	\$ -
	Total Revenue Offsets	\$104,449	\$104,449



REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

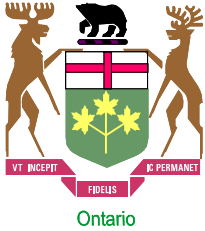
File Number:

Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$104,747	\$104,747
2	Adjustments required to arrive at taxable utility income	\$ -	\$ -
3	Taxable income	\$104,747	\$104,747
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$ -	\$ -
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$ -	\$ -
7	Gross-up of Income Taxes	\$ -	\$ -
8	Grossed-up Income Taxes	\$ -	\$ -
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$ -	\$ -
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	0.00%	0.00%
12	Provincial tax (%)	0.00%	0.00%
13	Total tax rate (%)	0.00%	0.00%

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

File Number:

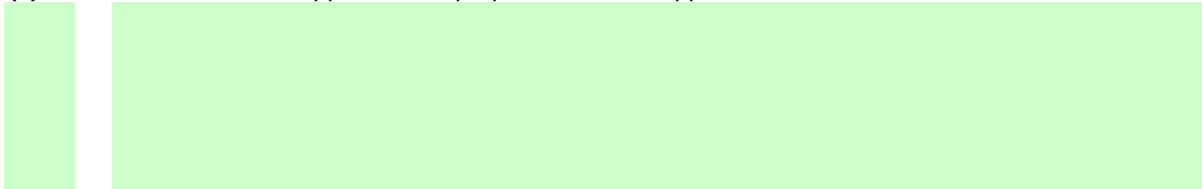
Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	56.00%	\$1,488,794	5.87%	\$87,392
2	Short-term Debt	4.00%	\$106,342	2.07%	\$2,201
3	Total Debt	60.00%	\$1,595,136	5.62%	\$89,593
Equity					
4	Common Equity	40.00%	\$1,063,424	9.85%	\$104,747
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$1,063,424	9.85%	\$104,747
7	Total	100%	\$2,658,560	7.31%	\$194,341
Per Board Decision					
Debt					
8	Long-term Debt	56.00%	\$1,488,794	5.87%	\$87,392
9	Short-term Debt	4.00%	\$106,342	2.07%	\$2,201
10	Total Debt	60.00%	\$1,595,136	5.62%	\$89,593
Equity					
11	Common Equity	40.0%	\$1,063,424	9.85%	\$104,747
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$1,063,424	9.85%	\$104,747
14	Total	100%	\$2,658,560	7.31%	\$194,341

Notes

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





REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

File Number:

Rate Year: 2010

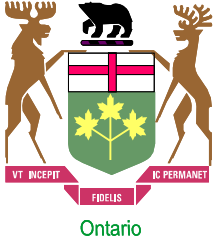
Ontario

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		\$54,759		\$54,759
2	Distribution Revenue	\$824,719	\$824,719	\$824,719	\$824,719
3	Other Operating Revenue Offsets - net	\$104,449	\$104,449	\$104,449	\$104,449
4	Total Revenue	\$929,168	\$983,928	\$929,168	\$983,928
5	Operating Expenses	\$789,587	\$789,587	\$789,587	\$789,587
6	Deemed Interest Expense	\$89,593	\$89,593	\$89,593	\$89,593
	Total Cost and Expenses	\$879,180	\$879,180	\$879,180	\$879,180
7	Utility Income Before Income Taxes	\$49,988	\$104,747	\$49,988	\$104,747
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$ -	\$ -	\$ -	\$ -
9	Taxable Income	\$49,988	\$104,747	\$49,988	\$104,747
10	Income Tax Rate	0.00%	0.00%	0.00%	0.00%
11	Income Tax on Taxable Income	\$ -	\$ -	\$ -	\$ -
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$49,988	\$104,747	\$49,988	\$104,747
14	Utility Rate Base	\$2,658,560	\$2,658,560	\$2,658,560	\$2,658,560
	Deemed Equity Portion of Rate Base	\$1,063,424	\$1,063,424	\$1,063,424	\$1,063,424
15	Income/Equity Rate Base (%)	4.70%	9.85%	4.70%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-5.15%	0.00%	-5.15%	0.00%
17	Indicated Rate of Return	5.25%	7.31%	5.25%	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	-2.06%	0.00%	-2.06%	0.00%
20	Target Return on Equity	\$104,747	\$104,747	\$104,747	\$104,747
21	Revenue Sufficiency/Deficiency	\$54,759	\$0	\$54,759	\$0
22	Gross Revenue Sufficiency/Deficiency	\$54,759 (1)		\$54,759 (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

File Number:

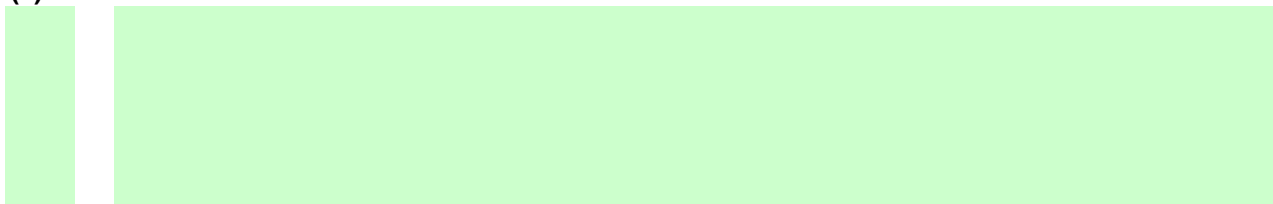
Rate Year: 2010

Revenue Requirement

Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$570,529	\$570,529
2	Amortization/Depreciation	\$219,058	\$219,058
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$ -	\$ -
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$89,593	\$89,593
	Return on Deemed Equity	\$104,747	\$104,747
8	Distribution Revenue Requirement before Revenues	\$983,928	\$983,928
9	Distribution revenue	\$879,479	\$879,479
10	Other revenue	\$104,449	\$104,449
11	Total revenue	\$983,928	\$983,928
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$0 (1)	\$0 (1)

Notes

(1) Line 11 - Line 8





REVENUE REQUIREMENT WORK FORM

Name of LDC: West Perth Power

File Number:

Rate Year: 2010

Ontario

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

Notes:

Appendix G

	(%) (\$)	(%) (\$)
Debt		
Long-term Debt	56.00% \$1,488,794	5.87% \$87,392
Short-term Debt	4.00% \$106,342	2.07% \$2,201
Total Debt	60.00% \$1,615,637	5.62% \$90,745
Equity		
Common Equity	40.00% \$1,063,424	9.85% \$104,747
Preferred Shares	0.00% \$ -	0.00% \$ -
Total Equity	40.00% \$1,077,091	9.85% \$106,094
Total	100% \$2,692,729	7.31% \$196,838

Appendix H

<u>Particulars</u>		<u>Application</u>
Gross Fixed Assets (average)	(3)	\$5,046,283
Accumulated Depreciation (average)	(3)	<u>(\$3,080,510)</u>
Net Fixed Assets (average)	(3)	\$1,965,773
Allowance for Working Capital	(1)	<u>\$692,787</u>
Total Rate Base		<u><u>\$2,658,560</u></u>

Appendix I

CONTINUITY STATEMENTS	2010 Test Gross Asset Value	Accumulated Depreciation	Net Book Value
Land and Buildings			
1805-Land -Opening Balance	\$1,000	\$0	\$1,000
1805-Land -Additions	\$0		\$0
1805-Land -Depreciation	\$0	\$0	\$0
1805-Land -Adjustments	\$0	\$0	\$0
1805-Land -Closing Balance	\$1,000	\$0	\$1,000
Average	\$1,000	\$0	\$1,000
1806-Land Rights -Opening Balance	\$2,745	\$0	\$2,745
1806-Land Rights -Additions	\$0		\$0
1806-Land Rights -Depreciation		\$0	\$0
1806-Land Rights -Adjustments	\$0		\$0
1806-Land Rights -Closing Balance	\$2,745	\$0	\$2,745
Average	\$2,745	\$0	\$2,745
1905-Land -Opening Balance	\$0	\$0	\$0
1905-Land -Additions	\$0		\$0
1905-Land -Depreciation		\$0	\$0
1905-Land -Adjustments	\$0		\$0
1905-Land -Closing Balance	\$0	\$0	\$0
Average	\$0	\$0	\$0
1906-Land Rights-Opening Balance	\$0	\$0	\$0
1906-Land Rights-Additions	\$0		\$0
1906-Land Rights-Depreciation		\$0	\$0
1906-Land Rights -Adjustments	\$0		\$0
1906-Land Rights -Closing Balance	\$0	\$0	\$0
Average	\$0	\$0	\$0
1808-Buildings and Fixtures-Opening Balance	\$0	\$0	\$0
1808-Buildings and Fixtures-Additions	\$5,000		\$5,000
1808-Buildings and Fixtures-Depreciation		-\$83	-\$83
1808-Buildings and Fixtures -Adjustments	\$0		\$0
1808-Buildings and Fixtures -Closing Balance	\$5,000	-\$83	\$4,917
Average	\$2,500	-\$42	\$2,458
Total	\$8,745	-\$83	\$8,661
Leasehold Improvements			
1810-Leasehold Improvements-Opening Balance	\$7,040	-\$5,632	\$1,408
1810-Leasehold Improvements-Additions	\$0		\$0
1810-Leasehold Improvements-Depreciation		-\$1,408	-\$1,408
1810-Leasehold Improvements-Adjustments	\$0		\$0
1810-Leasehold Improvements-Closing Balance	\$7,040	-\$7,040	\$0
Average	\$7,040	-\$6,336	\$704
Total	\$7,040	-\$7,040	\$0
TS Primary Above 50			
1815-Transformer Station Equipment - Normally Primary ab	\$0	\$0	\$0
1815-Transformer Station Equipment - Normally Primary ab	\$0		\$0
1815-Transformer Station Equipment - Normally Primary above 50 kV-Depreciator		\$0	\$0
1815-Transformer Station Equipment - Normally Primary ab	\$0		\$0
1815-Transformer Station Equipment - Normally Primary ab	\$0	\$0	\$0
Average	\$0	\$0	\$0
Total	\$0	\$0	\$0

