



EB-2010-0138

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 Niagara
Peninsula Energy Inc. for an order approving just and
reasonable rates and other charges for electricity
distribution to be effective May 1, 2011.

BEFORE: Marika Hare
Presiding Member

**DECISION ON PARTIAL SETTLEMENT
AND PROCEDURAL ORDER NO. 3**

BACKGROUND

Niagara Peninsula Energy Inc. ("Niagara Peninsula" or the "Applicant") filed an application with the Ontario Energy Board (the "Board"), received on November 26, 2010, 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 Niagara Peninsula charges for electricity distribution, to be effective May 1, 2011.

Niagara Peninsula is one of about 80 electricity distributors in Ontario regulated by the Board. In 2006, the Board announced the establishment of a multi-year electricity distribution rate-setting plan. On March 5, 2009, the Board informed Niagara Peninsula that it would be one of the electricity distributors to have its rates rebased for the 2011 rate year. Accordingly, Niagara Peninsula filed a cost of service application based on 2011 as the forward test year. In an effort to assist distributors in preparing their applications, the Board issued the *Filing Requirements for Transmission and Distribution Applications* on November 14, 2006. Chapter 2 of that document, as amended on June 28, 2010, outlines the filing requirements for cost of service rate

applications by electricity distributors, based on a forward test year.

In Procedural Order No. 1 dated January 20, 2011, the Board approved intervenor status and cost award eligibility for Energy Probe Research Foundation (“Energy Probe”), the School Energy Coalition (“SEC”), Vulnerable Energy Consumers Coalition (“VECC”), and intervenor status for Mr. Jacob Birch. The Board provided for written interrogatories and responses to these interrogatories from the Applicant. The Board also indicated that the next steps would be determined after its review of the responses to interrogatories.

Niagara Peninsula provided responses to written interrogatories on March 1, 2011. In Procedural Order No. 2 dated March 9, 2011, the Board provided for a technical conference, a settlement conference, and filing of a settlement agreement. On March 28, 2011, Niagara Peninsula, Board staff and the intervenors participated in a transcribed technical conference. On April 18 and 19, 2011, a settlement conference was held with the assistance of a facilitator. Mr. Birch did not participate in either of the technical or settlement conferences.

As a result of the settlement conference, the parties filed a Proposed Settlement Agreement (the “Agreement”), dated May 4, 2011. Settlement was reached on all issues in the proceeding except those addressed below.

PARTIAL SETTLEMENT

On May 4, 2011, Niagara Peninsula filed the Agreement with the Board. Niagara Peninsula, Energy Probe, SEC and VECC are parties (collectively, “the Parties”) to the Agreement.

The Agreement, included in Appendix A to this Decision, represents a comprehensive settlement of most issues. The unsettled issues are the cost of long term debt, and the effective date of the new distribution rates.

The Parties explicitly requested that the Board consider and accept the Agreement as a package, with the exception of one issue which is severable. The Parties agreed that they will be bound by the rest of the Agreement even if the Board were to not accept the agreement on this issue. The issue is a proposed increase in the Monthly Variable Retail Service Charge from \$0.50 to \$1.56 per customer per month. The Parties

requested an opportunity to make written submissions on this issue in the event that the Board were to reject this proposed increase.

THE UNSETTLED ISSUES

As previously noted, the unsettled issues are the cost of long term debt, and the effective date of the new distribution rates.

In Procedural Order No. 2, the Board required the Parties to indicate whether any unsettled issues be dealt with by way of an oral or written hearing. The Parties have agreed that the unsettled issues should be dealt with by way of written submissions.

FINDINGS

The Board commends the Parties for reaching a settlement on most issues in this proceeding. The Board accepts the Partial Agreement as filed on May 4, 2010 except for the increase in the Monthly Variable Retail Service Charge.

The Board notes that the current approved Monthly Variable Charge of \$0.50 per customer per month was set in March 2001 in the Electricity Distribution Rate Handbook, and that Niagara Peninsula did not request any changes to this charge in its application. Further, the Board notes that section 4.2(b) of the Retail Settlement Code requires that a distributor enter into a Service Agreement with each licensed retailer. While the Board recognizes that the parties to this proceeding have agreed that a Monthly Variable Retail Service Charge of \$1.56 would be appropriate the Board can not approve the amount as notice was not provided to affected parties, specifically retailers, as required by the Retail Settlement Code. The Board encourages Niagara to ensure notice is provided to retailers, before seeking Board approval, in order to revise the amount of the Monthly Variable Retail Service Charge to more closely reflect the actual costs of providing services.

Therefore, the Board finds that the Monthly Variable Retail Service Charge shall remain unchanged at \$0.50 per customer per month where applicable. The Board does not require submissions from the parties on this point.

On the matter of the two unsettled issues, the Board will hear submissions and intends to do so by way of written submissions.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. Niagara Peninsula shall file its written submissions on the unsettled issues no later than **May 18, 2011**.
2. Board staff and intervenors who wish to do so shall file written submissions on the unsettled issues with the Board and deliver them to Niagara Peninsula and all other intervenors no later than **May 20 2011**.
3. Niagara Peninsula, if it wishes to do so, shall file a written reply submission addressing any issues raised in any submissions filed by Board staff or intervenors no later than **May 25, 2011**.

All filings to the Board must quote file number **EB-2010-0138**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, May 16, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX “A”

To the Decision

EB-2009-0138

Niagara Peninsula Energy Inc.

SETTLEMENT AGREEMENT

May 4, 2011

Delivered by RESS and Courier

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Re: Niagara Peninsula Energy Inc.
2011 Electricity Distribution Cost of Service Rate Application
Board File Number: EB-2010-0138
Proposed Settlement Agreement

Dear Ms. Walli:

A settlement conference was convened in respect of this proceeding on April 18, 2011, in accordance with Procedural Order No. 2. The settlement conference continued into April 19, 2011. We are pleased to advise that the parties have achieved settlement on all but two issues. We would like to thank the OEB Staff and Mr. Haussmann for their assistance in this process.

