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President & CEO

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February 23, 2011

Public Interest Advocacy Centre
34 Kings St. E., Suite 1102
Toronto, Ontario
M5C 2X8

VIA E-MAIL AND RESS

Attention: Mr. Michael Buonaguro

Dear Mr. Buonaguro:

Re: May 1, 2011 Cost of Service Technical Conference Questions Responses/ EB-2010-0144

Pursuant to the Board's Procedural Order of January 21, 2011, Waterloo North Hydro Inc. (WNH) is enclosing its Responses to the Vulnerable Energy Consumers Coalition's Technical Conference Questions of February 14, 2011.

Please note that in its response to VECC TCQ #9(a), WNH has provided a copy of the 2011 Operating and Capital Budgets information package prepared for its Board of Directors. WNH has redacted confidential customer information from the table on page 13 of the Executive Summary that forms part of the package, and will not be providing that information in any form, for the reasons set out in the response.

WNH has filed an electronic copy of this document via the Board's web portal RESS and couriered to the Board Office two copies of this document.

If there are any questions, please contact Albert Singh at 519-888-5542, asingh@wnhydro.com or myself, Rene Gatien at 519-888-5544, rgatien@wnhydro.com.

Yours truly,

Original Signed By

Rene W. Gatien, P.Eng, MBA
President & C.E.O.



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February 23, 2011

Econalysis Consulting Services Inc.
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8

VIA E-MAIL AND RESS

Attention: Mr. Bill Harper

Dear Mr. Harper:

Re: May 1, 2011 Cost of Service Technical Conference Questions Responses/ EB-2010-0144

Pursuant to the Board's Procedural Order of January 21, 2011, Waterloo North Hydro Inc. (WNH) is enclosing its Responses to the Vulnerable Energy Consumers Coalition's Technical Conference Questions of February 14, 2011.

Please note that in its response to VECC TCQ #9(a), WNH has provided a copy of the 2011 Operating and Capital Budgets information package prepared for its Board of Directors. WNH has redacted confidential customer information from the table on page 13 of the Executive Summary that forms part of the package, and will not be providing that information in any form, for the reasons set out in the response.

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If there are any questions, please contact Albert Singh at 519-888-5542, asingh@wnhydro.com or myself, Rene Gatien at 519-888-5544, rgatien@wnhydro.com.

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Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

**VULNERABLE ENERGY CONSUMERS COALITION (VECC)
TECHNICAL CONFERENCE QUESTIONS**

QUESTION #TC 1

Reference: Board Staff #8 b)

- a) ***Please re-do Table IR #8 b) (USoA 4705 Power Updated) using the forecast RPP price from the October 2010 RPP Report (i.e., \$68.38/MWh).***

Please refer to Energy Probe IR # 11 (b).

- b) ***With respect to Table IR #8 b) (Update to USoA 4714) please explain why:***

- ***The 2009 actual billing quantities are only adjusted for CDM in order to obtain 2010 and 2011 values, as opposed to also allowing for projected changes in purchases – prior to CDM.***
- ***A 100% load factor is used when translating kWh CDM savings into kW.***

WNH incorrectly omitted the change in projected purchases, it should have been an adjustment in addition to the CDM Adjustment. WNH should not have used a 100% load factor when translating kWh CDM savings into kW.

- c) ***With respect to the second bullet in (b), what would be the kW CDM adjustment for Network charges in 2009 and 2011 if the translation was done using Kingston's overall load factor?***

WNH used WNH's overall load factor, not Kingston's overall load factor as requested above. WNH has provided the kW CDM adjustment for Network Charges in 2010 and 2011 using WNH's overall load factor of 71.3%, which is the average of 2006 through 2010 (based on internal unofficial data) in the table below.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

Table TCQ # 1 (c) – Network CDM Adjustment using Load Factor

	2010 kW	2011 kW
	71.3% LF*	71.3% LF*
2010 CDM Adjustment	10,310	
2011 CDM Adjustment		32,662

* 12 months of billing included

QUESTION #TC 2

Reference: Board Staff # 29 e) and #30 d)

- a) ***Please confirm that the planed incremental charges to the Embedded Distributor are not reflected in the cost allocation results shown in Table IR #29 (e).***

The incremental \$846 in distribution revenue resulted from WNH's cost allocation results. WNH did not directly assign its pole rental revenue of \$2,918 from the Embedded Distributor since the cost allocation model does not allow direct allocation of such revenues.

QUESTION #TC 3

Reference: Board Staff #39

- a) ***With respect to Table IR #39, please break the capital spending for 2008, 2009, 2010 and 2011 down as between Residential and GS<50 and report the resulting capital cost per meter by class.***

WNH is unable to provide this information prior to the beginning of the Technical Conference.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

- b) *What is the anticipated cost per meter for the 2,700 polyphase meters planed for 2011 as compared to the cost per meter for the Smart Meters installed for Residential and GS<50 customers in 2008-2010?*

WNH is unable to provide this information prior to the beginning of the Technical Conference.

QUESTION #TC 4

**Reference: Energy Probe #14 b) VECC #11 b)
Exhibit 7, page 4, Table 7-2**

- a) *The 2011 revenues (at existing rates) by customer class reported in Energy Probe #14 b) appear to be before netting out the transformer allowance, since the allowance is subtracted as a separate line. However, the revenues by class reported in Energy Probe #14 b) are the same as those shown in VECC #11 b) – which are after the transformer allowance has been netted out. Please reconcile.*

WNH incorrectly reflected the 2011 revenues (at existing rates) by customer class reported in Energy Probe # 14 (b). The revenues reflected had already been reduced by the Transformer Allowance; they should have been shown prior to the reduction of the Transformer Allowance.

QUESTION #TC 5

Reference: Energy Probe #19

- a) *With respect to part (a), please indicate which of the 2011 purchased/billed kWh values shown in Table IR #19 a) Waterloo North proposes to use for purposes of determining 2011 rates.*

Please refer to Energy Probe TCQ # 9.

**Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)**

b) *Please indicate the basis for the 9,160,344 kWh values used in Table IR #19 a) for 2010 OPA kWh savings.*

WNH, in its response to Energy Probe IR # 19 (a) stated *"In addition, WNH has corrected the CDM OPA kWh Savings in 2010 and 2011 to reflect OPA Savings that will result from 2010 initiatives and activity. WNH has determined that the 2009 OPA actual savings is a representative proxy for 2010. The OPA released 2006-2009 Final OPA CDM Results. Waterloo North Hydro Inc on December 1, 2010 and WNH has used the 2009 actual result."* WNH provided the OPA's results on page 27 of its response to Energy Probe # 19 (a) in which the derivation of the 5,366,065 kWh savings is reflected.

As provided in WNH's response to Energy Probe TCQ # 9, WNH is proposing a CDM savings amount in 2010 consistent with the 2009 level achieved with OPA programs of 5,366,065 kWh.

c) *Please indicate the basis for the 8,095,238 kWh values used in Table IR #19 a) for 2011 OPA kWh savings.*

Further to WNH's response in VECC TCQ # 5 (b), WNH is proposing a 0 OPA kWh savings adjustment in 2011 as WNH determined it was not appropriate to deduct the OPA kWh savings.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

QUESTION #TC 6

Reference: VECC #5

- a) *The information provided in Table IR #5 does not respond to the question as posed. Please provide the schedule as originally requested.*

WNH has provided a table below, which provides the same end result as WNH's response to VECC IR # 5, which calculates each year from 2005-2009 the following:

- *The differences between the actual HDD and CDD values for the year and the 14-year average values*
- *Calculates the impact of actual weather vs "normal weather" for each year based on these differences and the coefficients for the corresponding values in the estimated regression equation*
- *Adjusts the Actual Purchases for each year by these results to determine an estimate of "Weather Normal Purchases" for each year*

Table TCQ # 6 – Change in 2005 – 2009

Year	Actual Heating Degree Days (A)	Actual Cooling Degree Days (B)	Weather Normal Heating Degree Days (C)	Weather Normal Cooling Degree Days (D)	Difference in Heating Degree Days (F) = (A) - (C)	Difference in Cooling Degree Days (G) = (B) - (D)	Difference in Heating Degree Day apply to Coefficient of 28,385 (GWh) (H) = (F) * 28,385 /1,000,000	Difference in Cooling Degree Day apply to Coefficient of 180,664 (GWh) (I) = (G) * 180,664 /1,000,000	Actual Purchases (GWh) (J)	Estimated Actual Weather Normal (GWh) (K) = (J) - (H) - (I)
2005	4302	294	4125	204	177	91	5.0	16.4	1,358.6	1,337.1
2006	3809	215	4125	204	-316	11	(9.0)	2.0	1,372.5	1,379.5
2007	4176	220	4125	204	50	17	1.4	3.0	1,423.6	1,419.1
2008	4252	171	4125	204	127	-33	3.6	(5.9)	1,421.4	1,423.7
2009	4254	109	4125	204	128	-95	3.6	(17.1)	1,411.8	1,425.2

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

QUESTION #TC 7

**Reference: VECC #8 c)
Energy Probe #19 a)**

- a) ***Attachment 1 is Exhibit JT1.1 from EB-2010-0133; see Worksheet “OPA steps 1, 2”. (Note: The EB # quoted in the original IR was incorrect. Pages 14-15 of the Technical Conference Transcript for EB-2010-0133 confirm that the material was used by the OPA in developing its advice to the OEB on CDM targets for distributors). Please respond to VECC #8 c) as originally posed.***

In response to VECC’s IR # 8 (c) as originally posed “c) Please confirm that (per Exhibit Jt1.1, EB-2010-0131) the OPA’s working papers associated with their Advice to the OEB re CDM Targets assumed LDC savings of 577 GWh in 2011.”, WNH confirms that in this Exhibit provided by VECC to WNH, the OPA’s working papers associated with their Advice to the OEB re CDM Targets, assumed LDC savings of 577 GWh in 2011..

QUESTION #TC 8

Reference: VECC #19 a) Exhibit 2, pages 21-27, Tables 2-3 to 2-9 inclusive

- a) ***Please confirm that in each year, 2004-2009 inclusive, actual capital spending was less than the approved capital budget amount.***

Please refer to Energy Probe TCQ # 22 (b) in which WNH adjusts its approved capital budget and capital additions by removing smart meter costs and costs related to WNH’s new administrative building and service centre and provides reconciling items.

WNH confirms that in each year, 2004-2009 inclusive, actual capital additions were less than the approved capital budget.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

- b) *Please confirm that over the period 2004-2009 inclusive, the average annual capital budget (net) amount approved was \$15,609,580 while average actual annual capital spending was \$11,148,716.***

Please note that the amounts that the calculations in this TCQ are based upon are capital additions to Rate Base, they are not capital spending. Please refer to Energy Probe TCQ # 22 (a) & (b) and VECC TCQ # 8 (a).

WNH confirms that before adjustments are made to remove smart meters and adjust the new administration building and service centre, over the period 2004-2009 inclusive, the average annual capital budget (net) amount approved was \$15,609,580. WNH has calculated the average actual annual capital additions to rate base to be \$11,149,571, which WNH does not consider as directly comparable to the approved budget.

- c) *Please explain why approved capital budgets exceed actual capital expenses in every year and to a significant extent.***

Please refer to Energy Probe TCQ # 22 (b).

- d) *Please update Table 2-9 to reflect actual 2010 capital expenditures.***

Please refer to Energy Probe TCQ # 2 (c).

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

QUESTION #TC 9

Reference: VECC #19 b)

- a) ***Please provide a copy of the 2011 capital budget that was presented to the Board of Directors in December 2010 along with any and all other materials provided with the budget to the Board including, but not limited to, any slides, supporting documents, related information distributed by e-mail, etc.***

WNH has provided in Appendix A, a copy of the 2011 Operating and Capital Budgets information package, which was provided to the WNH Board of Directors for the December 16, 2010 Board meeting. Please note that on page 13 of the Executive Summary (at Section 8, Table 2), in the package presented to the Board of Directors, WNH listed the top 25 customers along with the annual distribution revenue and total revenue for each customer. In responding to this question, WNH has removed the customer information from the table. That information is confidential customer information, and it is possible to identify specific WNH industrial and commercial customers from that information. WNH submits that the public disclosure of information of this kind regarding these customers could reasonably be expected to prejudice the economic interest of, significantly prejudice the competitive position of, cause undue financial loss to, and be injurious to the financial interests of those customers since it may assist competitors in ascertaining information about their operations. The Board's Practice Direction on Confidential Filings (the "Practice Direction") recognizes that these are among the factors that the Board will take into consideration when addressing the confidentiality of filings. They are also addressed in section 17(1) of the Freedom of Information and Protection of Privacy Act ("FIPPA"), and the Practice Direction notes (at Appendix C of the Practice Direction) that third party information as described in subsection 17(1) of FIPPA is among the types of information previously assessed or maintained by the OEB as confidential. WNH is aware that energy consumption is a sensitive commercial issue for some of the companies listed in the chart. In several cases, beyond the fact that customer

**Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)**

information is considered confidential in any event, customers have requested that WNH enter into non-disclosure agreements with respect to their load information, and WNH has done so. WNH would require a substantial amount of time to obtain permission from each of the third party customers on the list. WNH is also concerned that it took great effort and time to enter into a non-disclosure agreements in order to be able to work with some customer installations in advance of public announcements by these customers with respect to their operations in the WNH service area. Asking permission to release or releasing the customer information, may put the exchange of information with these customers at risk in the future, and this would affect WNH's ability to perform effective system planning.

WNH will not be providing this information in any form. WNH submits that the particular customer information removed from this chart is not relevant to this application and the information was simply part of a document prepared for the Board of Directors for WNH, with no intention that this information be on the public record. WNH has retained the chart headings and chart totals as well as the narrative that accompanied the chart in the Board package. The chart was simply an illustration of the conclusions reached in the narrative.

WNH also provides in Appendix B, a copy of the slide presentation presented to the Board of Directors at the meeting. There were no other supporting materials.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

- b) *Was the 2011 capital budget approved as presented to the Board of Directors? If so please provide the date of approval and the minutes of the Board meeting relating to the capital budget.***

Yes, the Board of Directors approved the capital budget as presented. WNH provides in Appendix C, a copy of an excerpt from the minutes with the resolutions passing both the Capital and Operating Budgets.

- c) *If the 2011 capital budget approved by the Board of Directors varied in any way from the 2011 capital budget presented to the Board of Directors, please provide a copy of the 2011 approved capital budget along with the date of approval and the minutes of the Board meeting relating to the capital budget.***

N/A

- d) *Please provide a copy of the five year capital plan reviewed by the Board of Directors “[a]t WNH’s presentation of the 2010 capital budget.” (Emphasis added.) Please also include any other materials provided to the Board of Directors relating to this five year capital plan.***

WNH provides in Appendix D, a copy of the five-year capital plan provided to the Board of Directors at the presentation of the 2010 Capital Budget. There were no other materials relating to this five-year capital plan.

- e) *Please provide a copy of the most recent five year capital plan, i.e., presumably the one prepared after the plan reviewed by the Board when the 2010 capital budget that is referred to in part d) of this question and reviewed in December 2010. Please also include any other materials provided to the Board of Directors relating to this five year capital plan.***

WNH provides in Appendix A, the most recent five-year capital plan which was part of the package provided to the Board of Directors noted in (a) above. There were no other materials relating to this five-year capital plan.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

QUESTION #TC 10

Reference: Exhibit 4, page 21, Table 4-5

- a) ***Please update this table to include 2010 actual OM&A expenses.***

WNH is unable to provide this level of detail before the beginning of the Technical Conference, please refer to Energy Probe TCQ # 15 for a Summary of actual OM&A expenses.

QUESTION #TC 11

**Reference: Exhibit 4, page 21, Table 4-5
VECC #22 a)**

- a) ***Please confirm that in each year 2005-2009 inclusive, actual OM&A costs incurred were less than Total Controllable Costs as approved by WNH's Board of Directors in the Approved Operating Budget.***

Please refer to Energy Probe TCQ # 24 (b) in which the differing regulatory and budgeting treatment is provided. WNH notes that this reconciliation reveals that each year, 2006-2009 actual OM&A costs incurred were less than the approved total controllable cost operating budget amount, however, in 2010 actual OM&A exceeded the reconciled approved controllable cost operating budget.

WNH confirms that in 2005 actual OM&A costs incurred were less than approved by WNH's Board of Directors. Adjustment of the differing regulatory and budgeting treatment is provided in the table below.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

Table TCQ # 11 – 2005 Controllable Cost Reconciliation

Budgeted Controllable Costs	9,527,495
Reduce USoA 5625, Reflected as Revenue in Budget, Cost Offset in Regulatory	(734,909)
Reduce Water & Sewer Billing Costs as Non-Distribution Expenses in Regulatory	(591,711)
USoA 5330 Collection Revenue, Cost offset for Regulatory, Revenue for Budget	(56,496)
Adjusted Budgeted Controllable Costs	8,144,381
Controllable Costs per Table 4-5 in Application	7,731,984
Difference	(412,397)

- b) Please confirm that over the period 2005-2009 inclusive, the average annual Total Controllable Costs as approved by WNH's Board of Directors in the Approved Operating Budget was \$10.393M while average actual annual OM&A spending was \$8.539M.**

WNH confirms that before adjustments are made to reconcile differing regulatory and budget treatment, over the period 2005-2009 inclusive, the average annual Total Controllable Costs as approved by WNH's Board of Directors in the Approved Operating Budget was \$10.393M while average actual annual OM&A spending was \$8.539M.