DS			
1820-Distribution Station Equipment Opening Balance	\$74,355	-\$73,346	\$1,009
1820-Distribution Station Equipment Additions	\$0		\$0
1820-Distribution Station Equipment Depreciation		-\$43	-\$43
1820-Distribution Station Equipment Adjustments	\$0		\$0
1820-Distribution Station Equipment Closing Balance	\$74,355	-\$73,389	\$966
Average	\$74,355	-\$73,368	\$987
Total	\$74,355	-\$73,389	\$966
Poles and Wires			
1830-Poles, Towers and Fixtures-Opening Balance	\$1,763,529	-\$1,029,864	\$733,665
1830-Poles, Towers and Fixtures-Additions	\$65,000		\$65,000
1830-Poles, Towers and Fixtures-Depreciation		-\$61,296	-\$61,296
1830-Poles, Towers and Fixtures-Adjustments	\$0		\$0
1830-Poles, Towers and Fixtures-Closing Balance	\$1,828,529	-\$1,091,160	\$737,368
Average	\$1,796,029	-\$1,060,512	\$735,517
1835-Overhead Conductors and Devices-Opening Balance	\$281,226	-\$105,498	\$175,728
1835-Overhead Conductors and Devices-Additions	\$62,000		\$62,000
1835-Overhead Conductors and Devices-Depreciation		-\$17,624	-\$17,624
1835-Overhead Conductors and Devices-Adjustments	\$0		\$0
1835-Overhead Conductors and Devices-Closing Balance	\$343,226	-\$123,122	\$220,104
Average	\$312,226	-\$114,310	\$197,916
1840-Underground Conduit-Opening Balance	\$770,129	-\$482,692	\$287,438
1840-Underground Conduit-Additions	\$0		\$0
1840-Underground Conduit-Depreciation		-\$21,254	-\$21,254
1840-Underground Conduit-Adjustments	\$0		\$0
1840-Underground Conduit-Closing Balance	\$770,129	-\$503,945	\$266,184
Average	\$770,129	-\$493,318	\$276,811
1845-Underground Conductors and Devices-Opening Balance	\$51,886	-\$42,036	\$9,849
1845-Underground Conductors and Devices-Additions	\$25,000		\$25,000
1845-Underground Conductors and Devices-Depreciation		-\$10,547	-\$10,547
1845-Underground Conductors and Devices-Adjustments	\$0		\$0
1845-Underground Conductors and Devices-Closing Balance	\$76,886	-\$52,583	\$24,302
Average	\$64,386	-\$47,310	\$17,076
Total	\$3,018,770	-\$1,770,811	\$1,247,959
Line Transformers			
1850-Line Transformers-Opening Balance	\$1,386,476	-\$793,799	\$592,677
1850-Line Transformers-Additions	\$155,000		\$155,000
1850-Line Transformers-Depreciation		-\$61,159	-\$61,159
1850-Line Transformers-Adjustments	\$0		\$0
1850-Line Transformers-Closing Balance	\$1,541,476	-\$854,958	\$686,517
Average	\$1,463,976	-\$824,378	\$639,597
Total	\$1,541,476	-\$854,958	\$686,517
Services and Meters			
1855-Services-Opening Balance	\$148,303	-\$31,490	\$116,813
1855-Services-Additions	\$5,000		\$5,000
1855-Services-Depreciation		-\$4,304	-\$4,304
1855-Services-Adjustments	\$0		\$0
1855-Services-Closing Balance	\$153,303	-\$35,794	\$117,510
Average	\$150,803	-\$33,642	\$117,162
1860-Meters-Opening Balance	\$426,125	-\$196,793	\$229,332
1860-Meters-Additions	\$0		\$0
1860-Meters-Depreciation		-\$12,363	-\$12,363
1860-Meters-Adjustments	\$0		\$0

1860-Meters-Closing Balance	\$426,125	-\$209,156	\$216,969
Average	\$426,125	-\$202,975	\$223,151
Total	\$579,429	-\$244,950	\$334,479
General Plant			
1908-Buildings and Fixtures-Opening Balance	\$0	\$0	\$0
1908-Buildings and Fixtures-Additions	\$0		\$0
1908-Buildings and Fixtures-Depreciation		\$0	\$0
1908-Buildings and Fixtures-Adjustments	\$0		\$0
1908-Buildings and Fixtures-Closing Balance	\$0	\$0	\$0
Average	\$0	\$0	\$0
IT Assets			
1920-Computer Equipment - Hardware-Opening Balance	\$43,773	-\$43,773	\$0
1920-Computer Equipment - Hardware-Additions	\$0		\$0
1920-Computer Equipment - Hardware-Depreciation		\$0	\$0
1920-Computer Equipment - Hardware-Adjustments	\$0		\$0
1920-Computer Equipment - Hardware-Closing Balance	\$43,773	-\$43,773	\$0
Average	\$43,773	-\$43,773	\$0
1925-Computer Software-Opening Balance	\$93,660	-\$93,660	\$0
1925-Computer Software-Additions	\$2,000		\$2,000
1925-Computer Software-Depreciation		-\$262	-\$262
1925-Computer Software-Adjustments	\$0		\$0
1925-Computer Software-Closing Balance	\$95,660	-\$93,922	\$1,738
Average	\$94,660	-\$93,791	\$869
Total	\$139,433	-\$137,695	\$1,738
Equipment			
1915-Office Furniture and Equipment-Opening Balance	\$36,644	-\$33,250	\$3,394
1915-Office Furniture and Equipment-Additions	\$3,000		\$3,000
1915-Office Furniture and Equipment-Depreciation		-\$1,236	-\$1,236
1915-Office Furniture and Equipment-Adjustments	\$0		\$0
1915-Office Furniture and Equipment-Closing Balance	\$39,644	-\$34,486	\$5,158
Average	\$38,144	-\$33,868	\$4,276
1930-Transportation Equipment-Opening Balance	\$309,867	-\$17,938	\$291,930
1930-Transportation Equipment-Additions	\$280,000		\$280,000
1930-Transportation Equipment-Depreciation		-\$33,958	-\$33,958
1930-Transportation Equipment-Adjustments	\$0		\$0
1930-Transportation Equipment-Closing Balance	\$589,867	-\$51,896	\$537,971
Average	\$449,867	-\$34,917	\$414,950
1935-Stores Equipment-Opening Balance	\$458	-\$321	\$137
1935-Stores Equipment-Additions	\$0		\$0
1935-Stores Equipment-Depreciation		-\$92	-\$92
1935-Stores Equipment-Adjustments	\$0		\$0
1935-Stores Equipment-Closing Balance	\$458	-\$412	\$46
Average	\$458	-\$367	\$92
1940-Tools, Shop and Garage Equipment-Opening Balance	\$78,511	-\$73,936	\$4,575
1940-Tools, Shop and Garage Equipment-Additions	\$5,000		\$5,000
1940-Tools, Shop and Garage Equipment-Depreciation		-\$6,380	-\$6,380
1940-Tools, Shop and Garage Equipment-Adjustments	\$0		\$0
1940-Tools, Shop and Garage Equipment-Closing Balance	\$83,511	-\$80,316	\$3,195
Average	\$81,011	-\$77,126	\$3,885
1955-Communication Equipment-Opening Balance	\$164	\$0	\$164

1955-Communication Equipment-Additions	\$0		\$0
1955-Communication Equipment-Depreciation		\$0	\$0
1955-Communication Equipment-Adjustments	\$0		\$0
1955-Communication Equipment-Closing Balance	\$164	\$0	\$164
Average	\$164	\$0	\$164
1960-Miscellaneous Equipment-Opening Balance	\$0	\$0	\$0
1960-Miscellaneous Equipment-Additions	\$0		\$0
1960-Miscellaneous Equipment-Depreciation		\$0	\$0
1960-Miscellaneous Equipment-Adjustments	\$0		\$0
1960-Miscellaneous Equipment-Closing Balance	\$0	\$0	\$0
Average	\$0	\$0	\$0
Total	\$713,645	-\$167,111	\$546,534
1995-Contributions and Grants - Credit-Opening Balance	-\$282,598	\$53,994	-\$228,604
1995-Contributions and Grants - Credit-Additions	\$0		\$0
1995-Contributions and Grants - Credit-Depreciation		\$11,058	\$11,058
1995-Contributions and Grants - Credit-Adjustments	\$0		\$0
1995-Contributions and Grants - Credit-Closing Balance	-\$282,598	\$65,052	-\$217,546
Average	-\$282,598	\$59,523	-\$223,075
Total	-\$282,598	\$65,052	-\$217,546
Total Opening Balance	\$5,193,294	-\$2,970,034	\$2,223,260
Total Additions	\$607,000	\$0	\$607,000
Total Depreciation	\$0	-\$220,952	-\$220,952
Total Adjustments	\$0	\$0	\$0
Total Closing Balance	\$5,800,294	-\$3,190,986	\$2,609,308
Average	\$5,496,794	-\$3,080,510	\$2,416,284
Total	\$5,800,294	-\$3,190,986	\$2,609,308

-\$110,721

Appendix J

CAPITAL COST ALLOWANCE

2010 Test

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$3,340,708			\$3,340,708	\$0	\$3,340,708	4%	\$133,628	\$3,207,079
2	Distribution System - pre 1988	\$0			\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$140,843	\$8,000		\$148,843	\$4,000	\$144,843	20%	\$28,969	\$119,875
10	Computer Hardware/ Vehicles	\$71			\$71	\$0	\$71	30%	\$21	\$50
10.1	Certain Automobiles	\$249,927	\$280,000		\$529,927	\$140,000	\$389,927	30%	\$116,978	\$412,949
12	Computer Software	\$0			\$0	\$0	\$0	100%	\$0	\$0
13 1	Lease # 1	\$3,604			\$3,604	\$0	\$3,604	20%	\$721	\$2,884
13 2	Lease #2	\$0			\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3	\$0			\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4	\$0			\$0	\$0	\$0		\$0	\$0
14	Franchise	\$0			\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$10,188			\$10,188	\$0	\$10,188	8%	\$815	\$9,373
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$0			\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04	\$10,077	\$2,000		\$12,077	\$1,000	\$11,077	45%	\$4,984	\$7,092
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$0			\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005	\$793,285	\$312,000		\$1,105,285	\$156,000	\$949,285	8%	\$75,943	\$1,029,343
98	No CCA	\$0			\$0	\$0	\$0		\$0	\$0
	TOTAL	\$4,548,703	\$602,000	\$0	\$5,150,703	\$301,000	\$4,849,703		\$362,060	\$4,788,644

Appendix K

SUMMARY OF OPERATING COSTS	2010 Test
OM&A expenses	
Operation (Working Capital)	\$49,683
Maintenance (Working Capital)	\$52,239
Billing and Collections	\$144,264
Community Relations	\$2,136
Administrative and General Expenses	\$322,206
Total OM&A Expenses	\$570,529

Appendix L

	2010	2009	Forecast	Reduction	Revised	Revised
RESIDENTIAL	Billing Volume	Low Voltage Rate	Low Voltage Rev	Low Voltage Rev	Low Voltage Rev	Network Rate
Regular	15,569,208	\$ 0.0012	\$ 18,683.05	\$ (4,769.99)	\$ 23,453.04	\$ 0.0015
GENERAL SERVICE						
Less than 50 kW	8,245,459	\$ 0.0008	\$ 6,596.37	\$ (1,684.12)	\$ 8,280.49	\$ 0.0010
Greater than 50 to 499 kW	90,363	\$ 0.2940	\$ 26,566.62	\$ (6,782.75)	\$ 33,349.37	\$ 0.3691
Unmetered Scattered Load	46	\$ 0.3236	\$ 14.74	\$ (3.76)	\$ 18.50	\$ 0.0011 Change to per kWh
Sentinel Lighting	47	\$ 0.3389	\$ 15.92	\$ (4.06)	\$ 19.98	\$ 0.4254
Street Lighting	1,196	\$ 0.3257	\$ 389.48	\$ (99.44)	\$ 488.91	\$ 0.4088
			\$ 52,266.17	\$ (13,344.12)	\$ 65,610.29	
	Cost		\$ 65,610.29			
	Revenue		\$ (52,266.17)			
			\$ 13,344.12			
				-26%		

	2009 Quantities	2010 Rates	Fixed Charge			
January	10,312	\$ 0.51553	\$ 5,316.18	\$ 422.94	\$ 5,739.12	
February	10,132	\$ 0.51553	\$ 5,223.39	\$ 422.94	\$ 5,646.33	
March	9,802	\$ 0.51553	\$ 5,053.26	\$ 422.94	\$ 5,476.20	
April	9,234	\$ 0.51553	\$ 4,760.44	\$ 422.94	\$ 5,183.38	
May	8,655	\$ 0.51553	\$ 4,461.95	\$ 422.94	\$ 4,884.89	
June	9,467	\$ 0.51553	\$ 4,880.56	\$ 422.94	\$ 5,303.50	
July	10,345	\$ 0.51553	\$ 5,333.20	\$ 422.94	\$ 5,756.14	
August	10,430	\$ 0.51553	\$ 5,377.02	\$ 422.94	\$ 5,799.96	
September	9,597	\$ 0.51553	\$ 4,947.58	\$ 422.94	\$ 5,370.52	
October	9,436	\$ 0.51553	\$ 4,864.58	\$ 422.94	\$ 5,287.52	
November	9,719	\$ 0.51553	\$ 5,010.47	\$ 422.94	\$ 5,433.41	
December	10,293	\$ 0.51553	\$ 5,306.39	\$ 422.94	\$ 5,729.33	
	117,422	\$ 0.51553	\$ 60,535.01	\$ 5,075.28	\$ 65,610.29	