Please find accompanying this letter a copy of the proposed Settlement Agreement. Each of the parties has reviewed and approved the proposed agreement.

The unsettled issues are cost of long term debt and effective date for the new rates – see Appendix A of Agreement. The parties propose that the two unsettled issues be the subject of written submissions only. In that regard, should the Board accept the proposed Settlement Agreement as filed, NPEI wishes to advise the Board that NPEI will be prepared to file its Argument-in-Chief on the two unsettled issues within one day from the date of the Board's communication.

If further information is required, please contact Suzanne Wilson, Vice-President Finance at 905-353-6004 or Suzanne.Wilson@npei.ca.

Yours truly,



Brian Wilkie
President & CEO

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 Niagara Peninsula Energy Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2011.

SETTLEMENT AGREEMENT

Filed: May 4, 2011

NIAGARA PENINSULA ENERGY INC.

SETTLEMENT AGREEMENT FOR APPROVAL OF ELECTRICITY DISTRIBUTION RATES

INTRODUCTION:	3
ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:	6
UNSETTLED MATTERS	7
OVERVIEW OF THE SETTLED MATTERS:	8
1. ADMINISTRATION (Exhibit 1)	9
2. RATE BASE (Exhibit 2).....	11
3. OPERATING REVENUE (Exhibit 3)	18
4. OPERATING COSTS (Exhibit 4)	23
5. COST OF CAPITAL (Exhibit 5)	28
6. CALCULATION OF REVENUE DEFICIENCY OR SURPLUS (Exhibit 6)	30
7. COST ALLOCATION (Exhibit 7)	31
8. RATE DESIGN (Exhibit 8).....	33
9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9).....	41
APPENDIX A-Summary of Unsettled Matters.....	44
APPENDIX B-Summary of the Significant Items Adjusted as a result of this Agreement.....	46
APPENDIX C – Updated Fixed Asset Continuity Schedules Including Depreciation.....	48
APPENDIX D-Updated Cost of Power	53
APPENDIX E-2011 Test Year Updated Load Forecast	55
APPENDIX F-2011 Test Year Updated Other Revenue	57
APPENDIX G-2011 Test Year Updated OM&A	59
APPENDIX H-2011 Test Year Updated PILS	61
APPENDIX I-2011 Test Year Updated Cost of Capital	74
APPENDIX J-2011 Test Year Updated Revenue Deficiency.....	76
APPENDIX K-2011 Test Year Updated Revenue to Cost Ratios	78
APPENDIX L-Summary of Updated Customer Impacts	82
APPENDIX M-Updated 2011 Test Year Low Voltage Rates	84
Appendix N-Updated 2011 Retail Service Transmission Rates (RTSR)	86
APPENDIX O-Updated 2011 Test Year EDDVAR Rate Riders.....	88
APPENDIX P-Updated 2011 Test Year Revenue Requirement Work Form	90

INTRODUCTION:

Niagara Peninsula Energy Inc. ("NPEI") is a medium sized LDC in the Province of Ontario and is responsible for providing regulated electricity distribution services to over 52,000 residential and business customers in the City of Niagara Falls, the Town of Lincoln, the Township of West Lincoln and the Town of Pelham. Niagara Peninsula Energy Inc. ("NPEI") owns and operates the electricity distribution system within its licensed service area of approximately 827 square kilometres within its service territory.

Niagara Peninsula Energy Inc. ("Niagara Peninsula") filed an application with the Ontario Energy Board, received on November 26, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Niagara Peninsula charges for electricity distribution, to be effective May 1, 2011. The Board has assigned the application File Number EB-2010-0138.

The Board issued a Notice of Application and Hearing on December 16, 2010. Energy Probe Research Foundation ("Energy Probe"), the School Energy Coalition ("SEC"), and the Vulnerable Energy Consumers Coalition ("VECC") applied for intervenor status and cost eligibility. Mr. Jacob Birch requested intervenor status and did not apply for cost eligibility. Ms. Marie Goertzen applied for observer status. The Board determined that Mr. Birch, Energy Probe, SEC, and VECC were granted intervenor status, and Ms. Goertzen was granted observer status.

The Board issued Procedural Order No. 1 on January 20, 2011, in which it approved the Intervenor status to this proceeding, and scheduled February 2, 2011 as the date for Board staff written interrogatories, February 7, 2011 as the date for Intervenor status written interrogatories, and February 25, 2011 for Niagara Peninsula Energy responses. Niagara Peninsula Energy filed its responses to the interrogatories from Board Staff, SEC and VECC on February 23, 2011 and requested an extension to March 4, 2011 for interrogatories from Energy Probe. Niagara Peninsula Energy filed its responses to interrogatories from Energy Probe on March 1, 2011.

The Board issued Procedural Order No. 2 on March 9, 2011, scheduling a Technical Conference for March 28, 2011 and a Settlement Conference for April 18, 2011 (continuing on April 19, 2011 if necessary); and May 4, 2011 for filing a Settlement Proposal. The Technical Conference was held as scheduled on March 28, 2011. The evidence in this proceeding (referred to here as the "Evidence") consists of the Application and Niagara Peninsula Energy's responses to both the initial interrogatories and the questions provided to Niagara Peninsula Energy prior to and during the Technical Conference and its responses to the Undertakings given during the Technical Conference. It also includes the Appendices to this Agreement.

The Settlement Conference was duly convened on April 18, 2011 in accordance with Procedural Order No. 2, with Mr. Chris Haussmann as facilitator. The Settlement Conference concluded on April 19, 2011. Niagara Peninsula Energy and the following Intervenors (the "Intervenors" and collectively including Niagara Peninsula the "Parties") participated in the Settlement Conference:

Energy Probe

SEC

VECC

Representatives of the Applicant and all intervenors, with the exception of Mr. Birch, participated in the Settlement Conference.