WNH notes that after adjustments are made to reconcile differing regulatory and budget treatment, over the period 2006-2010 inclusive the average annual Total Controllable Costs as approved by WNH's Board of Directors in the Approved Operating Budget was \$9.119M while average actual annual OM&A spending was \$8.939M. The table below provides this calculation.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

**Table TCQ # 11 (b) – Average Adjusted Board Approved and Actual
Controllable Costs 2006 – 2010**

	Actual					Average 2006-2010
	2006	2007	2008	2009	2010	
Actual Controllable Costs	8,524,692	8,693,608	8,941,699	8,803,306	9,730,393	8,938,740
Approved Controllable Costs Budgeted	10,197,000	10,460,000	10,576,000	10,902,000	10,704,000	
Less Capital Tax	(310,000)	(335,000)	(340,000)	(309,000)	(93,000)	
<i>Items with Differing Revenue vs Expense Treatment - Regulatory vs. Accounting</i>						
Less USoA 5625 - cost offset for Actual, in Approved shown as revenue	(507,832)	(349,783)	(463,386)	(376,582)	(622,196)	
Less Water & Sewer Billing Costs - Actual to Non-Distribution Expenses USoA 4380	(640,503)	(681,515)	(720,602)	(690,371)	-	
Less Cost of Service Filing Cost Budgeted for Accounting, in Test Year for Regulatory				(40,000)	(80,000)	
Less USoA 5330 Collection Charges Regulatory Against Controllable Costs, Accounting as Revenue	(92,320)	(87,180)	(66,917)	(74,948)	(77,500)	
<i>Other Reconciling Items</i>						
Less Billings to Holding Company Not Budgeted				(102,405)	(148,118)	
Less Smart Meter O&M Budgeted					(34,967)	
Net Approved Controllable Costs	8,646,345	9,006,522	8,985,094	9,308,695	9,648,219	9,118,975
Difference Net Actual and Net Approved Controllable Costs for Explanation	(121,654)	(312,914)	(43,395)	(505,389)	82,174	

- c) Please explain why approved OM&A budgets exceed actual OM&A expenses in every year and to a significant extent.**

Please refer to Energy Probe # 24 (b) for the years 2006 – 2009. WNH is not able to provide the 2005 explanation prior to the beginning of the Technical Conference.

- d) Please provide a breakdown of 2004 actual OM&A expenses.**

WNH has provided a breakdown of 2004 actual OM&A expenses in the table below.

Table 11 (d) – 2004 Actual OM&A Expenses

OM&A Expenses	
Operations	3,479,237
Maintenance	1,565,312
Billing and collecting	1,611,633
Community relations	200,345
Administrative and General Expenses	1,594,971
Total OM&A Expenses	8,451,498

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

QUESTION #TC 12

Reference: VECC #22 b)

- a) ***Please provide a copy of the 2011 Operating Budget that was presented to the Board of Directors in December 2010 along with any and all other materials provided with the budget to the Board including, but not limited to, any slides, supporting documents, related information distributed by e-mail, etc.***

Please see TCQ # 9 (a).

- b) ***Was the 2011 operating budget approved as presented to the Board of Directors? If so please provide the date of approval and the minutes of the Board meeting relating to the operating budget.***

Yes, the Board of Directors approved the operating budget as presented. WNH provides in Appendix C, a copy of an excerpt from the minutes with the resolutions passing both the Capital and Operating Budgets for 2011.

- c) ***If the 2011 operating budget approved by the Board of Directors varied in any way from the 2011 operating budget presented to the Board of Directors, please provide a copy of the 2011 approved operating budget along with the date of approval and the minutes of the Board meeting relating to the operating budget.***

N/A

- d) ***Please provide a copy of the five year operating expense plan reviewed by the Board of Directors “[a]t WNH’s presentation of the 2010 operating budget.” (Emphasis added.) Please also include any other materials provided to the Board of Directors relating to this five year operating expense plan.***

WNH provides in Appendix E, a copy of the five-year operating forecast provided to the Board of Directors at the presentation of the 2010 Operating Budget. There were no other materials relating to this five-year forecast of operating expense.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

- e) ***Please provide a copy of the most recent five year operating expense plan, i.e., presumably the one prepared after the plan reviewed by the Board when the 2010 operating budget that is referred to in part d) of this question and reviewed in December 2010. Please also include any other materials provided to the Board of Directors relating to this five year operating expense plan.***

WNH provides in Appendix A, the most recent five-year operating forecast which was part of the package provided to the Board of Directors noted in TCQ 9 (a) above. There were no other materials relating to this five-year forecast of operating expense.

QUESTION #TC 13

**Reference: VECC #27 f) VECC #28 a)
VECC IRR, Appendix A, Attachments A and E**

- a) ***Please clarify whether the 1,011,318 kWh value reported in response to VECC #27 f) is the kWh assumed saved per unit from the Residential Geothermal Energy Project for purposes of the SSM calculations***

The 1,011,318 kWh value was the original assumption used to calculate the Annual Energy Savings for the program. The program included 35 Units.

The Geothermal Energy Project LRAM assumptions were updated to use the 2009 OPA Assumptions and Measures List. Based on the Assumptions and Measures table, the new Annual Energy Savings for the program is 184,800kWh

- b) ***Please reconcile the originally Filed Annual kWh Saved (1,011,318 kWh) as reported in VECC #27 f) with that reported in VECC #28 a) (28,019 kWh).***

As detailed above in (a), the 1,011,318 kWh is based on 35 units. The results on a per unit basis is 28,019 kWh.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

- c) ***Please clarify the number of Geothermal Units achieved by year and in total. Please reconcile the 35 unit figure in VECC #27 f) ad #28 a) with the 114 Unit value reported in Attachment E.***

Attachment E was incorrectly populated with 114 units. The Geothermal Energy Project contained 35 units.

- d) ***Please clarify the input assumptions Waterloo North is now adopting regarding unit savings for the Residential Geothermal Energy for purposes of the SSM calculation: If different from the “as filed” values please recalculate the SSM claim.***

For SSM the Guidelines and Policy Letter of January 27, 2009 Specify that *Assumptions used from the beginning of any year will be those assumptions in existence in the immediately prior year. For example, if any input assumptions change in 2007, those changes should apply for SSM purposes from the beginning of 2008 onwards until changed again....*

In 2006 the best assumptions available to Waterloo North Hydro were used to calculate Annual Energy Savings. At that time, the savings were calculated to be 1,001,318kWh per year. Ground Source Heat pumps were not measures included in the 2005 OEB Assumptions and Measures lists. This measure was not added until the OPA published its new Assumptions and Measures in 2009.

This results in a NPV of \$190,634.37. This results in a total SSM Claim of \$28,557.85

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

Class	Total Costs \$	Total Benefits \$	Net Benefits \$ NPV	Benefits/ Cost Ratio	SSM Amount \$
Program					
Third Tranche					
RESIDENTIAL					
Geothermal Energy Program	\$775,000.00	\$965,634.37	\$190,634.37	1.25	\$9,531.72
Residential Energy Efficiency Project	\$78,680.00	\$0.00	-\$78,680.00		-\$3,934.00
Low Income Consumer Retrofit Program	\$24,424.00	\$0.00	-\$24,424.00		-\$1,221.20
Energy Conservation Information for Consumers	\$31,576.00	\$0.00	-\$31,576.00		-\$1,578.80
Low Income Consumer Retrofit Program	\$41,749.60	\$36,608.05	-\$5,141.55	0.88	-\$257.08
GENERAL SERVICE < 50kW					
Energy Audits for Industrial, Commercial and Institutional Customers (Cool Shops)	\$44,785.58	\$235,150.99	\$190,365.42	0.19	\$9,518.27
STREET LIGHTING					
Street Lighting	\$50,941.00	\$249,471.99	\$198,530.99	4.90	\$9,926.55
UNMETERED SCATTERED LOAD					
Traffic Lights	\$619,559.00	\$751,006.81	\$131,447.81		\$6,572.39
TOTALS	\$1,666,715.18	\$2,237,872.21	\$571,157.04		\$28,557.85

- e) *Please clarify the input assumptions Waterloo North is now adopting regarding unit savings for the Residential Geothermal Energy for purposes of the LRAM calculation: If different from the "as filed" values please recalculate the LRAM claim.*

Waterloo North is proposing to use the 2009 OPA Assumptions and Measures to calculate LRAM. This results in a total LRAM claim of \$1,294,691.23

As Filed LRAM: \$1,309,126.39

Revised LRAM: \$1,294,691.23

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

QUESTION #13

Reference: VECC #28 a)

- a) ***With respect to the Low Income Consumer Retrofit Program, please provide the specific references to the 2010 OPA Prescriptive/Quasi Prescriptive M&A Lists (page #) and calculations of annual savings (including operating hours)for following measures:***

- **2 - T8 32W**
- **4 - T8 32W**
- **1 - T8 32W**
- **15W CFL -COMMERCIAL**
- **3W LED EXIT SIGN**
- **100W METAL HALIDE**

Measure	Annual Energy Savings per unit (kWh)	Operating Hours	M&A Lists (actual page #)
2 - T8 32W	368.55	3,150	96
4 - T8 32W	189	3,150	97
1 - T8 32W	160.65	3,150	96
15W CFL -COMMERCIAL	94.5	2,100	74
3W LED EXIT SIGN	237	8,760	79
100W METAL HALIDE	176.4	3150	

- b) ***Discuss authority/explanation as to why values were chosen if different to the 2010 OPA M&A list values.***

Please refer to (a) above.

- c) ***Make any necessary changes to Annual Savings and LRAM to align with OPA M&Lists.***

Changes to the 2009 OPA Assumptions and measures lists, result in the following LRAM Changes:

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

Class Program	Year Implemented	BEFORE NET		AFTER NET	
		Total kWh	Total kW	Total kWh	Total kW
Third Tranche					
RESIDENTIAL					
Low Income Consumer Retrofit Program	2007	168,434	25.78	158,314	30.99
11W CFL		6,881	0.25	6,881	0.25
15W CFL		48,522	1.12	48,522	1.12
25W CFL		22,456	0.63	22,456	0.63
2 - T8 32W		6,350	1.36	5,971	1.90
4 - T8 32W		1,555	0.33	1,021	0.32
1 - T8 32W		13,824	2.95	15,422	4.90
15W CFL - COMMERCIAL		47,628	9.67	25,004	11.91
3W LED EXIT SIGN		2,554	0.28	2,554	0.29
100W METAL HALIDE		18,662	9.19	30,482	9.68
TOTAL LRAM BEFORE		\$1,294,691.23			
TOTAL LRAM AFTER		\$1,294,555.45			
VARIANCE		-\$135.78			

QUESTION #14

Reference: VECC #29 a)

- a) *Please provide details regarding the Amended Residential LRAM claim, i.e., what specific components were modified?*

LRAM was revised for the Geothermal Energy Project.

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

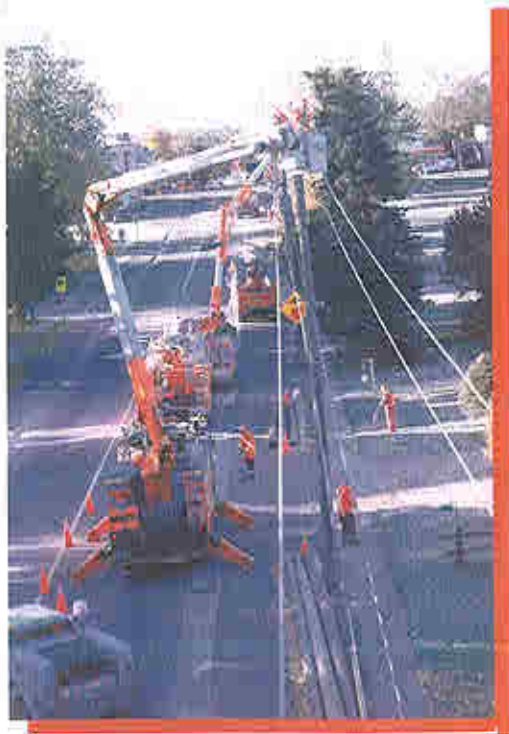
APPENDIX A

2011 OPERATING AND CAPITAL BUDGET

2011 OPERATING AND CAPITAL BUDGETS



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NO. 3

NO. 4

NO. 5

NO. 6

Recommendations
Approvals



**“Constructing the Future
of Waterloo North Hydro**

... Today”

Executive Summary



2011 OPERATING AND CAPITAL BUDGETS

Table of Contents

T b N

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Summ ry



2011 OPERATING AND CAPITAL BUDGETS

WATERLOO NORTH HYDRO INC. 2011 OPERATING & CAPITAL BUDGET



2011 OPERATING AND CAPITAL BUDGETS

2

2

2

2



2011 OPERATING AND CAPITAL BUDGETS



2011 OPERATING AND CAPITAL BUDGETS



2011 OPERATING AND CAPITAL BUDGETS



2011 OPERATING AND CAPITAL BUDGETS



2011 OPERATING AND CAPITAL BUDGETS

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2011 OPERATING AND CAPITAL BUDGETS

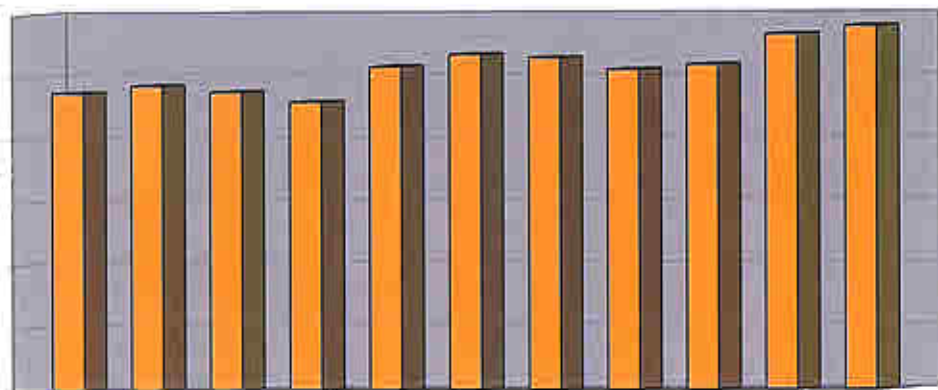
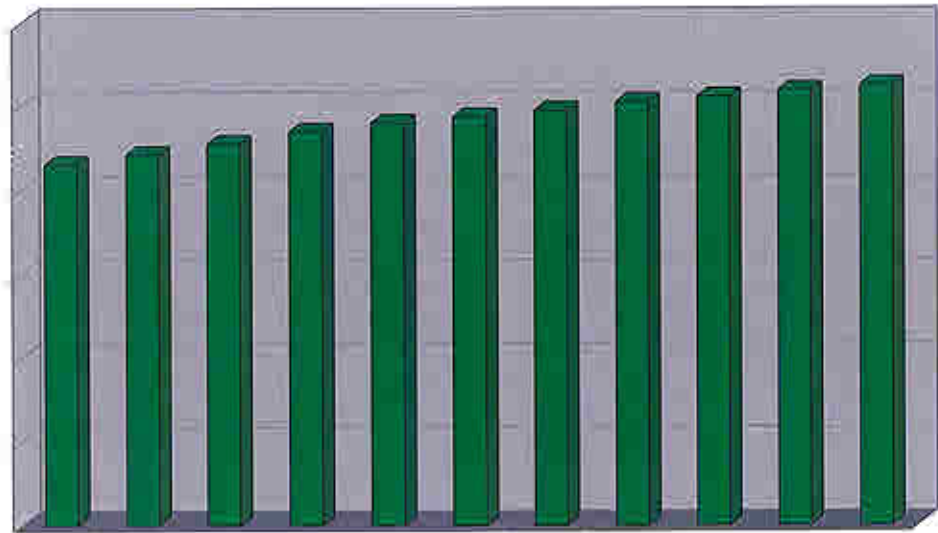
Economic Indicator	2010	2011	2012
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2011 OPERATING AND CAPITAL BUDGETS



2011 OPERATING AND CAPITAL BUDGETS



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2011 OPERATING AND CAPITAL BUDGETS

Rank	Distributor	Customers
------	-------------	-----------

14	Waterloo North Hydro Inc.	51,089
----	---------------------------	--------



2011 OPERATING AND CAPITAL BUDGETS

	2010 Budget (\$000,s)	2011 Budget (\$000,s)
--	--------------------------	--------------------------

Earnings before Taxes	\$4,496	\$6,026
Net Earnings	\$3,057	\$4,279



2011 OPERATING AND CAPITAL BUDGETS

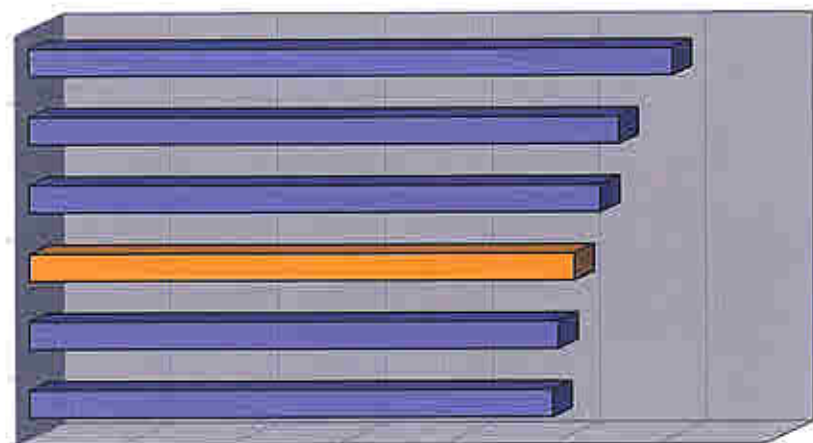
Source of Funds	(\$000,s)	%
Total	\$ 34,912	100.0%



2011 OPERATING AND CAPITAL BUDGETS

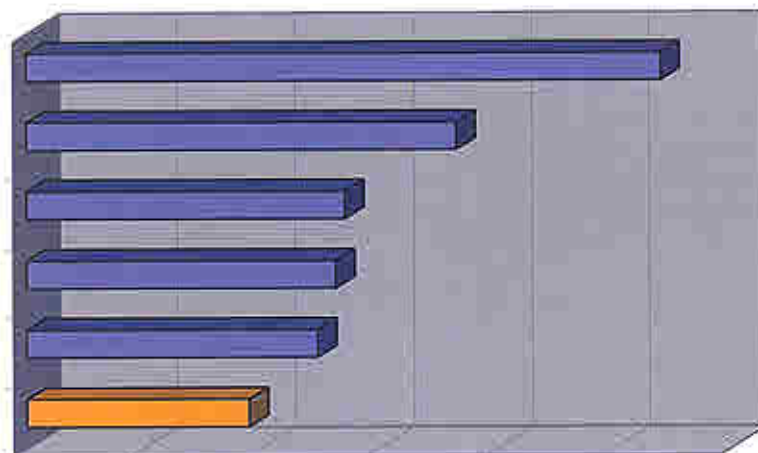
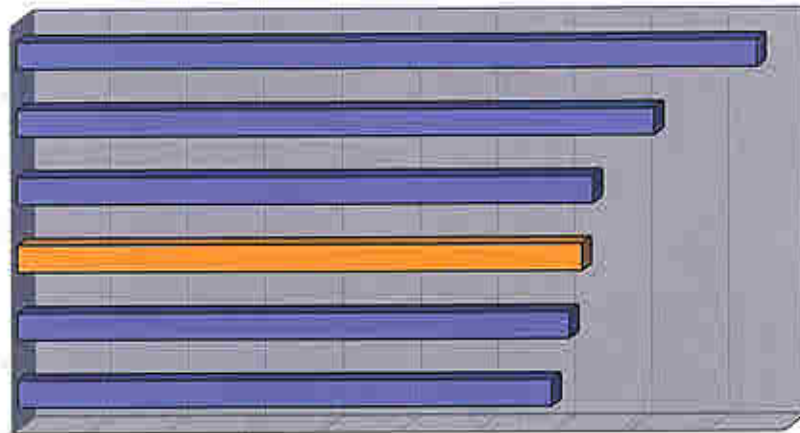