Appendix L

	2010	2009	2009	Forecast	Forecast	Reduction	Revised	Reduction	Revised	Revised	Revised
	Billing Volume	Network Rate	Connection Rate	Network Rev	Connection Rev	Network Rev	Network Rev	Connection Rev	Connection Rev	Network Rate	Connection Rate
RESIDENTIAL											
Regular	15,569,208	0.0047	0.008	\$ 73,175.28	\$ 124,553.66	\$ (12,426.35)	\$ 85,601.63	\$ 52,429.52	\$ 72,124.14	\$ 0.0055	\$ 0.0046
GENERAL SERVICE											
Less than 50 kW	8,245,459	0.0042	0.0071	\$ 34,630.93	\$ 58,542.76	\$ (5,880.89)	\$ 40,511.82	\$ 24,642.94	\$ 33,899.81	\$ 0.0049	\$ 0.0041
Greater than 50 to 499 kW	90,363	1.732	2.8421	\$ 156,508.12	\$ 256,819.71	\$ (26,577.62)	\$ 183,085.74	\$ 108,105.49	\$ 148,714.22	\$ 2.0261	\$ 1.6457
Unmetered Scattered Load	46	1.3062	1.4282	\$ 59.49	\$ 65.05	\$ (10.10)	\$ 69.59	\$ 27.38	\$ 37.67	\$ 0.0043	\$ 0.0023
Sentinel Lighting	47	1.3129	2.2431	\$ 61.66	\$ 105.35	\$ (10.47)	\$ 72.13	\$ 44.35	\$ 61.00	\$ 1.5359	\$ 1.2989
Street Lighting	1,196	1.3062	2.1971	\$ 1,562.11	\$ 2,627.56	\$ (265.27)	\$ 1,827.38	\$ 1,106.04	\$ 1,521.51	\$ 1.5280	\$ 1.2723
				\$ 265,997.59	\$ 442,714.08	\$ (45,170.71)	\$ 311,168.30	\$ 186,355.72	\$ 256,358.36		
			2009 Cost	\$ 311,168.30	\$ 256,358.36						
			2009 Revenue	\$ (265,997.59)	\$ (442,714.08)						
				\$ 45,170.71	\$ (186,355.72)						
						-17%					42%

Connection

	2009 Quantities	2010 Rates			
January	10,312	\$ 2.14	\$ 22,067.68	\$ 22,490.62	
February	10,132	\$ 2.14	\$ 21,682.48	\$ 22,105.42	
March	9,802	\$ 2.14	\$ 20,976.28	\$ 21,399.22	
April	9,234	\$ 2.14	\$ 19,760.76	\$ 20,183.70	
May	8,655	\$ 2.14	\$ 18,521.70	\$ 18,944.64	
June	9,467	\$ 2.14	\$ 20,259.38	\$ 20,682.32	
July	10,345	\$ 2.14	\$ 22,138.30	\$ 22,561.24	
August	10,430	\$ 2.14	\$ 22,320.20	\$ 22,743.14	
September	9,597	\$ 2.14	\$ 20,537.58	\$ 20,960.52	
October	9,436	\$ 2.14	\$ 20,193.04	\$ 20,615.98	
November	9,719	\$ 2.14	\$ 20,798.66	\$ 21,221.60	
December	10,293	\$ 2.14	\$ 22,027.02	\$ 22,449.96	
	117,422	\$ 2.14	\$ 251,283.08	\$ 256,358.36	

Network

	2009 Quantities	2010 Rates		
January	10,312	\$ 2.65	\$ 27,326.80	
February	10,132	\$ 2.65	\$ 26,849.80	
March	9,802	\$ 2.65	\$ 25,975.30	
April	9,234	\$ 2.65	\$ 24,470.10	
May	8,655	\$ 2.65	\$ 22,935.75	
June	9,467	\$ 2.65	\$ 25,087.55	
July	10,345	\$ 2.65	\$ 27,414.25	
August	10,430	\$ 2.65	\$ 27,639.50	
September	9,597	\$ 2.65	\$ 25,432.05	
October	9,436	\$ 2.65	\$ 25,005.40	
November	9,719	\$ 2.65	\$ 25,755.35	
December	10,293	\$ 2.65	\$ 27,276.45	
	117,422	\$ 2.65	\$ 311,168.30	

APPENDIX 2
TO DECISION AND ORDER
SETTLEMENT PROPOSAL
CLINTON POWER CORPORATION
BOARD FILE NO: EB-2009-0262
DATED: DECEMBER 14, 2010

EB-2009-0262/EB-2010-0121

**Clinton Power Corp.
Proposed Settlement Agreement
November 24, 2010**

This settlement agreement (the “**Settlement Proposal**” or “**Settlement Agreement**”) is for the consideration of the Ontario Energy Board (the “**Board**”) in its determination of the rate application by Clinton Power Corporation (“**CPC**”) for 2010 electricity distribution rates (EB-2009-0262/EB-2010-0121), (the “**Application**”).

CPC's Application was received by the Board on June 18, 2010. Further to Procedural Order #2, dated October 4, 2010, a settlement conference was scheduled for November 4, 2010 (the “**Settlement Conference**”). The Settlement Conference was duly convened in accordance with Procedural Order No. 2 with Mr. George Dominy as facilitator. The Settlement Conference concluded on November 4, 2010.

CPC and the following intervenors (the “**Intervenors**” and collectively including CPC, the “**Parties**”) participated in the Settlement Conference:

School Energy Coalition (“**SEC**”)

Vulnerable Energy Consumers Coalition (“**VECC**”)

The role adopted by the Board Staff in the Settlement Conference is set out on page 5 of the Board's Settlement Conference Guidelines (the “**Guidelines**”). Although Board Staff is not a party to this Agreement, as noted in the Guidelines, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this settlement proposal.

This Agreement represents a complete settlement of all issues. It is acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's Rules of Practice and Procedure.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Settlement Agreement in its entirety, then there is no settlement unless the Parties agree that those portions of the Settlement Agreement that the Board does accept may continue as a valid settlement.

CPC and West Perth Power Inc. were acquired by the present owner, ERTH Corporation, following an application to the Board in EB-2009-0156 and EB-2009-0157. The acquisition of CPC was effective January 1, 2010. The Parties recognize that certain background information that would normally be used to prepare the Application was unavailable and have concluded the evidence provided is sufficient for the purpose of this Settlement Agreement. This Settlement Agreement is entered into based upon the understanding that CPC will likely either be included in a cost of service rate application as part of Erie Thames Powerlines Corporation or submit a cost of service application in conjunction with West Perth Power Inc. prior to the Board's schedule for applications to set rates for the 2013 Rate Year. The Intervenors recognize CPC may be involved in such an application and are of the view that such an approach is in the interest of CPC, the ratepayers and the Board.

It is also agreed that this Settlement Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Settlement Agreement. However, none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Settlement Agreement, if contrary to the terms of this Settlement Agreement, should be applicable for all or any part of the 2010 Test Year.

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Settlement Agreement provide further evidentiary support. The Parties agree that this Settlement Agreement and the Appendices form part of the record in EB-2009-0262/EB-2010-0121. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement.

There is no approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, and without prejudice to the positions of the Parties with respect to the issues that might otherwise be considered in this proceeding should a hearing be required, the Parties have followed the issues list set out at Appendix "A" to this Settlement Agreement.

The appendices attached to this Settlement Agreement are:

“A” – Issues List

“B” - CPC 2010 Tariff of Rates and Charges

“C” – Bill Impact Summaries

“D” – Bill Impact Comparison (Application vs Settlement)

“E” – CPC 2010 Revenue Deficiency

“F” – CPC 2010 Revenue Requirement Work Form

“G” – CPC 2010 Schedule of Cost of Capital

“H” – CPC 2010 Summary of Rate Base

“I” – CPC 2010 Appendix 2-N – Depreciation

“J” – CPC 2010 PILs and CCA Mappings

“K” – CPC 2010 OM&A Expenses

“L” – Low Voltage and Retail Transmission

“M” – Deferral and Variance Accounts

Summary

The Parties established the Service Revenue Requirement by increasing the Distribution Rate for Residential and General Service customers by 10% as compared to the 2009 Board approved distribution rates. The USL, Sentinel and Streetlighting were increased to move each rate class to 50% of the lower boundary of the revenue to cost ratio ranges set by the Board. In addition, SS Administration Fees were included in the Revenue Offsets. Based upon the agreed to increase, CPC has recalculated Capital and OM&A spending to accord with the proposal. The Intervenor were influenced by the most recent audited financial statements for CPC which showed a loss. The Parties agreement also results in a reduction of the RTS rates which provides a significant offset to the distribution rate increase.

The Parties came to this agreement through a process of recognizing a need for additional revenue for CPC to provide safe, reliable service yet balancing the impact of such costs on the ratepayers. The Parties acknowledge that CPC may not actually earn its deemed return on equity, and that its PILs provision has been reduced to zero by the application of loss carry forwards. However, the Parties view this as a reasonable approach given the particular circumstances.

The following table summarizes the settlement on the key ratemaking components of the Application:

Summary Comparison (Application vs. Settlement)

Key Ratemaking Components

<i>Rate Base (Exhibit 2)</i>	<u>Application</u>¹	<u>Settlement</u>
Rate Base	\$1,692,106	\$1,812,953
Working Capital Allowance	\$436,919	\$399,558
Capital Expenditures	\$555,500	\$315,500
<i>Revenue and Deficiency (Exhibits 3, 6)</i>		
Other Revenue	\$35,810	\$38,697
Distribution Revenue Requirement	\$948,467	\$698,615
Service Revenue Requirement	\$984,277	\$737,312
Revenue Deficiency	\$429,905	\$191,447
<i>Operating Costs (Exhibit 4)</i>		

¹ For the purpose of this table only, CPC has included the values as provided in the Application as at June 18, 2010.

OM&A	\$797,216	\$522,410
Amortization/Depreciation	\$89,522	\$82,375
Grossed-up PILs	\$0	\$0
Revenue Deficiency	\$429,905	\$191,447
<i>Cost of Capital and ROR (Exhibit 5)</i>		
Short Term Debt Rate	2.07%	2.07%
Long Term Debt Rate	5.87%	5.87%
Return on Equity	9.85%	9.85%
Cost of Capital	7.31%	7.31%
Capital Structure ²	4% STD, 56% LTD, 40% Equity	4% STD, 56% LTD, 40% Equity

Cost Allocation (Exhibit 7)

Residential, General Service and Unmetered Scattered Load

No changes except as a result of the future adjustments to the Streetlighting and Sentinel and rate classifications.

Streetlighting and Sentinel

CPC will move the revenue to cost ratio 50% of the way to the minimum revenue to cost ratio of 70% in this application and the remaining 50% in the subsequent IRM adjustments over the next two rate years (25% per application). CPC will not re-allocate costs of the initial 50% but the will re-allocate costs during the following adjustments to the rate classes with revenue to cost ratios in excess of 100% (GS<50kW, GS>50kW and USL).

Rate Design (Exhibit 8)

Total Utility Loss Adjustment Factor LAF

Supply Facility Loss Factor 1.006

Distribution Loss Factors

Secondary Metered Customer

Total Loss Factor - Secondary Metered Customer < 5,000kW 1.0554

Total Loss Factor - Secondary Metered Customer > 5,000kW 1.0100

² CPC was applying to change to the deemed debt:equity structure. Prior to the present, CPC had a deemed debt component of 46.66% and a deemed equity component of 53.34%.