The role adopted by OEB staff in the Settlement Conference is set out in page 5 of the OEB *Settlement Conference Guidelines* ("the Guidelines"). Although OEB Staff are not a party to this Agreement, as noted in the Guidelines, OEB 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 Agreement.

A COMPREHENSIVE PARTIAL SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a comprehensive settlement of all issues but two has been reached in this proceeding. The two unsettled issues which remain are described below in the section of Unsettled Matters and in Appendix A. This document comprises the Settlement Agreement (the "Agreement"), and it is presented jointly by Niagara Peninsula Energy and Energy Probe, SEC and VECC. It identifies the settled matters, and contains such references to the Evidence as are necessary to assist the Board in understanding the Agreement. The Parties confirm that the Evidence filed to date in respect of each settled issue, which includes additional information recorded in the Appendices to this Agreement, supports the settlement of the matters identified in this Agreement. In addition, the Parties agree that the Evidence contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of these matters in respect of which a settlement has been reached is severable, with one exception discussed at the end of this paragraph. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive 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. Subject to the one exception below, if the Board does not accept the Agreement in its entirety, then there is no Agreement unless the Parties agree that those portions of the Agreement that the Board does accept may continue as a valid settlement. The one exception relates to the increase in its Retail Service Charges - Service Transaction Request ("STR"), from \$0.50 per customer per month to \$1.56 per customer per month as it is a more accurate reflection of the costs incurred by NPEI in administering and settling retailer contracts. However, the Parties acknowledge that this increase in the STR retailer service charge may be of interest to the Board as a distinct and discrete issue, and the Parties agree that they will be bound by the rest of the Agreement even if the Board were to not allow for this increase. The Parties request an opportunity to make written submissions on this issue in the event that the Board is considering rejecting the settlement proposal with respect to an increase in the STR retailer service charge.

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.0.5 of the Board's *Rules of Practice and Procedure*.

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any other concurrent or subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will in any other proceeding take the position that the resolution therein of any issue settled in this Agreement, if inconsistent with the terms of this Agreement, should be applicable to NPEI for all or any part of the 2011 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 Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2010-0138. The Appendices were prepared by the Applicant. The Intervenor is relying on the accuracy and completeness of the Appendices in entering into this Agreement.

The Parties believe that the Agreement represents a balanced proposal that protects the interests of Niagara Peninsula Energy's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow Niagara Peninsula Energy Inc. to manage its assets so that the highest standards of performance levels are achieved and customers' expectations for the safe, reliable delivery of electricity, at reasonable prices, are met.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

There is no approved Issues List for this proceeding. However, for the purposes of organizing this Agreement, the Parties have followed the Board's Filing Guidelines that address all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues relevant to determining Niagara Peninsula Energy Inc.'s 2011 delivery rates.

The following Appendices accompany this Settlement Agreement

- Appendix A – Unsettled Matters for Written Submission

- Appendix B – Summary of the Significant Items Adjusted as a result of this Agreement
- Appendix C – Updated Fixed Asset Continuity Schedules including Depreciation
- Appendix D – Updated Cost of Power and Low Voltage Charges
- Appendix E – 2011 Test Year Updated Load Forecast
- Appendix F – 2011 Test Year Updated Other Revenue
- Appendix G – 2011 Test Year Updated OM&A
- Appendix H – 2011 Test Year Updated PILs
- Appendix I – 2011 Test Year Updated Cost of Capital
- Appendix J – 2011 Test Year Updated Revenue Deficiency
- Appendix K – 2011 Test Year Updated Revenue to Cost Ratios
- Appendix L – Summary of Updated Customer Impacts
- Appendix M – Updated 2011 Low Voltage Rates
- Appendix N – 2011 Updated RTSR
- Appendix O - 2011 EDDVAR rate riders
- Appendix P – Updated Revenue Requirement Work form.

UNSETTLED MATTERS

A list of the unsettled matters, which the Parties request be disposed of by way of written submissions, accompanies this Settlement Agreement as Appendix A. A summary of changes to NPEI's proposed Revenue Requirement resulting from this Settlement Agreement accompanies this Settlement Agreement as Appendix B. Any changes associated with the unsettled matters would be incremental to the changes set forth in this Agreement.

OVERVIEW OF THE SETTLED MATTERS:

This Agreement will allow Niagara Peninsula Energy to continue to make the necessary investments in maintenance and operation expenditures as well as capital investments to maintain the safety and reliability of the electricity distribution service that it provides. This Agreement will allow Niagara Peninsula Energy to maintain current capital investment levels in infrastructure to ensure a reliable distribution system; to manage current and future staffing levels, skills and training to ensure regulatory compliance with Codes and Regulations; to promote conservation programs including the Ministry of Energy directives; and to continue to provide the high level of customer service Niagara Peninsula Energy customers have come to expect.

The Parties agree that, in the event the Board accepts the Settlement Proposal no rate classes in either Niagara Falls or Peninsula West service areas face bill impacts in this proceeding that require mitigation efforts.

The revised Base Revenue Requirement for the 2011 Test Year, before giving effect to the Board's decisions on the unsettled issues, is \$29,818,865. This revenue requirement reflects the updated cost of capital parameters issued by the Board on March 3, 2011. This represents a revenue deficiency of \$2,869,242 which is a reduction of \$509,033 or 15.07% from the deficiency of \$3,378,275 set out in the pre-filed evidence. Through the settlement process, Niagara Peninsula Energy has agreed to certain adjustments from its original 2011 Cost of Service Application. These changes are described in the following sections.

1. ADMINISTRATION (Exhibit 1)

- 1.1 Has Niagara Peninsula Energy responded to all relevant Board Directives from previous proceedings?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 1, page 91

For the purpose of obtaining complete settlement of all of the issues in this proceeding except two, the Parties accept Niagara Peninsula Energy Inc's Evidence that there are no outstanding obligations or orders from previous Board decisions.