2011 OPERATING AND CAPITAL BUDGETS





2011 OPERATING AND CAPITAL BUDGETS





2011 OPERATING AND CAPITAL BUDGETS

Class	Total Customers	Total MWh	Revenue (\$000,s)
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Total	52,498	1,429,183	\$ 27,411
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2011 OPERATING AND CAPITAL BUDGETS



2011 OPERATING AND CAPITAL BUDGETS

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	2010 Budget	2010 Proj. Actual	2011 Budget	% Inc(Dec) B2B
--	----------------	----------------------	----------------	-------------------

Net Earnings	\$ 3,057	\$ 4,424	\$ 4,279	40.0
--------------	----------	----------	----------	------

	2009 Actual	2010 Proj. Actual	2011 Budget
--	----------------	----------------------	----------------

Total Assets	\$ 144,199	\$ 171,269	\$ 195,576
---------------------	------------	------------	------------

Total Liabilities & Equity	\$ 144,199	\$ 171,269	\$ 195,576
---------------------------------------	------------	------------	------------

	2010 Budget	2010 Proj. Actual	2011 Budget
--	----------------	----------------------	----------------

Borrowings	28,100	21,800	21,550
Cash Available	\$ 45,593	\$ 37,785	\$ 40,699

Cash, End of Year	\$ 232	\$ 256	\$ 248
-------------------	--------	--------	--------

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	2010 Budget	2011 Budget	% Inc(Dec) B2B
--	----------------	----------------	-------------------

\$	88,970	\$	115,440	29.8
----	--------	----	---------	------

\$	24,952	\$	27,411	9.9
----	--------	----	--------	-----

\$	1,174	\$	1,517	29.2
----	-------	----	-------	------

Total Revenues	\$	115,096	\$	144,368	25.4
-----------------------	----	---------	----	---------	------

	2010 Budget	2011 Budget	% Inc(Dec) B2B
--	----------------	----------------	-------------------

Total Distribution System Expenses	\$ 5,161	\$ 5,243	1.6
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Total Billing and Collecting Expenses	\$ 2,175	\$ 2,454	12.8
---------------------------------------	----------	----------	------

Total Community Relations Expenses	\$ 256	\$ 259	1.4
------------------------------------	--------	--------	-----

Total Administration and General Expenses	\$ 3,019	\$ 3,038	0.6
-------------------------------------------	----------	----------	-----

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Budg

	2010 Budget Gross	2011 Budget Gross	2011 Budget Contributed Capital	2011 Budget Net
TOTAL	\$ 37,190,328	\$ 34,912,386	\$ 2,443,020	\$ 32,469,366

Project Description	Labour	Material	Equipment	Acquisitions	2011 Budget Gross	2011 Budget Cont. Capital	2011 Budget Net
	\$ 4,755,914	\$ 7,665,371	\$ 986,998	\$ 21,494,103	\$ 34,912,386	\$ 2,443,020	\$ 32,469,366

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2012-2016

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Refined

	2012	2013	2014	2015	2016
--	------	------	------	------	------

Net Earnings	\$ 5,099	\$ 4,866	\$ 4,525	\$ 6,285	\$ 5,871
--------------	----------	----------	----------	----------	----------

	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast
--	------------------	------------------	------------------	------------------	------------------

Total Assets	\$ 197,304	\$ 204,123	\$ 211,723	\$ 220,046	\$ 230,781
---------------------	------------	------------	------------	------------	------------

Total Liabilities & Equity	197,304	\$ 204,123	\$ 211,723	\$ 220,046	\$ 230,781
---------------------------------------	---------	------------	------------	------------	------------

	2012	2013	2014	2015	2016
--	------	------	------	------	------

Borrowings	-	5,300	6,400	3,700	6,500
Cash Available	\$ 27,379	\$ 26,583	\$ 26,885	\$ 28,598	\$ 31,376

Cash, End of Year	\$ 1,103	\$ 283	\$ 219	\$ 131	\$ 127
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Project Description	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast
---------------------	------------------	------------------	------------------	------------------	------------------

	\$ 17,576,500	\$ 17,744,000	\$ 18,118,500	\$ 19,171,500	\$ 21,854,000
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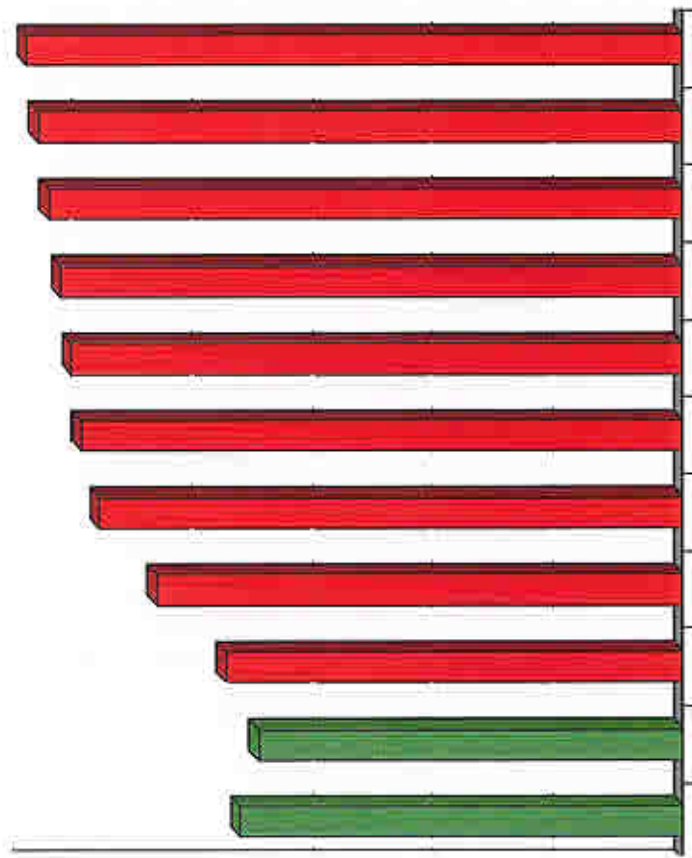
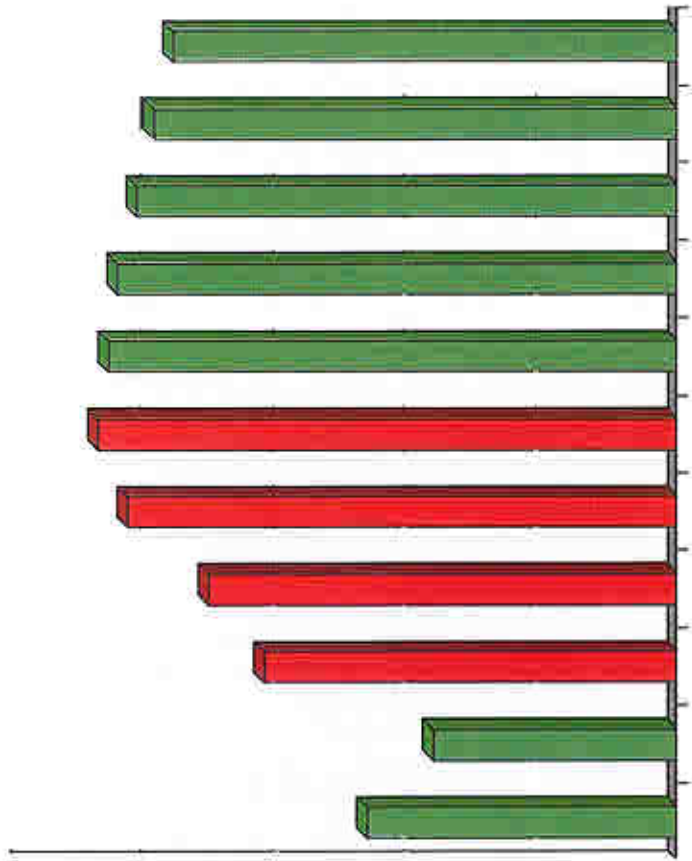
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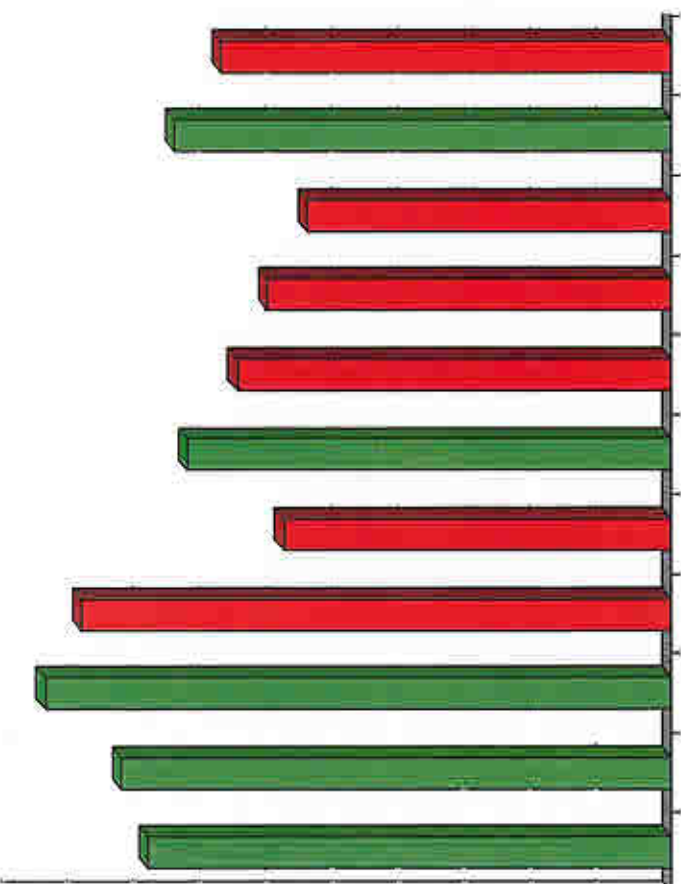
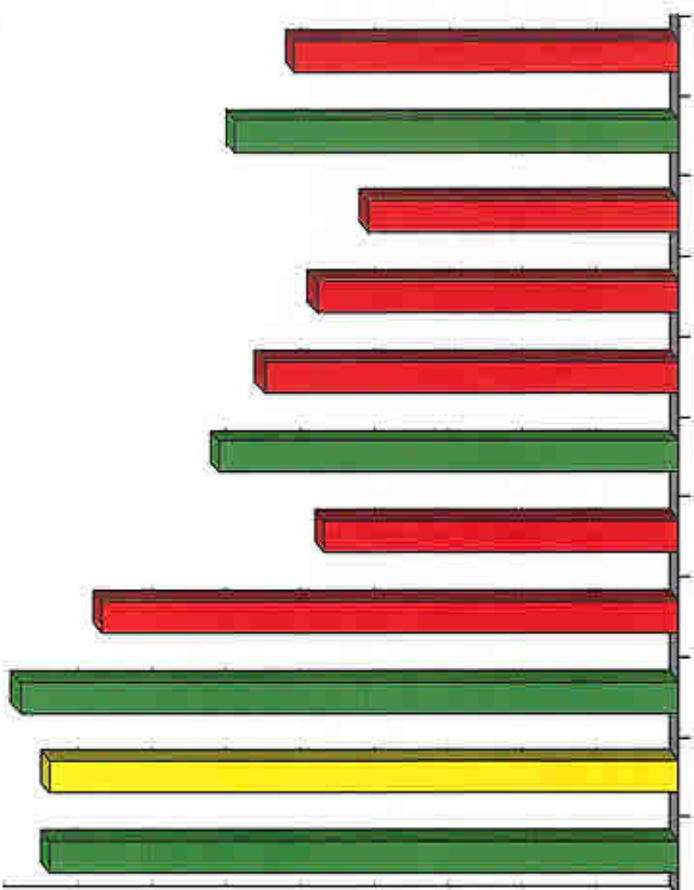


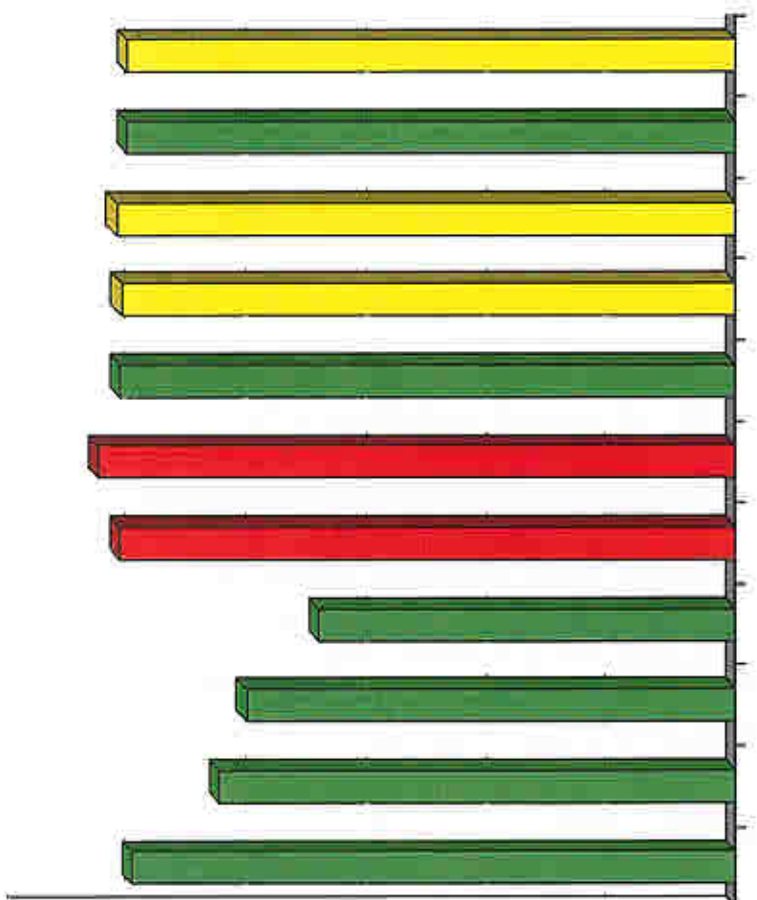
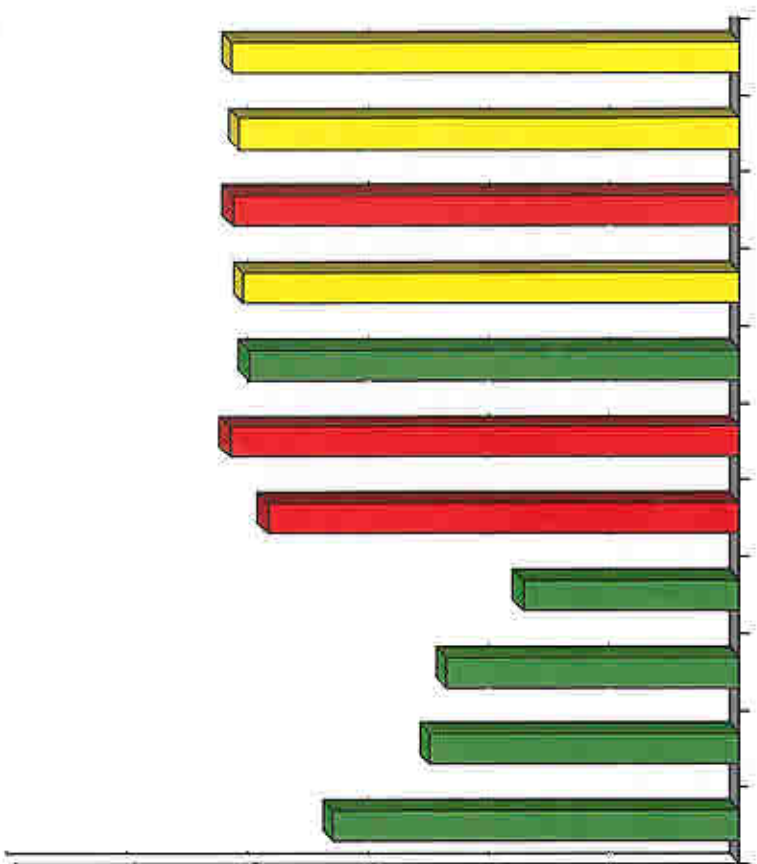
Strategic Imperative	KPI	Target Rationale	Target	2011 Budget	2011 Actual	Status
	Reliability & Capacity					
	Financial					
	Productivity					