Primary Metered Customer

Total Loss Factor - Primary Metered Customer < 5,000kW	1.0448
Total Loss Factor - Primary Metered Customer > 5,000kW	1.0000

Total Loss Factor

Secondary Metered Customer

Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0617
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0161

Primary Metered Customer

Total Loss Factor - Primary Metered Customer < 5,000kW	1.0511
Total Loss Factor - Primary Metered Customer > 5,000kW	1.006

Bill Impacts

The impacts on the customer are a combination of an increase in distribution rates, a reduction in the RTS and Low Voltage charges and the incorporation of Harmonized Sales Tax.

Residential – 723kWh (average customer)

	APPLICATION	SETTLEMENT
Distribution Charges Impact	\$11.47 or 62%	\$5.53 or 31.4%
Total Bill Impact	\$14.73 or 19.0%	\$10.47 or 12.2%

GS < 50 kW – 2,833 kWh (average customer)

	APPLICATION	SETTLEMENT
Distribution Charges Impact	\$45.60 or 90.7%	\$15.30 or 32.6%
Total Bill Impact	\$ 45.10 or 16.0%	\$33.60 or 10.9%

Variance and Deferral Accounts (Exhibit 9)

❖ No Changes in Methodology.

- ❖ The Parties agree the disposition of \$191,343.98 from the deferral and variance accounts over a 24 month period commencing December 1, 2010.
- ❖ The Parties agree that a new deferral account should be created for the recovery of costs related to the preparation of this cost of service application. The Parties agree the amount to be included in such account will be \$65,000. Disposition will begin December 1, 2010 for a period of 4 years.

Other

In addition, the Parties agree to the following as part of this Settlement Agreement:

In the event that that Board is unable to implement CPC's distribution rates by December 1, 2010, the Intervenors will support a December 1, 2010 effective date for delivery rates including the RTS rates and the deferral and variance accounts rate riders.

The revenue requirement and rate adjustments arising from this Settlement Agreement will allow CPC to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2010.

While CPC has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and OM&A, are ones that must be made by the utility during the course of the year, subject to the Board's normal review in subsequent proceedings.

Settlement Terms by Issue

1. Administration (Exhibit 1)

1 a. Has CPC responded appropriately to all interrogatories?

Complete Settlement: For the purpose of obtaining a complete settlement of all issues, the Parties agree that the interrogatory responses are sufficient for the purposes of the record in this proceeding,

Evidence: Responses to interrogatories received pursuant to Procedural Order #1, dated August 1, 2010 and Procedural Order #2, dated October 4, 2010.

Supporting parties: CPC, SEC and VECC.

Parties taking no position: None.

Opposing parties: None

1 b. Is there any key information still missing?

Complete Settlement: For the purpose of obtaining a complete settlement of all issues, the Parties agree that the record before the Board is sufficient to support the resolution of those issues as proposed herein.

Evidence: N/A

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

1 c. Has CPC responded appropriately to all relevant Board directions from previous proceedings?

Complete Settlement: The Intervenors accept the evidence of CPC that there are no outstanding Board directions from previous proceedings.

Evidence: Exhibit 1, Tab 1, Schedule 15.

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2. Rate Base (Exhibit 2)

2 a. Are CPC's planning assumptions (asset condition, economic, business, etc.) appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree that CPC's assumptions on asset condition, economic and business planning assumptions for 2010 are an appropriate and reasonable foundation for the settlement herein.

Evidence: Exhibit 2, Tab 1, Schedules 1,2,3
Exhibit 2, Tab 3, Schedule 1
Appendix G

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 b. Is the Capital Planning and Budgeting Process appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree that CPC's capital planning and budgeting process, as it was implemented in respect of the Test Year, was acceptable.

Evidence: Exhibit 1, Tab 2, Schedule 2
Exhibit 2, Tab 1, Schedule 1
Exhibit 2, Tab 3, Schedule 1

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 c. Has the Working Capital Allowance been determined appropriately?

Complete Settlement: CPC has recalculated the Working Capital Allowance based upon 15% of the Cost of Power and controllable distribution expenses – excluding amortization and PILs. The Working Capital Allowance has been recalculated \$399,558. The Intervenor's are relying upon the correctness of the calculation for the purposes of settlement.

Evidence: Exhibit 2, Tab 4, Schedule 1.

Appendix G

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 d. Are the amounts proposed for Capital Expenditures appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues, the Parties agree that the capital expenditure budget for the Test Year is appropriate. CPC has not included the capital expenditure related to the Bucket Truck. The Bucket Truck was removed as it may not be delivered prior to December 31, 2010. The capital expenditure amount has not been reduced by the Provincial Sales Tax as the Parties understand that CPC will spend the entire approved capital amount.

Evidence: Exhibit 2, Tab 3, Schedule 1

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 e. Are the amounts proposed for the Rate Base appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the revised rate base of \$1,812,953. The Rate Base does not include any costs related to the Bucket Truck.

Evidence: Exhibit 2, Tab 2, Schedule 1, 2, 3, 4 and 5
Appendix H

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

2 f. Are the amounts proposed for Depreciation appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the revised depreciation of \$82,375. CPC uses the Board's approved depreciation rates and policies. As the Bucket Truck was removed from the capital expenditures, it was also removed from Depreciation.

Evidence: Exhibit 2, Tab 2, Schedule 1, 2, 3, 4 and 5
Appendix I

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3. Loads, Customers – Throughput Revenue (Exhibit 3)

3a. Are the customer and load forecasts (including methodology and weather normalization) appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the customer and load forecasts, including methodology and weather normalization.

Evidence: Exhibit 3, Tabs 2, Schedule 2, 3, 4.

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 b. Is the impact of CDM initiatives suitably reflected in the load forecast?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree that CDM impacts have been suitably reflected in the load forecast.

Evidence: Exhibit 4, Tab 2, Schedule 2

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 c. Are the proposed Loss Factors suitably reflected in the load forecast?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Intervenor accept the evidence of CPC that the proposed Loss Factors have been suitably reflected in the load forecast.

Evidence: Exhibit 4, Tab 2, Schedule 6

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 d. Is the proposed amount for Other Revenue appropriate?

Complete Settlement: The Parties agree for the purposes of settlement that Other Revenue of \$38,697 is appropriate.

Evidence: Exhibit 3, Tab 3, Schedule 1
Appendix F

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 e. Are the Specific Service Charges appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept that the proposed Specific Service Charges which are unchanged from CPC's existing rates are consistent with the levels established by the Board. The Parties agree that revenue from Specific Service Charges of \$6,424 is appropriate for the purposes of settlement.

Evidence: Exhibit 1, Tab 1, Schedule 17
Exhibit 1, Tab 2, Schedule 1
Appendix F

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

3 f. Is the calculation of the proposed Service and Distribution Revenue Requirements appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept CPC's the calculation of the proposed Service and Distribution Revenue Requirements as set forth in Appendix F to this Agreement. The percentage increase was agreed to by the Parties and the Capital and OM&A spending were adjusted by CPC to accord with such increase. The increase in rates was influenced by the loss included in the previous audited financial statements and the acceptance of a below Board approved ROE and no inclusion for PILs. CPC has calculated the Appendices based upon the agreed to increases for each rate classification and the Intervenors rely upon the correctness of the calculations in entering this Agreement.

Evidence: Appendix F

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4. Operating Costs (Exhibit 4)

4a. Are the proposed Shared Services (including methodologies and Service Agreements) appropriate?

Complete Settlement: See Issue 4 d.

Evidence: Exhibit 4, Tab 1, Schedules 1 and 2
Exhibit 4, Tab 2, Schedules 1, 2, 3, 4, 5, 6 and 7
Exhibit 4, Tab 3, Schedules 1, 2 and 3
Appendix F

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 b. Is CPC's capitalization policy and depreciation (policy and expenses) appropriate?

Complete Settlement: CPC utilizes the Board established rates for depreciation. CPC has re-calculated, in Appendix I, the depreciation incorporating the change to the capital expenditures. For the purpose of obtaining complete settlement of all issues, the Parties accept for the Test Year the revised depreciation amount and the current CPC capitalization policy.

Evidence: Exhibit 2, Tab 2, Schedules, 1, 2, 3, 4 and 5,
Exhibit 4, Tab 2, Schedule 5,
Appendix I

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 c. Is the Payment in Lieu of Taxes (including methodology) appropriate?

Complete Settlement: CPC did not include any provision for PILs in the Application. For the purpose of obtaining complete settlement of all issues, the Parties accept CPC's approach as appropriate. CPC is utilizing a tax loss carry forward to eliminate any tax obligation for the Test Year.

Evidence: Exhibit 1, Tab 2, Schedule 5

Exhibit 4, Tab 3, Schedule 3
Appendix F

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4 d. Are the overall levels of OM&A budgets appropriate?

Complete Settlement: CPC has recalculated the OM&A as provided in Appendix K. For the purpose of obtaining complete settlement of all issues, the Parties rely upon the correctness and accept the revised OM&A as appropriate for the test year. The OM&A amount has not been reduced by the Provincial Sales Tax as the Parties understand and accept that CPC will spend the entire approved amount on OM&A activities.

Evidence: Exhibit 4, Tab 2, Schedule 1, 2, 3, 4, and 5
Appendix K

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

4.e Are staffing levels and associated costs appropriate?

Complete Settlement: See Issue 4 d.

Evidence: Exhibit 4, Tab 2, Schedule 3

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

5. Cost of Capital and Rate of Return

5 a. Is the proposed Capital structure appropriate?

Complete Settlement: CPC has proposed the use of the Board's deemed capital structure for the purpose of setting rates. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed capital structure for the test year.

Evidence: Exhibit 5, Tab 1, Schedule 1, 2 and 3.
Appendix G

Supporting parties: SEC, CPC and VECC

Parties taking no position: None

Opposing parties: None

5 b. Is the Cost of Debt appropriate?

Complete Settlement: CPC has proposed the use of the Board's deemed cost of debt for both short and long term debt for the purpose of setting rates. CPC has deemed short debt to comprise 4% of the capital structure at a rate of 2.07% and long term debt to comprise 56% of the capital structure at a rate of 5.87% for a combined cost of debt of 5.62%. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed cost of debt as appropriate for the test year and have agreed that an update will not be required for purposes of this Settlement Agreement.

Evidence: Exhibit 5, Tab 1, Schedule 3
Appendix G

Supporting parties: CPC, SEC and VECC

Parties taking no position: None

Opposing parties: None

5 c. Is the proposed Rate of Return on Equity appropriate?

Complete Settlement: CPC had utilized the adjusted Return on Equity of 9.85% as provided by the Ontario Energy Board in its letter dated February 24, 2010 – Cost of Capital Parameter Updates for 2010 Cost of Service Applications in the Application. For the purpose of obtaining complete settlement of all issues, the Parties agree to the settlement of this issue and accept the use of the said ROE for the Test Year for the calculation. The Parties recognize that the CPC may not in fact be able to earn its deemed target ROE for the Test Year but accept this as part of the overall proposal to

reach a settlement. The Parties have agreed that an update will not be required for the purposes of this Settlement Agreement.

Evidence: Appendix G

Supporting parties: CPC, SEC and VECC

Parties taking no position: None

Opposing parties: None

6. Calculation of Revenue Deficiency or Surplus (Exhibit 6)

6 a. Is the calculation of Revenue Deficiency appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the calculation of revenue deficiency set out in Appendix E attached.

Evidence: Appendix E

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

7. Cost Allocation (Exhibit 7)

7 a. Is CPC's cost allocation appropriate?