1.2 Has Niagara Peninsula Energy removed the impact of the fair market value ("FMV") bump resulting from the merger between the former Niagara Falls Hydro and the former Peninsula West Utilities?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, VECC

Parties taking no position: SEC

Evidence: Exhibit 2,
Interrogatory responses SEC IR # 6, 7 18, TCQ # 1, 2, 4, 7

For the purpose of obtaining complete settlement of all of the issues in this proceeding except two, the Parties accept Niagara Peninsula Energy Inc's Evidence that there are no impacts on the 2011 Test Year cost of service application relating to the fair market value bump resulting from the merger.

2. RATE BASE (Exhibit 2)

2.1 Are the amounts proposed for Rate Base appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy Inc., Energy Probe, SEC, VECC

Evidence: Exhibit 2, page 5

Interrogatory responses OEB Staff IR # 5

Interrogatory responses Energy Probe IR # 4, 6, 11, TCQ #1,

Interrogatory response SEC IR # 5

Interrogatory response VECC IR # 21

For the purpose of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy Inc.'s Rate Base should be \$119,567,690 for the 2011 Test Year. The following adjustments result in an agreed-upon increase in the total Rate Base in the amount of \$422,746 from \$119,144,943 as filed. This reflects the following material changes:

- The 2010 Bridge Year capital expenditures will be reduced by \$595,776 as set out in section 2.2 below;
- The 2010 Bridge Year will be reduced by \$54,000 for assets used for affiliate services as set out in section 2.2 below.
- The 2011 Test Year capital expenditures will be increased by \$241,840 as set out in section 2.3 below;
- As a result of the above changes, the total change to Gross fixed assets will be a reduction of \$407,936
- There will be an increase to the 2010 Bridge Year depreciation expense in the amount of \$306,162 and an increase of \$7,139 in the 2011 Test Year depreciation expense, which collectively impact accumulated depreciation as set out in section 4.2 below.
- As a result of the above changes, there is a total increase of \$313,301 in accumulated depreciation.
- The Working Capital Allowance has been increased by \$1,261,334 as set out in section 2.4 below.

- The increase in working capital allowance, decrease in gross fixed assets, and increase in accumulated depreciation, result in a net increase in rate base of \$422,746 as set out in the table below.

The adjustments to Niagara Peninsula Energy's Rate Base and Working Capital Allowance are set out in the following tables

Change in Rate Base			
	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Gross Fixed Assets	209,551,599	209,143,663	(407,936)
Accumulated Depreciation	106,603,393	106,916,694	313,301
Net Book Value	102,948,206	102,226,969	(721,237)
Average Fixed Assets	101,968,654	101,130,066	(838,588)
Working Capital	114,508,597	122,917,489	8,408,892
Working Capital Allowance 15%	17,176,290	18,437,623	1,261,334
Rate Base	119,144,943	119,567,690	422,746

Change in Working Capital			
	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Cost of Power	99,990,688	108,840,807	8,850,119
Operations	3,573,690	3,573,690	-
Maintenance	2,568,416	2,568,416	-
Billing & Collecting	4,195,729	4,195,729	-
Community Relations	81,464	81,464	-
Administrative & General Expenses	3,876,135	3,434,908	(441,227)
Taxes Other than Income Taxes	222,474	222,474	-
Working Capital	114,508,597	122,917,489	8,408,892
Working Capital Allowance @ 15%	17,176,290	18,437,623	1,261,334

The details of the change in Cost of Power is described in Section 2.4 below and the details of the change in Administrative and General expenses are described in Section 4.1 below.

2.2 Are the amounts proposed for the 2010 Bridge Year Capital Expenditures appropriate?

Status: **Complete Settlement**

Supporting Parties: NPEI, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Table 2-12 page 42, pages 103-120, Table 2-22

Interrogatory response OEB Staff IR # 4

Interrogatory responses Energy Probe IR # 4, 9, 10a), TCQ #1

Interrogatory response SEC IR # 10

Interrogatory responses VECC IR # 21, 22

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the parties agree that the calculation of the 2010 Bridge Year capital gross additions in the amount of \$13,382,205, as set out in Interrogatory response to Energy Probe IR #4 is correct and that the amount proposed is appropriate. The revised 2010 Bridge Year capital additions in the amount of \$13,382,205 is \$595,776 lower than the original amount of \$13,977,982 and reflects the actual additions for 2010.

For the purposes of obtaining complete settlement of all issues, the parties agree that the calculation of the 2010 Bridge Year capital gross disposals in the amount of \$3,163,008 is to be increased by \$54,000 to reflect assets used for the purposes of affiliate services. The revised 2010 Bridge Year capital disposals in the amount of \$3,217,008 is \$54,000 higher than the original amount of \$3,163,008.

A reconciliation between the original and the agreed-upon 2010 Bridge Year additions and disposals is included in Appendix C.

2.3 Are the amounts proposed for the 2011 Test Year capital additions appropriate?

Status: Complete Settlement

Supporting Parties: NPEI, Energy Probe, SEC, VECC

Evidence: Exhibit 2, page 43, pages 121-142, Table 2-13, Table 2-22
Interrogatory responses OEB Staff IR # 2, TCQ # 3
Interrogatory responses Energy Probe IR # 1, 10b), TCQ # 4
Interrogatory responses SEC IR# 3, 8, 9, TCQ # 17
Interrogatory response VECC IR # 21

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the parties agree to an increase in the 2011 Test Year capital additions in the amount of \$241,840 reflecting the following adjustments:

The pre-filed 2011 capital additions were \$9,102,793. With the above noted increase of \$241,840, total 2011 capital additions of \$9,344,633 were agreed to by all parties.

- The addition of \$241,840 for a mobile substation that was included in the 2010 Bridge Year additions. However, due to delays in the manufacturing of a power transformer, trailer and switchgear components, delivery was in the 1st quarter of 2011.

A reconciliation between the original and the agreed-upon 2011 Test Year additions is included in Appendix C.