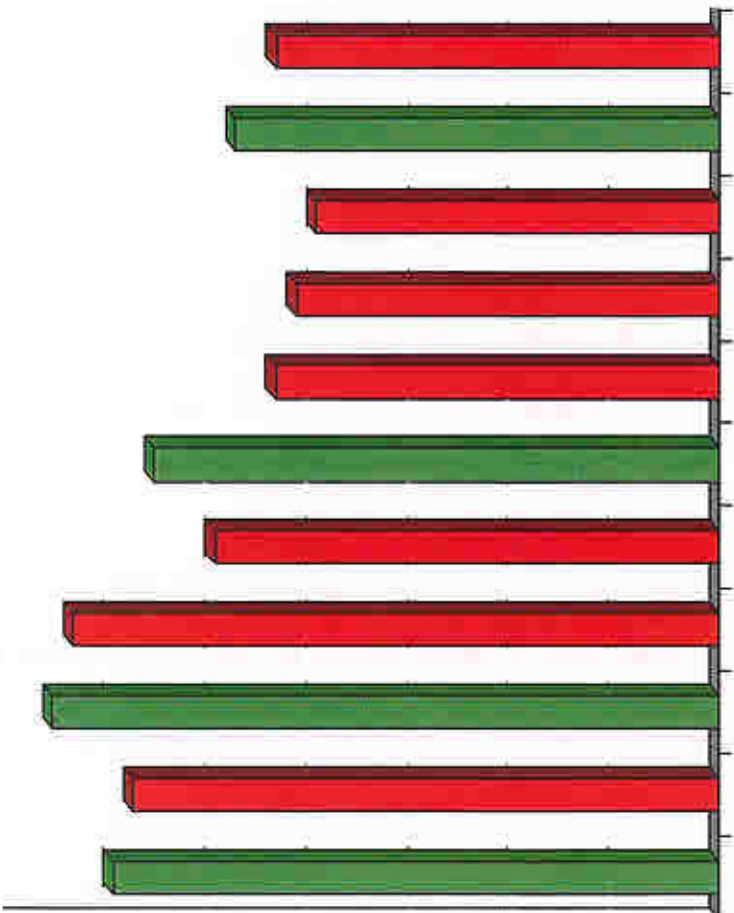
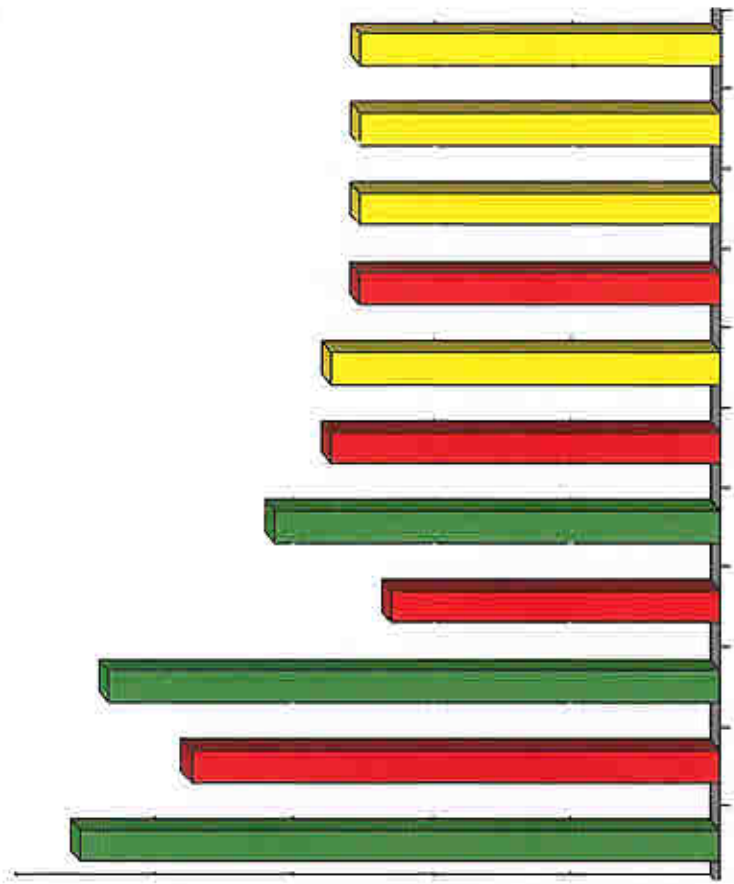


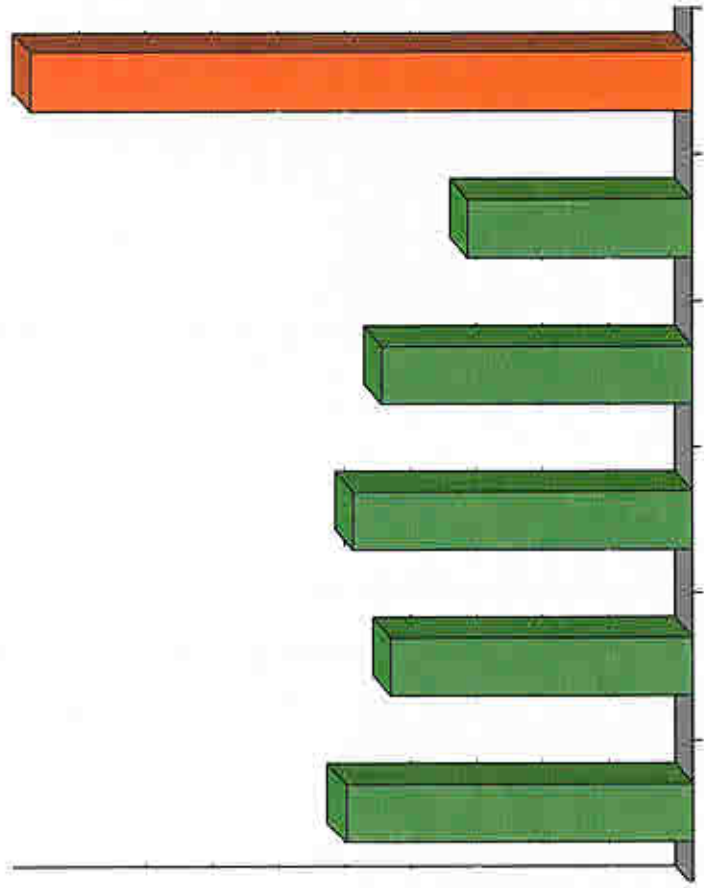
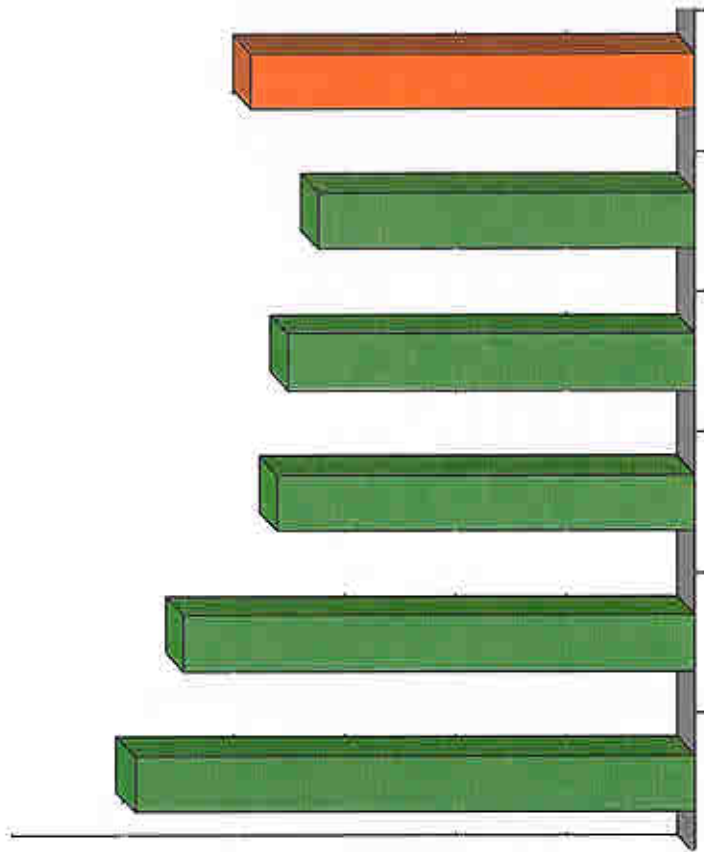
Strategic Imperative	KPI	Target Rationale	Target	2011 Budget	2011 Actual	Status
	Employees					
Customer						
Regulatory						
Loss Prevention						

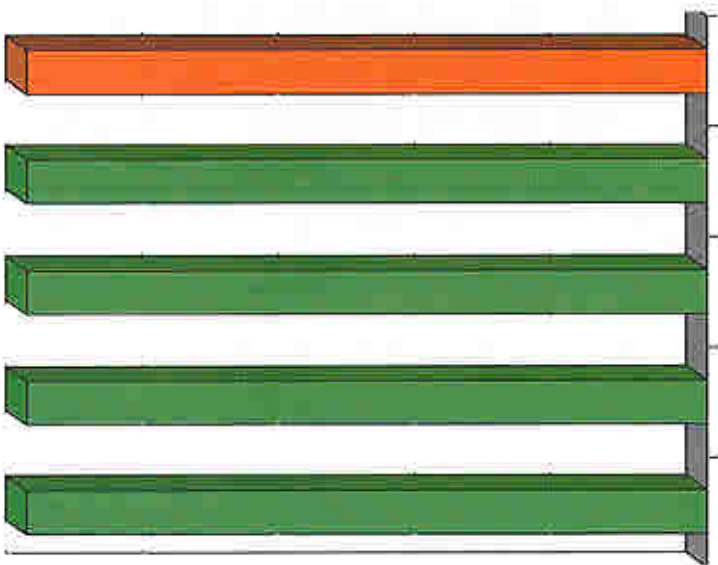
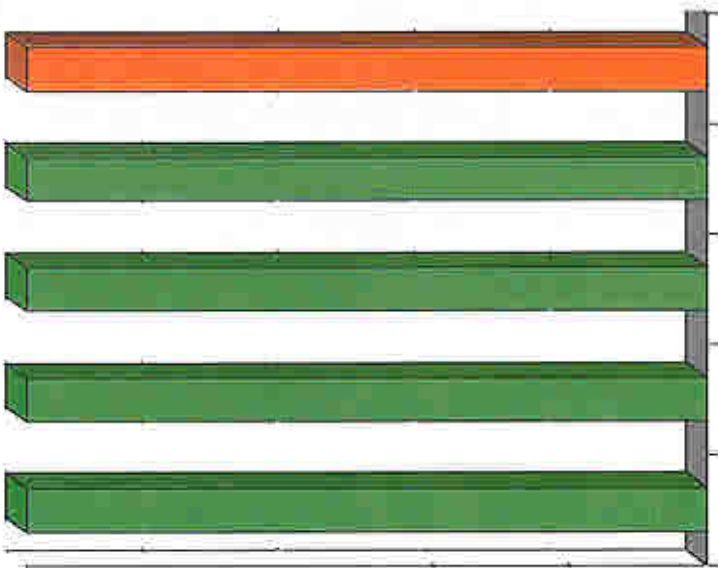


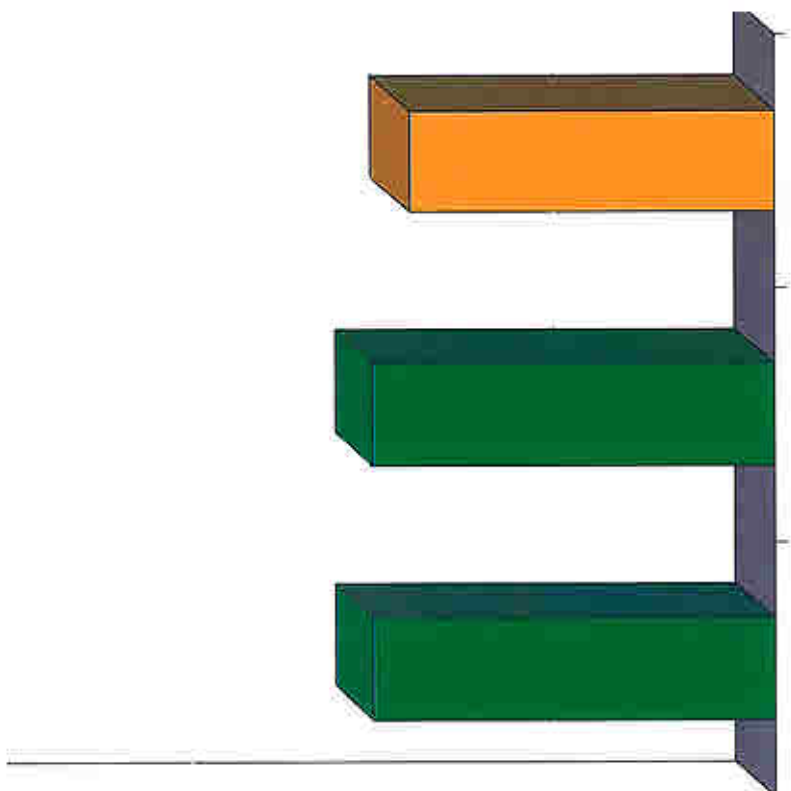
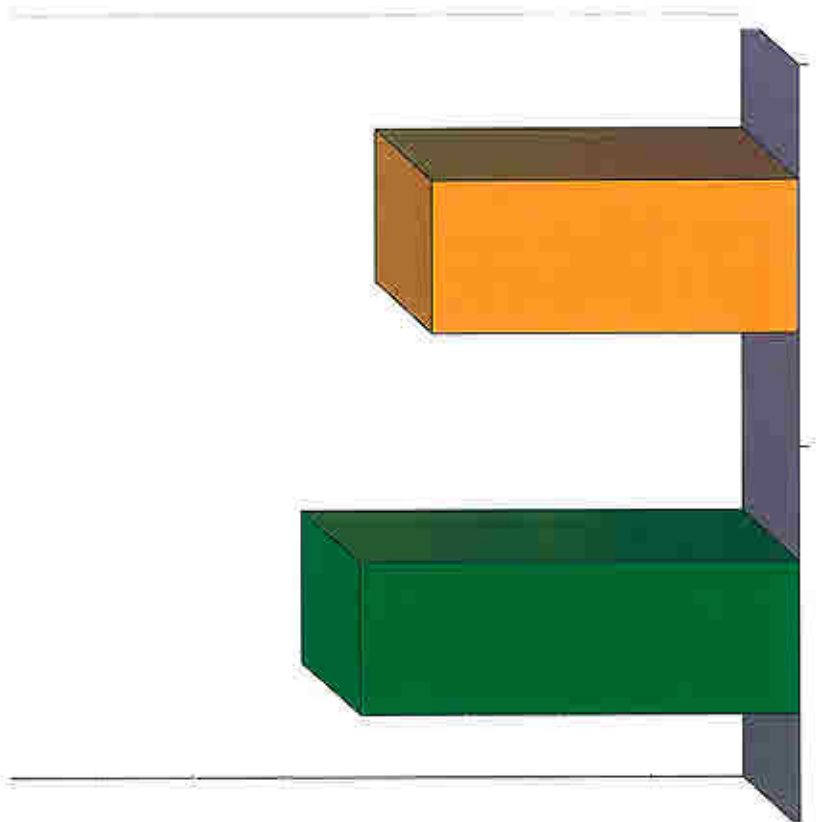


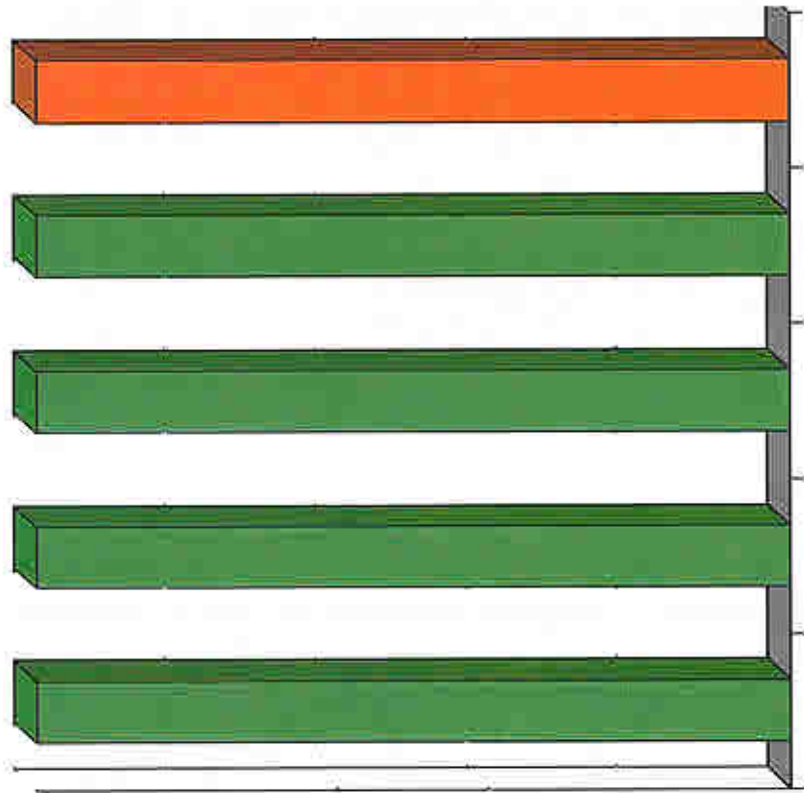
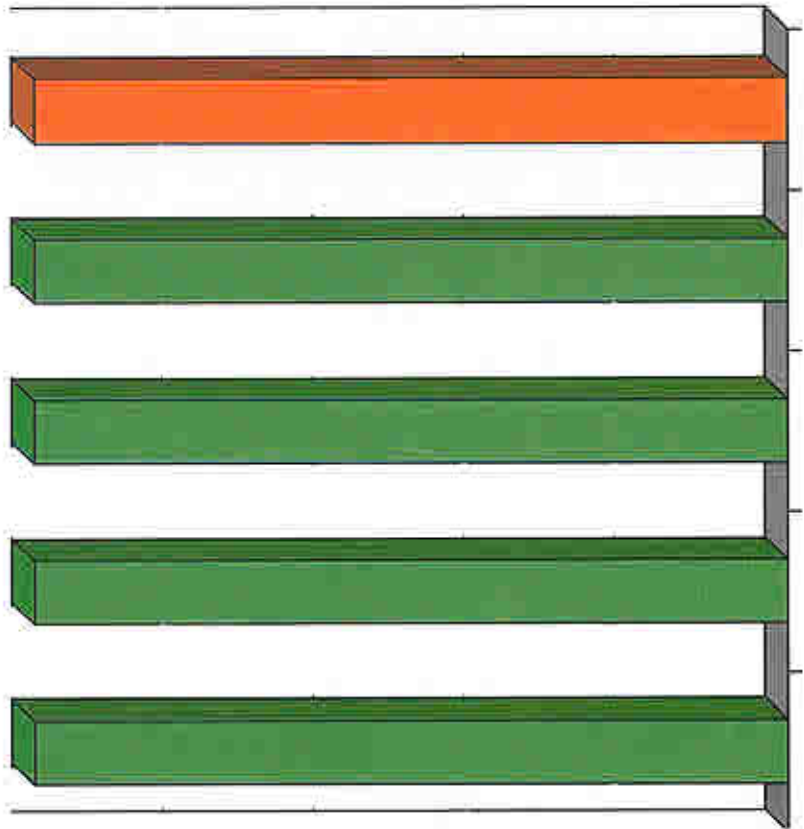