Complete Settlement: CPC has not altered its cost allocation for the Residential or General Service rate classifications. For the purpose of obtaining complete settlement of all issues, the Parties accept CPC's cost allocation for the test year.

Evidence: Exhibit 7, Tab 1, Schedule 2

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

7 b. Are the proposed revenue-to-cost ratios appropriate?

Complete Settlement: CPC has not altered its revenue to cost ratios for the Residential, General Service or USL rate classifications. CPC has increased the revenue to cost ratios for Streetlighting and Sentinel rate classes 50% of the amount required to achieve the Board's threshold minimum. This approach is consistent with the practice in other distribution rate applications. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed revenue-to-cost ratios for the test year. The Parties agree the remaining 50% (25% each year) to achieve the Board's threshold minimum (70% revenue to cost ratio) will be applied over the next 2 IRM applications. CPC will not re-allocate costs of the initial 50% increase but will re-allocate costs during the following adjustments to those classes with revenue to cost ratios exceeding 100%.

Evidence: Exhibit 7, Tab 3, Schedule 1

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8. Rate Design (Exhibit 8)

8 a. Are the customer charges and the fixed-variable splits for each class appropriate?

Complete Settlement: For the purposes of obtaining complete settlement of all issues, the Parties accept the customer charges and the fixed-variable splits for each class as set out in the Appendices.

Evidence: Appendix C and D

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 b. Is CPC's proposed Tariff of Rates and Charges appropriate?

Complete Settlement: The Intervenors are entering into this Agreement in reliance on CPC's representation that CPC's proposed Tariff of Rates and Charges correctly reflects the terms of this Agreement.

Evidence: Appendix B

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 c. Are the customer bill impacts appropriate?

Complete Settlement: CPC has attached a summary of customer bill impacts resulting from all adjustments (at Appendix "C" and changes contained within this settlement agreement (at Appendix "D"). For the purpose of obtaining complete settlement of all issues, the Parties accept the customer bill impacts for the test year.

Evidence: Appendices C and D

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 d. Are the proposed Retail Transmission Service and Low Voltage rates appropriate?

Complete Settlement: The Retail Transmission Rates and Low Voltage rates have been set based upon the HONI 2009 billing parameters and 2010 rates which better reflect the current methodology than a 3 year average. This methodology results in a decrease in RTR and Low Voltage rates. CPC has recalculated the rates using the 2010 Forecast. For the purpose of obtaining complete settlement of all issues, the Parties rely upon the correctness and accept the proposed Retail Transmission and Low Voltage rates as set out in Appendix L.

Evidence: Appendix L

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 e. Is the Smart Meter funding adder appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties accept the continued use of the \$1.00 per month Smart Meter Funding Adder. CPC can confirm that the installation of the 100% of the Smart Meters will be completed prior to December 31, 2010. CPC will include in its IRM rate application which is awaiting acceptance of this Settlement Agreement an application for utility specific Smart Meter Adder to be implemented May 1, 2011.

Evidence: Exhibit 1, Tab 2, Schedule 1
Exhibit 8, Tab 1, Schedules 1 and 5

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

8 f. Is the resulting Distribution Revenue appropriate?

Complete Settlement: The Intervenors have relied on the calculation of distribution revenue by CPC as set for the in Appendix F attached.

Evidence: Appendix F

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

9. Deferral and Variance Accounts (Exhibit 9)

9 Is the proposal for the amounts, disposition and continuance of CPC’s Deferral and Variance accounts appropriate?

Complete Settlement: For the purpose of obtaining complete settlement of all issues, the Parties agree to the disposition of \$191,343.97 over a period of 24 months commencing December 1, 2010. The remaining balance of \$9,846 in Account 1508 may be brought forth for disposition at a future proceeding. The disposition of accounts related to Smart Meters are deferred to a future proceeding. A summary of the amounts for disposal is provided in the table below.

The Parties recognize the costs for the preparation of the Application are not recognized in the historical costs of CPC and request the establishment of a Deferral Account with a balance of \$65,000 be established to permit CPC to recover such costs in the future. Disposition of this account will commence December 1, 2010 and will continue for a period of 4 year (48 months). In determining the appropriateness of the disposition the Intervenor are relying upon the correctness of the calculation. All Parties accept the proposed rates in Appendix M.

Account Description	Account #	Allocator	Amount
RSVA - Low Voltage Variance Account	1550	kWh	\$ 353,072.55
RSVA - Cost Assessments	1508	kWh	\$ -
RSVA - Regulatory Asset Recovery Account	1590	kWh	\$ 48,509.49
RSVA - Wholesale Market Service Charge	1580	kWh	\$ (94,221.09)
RSVA - One-time Wholesale Market Service	1582	kWh	\$ 1,824.17
RSVA - Retail Transmission Network Charge	1584	kWh	\$ (30,273.78)
RSVA - Retail Transmission Connection Charge	1586	kWh	\$(474,588.20)
RSVA - Power	1588	kWh	\$ 403,642.45
RSVA - Power Global Adjustment	1588 GA	non RPP kWh	\$ (16,621.62)
Total to be Recovered			\$ 191,343.97

Evidence: Exhibit 9, Tabs 1, Schedule 1, 2 and 3
 Appendix M

Supporting parties: CPC, SEC and VECC

Parties taking no position: None.

Opposing parties: None

Opposing parties: None

Appendix "A"

Issues List

1. Administration (Exhibit 1)
 - 1 a) Has CPC responded appropriately to all interrogatories?
 - 1 b) Is there any key information still missing?
 - 1 c) Has CPC responded appropriately to all relevant Board directions from previous proceedings?
2. Rate Base (Exhibit 2)
 - 2 a) Are CPC's planning assumptions (asset condition, economic, business, etc.) appropriate
 - 2 b) Is the Capital Planning and Budgeting Process appropriate?
 - 2 c) Has the Working Capital Allowance been determined appropriately?
 - 2 d) Are the amounts proposed for Capital Expenditures appropriate?
 - 2 e) Are the amounts proposed for the Rate Base appropriate?
 - 2 f) Are the amounts proposed for Depreciation appropriate?
3. Loads, Customers – Throughout Revenue (Exhibit 3)
 - 3 a) Are the customer and load forecasts (including methodology and weather normalization) appropriate?
 - 3 b) Is the impact of CDM initiatives suitably reflected in the load forecast?
 - 3 c) Are the proposed Loss Factors suitably reflected in the load forecast?
 - 3 d) Is the proposed amount for Other Revenue appropriate?
 - 3 e) Are the Specific Service Charges appropriate?
 - 3 f) Is the calculation of the proposed Services and Distribution Revenue Requirements appropriate?
4. Operating Costs (Exhibit 4)

- 4 a) Are the proposed Shared Services (including methodologies and Service Agreements) appropriate?
- 4 b) Is CPC's capitalization policy and depreciation (policy and expenses) appropriate?
- 4 c) Is the Payment in Lieu of Taxes (including methodology) appropriate?
- 4 d) Are the overall levels of OM&A budgets appropriate?
- 4 e) Are staffing levels and associated costs appropriate?
- 5. Cost of Capital and Rate of Return (Exhibit 5)
 - 5 a) Is the proposed Capital structure appropriate?
 - 5 b) Is the Cost of Debt appropriate?
 - 5 c) Is the proposed Rate of Return on Equity appropriate?
- 6. Calculation of Revenue Deficiency or Surplus (Exhibit 6)
 - 6 a) Is the calculation of Revenue Deficiency appropriate?
- 7. Cost Allocation (Exhibit 7)
 - 7 a) Is CPC's cost allocation appropriate?
 - 7 b) Are the proposed revenue-to-cost ratios appropriate?
- 8. Rate Design (Exhibit 8)
 - 8 a) Are the customer charges and the fixed-variable splits for each class appropriate?
 - 8 b) Is CPC's proposed Tariff of Rates and Charges appropriate?
 - 8 c) Are the customer bill impacts appropriate?
 - 8 d) Are the proposed Retail Transmission Service and Low Voltage rates appropriate?
 - 8 e) Is the Smart Meter funding adder appropriate?
 - 8 f) Is the resulting Distribution Revenue appropriate?
- 9. Deferral and Variance Accounts (Exhibit 9)
 - 9 a) Is the proposal for the amounts, disposition and continuance of CPC's Deferral and Variance accounts appropriate?

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Appendix B

Clinton Power Corporation Tariff of Rates and Charges Effective December 1st, 2010

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

Residential	UOM	Rate
Service Charge	\$	\$12.30
Smart Meter Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kWh	\$0.0136
Low Voltage Rate	\$/kWh	\$0.0031
Rate Rider for Deferral/Variance Account Disposition Effective Until December 1st, 2012	\$/kWh	\$0.0033
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0011
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS<50 kW		
Service Charge	\$	\$24.17
Smart Meter Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kWh	\$0.0131
Low Voltage Rate	\$/kWh	\$0.0025
Rate Rider for Deferral/Variance Account Disposition Effective Until December 1st, 2012	\$/kWh	\$0.0033
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0010
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS>50 to 4999 kW		
Service Charge	\$	\$42.44
Smart Meter Charge	\$	\$1.0000
Distribution Volumetric Rate	\$/kW	\$4.6338
Low Voltage Rate	\$/kW	\$1.1697
Rate Rider for Deferral/Variance Account Disposition Effective Until December 1st, 2012	\$/kW	\$1.0997
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.7146
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$0.4042
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
Street Lighting		
Service Charge	\$	\$0.21
Distribution Volumetric Rate	\$/kW	\$21.6340
Low Voltage Rate	\$/kW	\$0.8602
Rate Rider for Deferral/Variance Account Disposition Effective Until December 1st, 2012	\$/kW	\$1.1609
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.2931

Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$0.3125
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Sentinel Lighting

Service Charge	\$	\$0.2799
Distribution Volumetric Rate	\$/kW	\$0.5405
Low Voltage Rate	\$/kW	\$1.4814
Rate Rider for Deferral/Variance Account Disposition Effective Until December 1st, 2012	\$/kW	\$1.1190
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.2998
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$0.3190
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Unmetered Scattered Load

Service Charge	\$	\$12.09
Distribution Volumetric Rate	\$/kWh	\$0.0094
Low Voltage Rate	\$/kWh	\$0.0084
Rate Rider for Deferral/Variance Account Disposition Effective Until December 1st, 2012	\$/kWh	\$0.0032
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.4182
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.1017
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Specific Service Charges

Customer Administration

Arrears Certificate	\$	15.00
Returned Cheque Charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00

Non-Payment of Account

Late Payment - Per month	%	1.50
Late Payment - Per annum	%	19.56
Collection of account charge-no disconnection	\$	30.00
Disconnect/Reconnect at meter-during regular hours	\$	65.00
Disconnect/Reconnect at meter-after regular hours	\$	185.00

Service call - customer owned equipment	\$	30.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.60)
Primary Metering allowance for transformer losses - applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

Once time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly fixed charge, per retailer	\$	20.00
Monthly variable charge, per customer, per retailer	\$/cust.	0.50
Distributor consolidated billing charge per customer per retailer	\$/cust.	0.30
Retailer consolidated billing credit per customer per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR's)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

Loss Factors

Total Loss Factor -- Secondary Metered Customer < 5,000 kW	1.0554
Total Loss Factor -- Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor -- Primary Metered Customer < 5,000 kW	1.0340
Total Loss Factor -- Primary Metered Customer >5,000 kW	N/A