2.4 Has the Working Capital Allowance been determined appropriately?

Status: **Complete Settlement**

Supporting Parties: NPEI, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Table 2-2 page 6, pages 143-154, Exhibit 3, Exhibit 4

Interrogatory responses OEB Staff IR # 7, 8, 11

Interrogatory response Energy Probe IR # 11b)

Interrogatory responses VECC IR # 11, 14

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the parties agree that the amount proposed for NPEI's Working Capital Allowance and rate base as shown in section 2.1 shall be increased by \$1,261,334 reflecting the following adjustments:

i) NPEI will update its Cost of Power calculation as follows:

- The total kWh purchases will be based on the total kWh determined in the revised load forecast as set out in section 3.1 adjusted for the agreed-upon loss factors.
- The commodity rates to be used are based upon the rates issued in the October 18, 2010 Regulated Price Plan Report. The non-RPP cost of power is \$65.61 per MWh and the RPP cost of power is \$68.38 per MWh. The detail calculation associated with prices is outlined in Appendix D. The Table below details the change in each of the components included in the Cost of Power.

	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Cost of Power			
4705-Power Purchased	78,708,485	86,482,863	7,774,378
4708-Charges-WMS	6,670,357	6,717,368	47,011
4714-Charges-NW	6,850,285	7,803,026	952,740
4716-Charges-CN	5,733,459	5,603,528	(129,931)
4730-Rural Rate Assistance	1,667,589	1,679,342	11,753
4750-Low Voltage	360,512	554,681	194,169
Total Cost of Power	99,990,688	108,840,807	8,850,119

- ii) The new figure includes adjustments related to OM&A changes as set out in section 4.1 below. The reduction in OM&A expenses in the amount of \$441,227 is included in the total increase in working capital allowance of \$1,261,334.

3. OPERATING REVENUE (Exhibit 3)

3.1 Is the load forecast appropriate?

Status: **Complete Settlement**

Supporting Parties: NPEI, Energy Probe, SEC, VECC

Evidence: Exhibit 3, pages 12-46, Table 3-24

Interrogatory response Board Staff IR # 7 a)

Interrogatory responses Energy Probe IR # 12, 15, TCQ # 5

Interrogatory responses VECC IR # 3, 4, 5, 6, 8, TCQ # 1, 2, 5

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the parties agree that NPEI's proposed 2011 Test Year load forecast is to be increased by a total of 9,000,000 kWh to 1,286,014,423 kWhs (see Appendix E), up from 1,277,014,423 kWhs in the pre-filed Evidence (Exhibit 3, page 46, Table 3-24). The 1,286,014,423 kWhs assumes kWh consumption has been reduced by one tenth (1/10th) of NPEI's OEB/OPA directed CDM target of 58 million kWhs.

The agreed-upon load forecast is used in the updated cost of power calculation (see Appendix D) of this Agreement, in the billing determinants in rate design and in the updated bill impact tables (see Appendix L).

The Parties have agreed that the CDM Target adjustment of 5,800,000 kWhs (i.e. 1/10th of 58 million kWhs), is the appropriate baseline for any future LRAM application in accordance with the Board's standard rules for LRAM.

3.2 Is the proposed amount for 2011 Test Year Other Revenue appropriate?

Status: **Complete Settlement**

Supporting Parties: NPEI, Energy Probe, SEC, VECC

Evidence: Exhibit 3, Table 3-1, page 7, Table 3-37, pages 52-66
Interrogatory responses Energy Probe IR # 16, 17, 22, TCQ # 7
Interrogatory responses Board Staff IR # 9, 22
Interrogatory response VECC IR # 9

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the parties agree that the forecast for Other Revenues in the Test Year of \$2,185,747 shall be reduced by \$224,000 for a total of \$1,961,747, reflecting the following adjustments:

- Decrease Other Revenues by \$260,000 which represents allocated expenses related to the billing of water on behalf of NPEI's affiliate. The OM&A was reduced by \$260,000 and these expenses are now netted against the revenue that was included in Other Revenue. The effect of this change is to remove these expenses from the working capital calculation.
- Increase Other Revenue by \$36,000 which represents an estimated full year increase for interest revenue. The 2010 Actual interest revenue was higher than the 2010 Bridge Year amount by \$18,000 related to interest income being higher due to monthly billing which commenced in June of 2010.

3.3 Are the proposed Specific Service Charges for 2011 appropriate?

Status: **Complete Settlement**

Supporting Parties: NPEI, Energy Probe, SEC, VECC

Evidence: Exhibit 8, page 40, page 43

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties accept the Specific Service Charges proposed by NPEI.

3.4 Are the proposed Retailer Service Charges appropriate?

Status:	Complete Settlement
Supporting Parties:	NPEI, Energy Probe, SEC, VECC
Evidence:	Exhibit 8 page 32 and page 35 Exhibit 9 pages 6-11 Interrogatory response VECC #17c

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties have agreed to adjust the Retail Service Charge related to the Monthly Variable Charge, per customer, per Retailer from \$0.50 to \$1.56 based on the updated revenues, costs and number of transactions from 2010. The pre-filed evidence calculated \$1.32 based on the revenues, costs and number of transactions from 2009. Please see the table below detailing the calculation of the \$1.56. However, the Parties acknowledge that this increase in the Retailer Service charge maybe of distinct and discrete interest to the Board; accordingly the Parties agree that they will be bound by the rest of the Agreement even if the Board were to not allow for this increase. The Parties request an opportunity to make written submissions on this issue in the event that the Board is considering rejecting the settlement proposal with respect to an increase in the monthly variable Retailer Service Charge .