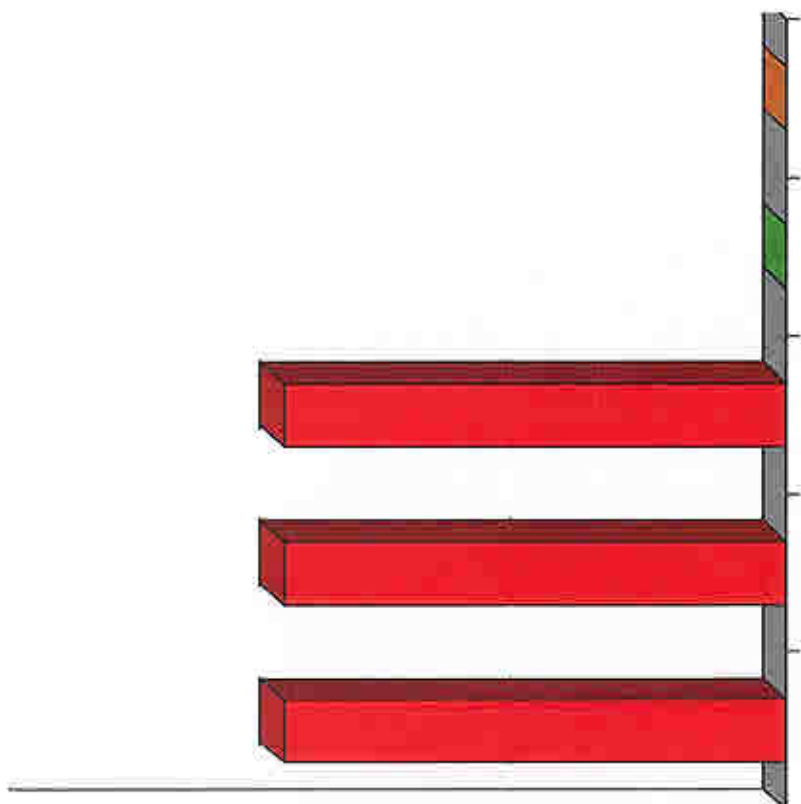
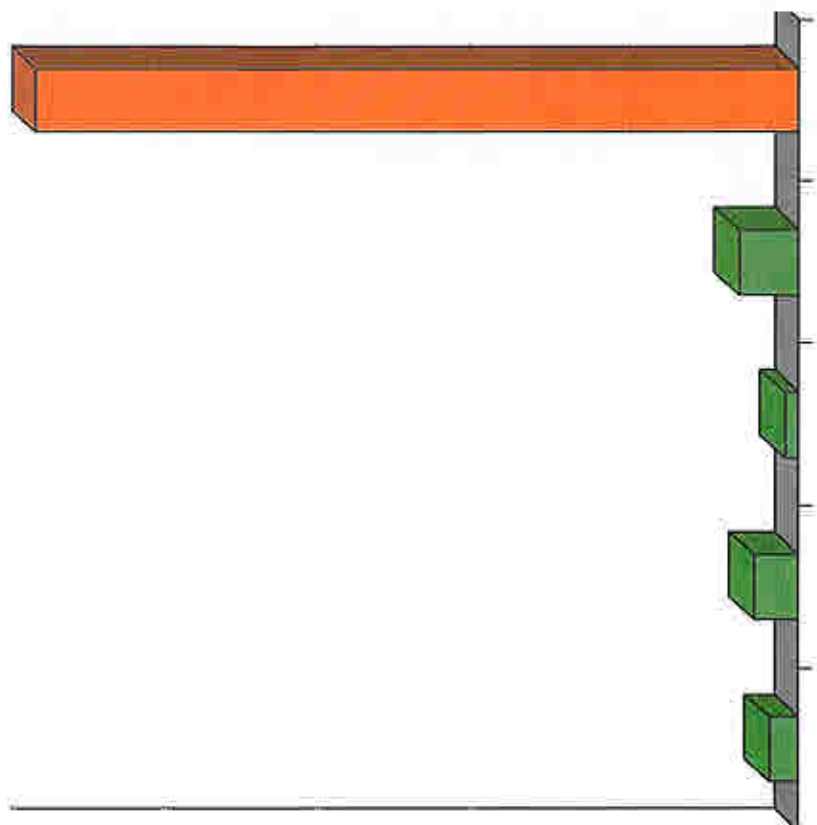


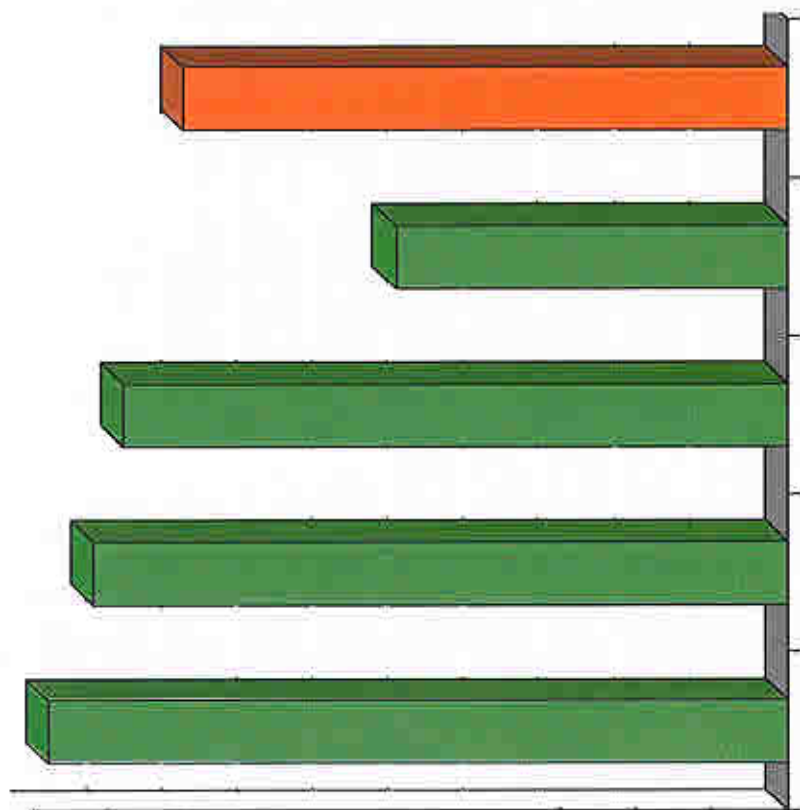
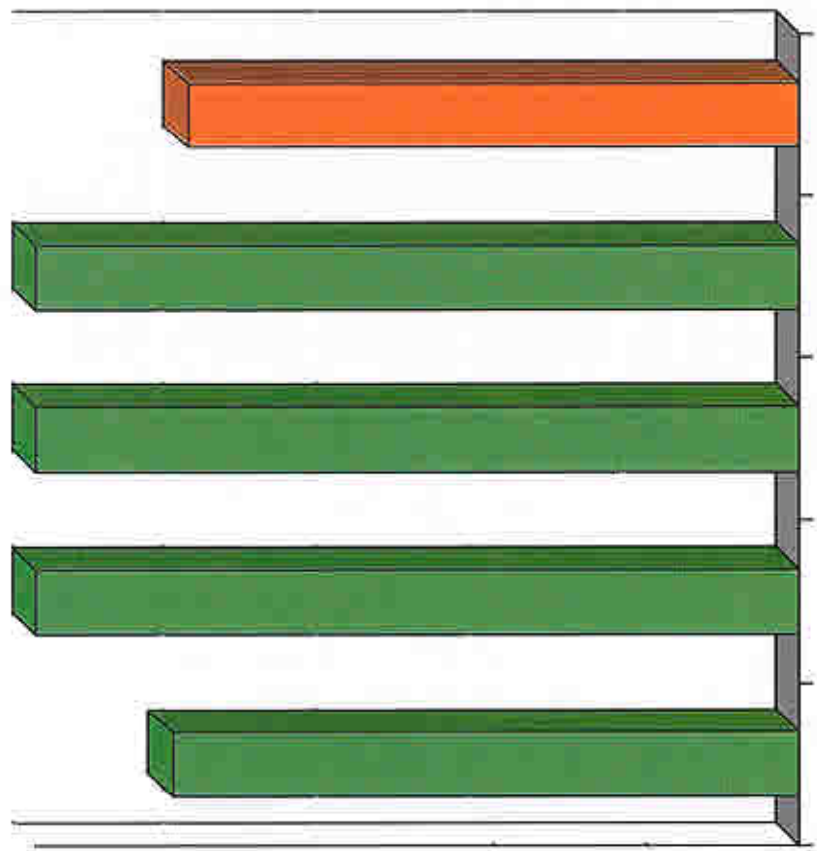




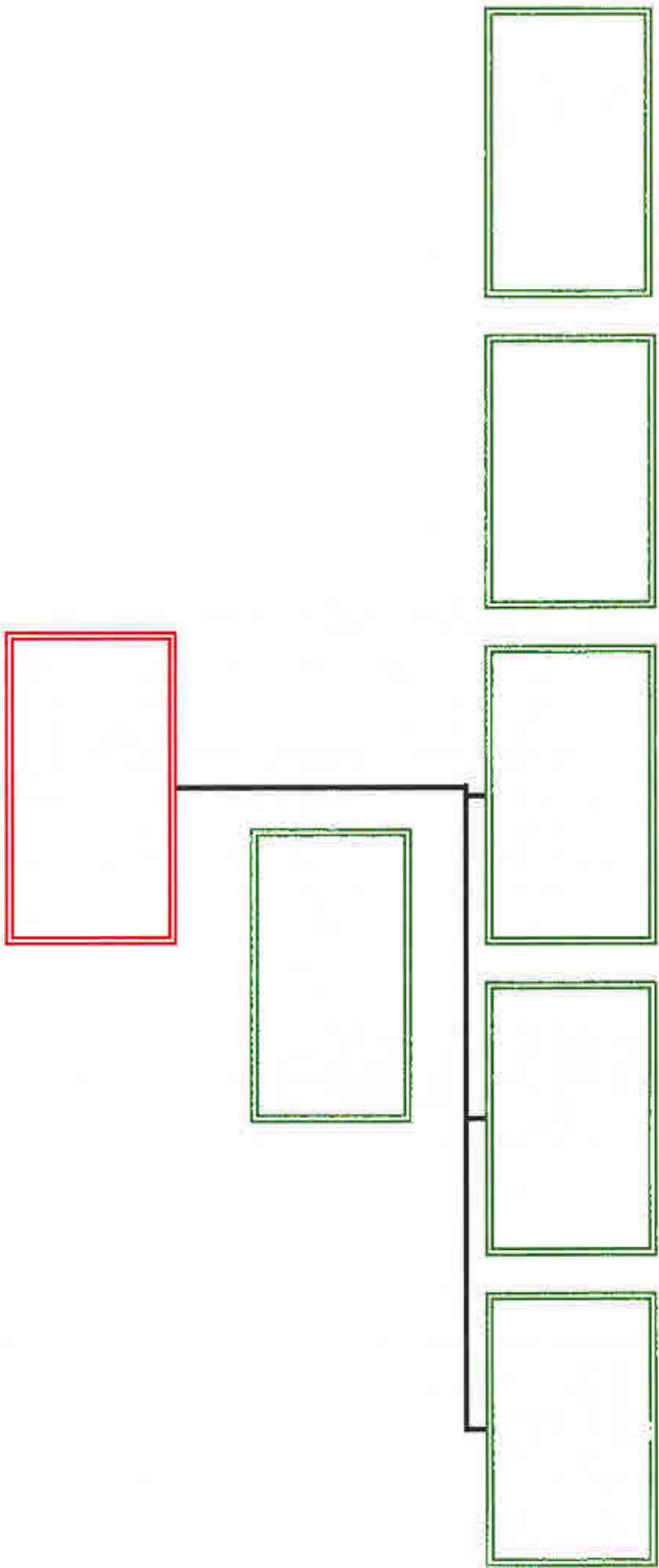


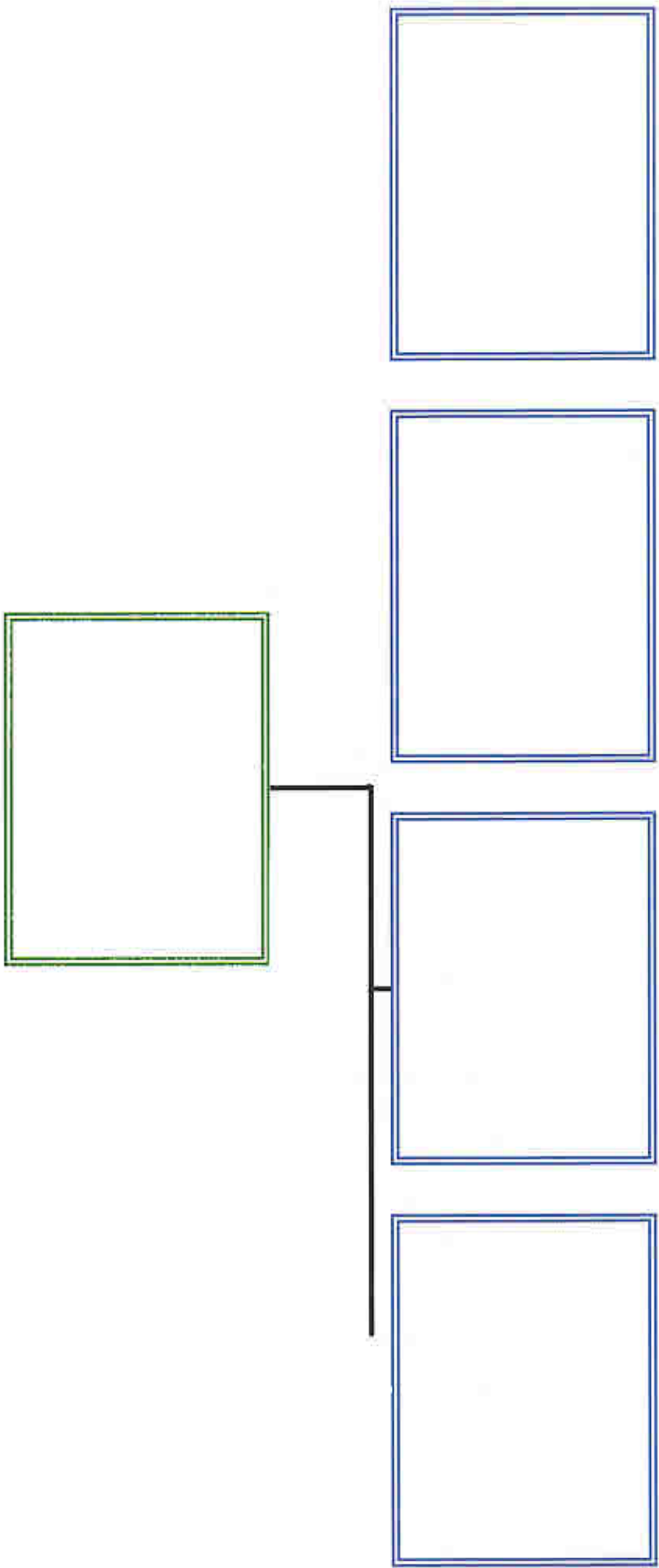


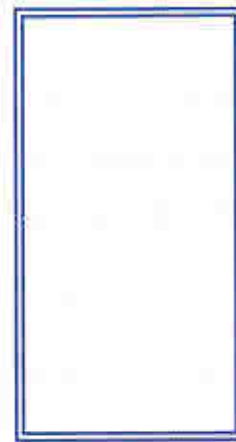
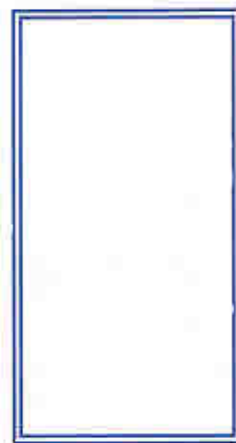


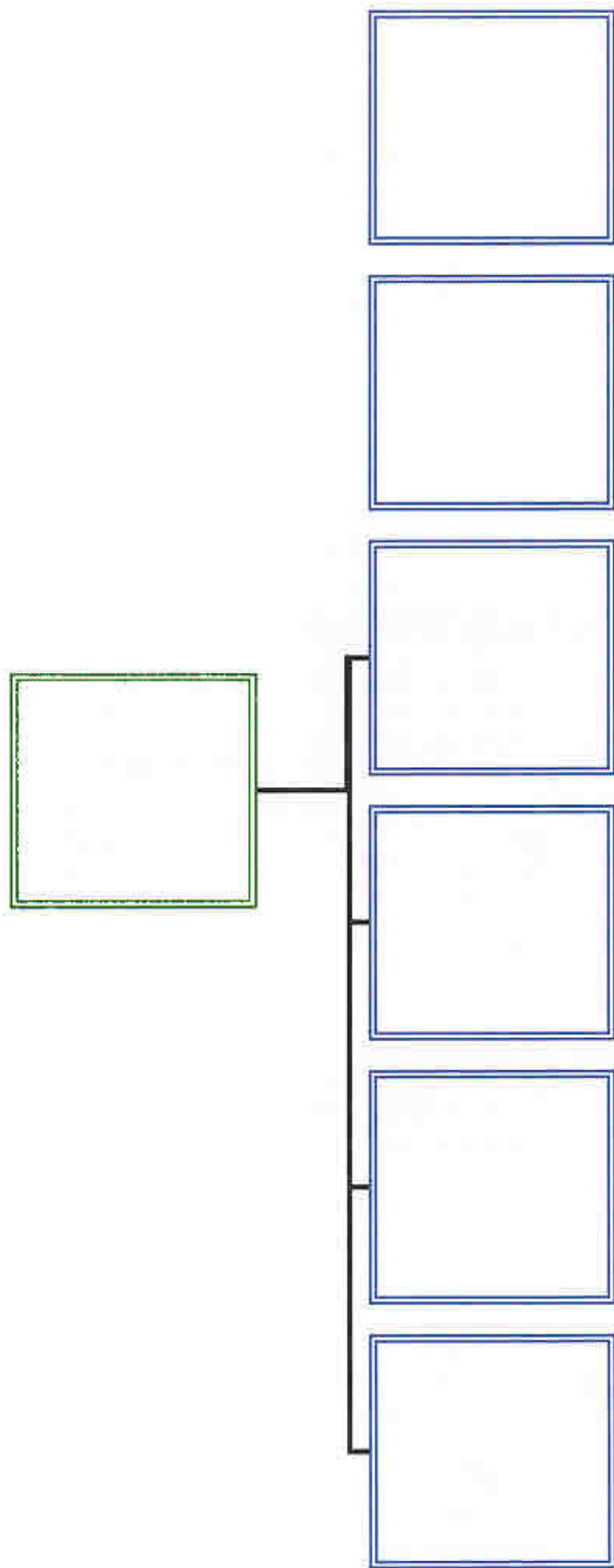


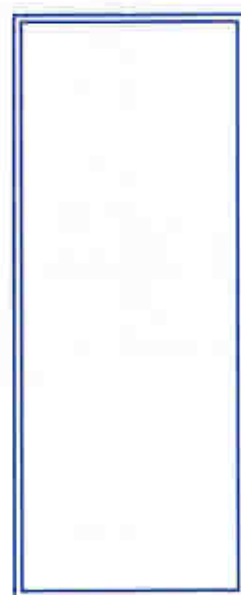
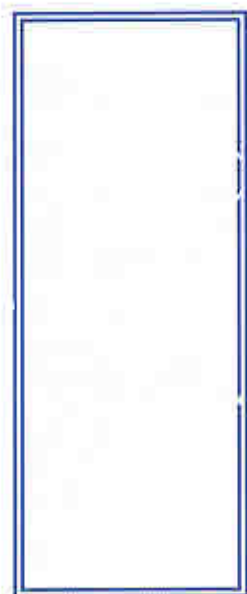
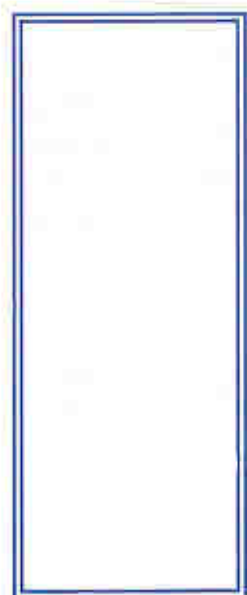
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2011 OPERATING AND CAPITAL BUDGETS

APPENDIX B

2011 OPERATING AND CAPITAL BUDGET PRESENTATION SLIDES



Waterloo North Hydro Inc.