Appendix C

Class	Consumption kWh	Consumption kW	May 2009 Bill	May 2010 Bill	Difference \$	Bill Impact %	Max	Min
Residential	100		\$ 21.36	\$ 26.22	\$ 4.86	22.74%	22.7%	10.1%
	250		\$ 36.87	\$ 43.10	\$ 6.23	16.89%		
	500		\$ 62.69	\$ 71.16	\$ 8.47	13.51%		
Average Customer	723		\$ 85.72	\$ 96.20	\$ 10.47	12.22%		
	1,000		\$ 114.33	\$ 127.29	\$ 12.96	11.33%		
	1,500		\$ 165.98	\$ 183.43	\$ 17.45	10.51%		
	2,000		\$ 217.62	\$ 239.56	\$ 21.93	10.08%		
General Service Less Than 50 kW	1,000		\$ 121.97	\$ 138.86	\$ 16.89	13.9%	13.9%	9.6%
	2,000		\$ 223.27	\$ 249.28	\$ 26.01	11.6%		
Average Customer	2,833		\$ 307.66	\$ 341.26	\$ 33.60	10.9%		
	5,000		\$ 527.19	\$ 580.54	\$ 53.35	10.1%		
	10,000		\$ 1,033.71	\$ 1,132.64	\$ 98.93	9.6%		
GS>50 to 4999 kW	15,000	55	\$ 1,702.96	\$ 1,852.35	\$ 149.39	8.8%	8.8%	7.9%
	20,000	125	\$ 2,743.31	\$ 2,985.65	\$ 242.34	8.8%		
	50,000	250	\$ 6,218.97	\$ 6,746.69	\$ 527.72	8.5%		
Average Customer	133,770	376	\$ 13,832.53	\$ 14,951.24	\$ 1,118.71	8.1%		
	250,000	450	\$ 23,450.77	\$ 25,296.39	\$ 1,845.62	7.9%		
Unmetered Scattered Load - Avg Customer	600	1	\$ 64.43	\$ 69.05	\$ 4.62	7.2%		
Street Lighting - Avg Customer	25	1	\$ 11.42	\$ 30.60	\$ 19.18	168.0%		
Sentinel	25	1	\$ 7.88	\$ 9.55	\$ 1.68	21.3%		

Appendix D

Class	Consumption kWh	Consumption kW	Application	Application	Settlement	Settlement	Change	Change
			Difference \$	Bill Impact %	Difference \$	Bill Impact %	Difference \$	Bill Impact %
Residential	100		\$ 5.81	29.75%	\$ 4.86	22.74%	\$ 0.95	7.01%
	250		\$ 7.59	22.67%	\$ 6.23	16.89%	\$ 1.36	5.77%
	500		\$ 11.54	20.35%	\$ 8.47	13.51%	\$ 3.07	6.83%
Average Customer	723		\$ 14.73	19.03%	\$ 10.47	12.22%	\$ 4.26	6.81%
	1,000		\$ 18.70	18.12%	\$ 12.96	11.33%	\$ 5.74	6.79%
	1,500		\$ 25.86	17.28%	\$ 17.45	10.51%	\$ 8.42	6.77%
	2,000		\$ 33.03	16.84%	\$ 21.93	10.08%	\$ 11.09	6.76%
General Service Less Than 50 kW	1,000		\$ 18.00	16.1%	\$ 16.89	13.9%	\$ 1.11	2.2%
	2,000		\$ 32.78	16.0%	\$ 26.01	11.6%	\$ 6.77	4.4%
Average Customer	2,833		\$ 45.10	16.0%	\$ 33.60	10.9%	\$ 11.49	5.1%
	5,000		\$ 77.13	16.0%	\$ 53.35	10.1%	\$ 23.77	5.8%
	10,000		\$ 151.03	16.0%	\$ 98.93	9.6%	\$ 52.11	6.4%
GS>50 to 4999 kW	15,000	55	\$ 395.68	25.9%	\$ 149.39	8.8%	\$ 246.29	17.1%
	20,000	125	\$ 621.14	25.5%	\$ 242.34	8.8%	\$ 378.80	16.7%
	50,000	250	\$ 1,110.41	20.0%	\$ 527.72	8.5%	\$ 582.69	11.5%
Average Customer	133,770	376	\$ 1,823.73	14.6%	\$ 1,118.71	8.1%	\$ 705.03	6.5%
	250,000	450	\$ 2,518.34	11.8%	\$ 1,845.62	7.9%	\$ 672.72	3.9%
Unmetered Scattered Load - Avg Customer	600	1	\$ (28.25)	-45.3%	\$ 4.62	7.2%	\$ (32.87)	-52.5%
Street Lighting - Avg Customer	25	1	\$ 40.75	898.0%	\$ 19.18	168.0%	\$ 21.57	730.0%
Sentinel	25	1	\$ 26.61	523.8%	\$ 1.68	21.3%	\$ 24.94	502.5%

Appendix E

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$191,447
Distribution Revenue	\$507,167	\$507,168
Other Operating Revenue Offsets - net	\$38,697	\$38,697
Total Revenue	\$545,864	\$737,312
Operating Expenses	\$604,785	\$604,785
Deemed Interest Expense	\$61,097	\$61,097
Total Cost and Expenses	\$665,881	\$665,881
Utility Income Before Income Taxes	(\$120,017)	\$71,431
Tax Adjustments to Accounting Income per 2009 PILs	\$ -	\$ -
Taxable Income	(\$120,017)	\$71,431
Income Tax Rate	0.00%	0.00%
Income Tax on Taxable Income	\$ -	\$ -
Income Tax Credits	\$ -	\$ -
Utility Net Income	(\$120,017)	\$71,431
Utility Rate Base	\$1,812,953	\$1,812,953
Deemed Equity Portion of Rate Base	\$725,181	\$725,181
Income/Equity Rate Base (%)	-16.55%	9.85%
Target Return - Equity on Rate Base	9.85%	9.85%
Sufficiency/Deficiency in Return on Equity	-26.40%	0.00%
Indicated Rate of Return	-3.25%	7.31%
Requested Rate of Return on Rate Base	7.31%	7.31%
Sufficiency/Deficiency in Rate of Return	-10.56%	0.00%
Target Return on Equity	\$71,430	\$71,430
Revenue Sufficiency/Deficiency	\$191,447	\$0
Gross Revenue Sufficiency/Deficiency	\$191,447 (1)	



REVENUE REQUIREMENT WORK FORM

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

Table of Content

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

Notes:

(1) Pale green cells represent inputs

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

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REVENUE REQUIREMENT WORK FORM

Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

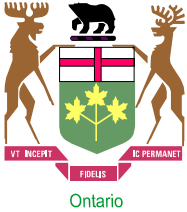
Data Input (1)

	Application		Adjustments		Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$1,938,908	(4)			\$1,938,908
Accumulated Depreciation (average)	(\$525,513)	(5)			(\$525,513)
Allowance for Working Capital:					
Controllable Expenses	\$522,410	(6)			\$522,410
Cost of Power	\$2,141,310				\$2,141,310
Working Capital Rate (%)	15.00%				15.00%
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$507,167				
Distribution Revenue at Proposed Rates	\$698,615				
Other Revenue:					
Specific Service Charges	\$6,424				
Late Payment Charges	\$11,261				
Other Distribution Revenue	\$21,013				
Other Income and Deductions					
Operating Expenses:					
OM+A Expenses	\$522,410				\$522,410
Depreciation/Amortization	\$82,375				\$82,375
Property taxes					
Capital taxes					
Other expenses					
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income		(3)			
Utility Income Taxes and Rates:					
Income taxes (not grossed up)					
Income taxes (grossed up)					
Capital Taxes					
Federal tax (%)					
Provincial tax (%)					
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.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

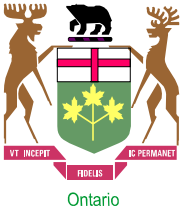
Rate Base

Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$1,938,908	\$ -	\$1,938,908
2	Accumulated Depreciation (average) (3)	(\$525,513)	\$ -	(\$525,513)
3	Net Fixed Assets (average) (3)	\$1,413,395	\$ -	\$1,413,395
4	Allowance for Working Capital (1)	\$399,558	\$ -	\$399,558
5	Total Rate Base	\$1,812,953	\$ -	\$1,812,953

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$522,410	\$ -	\$522,410
7	Cost of Power	\$2,141,310	\$ -	\$2,141,310
8	Working Capital Base	\$2,663,720	\$ -	\$2,663,720
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$399,558	\$ -	\$399,558

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

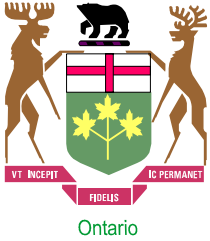
Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$698,615	\$ -	\$698,615
2	Other Revenue (1)	\$38,697	\$ -	\$38,697
3	Total Operating Revenues	\$737,312	\$ -	\$737,312
Operating Expenses:				
4	OM+A Expenses	\$522,410	\$ -	\$522,410
5	Depreciation/Amortization	\$82,375	\$ -	\$82,375
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$604,785	\$ -	\$604,785
10	Deemed Interest Expense	\$61,097	\$ -	\$61,097
11	Total Expenses (lines 4 to 10)	\$665,881	\$ -	\$665,881
12	Utility income before income taxes	\$71,431	\$ -	\$71,431
13	Income taxes (grossed-up)	\$ -	\$ -	\$ -
14	Utility net income	\$71,431	\$ -	\$71,431

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$6,424	\$6,424
	Late Payment Charges	\$11,261	\$11,261
	Other Distribution Revenue	\$21,013	\$21,013
	Other Income and Deductions	\$ -	\$ -
	Total Revenue Offsets	\$38,697	\$38,697



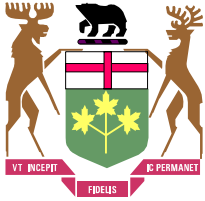
REVENUE REQUIREMENT WORK FORM

Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u style="color: blue;">Determination of Taxable Income</u>			
1	Utility net income	\$71,430	\$71,430
2	Adjustments required to arrive at taxable utility income	\$ -	\$ -
3	Taxable income	\$71,430	\$71,430
<u style="color: blue;">Calculation of Utility income Taxes</u>			
4	Income taxes	\$ -	\$ -
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$ -	\$ -
7	Gross-up of Income Taxes	\$ -	\$ -
8	Grossed-up Income Taxes	\$ -	\$ -
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$ -	\$ -
10	Other tax Credits	\$ -	\$ -
<u style="color: blue;">Tax Rates</u>			
11	Federal tax (%)	0.00%	0.00%
12	Provincial tax (%)	0.00%	0.00%
13	Total tax rate (%)	0.00%	0.00%

Notes



Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	56.00%	\$1,015,254	5.87%	\$59,595
2	Short-term Debt	4.00%	\$72,518	2.07%	\$1,501
3	Total Debt	60.00%	\$1,087,772	5.62%	\$61,097
Equity					
4	Common Equity	40.00%	\$725,181	9.85%	\$71,430
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$725,181	9.85%	\$71,430
7	Total	100%	\$1,812,953	7.31%	\$132,527
Per Board Decision					
Debt					
8	Long-term Debt	56.00%	\$1,015,254	5.87%	\$59,595
9	Short-term Debt	4.00%	\$72,518	2.07%	\$1,501
10	Total Debt	60.00%	\$1,087,772	5.62%	\$61,097
Equity					
11	Common Equity	40.0%	\$725,181	9.85%	\$71,430
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$725,181	9.85%	\$71,430
14	Total	100%	\$1,812,953	7.31%	\$132,527

Notes

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





REVENUE REQUIREMENT WORK FORM

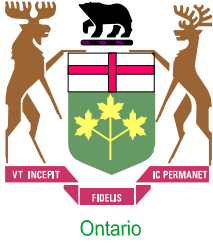
Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