Year	Account	Transactions (Additions) During Year excluding interest and adjustments	Transactions (Reductions) During Year excluding interest and adjustments	Net Change for Year
2008	1518	130,208	(83,874)	46,334
	1548	60,101	(2,501)	57,600
	Total RCVA	190,309	(86,375)	103,934
2009	1518	124,511	(80,996)	43,514
	1548	54,027	(1,124)	52,903
	Total RCVA	178,537	(82,120)	96,417
2010	1518	120,725	(75,303)	45,422
	1548	59,975	(3,111)	56,864
	Total RCVA	180,701	(78,414)	102,286

	2009	2010
revenues 4082-1	(58,981.00)	(48,227.00)
# transactions	117,962.00	96,454.00
variance	96,417	102,286
increase req'd per transaction	0.82	1.06
	0.5	0.5
	1.32	1.56
Average retailer accts billed/mth	<u>5,683.50</u>	<u>5,111.67</u>

4. OPERATING COSTS (Exhibit 4)

- 4.1 Are the overall levels of the 2011 Test Year Operation, Maintenance and Administration costs appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 4

Interrogatory responses Board Staff IRs #3, 4, 10,11,12,13, TCQ#4

Interrogatory responses Energy Probe IR # 18, 19, 20, 21, 22, 23, 24, 25, 28, TCQ # 6, 7

Interrogatory responses SEC IR#12, 13, 14, TCQ # 14, 15, 16, 18, 19, 20, 21, 22

Interrogatory responses VECC IR #23, 24, 25, TCQ # 6, 7, 8

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree to a reduction of the OM&A expenditures in the amount of \$441,227 from a forecast of \$14,295,435 (excluding property taxes) proposed in the Application to a forecast of \$13,854,208 (excluding property taxes) for the 2011 Test Year (see Appendix G). This will allow Niagara Peninsula Energy Inc. to maintain its position as a low cost utility while ensuring that its customers will continue to receive safe and reliable distribution service.

The LEAP Emergency Financial Assistance, referred to in the OEB's letter dated October 20, 2010, is included in the OM&A envelope of \$13,854,208.

The Parties agreed to a general reduction to OM&A expenses in the amount of \$293,898. In addition, NPEI's pre-filed evidence for OMERS only included a 2.5% increase for 2011. As per Board Staff IR #11, NPEI's OMERS expense for 2011 did not incorporate the OMERS announcement of their three year contribution rate increase for its members and employers for the years 2011, 2012, and 2013. The Parties agreed to include the increase in OMERS premiums in the amount of \$73,765 for the 2011 Test Year. The net reduction to OM&A inclusive of the OMERS impact is \$220,133. The table below details the change of \$441,227 in Administrative & General expenses included in OM&A;

Administrative & General Expenses

General Reduction net of OMERS impact of \$73,765	(220,133)
Leap (0.12% x 32,421,330) not updated for new service requirement	38,906
Affiliate allocated expenses reallocated to Revenue Offsets	<u>(260,000)</u>
	<u>(441,227)</u>

4.2 Is Niagara Peninsula Energy Inc.'s depreciation expense appropriate?

Status: Complete Settlement

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 2, Table 2-13, Table 2-15, Exhibit 4 pages 80-81, Table 4-19, page 88, Table 4-26

Interrogatory responses Energy Probe IR # 25, TCQ # 8, 9, JT1.2

Interrogatory responses SEC IR # 5, 15

Interrogatory responses Board Staff IR# 4c, 14

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy's 2011 Test Year depreciation expense as filed is appropriate, subject to the following adjustments:

- A decrease of \$306,162 in the opening rate base to reflect the agreed-upon changes in the depreciation expense for the 2010 Bridge Year, including a) a change from the half year calculation on pooled assets to the full year calculation on pooled assets, and b) a change in the depreciation rate on software from 100% to 33.33% commencing with the 2010 additions, and c) a reduction in the 2010 capital expenditures closed to rate base. The Table below details the 2010 change in depreciation expense.

Depreciation Summary	2010 Bridge Year Additions	2010 Bridge Year Disposals	Net Additions	Depreciation expense
Original Application - Half Year and Software = 1 Year	13,977,982	3,163,008	10,814,974	7,000,940
EP IR 6a 2010 Bridge Year Full Year and Software = 1 Year	13,977,982	3,163,008	10,814,974	7,475,697
NPEI 2010 Actual Additions Half Year and Software = 1 Year	13,382,205	3,217,008	10,165,197	7,014,282
EP IR 6b 2010 Actual Additions Full Year and Software = 1 year	13,382,205	3,217,008	10,165,197	7,427,549
NPEI 2010 Actual Additions Half Year and Software = 1 Year	13,382,205	3,217,008	10,165,197	7,014,282
Change in Software to be over 3 years starting with 2010 additions				57,363
Revised 2010 Actual Additions Half Year and Software = 3 years				7,071,645
Add half year depreciation on 2010 actual additions				235,457
2010 Actual additions Full Year and software = 3 years				7,307,102
Increase from pre-filed application (7,307,102 - 7,000,940)				306,162

- The 2011 Depreciation Expense is increased from \$7,143,688 to \$7,150,827. The Table below details the increase of \$7,139 in the 2011 depreciation expense. See Appendix C for an updated continuity schedule for 2011. This reflects the lower opening rate base, and the change in the depreciation rate for software,

2011 Depreciation Summary	
Software change in depreciation rate	22,384
Reduction to 2011 due to reduction in 2010 additions	(15,245)
Increase	7,139

4.3 Is the amount proposed for the 2011 Test Year Payment in Lieu of Taxes, including CCA calculations, appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 4, pages 92-101

Interrogatory responses Energy Probe IR # 26, 27, TCQ # 10

Interrogatory response Board Staff IR #23

Interrogatory responses SEC IR #6b, TCQ #3

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that the amount proposed by Niagara Peninsula Energy for the 2011 Test Year Payment in Lieu of Taxes ("PILs"), including CCA calculations, is appropriate, subject to a reduction in grossed-up 2011 PILs in the amount of \$128,206 from \$1,725,276 to \$1,597,070, reflecting the following adjustments:

- NPEI included the change in regulatory assets/liabilities as a change in the Tax Adjustments to Accounting Income in the original application. This results in a decrease of \$75,234 in the grossed up PILS for 2011.
- NPEI reduced the PILS calculation by \$36,250 relating to the Ontario Small Business tax reduction of 7.25% on the first \$500,000 of taxable income.
- The Parties also agree to the change in PILs (see Appendix H) reflecting the updated cost of capital for 2011 cost of service applications issued by the Board on March 3, 2011.