“2011 Budget Review”

Dec. 16, 2010



2011 Budget Objectives

- **New Service Centre**
- **Smart Meter Program**
- **Rate Rebasing**
- **IFRS**
- **2011 Capital Program**
- **4 Year CDM Target**
- **Maintain debt at affordable levels**
- **Return to Shareholders**



Economic Environment

- Economic Forecasts
- Customer Base



Economic Environment - Ontario

Indicator	2010	2011	2012
GDP Growth %	3.0	2.4	2.3
Employment Growth %	1.7	1.3	1.2
Housing Starts (000s)	59.4	47.0	54.5
Retail Sales Growth %	4.4	3.9	3.8
CPI	2.4	2.3	2.1

Source: TD Bank – Dec. 15/10



Economic Environment - KW Region

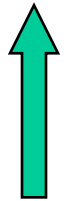
Indicator	2010	2011	2012	2013	2014
GDP Growth %	3.3	4.4	4.8	4.0	3.6
Employment Growth %	-1.0	2.6	3.1	2.7	1.8
Population Growth %	1.1	1.2	1.3	1.4	1.4
Housing Starts (000s)	2.7	3.3	3.8	3.8	3.7
Retail Sales Growth %	4.1	6.4	7.2	5.6	4.8
CPI	2.4	2.5	2.3	2.1	2.0

Source: Conference Board of Canada - Winter/2010

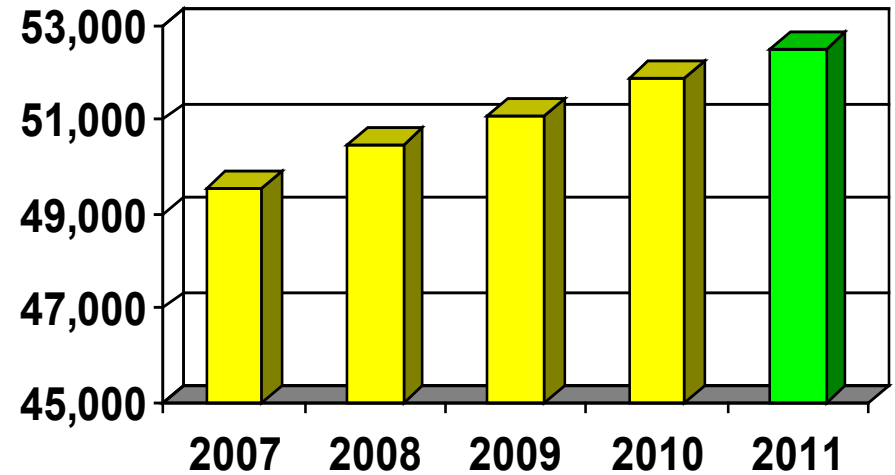


Sustainable Growth

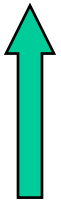
Customers



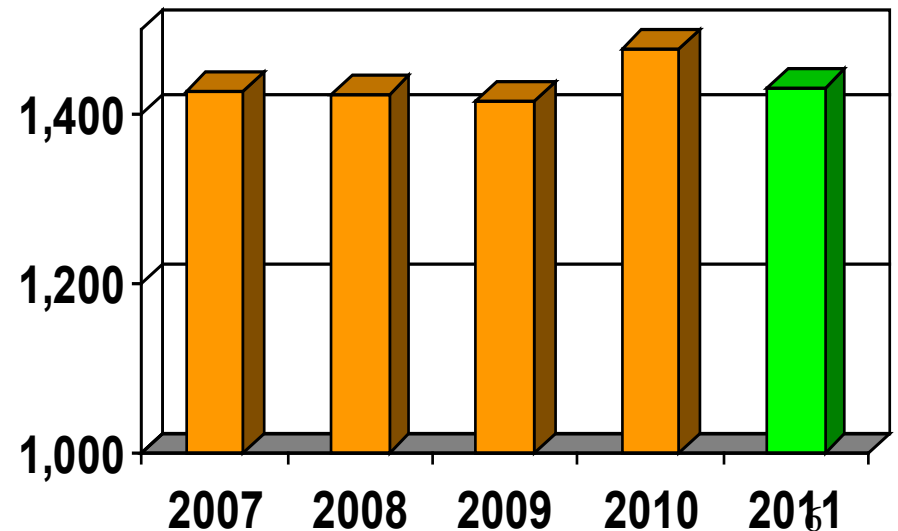
7.9% over last
5 years



Energy in GWh



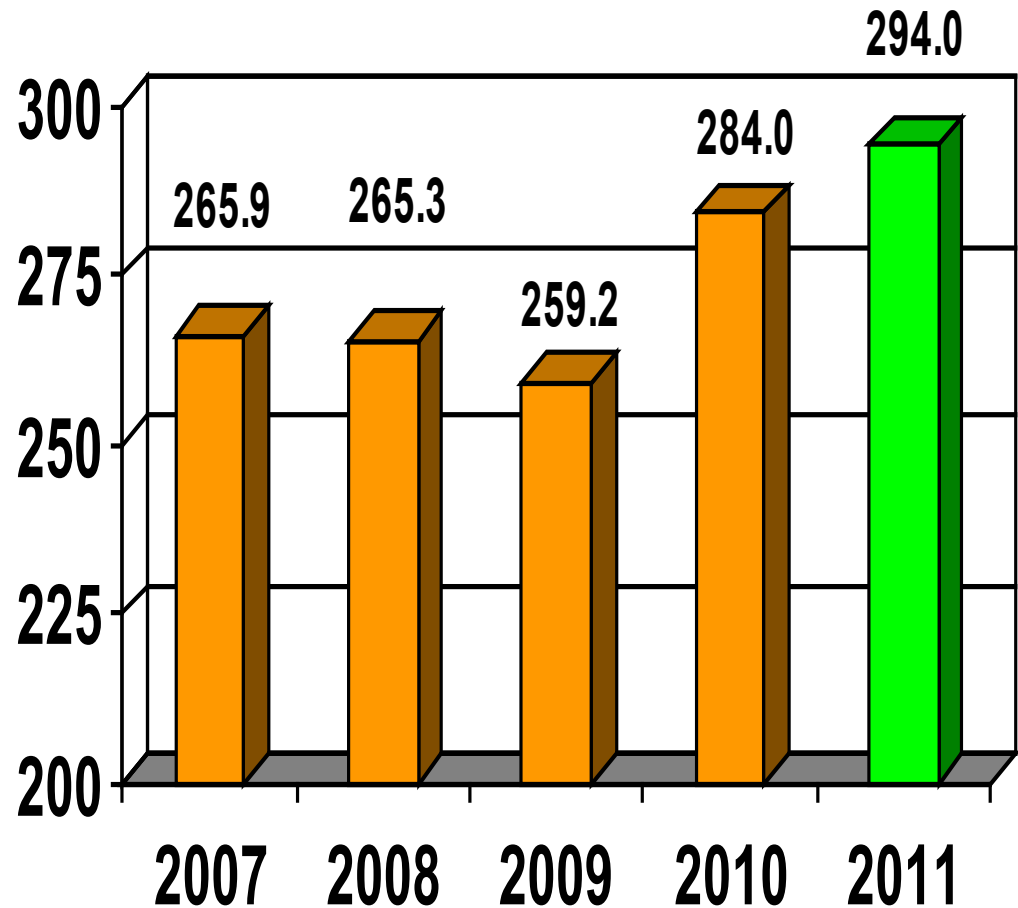
8.0% over last
5 years





Peak Growth - MW

↑ 9.8% over
last 5 years



Top 20 LDCs (2009)

Rank	Distributor	Customers
1	Toronto Hydro-Electric System Limited	690,243
2	PowerStream Inc.	320,695
3	Hydro Ottawa Limited	298,855
4	Horizon Utilities Corporation	234,666
5	Enersource Hydro Mississauga Inc.	189,738
6	London Hydro Inc.	146,787
7	Hydro One Brampton Networks Inc.	131,027
8	Veridian Connections Inc.	111,994
9	Kitchener-Wilmot Hydro Inc.	85,998
10	EnWin Utilities Ltd.	84,726
11	Burlington Hydro Inc.	63,558
12	Oakville Hydro Electricity Distribution Inc.	62,858
13	Oshawa PUC Networks Inc.	52,488
14	Waterloo North Hydro Inc.	51,089
15	Niagara Peninsula Energy Inc.	50,823
16	Cambridge and North Dumfries Hydro Inc.	50,201
17	Thunder Bay Hydro Electricity Distribution Inc.	49,922
18	Guelph Hydro Electric Systems Inc.	49,299
19	Greater Sudbury Hydro Inc.	46,539
20	Whitby Hydro Electric Corporation	39,513



Waterloo North Hydro Inc.

**“2011 Capital Program
Overview”**



Waterloo North Hydro Inc.

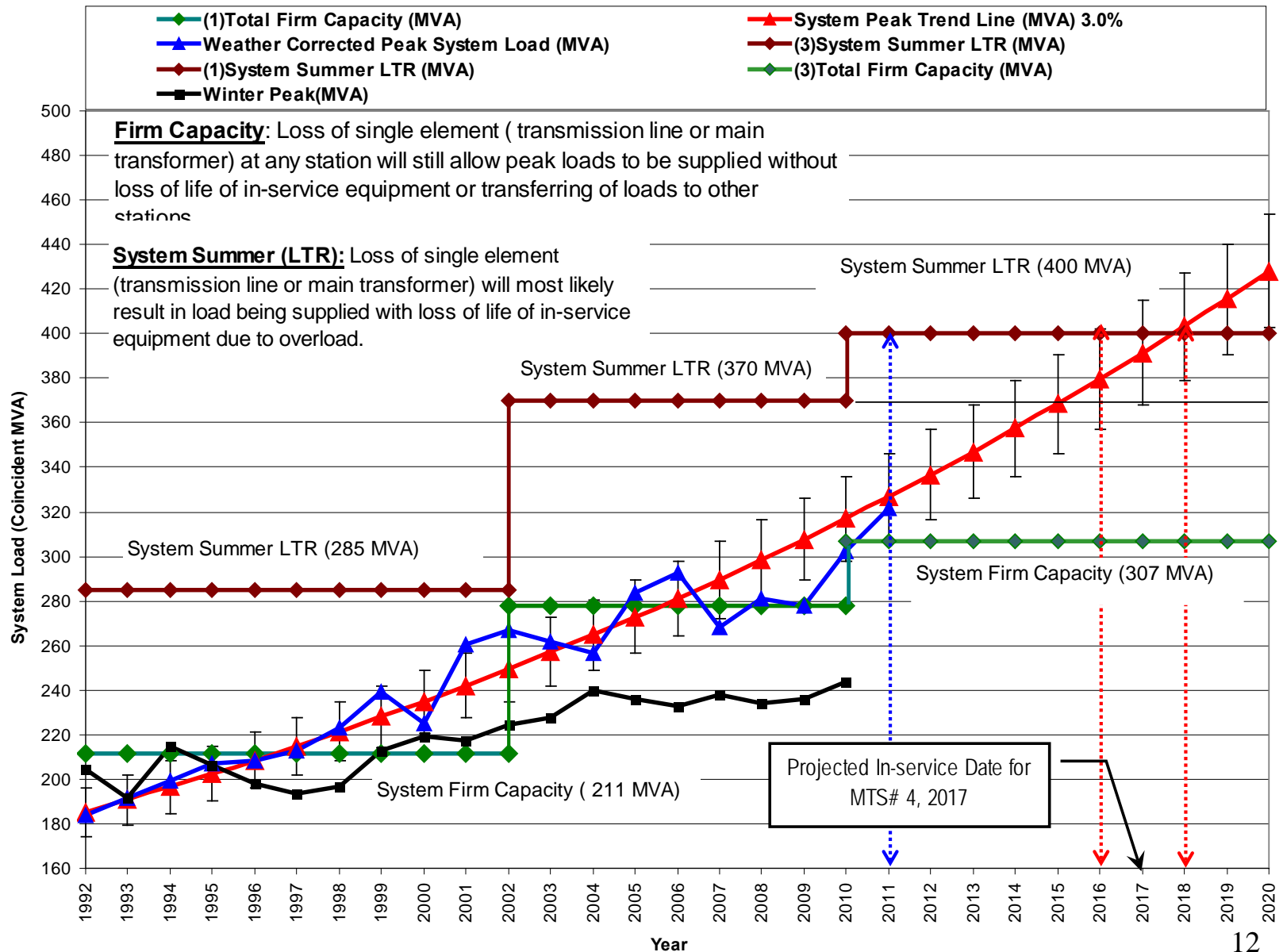
“Stations & Supply”



System Peak Demand

- 2010 Summer
 - 2011 rose to an all time high of 284MW / 302MVA. (+9.5%)
 - 2010 peak is a 6% increase over the previous all time high of 268 MW / 293 MVA set in 2006
 - increase was due in part to a return to warmer summer temperatures and strong growth in commercial development
- 2011 Summer
 - Growth in 2011 electrical demand is forecast at 3.5%.
 - Growth in commercial development is seen to be strong
 - Residential load is expected to increase

Summer System Load Growth Forecast





Stations – Priorities

- New Service Centre
 - Construction completion & occupancy
- Eby Rush TS (ERTS)
 - Life Extension - RTU and Protection Upgrades
- Scheifele “A” (HMSTS)
 - Life Extension - replace feeder cables
- Scheifele “B” (HMSTS)
 - Life Extension - RTU and Protection Upgrades
 - Expansion - 3 New Feeders into City of Waterloo
- Retire 4 kV stations
 - Disposal of MS 3, 6, 7, 8, 9 properties
- SCADA Master System replacement
- Distribution Automation
 - New reclosers & Switches
 - Enable Distributed Generation



Waterloo North Hydro Inc.

“Overhead Distribution”



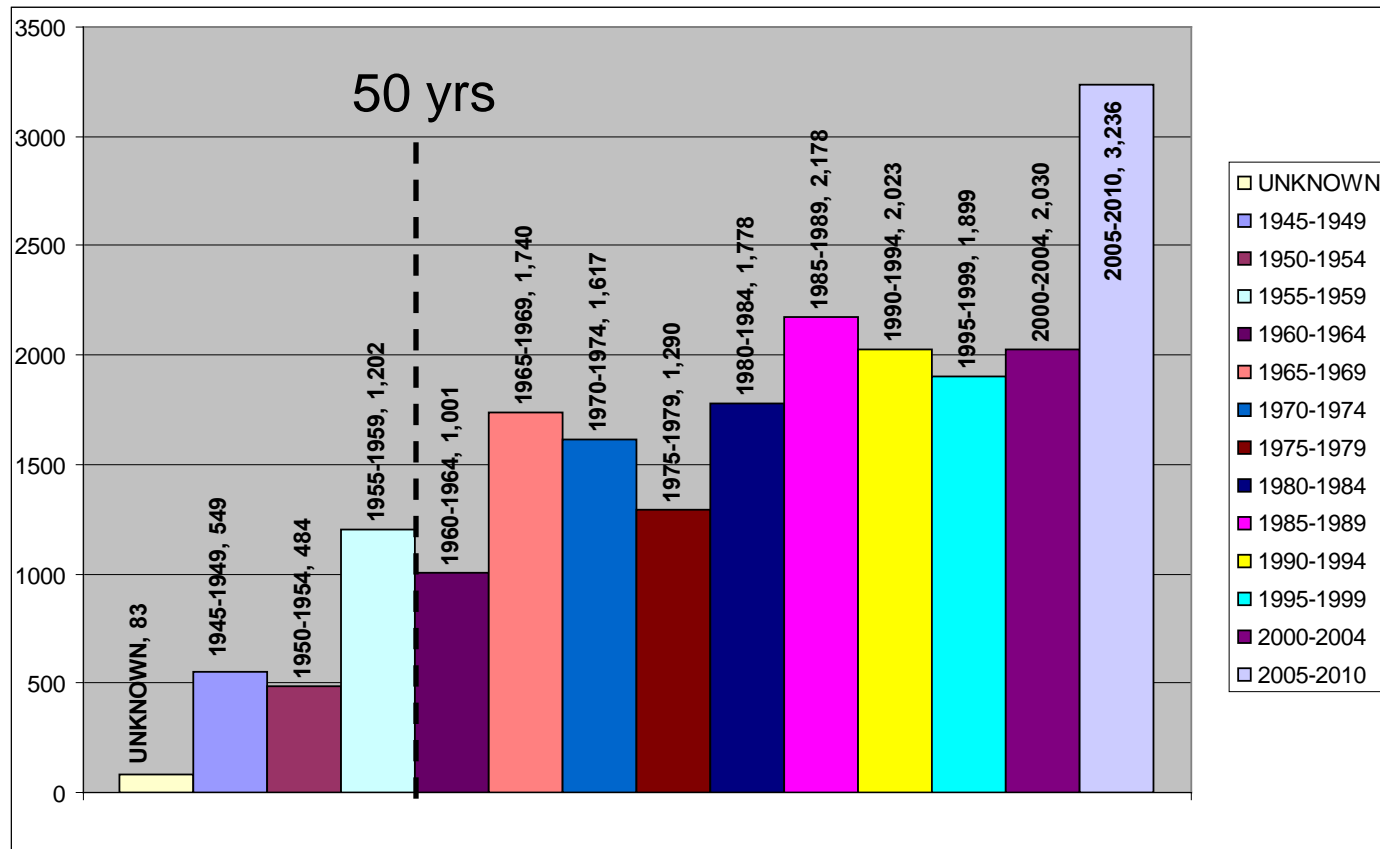
Overhead Distribution Priorities

- Rebuild & Voltage Conversion – City of Waterloo & Townships
- New Lines – City of Waterloo
 - HMSTS New Feeder Lines (2)
 - Columbia St extension
- Rebuild Waterloo rear lot lines - Elmira / Waterloo
- Work towards eliminating Load Transfer Customers