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		\$191,447		\$191,447
2	Distribution Revenue	\$507,167	\$507,168	\$507,167	\$507,168
3	Other Operating Revenue Offsets - net	\$38,697	\$38,697	\$38,697	\$38,697
4	Total Revenue	\$545,864	\$737,312	\$545,864	\$737,312
5	Operating Expenses	\$604,785	\$604,785	\$604,785	\$604,785
6	Deemed Interest Expense	\$61,097	\$61,097	\$61,097	\$61,097
	Total Cost and Expenses	\$665,881	\$665,881	\$665,881	\$665,881
7	Utility Income Before Income Taxes	(\$120,017)	\$71,431	(\$120,017)	\$71,431
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$ -	\$ -	\$ -	\$ -
9	Taxable Income	(\$120,017)	\$71,431	(\$120,017)	\$71,431
10	Income Tax Rate	0.00%	0.00%	0.00%	0.00%
11	Income Tax on Taxable Income	\$ -	\$ -	\$ -	\$ -
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$120,017)	\$71,431	(\$120,017)	\$71,431
14	Utility Rate Base	\$1,812,953	\$1,812,953	\$1,812,953	\$1,812,953
	Deemed Equity Portion of Rate Base	\$725,181	\$725,181	\$725,181	\$725,181
15	Income/Equity Rate Base (%)	-16.55%	9.85%	-16.55%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-26.40%	0.00%	-26.40%	0.00%
17	Indicated Rate of Return	-3.25%	7.31%	-3.25%	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	-10.56%	0.00%	-10.56%	0.00%
20	Target Return on Equity	\$71,430	\$71,430	\$71,430	\$71,430
21	Revenue Sufficiency/Deficiency	\$191,447	\$0	\$191,447	\$0
22	Gross Revenue Sufficiency/Deficiency	\$191,447 (1)		\$191,447 (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

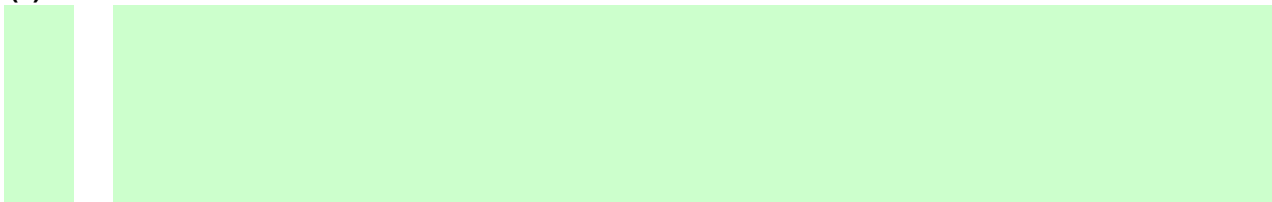
Ontario

Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	\$522,410	\$522,410
2	Amortization/Depreciation	\$82,375	\$82,375
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$ -	\$ -
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$61,097	\$61,097
	Return on Deemed Equity	\$71,430	\$71,430
8	Distribution Revenue Requirement before Revenues	<u>\$737,312</u>	<u>\$737,312</u>
9	Distribution revenue	\$698,615	\$698,615
10	Other revenue	<u>\$38,697</u>	<u>\$38,697</u>
11	Total revenue	<u>\$737,312</u>	<u>\$737,312</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: Clinton Power
 File Number: EB-2009-0262
 Rate Year: 2010

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

Notes:

Appendix G

	(%) (\$)	(%) (\$)
Debt		
Long-term Debt	56.00% \$1,015,254	5.87% \$59,595
Short-term Debt	4.00% \$72,518	2.07% \$1,501
Total Debt	60.00% \$1,112,505	5.62% \$62,486
Equity		
Common Equity	40.00% \$725,181	9.85% \$71,430
Preferred Shares	0.00% \$ -	0.00% \$ -
Total Equity	40.00% \$741,670	9.85% \$73,054
Total	100% \$1,854,174	7.31% \$135,540

Appendix H

<u>Particulars</u>		<u>Application</u>
Gross Fixed Assets (average)	(3)	\$1,938,908
Accumulated Depreciation (average)	(3)	<u>(\$525,513)</u>
Net Fixed Assets (average)	(3)	\$1,413,395
Allowance for Working Capital	(1)	<u>\$399,558</u>
Total Rate Base		<u><u>\$1,854,174</u></u>

Appendix I

CONTINUITY STATEMENTS

	2010 Test Gross Asset Value	Accumulated Depreciation	Net Book Value
DS			
1820-Distribution Station Equipment Opening Balance	\$197,858	-\$54,258	\$143,600
1820-Distribution Station Equipment Additions	\$0		\$0
1820-Distribution Station Equipment Depreciation		-\$6,595	-\$6,595
1820-Distribution Station Equipment Adjustments	\$0		\$0
1820-Distribution Station Equipment Closing Balance	\$197,858	-\$60,853	\$137,005
Average	\$197,858	-\$57,555	\$140,303
Total	\$197,858	-\$60,853	\$137,005
Poles and Wires			
1830-Poles, Towers and Fixtures-Opening Balance	\$454,950	-\$108,060	\$346,890
1830-Poles, Towers and Fixtures-Additions	\$90,000		\$90,000
1830-Poles, Towers and Fixtures-Depreciation		-\$19,999	-\$19,999
1830-Poles, Towers and Fixtures-Adjustments	\$0		\$0
1830-Poles, Towers and Fixtures-Closing Balance	\$544,950	-\$128,059	\$416,891
Average	\$499,950	-\$118,059	\$381,890
1835-Overhead Conductors and Devices-Opening Balance	\$94,658	-\$14,066	\$80,592
1835-Overhead Conductors and Devices-Additions	\$45,000		\$45,000
1835-Overhead Conductors and Devices-Depreciation		-\$4,626	-\$4,626
1835-Overhead Conductors and Devices-Adjustments	\$0		\$0
1835-Overhead Conductors and Devices-Closing Balance	\$139,658	-\$18,692	\$120,966
Average	\$117,158	-\$16,379	\$100,779
1840-Underground Conduit-Opening Balance	\$489,468	-\$160,704	\$328,764
1840-Underground Conduit-Additions	\$8,000		\$8,000
1840-Underground Conduit-Depreciation		-\$19,755	-\$19,755
1840-Underground Conduit-Adjustments	\$0		\$0
1840-Underground Conduit-Closing Balance	\$497,468	-\$180,460	\$317,009
Average	\$493,468	-\$170,582	\$322,886
1845-Underground Conductors and Devices-Opening Balance	\$86,033	-\$12,279	\$73,754
1845-Underground Conductors and Devices-Additions	\$20,000		\$20,000
1845-Underground Conductors and Devices-Depreciation		-\$3,762	-\$3,762
1845-Underground Conductors and Devices-Adjustments	\$0		\$0
1845-Underground Conductors and Devices-Closing Balance	\$106,033	-\$16,041	\$89,992
Average	\$96,033	-\$14,160	\$81,873
Total	\$1,288,108	-\$343,252	\$944,857
Line Transformers			
1850-Line Transformers-Opening Balance	\$149,740	-\$46,356	\$103,383
1850-Line Transformers-Additions	\$58,500		\$58,500
1850-Line Transformers-Depreciation		-\$6,911	-\$6,911
1850-Line Transformers-Adjustments	\$0		\$0
1850-Line Transformers-Closing Balance	\$208,240	-\$53,267	\$154,972
Average	\$178,990	-\$49,812	\$129,178
Total	\$208,240	-\$53,267	\$154,972
Services and Meters			
1855-Services-Opening Balance	\$104,012	-\$9,712	\$94,300
1855-Services-Additions	\$4,000		\$4,000
1855-Services-Depreciation		-\$4,231	-\$4,231
1855-Services-Adjustments	\$0		\$0
1855-Services-Closing Balance	\$108,012	-\$13,943	\$94,069
Average	\$106,012	-\$11,827	\$94,185
1860-Meters-Opening Balance	\$146,662	-\$35,220	\$111,442
1860-Meters-Additions	\$40,000		\$40,000
1860-Meters-Depreciation		-\$6,621	-\$6,621
1860-Meters-Adjustments	\$0		\$0
1860-Meters-Closing Balance	\$186,662	-\$41,841	\$144,821
Average	\$166,662	-\$38,530	\$128,131

Total	\$294,674	-\$55,784	\$238,890
IT Assets			
1920-Computer Equipment - Hardware-Opening Balance	\$12,160	-\$12,160	\$0
1920-Computer Equipment - Hardware-Additions	\$0		\$0
1920-Computer Equipment - Hardware-Depreciation		\$0	\$0
1920-Computer Equipment - Hardware-Adjustments	\$0		\$0
1920-Computer Equipment - Hardware-Closing Balance	\$12,160	-\$12,160	\$0
Average	\$12,160	-\$12,160	\$0
1925-Computer Software-Opening Balance	\$0	\$0	\$0
1925-Computer Software-Additions	\$0		\$0
1925-Computer Software-Depreciation		\$0	\$0
1925-Computer Software-Adjustments	\$0		\$0
1925-Computer Software-Closing Balance	\$0	\$0	\$0
Average	\$0	\$0	\$0
Total	\$12,160	-\$12,160	\$0
Equipment			
1915-Office Furniture and Equipment-Opening Balance	\$8,264	-\$7,573	\$691
1915-Office Furniture and Equipment-Additions	\$0		\$0
1915-Office Furniture and Equipment-Depreciation		-\$691	-\$691
1915-Office Furniture and Equipment-Adjustments	\$0		\$0
1915-Office Furniture and Equipment-Closing Balance	\$8,264	-\$8,264	\$0
Average	\$8,264	-\$7,919	\$346
1930-Transportation Equipment-Opening Balance	\$28,565	-\$16,001	\$12,564
1930-Transportation Equipment-Additions	\$45,000		\$45,000
1930-Transportation Equipment-Depreciation		-\$7,448	-\$7,448
1930-Transportation Equipment-Adjustments	\$0		\$0
1930-Transportation Equipment-Closing Balance	\$73,565	-\$23,448	\$50,117
Average	\$51,065	-\$19,725	\$31,340
1940-Tools, Shop and Garage Equipment-Opening Balance	\$11,864	-\$8,999	\$2,866
1940-Tools, Shop and Garage Equipment-Additions	\$5,000		\$5,000
1940-Tools, Shop and Garage Equipment-Depreciation		-\$1,858	-\$1,858
1940-Tools, Shop and Garage Equipment-Adjustments	\$0		\$0
1940-Tools, Shop and Garage Equipment-Closing Balance	\$16,864	-\$10,857	\$6,007
Average	\$14,364	-\$9,928	\$4,436
Total	\$98,694	-\$42,570	\$56,124
1995-Contributions and Grants - Credit-Opening Balance	-\$3,074	\$1,061	-\$2,013
1995-Contributions and Grants - Credit-Additions	\$0		\$0
1995-Contributions and Grants - Credit-Depreciation		\$123	\$123
1995-Contributions and Grants - Credit-Adjustments	\$0		\$0
1995-Contributions and Grants - Credit-Closing Balance	-\$3,074	\$1,184	-\$1,890
Average	-\$3,074	\$1,123	-\$1,952
Total	-\$3,074	\$1,184	-\$1,890
Total Opening Balance	\$1,781,158	-\$484,326	\$1,296,833
Total Additions	\$315,500	\$0	\$315,500
Total Depreciation	\$0	-\$82,375	-\$82,375
Total Adjustments	\$0	\$0	\$0
Total Closing Balance	\$2,096,658	-\$566,701	\$1,529,958
Average	\$1,938,908	-\$525,513	\$1,413,395
Total	\$2,096,658	-\$566,701	\$1,529,958