5. COST OF CAPITAL (Exhibit 5)

5.1 Are the proposed Capital Structure and Rate of Return on Equity appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 5

Interrogatory response Energy Probe TCQ # 11

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy's proposed debt to equity ratio for rate making purposes of 60% (comprised of 56% long term debt and 4% short term debt) to 40% is appropriate.

For the purposes of its Application, Niagara Peninsula Energy used the cost of capital parameters applicable to cost of service applications for the 2010 Test Year. This included a Return on Equity of 9.85%. The Parties agree that Niagara Peninsula Energy's cost of capital parameters will be adjusted to reflect the Board's updated cost of capital parameters for cost of service applications for distribution rates effective May 1, 2011. The updated parameters, issued on March 3, 2011, include a Return on Equity of 9.58%.

The Regulated Rate of Return in the pre-filed evidence was 7.58%. At the updated Return on Equity of 9.58% and the updated Short Term Debt rate of 2.46%, the Regulated Rate of Return becomes 7.49%. This figure is not agreed by the parties. The effective rate on Long-Term debt of 6.36%, which is an unsettled issue, remains unchanged in both of the above calculations. See section 5.2 for discussion regarding the unsettled issue of the effective rate on Long Term Debt.

5.2 Is the proposed Return on Debt appropriate?

Status: Partial Settlement

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 5

Interrogatory response OEB Staff IR # 15

Interrogatory responses SEC IR # 17, 19, TCQ # 6, 7, 8

Interrogatory response Energy Probe IR # 29

The Parties agree that Niagara Peninsula Energy Inc.'s effective Short Term Debt rate is to be updated to 2.46% from the pre-filed evidence of 2.07% as per the updated Cost of Capital for 2011 cost of service applications for rates effective May 1, 2011 issued by the Board on March 3, 2011. The return on the Unfunded Short Term Debt increased by \$19,003 from the pre-filed evidence of \$98,652 to \$117,655.

However, the Parties are not settled with respect to the Long Term Debt rate used for the two affiliated promissory notes held one by the City of Niagara Falls and one by Niagara Falls Hydro Holding Corporation. The pre-filed application includes these two notes at the original previously approved rate of 7.25%. The intervenors do not agree that the rate should be at 7.25% on the above mentioned promissory notes and assert that the deemed rate of 5.32% should be applied based on the updated Cost of Capital parameters for 2011 cost of service application for rates effective May 1, 2011 issued by the Board on March 3, 2011. As noted in Appendix A below, the Parties have agreed to propose that this matter be the subject of written submissions.

6. CALCULATION OF REVENUE DEFICIENCY OR SURPLUS (Exhibit 6)

6.1 Is the Revenue Deficiency for the 2011 Test Year appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 6

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy's calculation of the Revenue Deficiency is appropriate, subject to the impact of the unsettled issues. The Parties acknowledge that with the changes set out in this Settlement Agreement, Niagara Peninsula Energy's revenue requirement and the revenue deficiency calculation may change pending the outcome of the unsettled matter related to the Long Term Debt rate to be used on the Affiliated debt, but the Parties agree that Niagara Peninsula Energy's methodology for calculating the revenue deficiency is correct. For all completely settled issues Niagara Peninsula Energy Inc.'s revenue deficiency for the 2011 Test Year will be reduced by \$509,033 from \$3,378,275 to \$2,869,242, see table below and Appendix J.

Summary

	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Service Revenue Requirement	32,421,330	31,780,611	(640,718)
Revenue Offset	2,185,747	1,961,747	(224,000)
Base Revenue Requirement	30,235,583	29,818,865	(416,718)
Revenue at Existing Rates	26,857,308	26,949,623	92,314
Revenue Deficiency	3,378,275	2,869,242	(509,033)

7. COST ALLOCATION (Exhibit 7)

7.1 Is Niagara Peninsula Energy Inc.'s cost allocation appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, and VECC.

Evidence: Exhibit 7

Interrogatory response OEB Staff IR # 16

Interrogatory response VECC # 12

For purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties accept Niagara Peninsula Energy's proposed approach to cost allocation. As per OEB Staff IR #16, Niagara Peninsula Energy has updated the number of connections for Sentinel Lights on the Customer Data tab of the model. An updated model was filed with the interrogatory responses reflecting this change. Niagara Peninsula Energy corrected the allocator for Account 4215 from SBMR (Standby Monthly Revenue) which allocated this account 100% to the GS>50 kW rate class. The allocator for this account was changed to NFA (Net Fixed Assets) which allocates this account as follows: Residential 64.03%; GS<50 kW 10.33%; GS> 50 kW 23.22%; Street light 1.38%; Sentinel Light 0.52% and USL 0.52%. An updated model was filed with the settlement agreement.

7.2 Are the proposed revenue-to-cost ratios appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 7,
Interrogatory response OEB Staff TCQ #5

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree to Niagara Peninsula Energy's updated Proposed Revenue to Cost Ratios with the adjustments set out in section 7.1 above reflecting the change in Sentinel Light connections (see Appendix K).

NPEI proposed in the original application to re-align its revenue to cost ratios by adjusting the allocations of revenue among rate classes in order to reduce some of the cross-subsidization that is occurring. For 2011, the Residential class is proposed to move from 83.1% to the minimum Board target of 85% in 2011 which includes the settled issues in this settlement agreement. The additional revenue will be assigned to the GS > 50 kW class. NPEI also proposes to move the revenue to cost ratios for the Streetlight and Sentinel Light classes halfway to the bottom of the Board's target range in 2012 and the remainder of the way in 2013 with the difference being offset to the GS> 50 kW class. See Appendix (K).