Overhead Distribution Demographics

Number of Poles



2007

1939 – 1957 (2265 poles)

591 replaced

2009

1940 – 1959 (2389 poles)

773 replaced

2008

1940 – 1958 (2346 poles)

648 replaced

2010

1945 – 1950 (2510 poles)

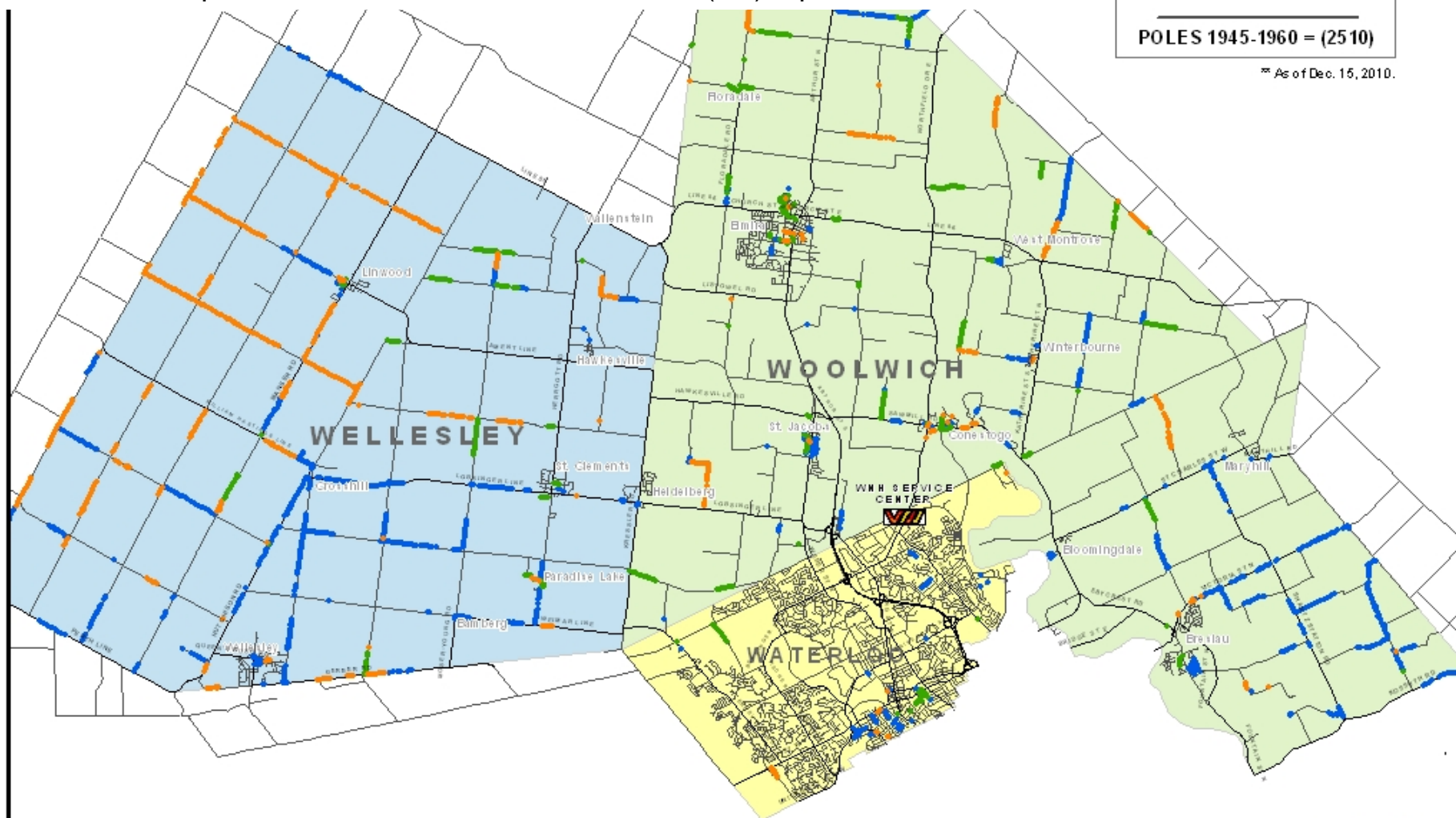
724 (est) replaced

LEGEND

- POLES 1945-1950 (729)
- POLES 1951-1955 (481)
- POLES 1956-1960 (1300)

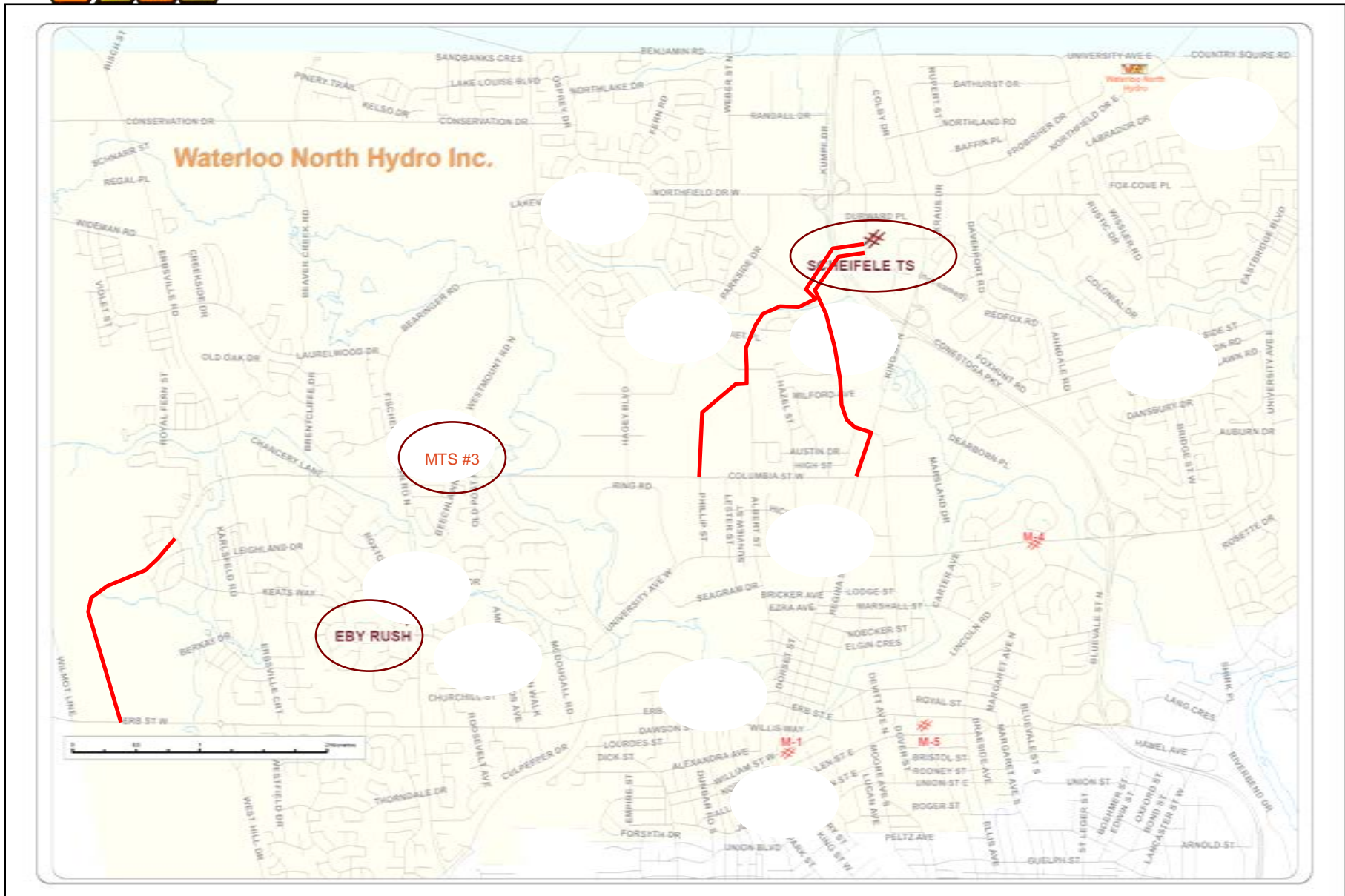
POLES 1945-1960 = (2510)

As of Dec. 15, 2010.





New Lines – City of Waterloo





Waterloo North Hydro Inc.

“Underground Distribution”

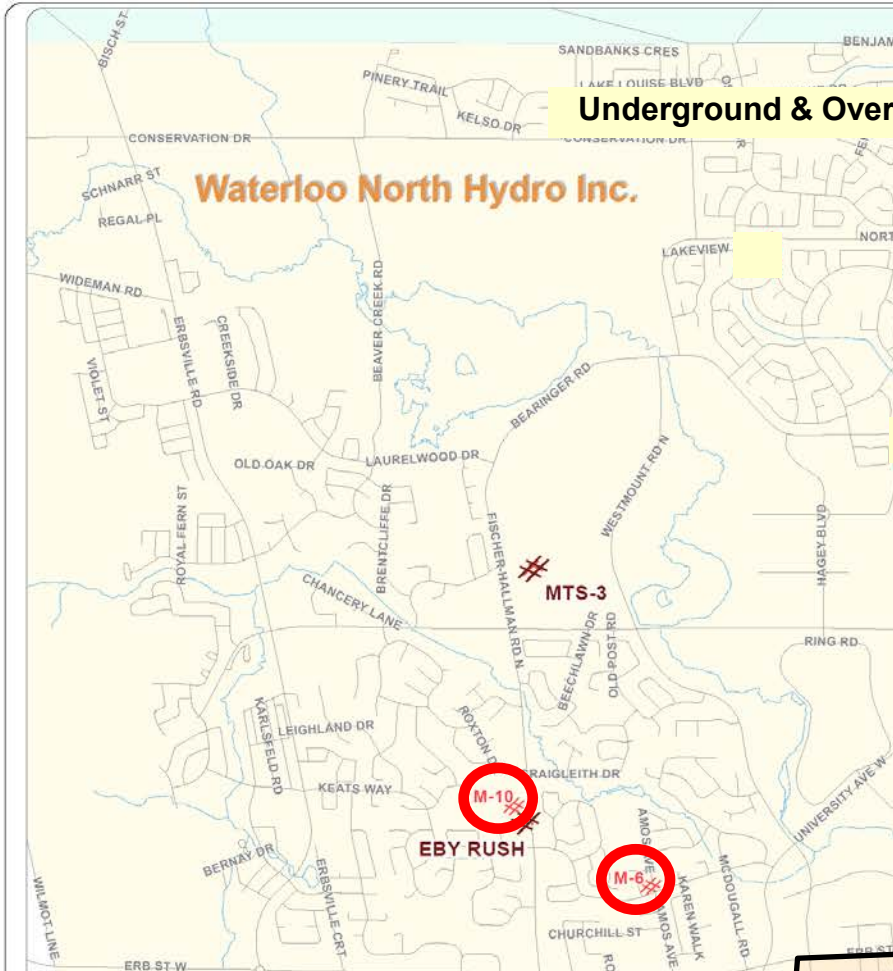


Underground Distribution Priorities

- Subdivisions
 - Meet needs of the developers (~775 lots)
- Cable Replacement & Voltage Conversion
 - Complete 2011 work plan (~8000 m)
- Underground Lines
 - Support 2 new OH feeders from HMSTS to Weber St
 - Silverlake Developments Inc., "The Barrel Yards"



Voltage Conversion - City of Waterloo



Underground & Overhead Voltage Conversion

* 4kV underground fed by step down Tx

2012
UG*

2011 UG
&
2012 OH
2013 OH



Waterloo North Hydro Inc.

“Metering”



Metering - Priorities

- Smart Meter Implementation
 - Install remaining 5% of meters
 - Network commissioning and acceptance
 - Continue to develop Operational Data Store functions
- Continue to develop Wholesale MSP services



Waterloo North Hydro Inc.

Financial Overview



Capital Budget Expenditures (\$000,s)

	2011 Budget	% of Budget
System Expansion	\$ 7,086	20.3
Plant Replacement & Upgrade	8,459	24.2
Work Required by Road Widenings	563	1.6
Street Lighting	401	1.1
Rolling Stock, Equipment & Systems	3,079	8.8
Sub-Total	\$ 19,588	56.1
Smart Metering	860	2.5
Transformer Stations	437	1.3
Service Centre	14,027	40.2
TOTAL	\$ 34,912	100.0%



Capital Budget Funding (\$000,s)

	2011 Budget	% of Budget
Capital Contributions	\$ 2,042	5.8
Billable Capital	401	1.1
Cash From Operations	10,919	31.3
Borrowings	21,550	61.7
Total	\$ 34,912	100%



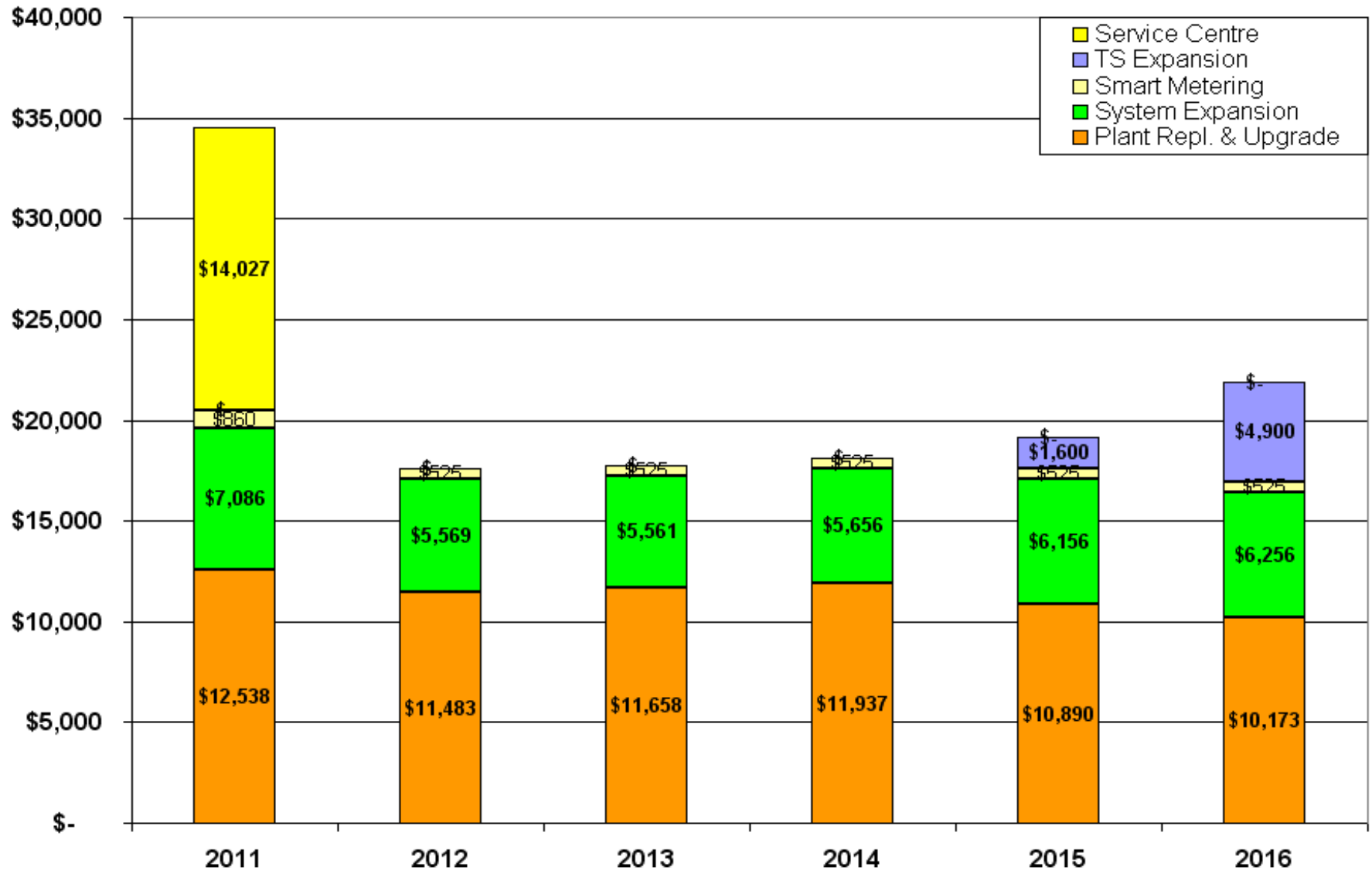
Operating Budget

(\$000,s)

	2010 Budget	2011 Budget	% Inc (Dec)
Revenue	\$ 26,126	28,928	10.7
Controllable Costs	<u>10,704</u>	<u>10,994</u>	<u>2.7</u>
Earnings before Interest, Taxes & Dep'n	\$ 15,422	\$ 17,934	16.3
Depreciation	<u>7,836</u>	<u>8,523</u>	<u>8.8</u>
Earnings before Interest and Taxes	\$ 7,586	\$ 9,411	24.1
Interest	<u>3,091</u>	<u>3,385</u>	<u>9.5</u>
Earnings before Taxes	\$ 4,496	\$ 6,026	34.0
Income Taxes	1,439	1,747	21.4
Net Earning	\$ 3,057	\$ 4,279	40.0