Appendix J

CAPITAL COST ALLOWANCE 2010 Test

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$1,108,342			\$1,108,342	\$0	\$1,108,342	4%	\$44,334	\$1,064,008
2	Distribution System - pre 1988	\$0			\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$7,251	\$5,000		\$12,251	\$2,500	\$9,751	20%	\$1,950	\$10,301
10	Computer Hardware/ Vehicles	\$166	\$0		\$166	\$0	\$166	30%	\$50	\$116
10.1	Certain Automobiles	\$22,103	\$45,000		\$67,103	\$22,500	\$44,603	30%	\$13,381	\$53,722
12	Computer Software	\$0			\$0	\$0	\$0	100%	\$0	\$0
13 1	Lease # 1	\$0			\$0	\$0	\$0	20%	\$0	\$0
13 2	Lease #2	\$0			\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3	\$0			\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4	\$0			\$0	\$0	\$0		\$0	\$0
14	Franchise	\$0			\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$0			\$0	\$0	\$0	8%	\$0	\$0
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$0			\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04	\$0			\$0	\$0	\$0	45%	\$0	\$0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$0			\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005	\$478,679	\$221,500		\$700,179	\$110,750	\$589,429	8%	\$47,154	\$653,025
98	No CCA	\$0			\$0	\$0	\$0		\$0	\$0
	TOTAL	\$1,616,541	\$271,500	\$0	\$1,888,041	\$135,750	\$1,752,291		\$106,869	\$1,781,173

Appendix K

SUMMARY OF OPERATING COSTS	2010 Test
OM&A expenses	
Operation (Working Capital)	\$55,596
Maintenance (Working Capital)	\$97,364
Billing and Collections	\$141,315
Community Relations	\$4,915
Administrative and General Expenses	\$223,220
Total Operating Costs	\$522,410

Appendix L

	2010	2009	Forecast	Increase to	Revised	Revised
<u>RESIDENTIAL</u>	Billing Volume	Low Voltage Rate	Low Voltage Rev	Low Voltage Rev	Low Voltage Rev	Low Voltage Rate
Regular	11,826,696	\$ 0.0014	\$ 17,064.71	\$ (19,656.90)	\$ 36,721.61	\$ 0.0031
GENERAL SERVICE						
Less than 50 kW	5,391,828	\$ 0.0012	\$ 6,342.10	\$ (7,305.49)	\$ 13,647.59	\$ 0.0025
Greater than 50 to 499 kW	34,478	\$ 0.5435	\$ 18,740.41	\$ (21,587.15)	\$ 40,327.56	\$ 1.1697
Unmetered Scattered Load	60,756	\$ 0.0039	\$ 237.74	\$ (273.86)	\$ 511.60	\$ 0.0084
Sentinel Lighting	109	\$ 0.6884	\$ 74.95	\$ (86.33)	\$ 161.28	\$ 1.4814
Street Lighting	1,008	\$ 0.3997	\$ 402.94	\$ (464.15)	\$ 867.09	\$ 0.8602
			\$ 42,862.85	\$ (49,373.87)	\$ 92,236.72	
		2008 Cost	\$ 92,236.72			
		2008 Revenue	\$ (42,862.85)			
			\$ 49,373.87			
				-115%		

	2009 Quantities	2010 Rates	Fixed Charge
January	5,640	\$ 1.41874	\$ 8,001.67 \$ 422.94 \$ 8,424.61
February	5,397	\$ 1.41874	\$ 7,656.92 \$ 422.94 \$ 8,079.86
March	5,366	\$ 1.41874	\$ 7,612.94 \$ 422.94 \$ 8,035.88
April	4,873	\$ 1.41874	\$ 6,913.50 \$ 422.94 \$ 7,336.44
May	4,346	\$ 1.41874	\$ 6,165.83 \$ 422.94 \$ 6,588.77
June	5,173	\$ 1.41874	\$ 7,339.12 \$ 422.94 \$ 7,762.06
July	4,596	\$ 1.41874	\$ 6,520.51 \$ 422.94 \$ 6,943.45
August	5,283	\$ 1.41874	\$ 7,495.18 \$ 422.94 \$ 7,918.12
September	4,747	\$ 1.41874	\$ 6,734.74 \$ 422.94 \$ 7,157.68
October	4,592	\$ 1.41874	\$ 6,514.83 \$ 422.94 \$ 6,937.77
November	5,474	\$ 1.41874	\$ 7,766.16 \$ 422.94 \$ 8,189.10
December	5,949	\$ 1.41874	\$ 8,440.06 \$ 422.94 \$ 8,863.00
	61,436	\$ 1.41874	\$ 87,161.44 \$ 5,075.28 \$ 92,236.72

Appendix L

	2010	2009	2009	Forecast	Forecast	Reduction	Revised	Reduction	Revised	Revised	Revised
RESIDENTIAL	Billing Volume	Network Rate	Connection Rate	Network Rev	Connection Rev	Network Rev	Network Rev	Connection Rev	Connection Rev	Network Rate	Connection Rate
Regular	11,826,696	0.0052	0.005	\$ 61,498.82	\$ 59,133.48	\$ 6,775.02	\$ 54,723.79	\$ 45,766.50	\$ 13,366.98	\$ 0.0046	\$ 0.0011
GENERAL SERVICE											
Less than 50 kW	5,391,828	0.0047	0.0045	\$ 25,341.59	\$ 24,263.23	\$ 2,791.76	\$ 22,549.83	\$ 18,778.58	\$ 5,484.64	\$ 0.0042	\$ 0.0010
Greater than 50 to 499 kW	34,478	1.9269	1.7883	\$ 66,436.07	\$ 61,657.39	\$ 7,318.94	\$ 59,117.13	\$ 47,719.89	\$ 13,937.50	\$ 1.7146	\$ 0.4042
Unmetered Scattered Load	60,756	0.47	0.45	\$ 28,555.39	\$ 27,340.27	\$ 3,145.81	\$ 25,409.58	\$ 21,160.07	\$ 6,180.20	\$ 0.4182	\$ 0.1017
Sentinel Lighting	109	1.4607	1.4113	\$ 159.02	\$ 153.64	\$ 17.52	\$ 141.50	\$ 118.91	\$ 34.73	\$ 1.2998	\$ 0.3190
Street Lighting	1,008	1.4532	1.3824	\$ 1,464.83	\$ 1,393.46	\$ 161.37	\$ 1,303.45	\$ 1,078.47	\$ 314.99	\$ 1.2931	\$ 0.3125
				\$ 183,455.72	\$ 173,941.47	\$ 20,210.42	\$ 163,245.30	\$ 134,622.43	\$ 39,319.04		

2009 Cost	\$ 163,245.30	\$ 39,319.04
2009 Revenue	\$ (183,455.72)	\$ (173,941.47)
	\$ (20,210.42)	\$ (134,622.43)

11% 77%

Connection

2009 Quantities 2010 Rates

	2009 Quantities	2010 Rates		
January	5,640	\$ 0.64	\$ 3,609.60	\$ 3,609.60
February	5,397	\$ 0.64	\$ 3,454.08	\$ 3,454.08
March	5,366	\$ 0.64	\$ 3,434.24	\$ 3,434.24
April	4,873	\$ 0.64	\$ 3,118.72	\$ 3,118.72
May	4,346	\$ 0.64	\$ 2,781.44	\$ 2,781.44
June	5,173	\$ 0.64	\$ 3,310.72	\$ 3,310.72
July	4,596	\$ 0.64	\$ 2,941.44	\$ 2,941.44
August	5,283	\$ 0.64	\$ 3,381.12	\$ 3,381.12
September	4,747	\$ 0.64	\$ 3,038.08	\$ 3,038.08
October	4,592	\$ 0.64	\$ 2,938.88	\$ 2,938.88
November	5,474	\$ 0.64	\$ 3,503.36	\$ 3,503.36
December	5,949	\$ 0.64	\$ 3,807.36	\$ 3,807.36
	61,436	\$ 0.64	\$ 39,319.04	\$ 39,319.04

Network

2009 Quantities 2010 Rates

	2009 Quantities	2010 Rates	
January	5,640	\$ 2.65	\$ 14,946.00
February	5,397	\$ 2.65	\$ 14,302.05
March	5,366	\$ 2.65	\$ 14,219.90
April	5,039	\$ 2.65	\$ 13,353.35
May	4,346	\$ 2.65	\$ 11,516.90
June	5,173	\$ 2.65	\$ 13,708.45
July	4,596	\$ 2.65	\$ 12,179.40
August	5,283	\$ 2.65	\$ 13,999.95
September	4,747	\$ 2.65	\$ 12,579.55
October	4,592	\$ 2.65	\$ 12,168.80
November	5,474	\$ 2.65	\$ 14,506.10
December	5,949	\$ 2.65	\$ 15,764.85
	61,602	\$ 2.65	\$ 163,245.30

Appendix M

Account Description	Account #	Allocator	Residential	GS<50 kW	GS>50 to 4,999 kW	USL	Sentinel	Street	Total
RSVA - Low Voltage Variance Account	1550	kWh	\$ 141,357.95	\$ 64,445.54	\$ 141,828.55	\$ 726.18	\$ 447.78	\$ 4,266.55	\$ 353,072.55
RSVA - Cost Assessments	1508	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Regulatory Asset Recovery Account	1590	kWh	\$ 19,421.51	\$ 8,854.33	\$ 19,486.17	\$ 99.77	\$ 61.52	\$ 586.19	\$ 48,509.49
RSVA - Wholesale Market Service Charge	1580	kWh	\$ (37,722.84)	\$ (17,197.96)	\$ (37,848.43)	\$ (193.79)	\$ (119.49)	\$ (1,138.57)	\$ (94,221.09)
RSVA - One-time Wholesale Market Service	1582	kWh	\$ 730.33	\$ 332.96	\$ 732.77	\$ 3.75	\$ 2.31	\$ 22.04	\$ 1,824.17
RSVA - Retail Transmission Network Charge	1584	kWh	\$ (12,120.57)	\$ (5,525.80)	\$ (12,160.92)	\$ (62.27)	\$ (38.39)	\$ (365.83)	\$ (30,273.78)
RSVA - Retail Transmission Connection Charge	1586	kWh	\$ (190,008.58)	\$ (86,625.51)	\$ (190,641.15)	\$ (976.11)	\$ (601.89)	\$ (5,734.95)	\$ (474,588.20)
RSVA - Power	1588	kWh	\$ 161,604.38	\$ 73,675.95	\$ 162,142.38	\$ 830.19	\$ 511.92	\$ 4,877.64	\$ 403,642.45
RSVA - Power Global Adjustment	1588 GA	non RPP kWh	\$ (5,956.30)	\$ (2,732.89)	\$ (7,706.59)	\$ (32.95)	\$ (20.10)	\$ (172.79)	\$ (16,621.62)
Total to be Recovered			\$ 77,305.88	\$ 35,226.60	\$ 75,832.78	\$ 394.79	\$ 243.66	\$ 2,340.28	\$ 191,343.97

kWh	11,826,696	5,391,828	11,866,069	60,756	37,464	356,960	29,539,773
Allocator	40.04%	18.25%	40.17%	0.21%	0.13%	1.21%	100.00%
non RPP kWh	8,606,322	3,948,783	11,135,336	47,609	29,036	249,668	24,016,755
Allocator	35.83%	16.44%	46.36%	0.20%	0.12%	1.04%	100.00%

Number of Years for Recovery	2						
Variable Billing	\$ 38,652.94	\$ 17,613.30	\$ 37,916.39	\$ 197.39	\$ 121.83	\$ 1,170.14	\$ 95,673.98
Determinant	11,826,696	5,391,828	34,478	60,756	109	1,008	
Final Rate	\$ 0.0033	\$ 0.0033	\$ 1.0997	\$ 0.0032	\$ 1.1190	\$ 1.1609	