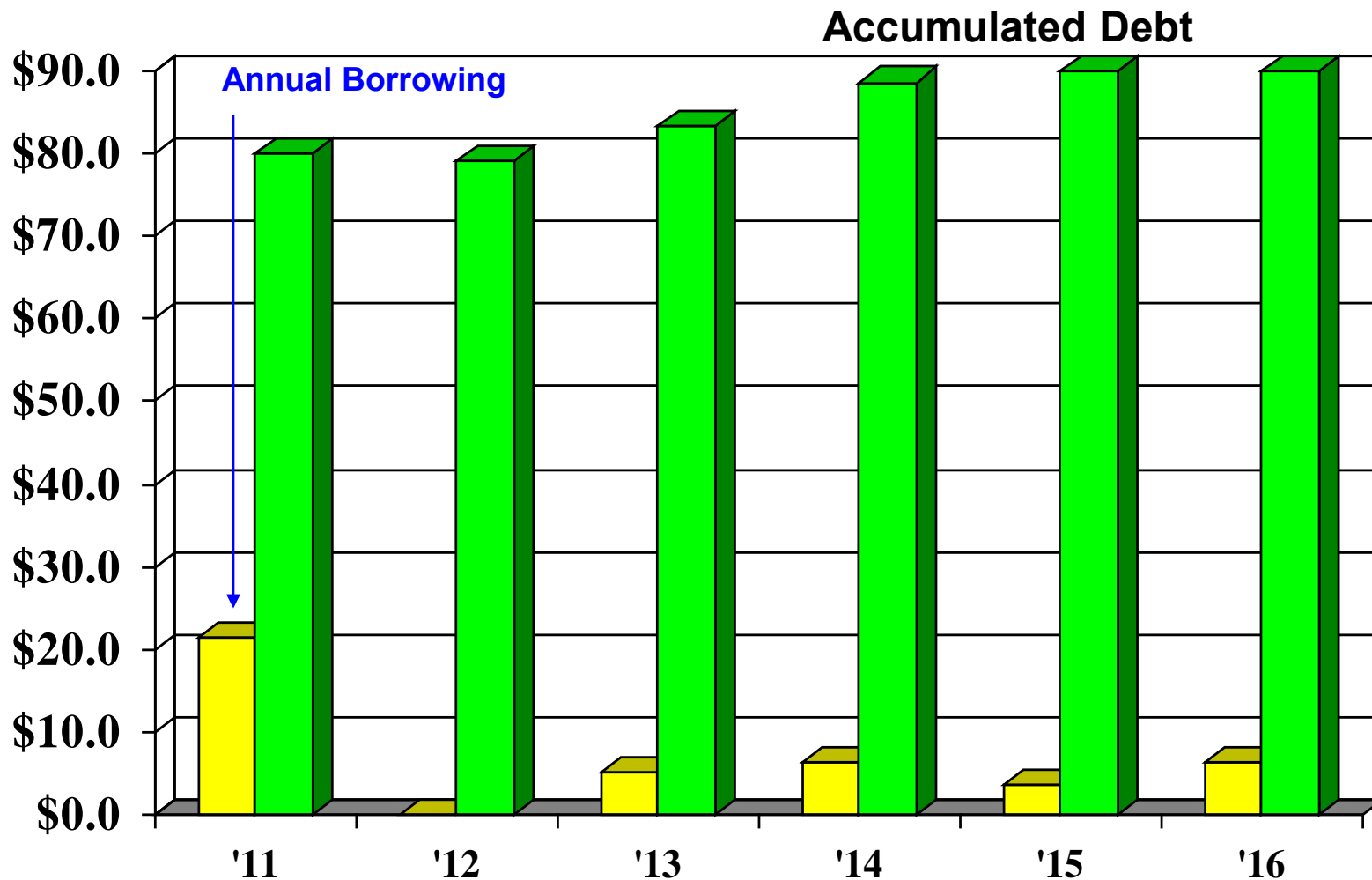
Capital Budget Expenditures (\$000.s)





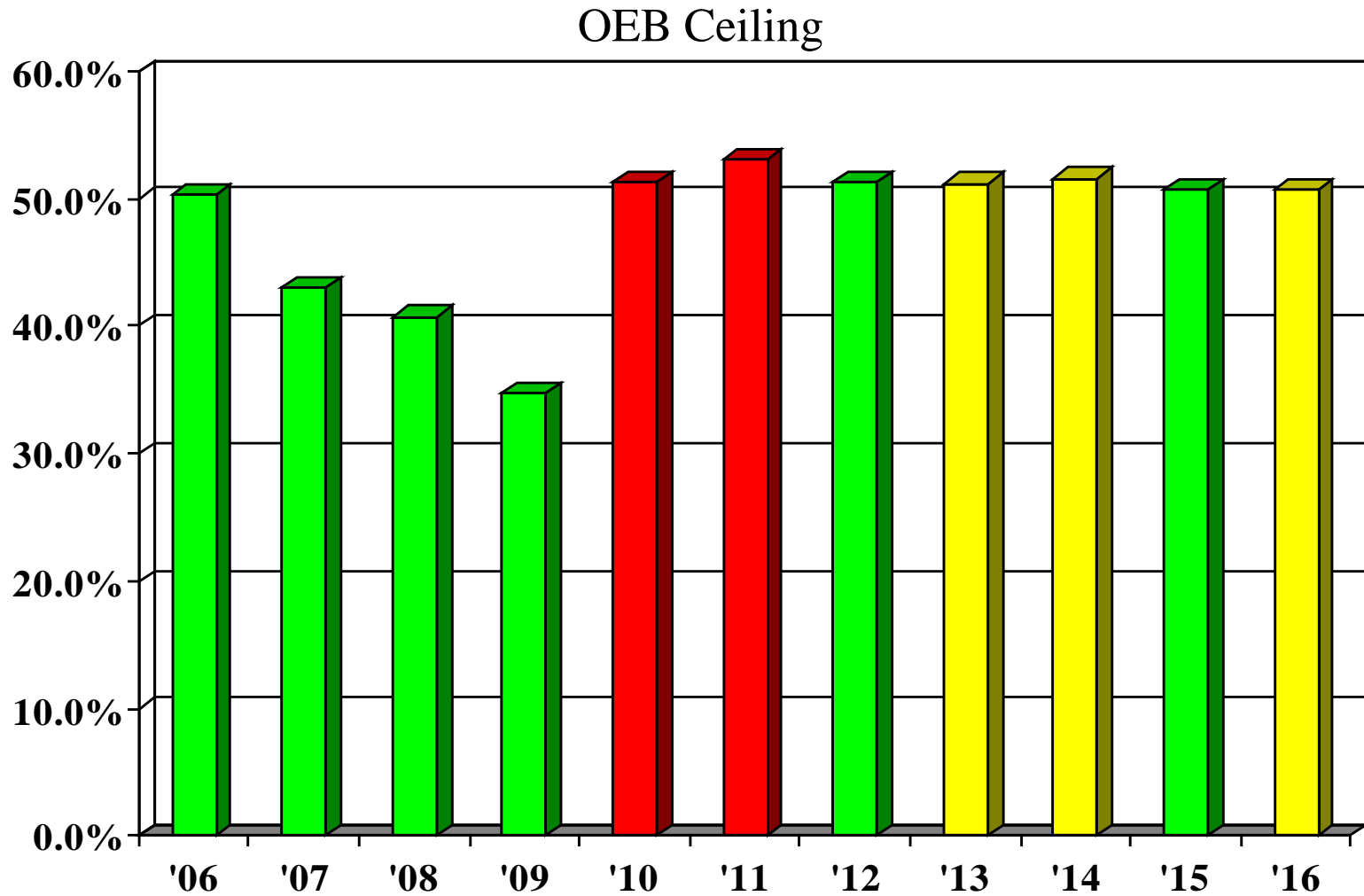
Waterloo North Hydro Inc.

Debt Load (Millions)





KPI - *Debt Ratio*



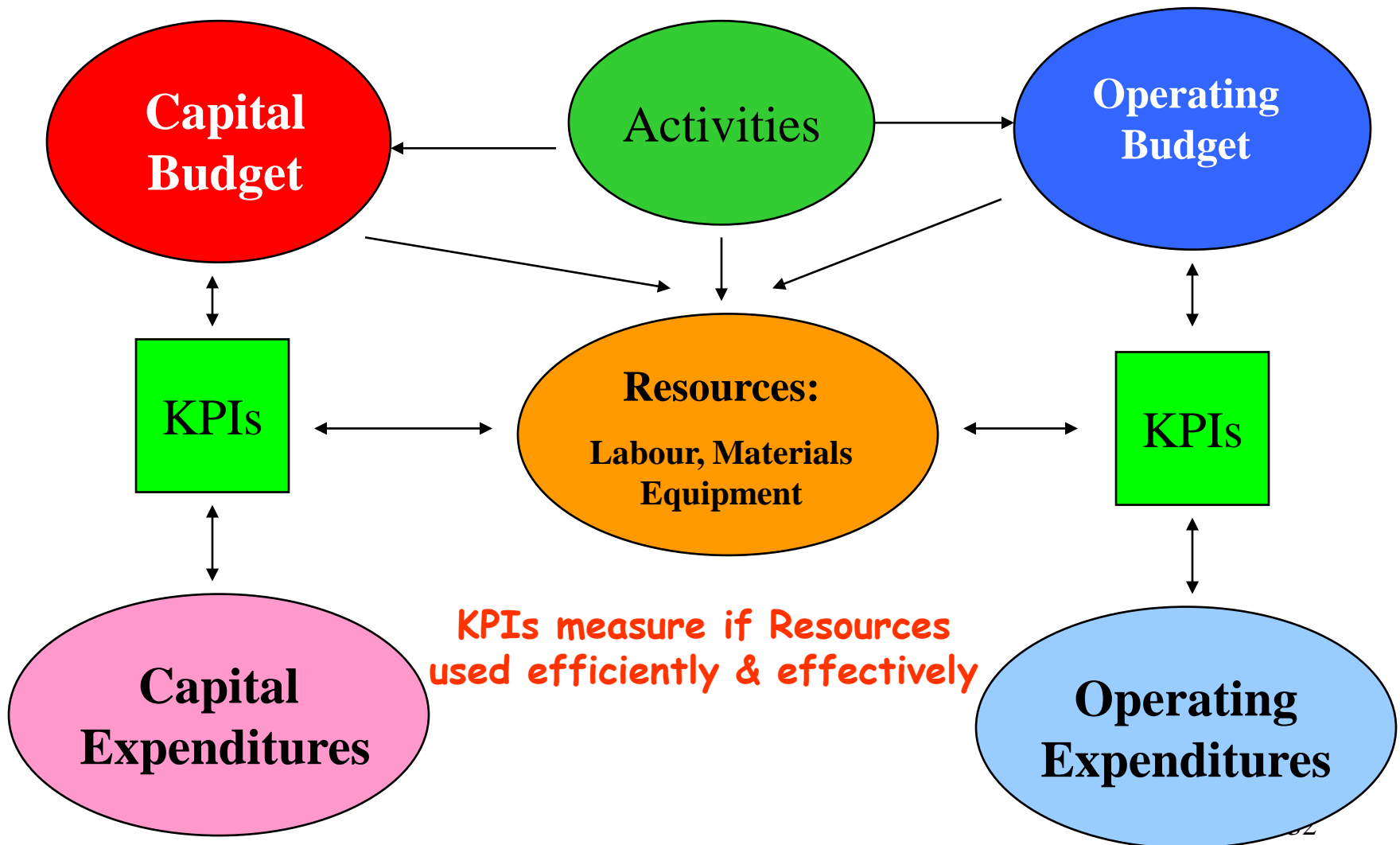


Return to Shareholders

- **Interest**
 - **Sr. Debt** - **\$1,036k**
- **Dividends**
 - **Interest on Jr. Debt** - **\$1,361k**
 - **Dividends** - **\$ 639k**

Total Return of \$3.0 Million

Budget Monitoring Process





2011 Budget Objectives

- **New Service Centre** ✓
- **Smart Meter Program** ✓
- **Rate Rebasing** ✓
- **IFRS** ✓
- **2011 Capital Program** ✓
- **4 Year CDM Target** ✓
- **Maintain debt at affordable levels** ✓
- **Return to Shareholders** ✓
- **Recommend Approval**



Waterloo North Hydro Inc.

Questions??

Supplementary Questions for Technical Conference -
Vulnerable Energy Consumers Coalition (VECC)

APPENDIX C

2010 DECEMBER 16, 2011

5.3 Financial Statements ending November 30, 2010

The Financial Reports were presented for information.

Albert Singh indicated that all the key performance indicators are positive and with only one month remaining, he expects year-end results to be favourable with an ROE after accruals and year-end adjustments at the 7.0% level.

5.4 2011 Operating and Capital Budgets

Rene Gatien complimented the Vice-Presidents for their efforts in pulling the budget together.

Albert Singh and Herb Haller made a brief presentation of the major items and their financial implications that would impact on the 2011 Operating and Capital Budgets. The presentation provided the Board with an overview of the 2011 business plan and the five-year forecast of customer and load growth needs of the utility.

Following a full Board discussion the following motions were passed.

Moved by Chuck Martin and seconded by Jack Boehmer

“THAT the staff report and the presentation of the 2011 Operating and Capital Budgets be received;

THAT the 2011 Capital Budget in the amount of \$34,912,386 be approved;

THAT the 2011 Operating Budget with Distribution & Other Revenues of \$ 28,927,650, Controllable Costs of \$ 10,994,088 and Net Earnings of \$ 4,278,906 be approved; and

THAT the 2012 to 2016 Five Year Capital Plan be received.”

Carried Unanimously

5.5 Board Meeting Schedule for 2011 – Future Meetings

The Board reviewed the Meeting schedule for conflict of dates

- Cancel the January 20th meeting but reserve the time in case a meeting was needed
- Confirmed attendance for the February 17th meeting (potential conflict with the Chamber Gala)
- It was agreed if a meeting was needed to move the March Meeting from March 17th to March 24th to accommodate March Break
- Move the September 15th board meeting to Thursday, September 22nd in order to allow sufficient time to have the Financial Statements prepared

Gene Moser thanked Ian McLean for serving as a Director on the two Boards of Waterloo North Hydro from 2008 thru 2010. Mr. Moser presented Ian with a glass plaque from the Board.

APPENDIX D

VECC TC 9

WATERLOO NORTH HYDRO INC.

2011 – 2015 LONG RANGE

CAPITAL INVESTMENT

Waterloo North Hydro Inc.

2011 - 2015 Long Range Capital Investment

Project Description	2011 Forecast	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Land	\$ 125,000	\$ 12,500	\$ 5,000	-	\$ 500,000
Land Rights	16,000	16,000	16,000	\$ 16,000	16,000
New Service Centre	11,839,151	2,318,469	-	-	-
TS Building Upgrade	15,000	15,000	15,000	15,000	15,000
TS Building New	-	-	-	100,000	800,000
TS Equipment Upgrade	450,000	900,000	600,000	-	400,000
TS Equipment New	-	-	-	1,500,000	4,000,000
OH - Rebuild Lines	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
OH - Relocate Lines	625,000	625,000	625,000	625,000	625,000
OH - New Feeders	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
UG - New Feeders	500,000	500,000	500,000	500,000	500,000
UG - Cable Replacement	1,600,000	1,600,000	950,000	500,000	500,000
UG - Residential Sub-Division	500,000	500,000	500,000	500,000	500,000
Services - OH	750,000	750,000	750,000	750,000	750,000
Services - UG	550,000	550,000	550,000	650,000	650,000
Meters - Wholesale	2,000	2,000	2,000	2,000	102,000
Meters - Smart	500,000	500,000	500,000	500,000	500,000
Systems Hardware	180,000	280,000	200,000	210,000	210,000
Systems Software	475,000	700,000	500,000	500,000	500,000
GIS - Mapping	170,000	175,000	180,000	185,000	190,000
Vehicles	507,500	607,500	562,500	615,000	555,000
Furniture & Equip. - Fleet	300,000	180,000	180,000	175,000	190,000
Furniture & Equip. - Engineering	2,500	2,500	2,500	2,500	2,500
Furniture & Equip. Metering	5,000	5,000	5,000	5,000	5,000
Furniture & Equip. Operations	80,000	-	-	-	-
Furniture & Equip. - Gen. Maint	5,000	5,000	5,000	5,000	5,000
Furniture & Equip. Stores	45,000	-	-	-	-
Furniture & Equip - Stations	5,000	75,000	5,000	5,000	5,000
SCADA Equipment	1,100,000	450,000	250,000	250,000	650,000
Streetlight Construction	550,000	550,000	550,000	550,000	550,000
Billable Work	(550,000)	(550,000)	(550,000)	(550,000)	(550,000)
	\$ 27,047,151	\$ 17,468,969	\$ 13,603,000	\$ 14,310,500	\$ 18,870,500

APPENDIX E

VECC TC 12

WATERLOO NORTH HYDRO INC.

FIVE YEAR OPERATING

FORECAST

Waterloo North Hydro Inc.
Five Year Operating Forecast
(\$000,s)

	2011	2012	2013	2014	2015
Revenue					
<i>Sales of Electricity</i>	\$ 90,750	\$ 92,565	\$ 94,416	\$ 96,305	\$ 98,231
<i>Distribution Revenue</i>	28,618	29,190	29,774	30,369	32,363
<i>Other Revenue</i>	1,197	1,221	1,246	1,270	1,296
Total Revenues	\$ 120,565	\$ 122,976	\$ 125,436	\$ 127,944	\$ 131,889
Cost of Power	90,750	92,565	94,416	96,304	98,231
Gross Margin	\$ 29,815	\$ 30,411	\$ 31,020	\$ 31,640	\$ 33,659
Controllable Costs					
<i>Distribution</i>	\$ 5,316	\$ 5,422	\$ 5,531	\$ 5,642	\$ 5,754
<i>Billing & Collection</i>	2,240	2,285	2,331	2,378	2,425
<i>Community Relations</i>	263	268	274	279	285
<i>General Administration</i>	3,110	3,172	3,235	3,300	3,366
Total Controllable Costs	\$ 10,929	\$ 11,148	\$ 11,371	\$ 11,599	\$ 11,830
Earnings before Int.Taxes & Dep'n	18,886	19,263	19,649	\$ 20,041	21,828
Depreciation	8,397	8,756	9,077	9,179	9,484
Earnings before Interest & Taxes	\$ 10,489	\$ 10,507	\$ 10,572	\$ 10,862	\$ 12,344
Interest on Sr. Debt	1,036	1,036	1,036	1,036	1,036
Interest Payments - Bank	1,246	1,509	1,511	1,538	1,561
Interest Payments - Other	20	1	(18)	(32)	(36)
Interest on Jr. Debt	1,361	1,361	1,361	1,361	1,361
Earnings before Taxes	\$ 6,826	\$ 6,601	\$ 6,683	\$ 6,959	\$ 8,422
Income Taxes	2,082	1,914	1,938	2,018	2,442
Net Earnings	\$ 4,744	\$ 4,687	\$ 4,745	\$ 4,941	\$ 5,980