8. RATE DESIGN (Exhibit 8)

8.1 Are the proposed customer classes appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 8, page 36

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy's proposed customer classes are appropriate. Niagara Peninsula Energy has proposed to eliminate the two distinct sub-classes of the Residential class that are currently approved for the former Peninsula West Utilities; Residential Urban and Residential Suburban. This results in a single Residential class for all residential customers of Niagara Peninsula Energy.

8.2 Are the customer charges and the fixed-variable splits for each class appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 8, pages 4-13
Interrogatory response SEC IR # 21
Interrogatory response VECC IR # 13

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties have agreed to accept the customer charges and the fixed-variable splits resulting from this Agreement (see Appendix K). The Parties note the following with respect to the proposed GS >50 kW Class:

- In the Application, Niagara Peninsula Energy had proposed to set the monthly customer charge for this class at \$222.81 and the volumetric charge at \$4.0311 per kW resulting in a fixed/variable split of 24.77%/75.23%. The Parties have agreed that those charges will be reduced to \$179.88 for the monthly customer charge and increased to \$4.3048 per kW for the volumetric charge. These updated values result in a fixed/variable split of 19.76%/80.24%.

8.3 Are the customer bill impacts appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 1, Table 1-5

Exhibit 8 and Appendix 8A

Interrogatory response Energy Probe IR # 31

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that the bill impacts provided in Appendix L of the Agreement are appropriate.

8.4 Are the proposed Retail Transmission Service Rates, Low Voltage charge, Wholesale Market and Rural Rate Assistance rates appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 8, pages 15-23
Interrogatory responses OEB Staff IR # 18, 19, 20
Interrogatory responses SEC IR 7e, TCQ # 5
Interrogatory responses VECC IR # 11, 14, TCQ # 4

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy's proposed Retail Transmission Service Rates will be calculated as follows:

A) The 2011 wholesale transmission network costs will be calculated using the Current Harmonized Equivalent RTSR rates for 2010 at the updated 2011 load forecast including the loss factor to obtain forecast revenues for network and connection as per the Table below;

Customer Class	Volume Metric	Includes Loss Factor 2011 Forecast	Current Harmonized Equivalent RTSR (\$/kWh or \$/kW)		Forecast Revenues at Current Harmonized Equivalent Rate (\$)	
			Network	Connection	Network	Connection
Residential	kWh	488,702,020	0.0053	0.0048	2,571,543	2,340,916
GS<50 kW	kWh	129,181,276	0.0048	0.0042	623,584	548,452
GS>50 kW	kW	1,818,411	1.9802	1.6642	3,600,818	3,026,135
Sentinel	kW	809	1.4661	1.3906	1,186	1,125
Streetlighting	kW	20,107	1.4970	1.2785	30,102	25,708
Unmetered/Scattered	kWh	2,466,189	0.0048	0.0043	11,891	10,499
					6,839,123	5,952,836

B) The 2010 Charge Determinants were applied to the Approved 2011 Uniform Transmission rates effective January 1, 2011 to obtain the expected network and connection charges for 2011. See Table below;

Transmission Charges Based on 2010 Charge Determinants and 2011 Approved Rates

Supplied By	2010 Charge Determinants (kW)			Approved 2011 Rates (\$/kW)			2010 Determinants at 2011 Rates (\$)		
	NW	CN (Line)	CN (Trans)	NW	CN (Line)	CN (Trans)	NW	CN (Line)	CN (Trans)
IESO	2,049,689	2,110,125	1,574,400	3.22	0.79	1.77	6,600,000	1,666,999	2,786,688
Hydro One	393,461	364,680	332,837	2.65	0.64	1.50	1,042,673	233,395	499,256
Niagara West			201,358			1.50	-	-	302,037
Total	2,443,151	2,474,805	2,108,595				7,642,672	1,900,394	3,587,980

Total CN 5,488,374

The updated 2011 forecast total energy purchases were compared to the 2010 Actual energy purchased which resulted in an increase of 2.10%. This escalator percentage was then applied to the above Table for NW and CN charges to obtain forecasted 2011 network and connection charges. See calculation below;

2010 Total Actual Energy Purchases (GWh)	1,259.59
2011 Forecast Total Energy Purchases (GWh)	<u>1,286.01</u>
% Increase in Purchased Energy, 2011 over 2010	2.10%

Total Network Charges, per above table	7,642,672
Escalate by 2.1%	<u>160,354</u>
Total Forecast 2011 Network Charges	7,803,026

Total Connection Charges, per above table	5,488,374
Escalate by 2.1%	<u>115,154</u>
Total Forecast 2011 Connection Charges	5,603,528

C) The updated 2011 Forecast Network charges and 2011 Forecast Connection charges from B) above were compared to the 2010 current RTSR revenues in A) above to obtain the required increase in each respective rate see calculation below;

Network Charges from Part B above	7,803,026
Network Revenues from Part A above	6,839,123
Increase (Decrease) required for Network	963,902
% Increase (Decrease) Required for Network	14.1%

Connection Charges from Part B above	5,603,528
Connection Revenues from Part A above	5,952,836
Increase (Decrease) required for Connection	(349,308)
% Increase (Decrease) Required for Connection	-5.9%

- The respective percentage increase/(decrease) from C) above are then applied to the current harmonized equivalent RTSR rates noted in A) above to obtain updated network and connection rates for 2011. See Table below;

Customer Class	Volume Metric	Current Harmonized Equivalent RTSR (\$/kWh or \$/kW)		Required Adjustment as per VECC IR 14		Adjusted RTSRs as per VECC IR 14		Adjusted RTSRs as per VECC IR 14
		Network	Connection	Network	Connection	Network	Connection	Combined
Residential	kWh	0.0053	0.0048	14.1%	-5.9%	0.0060	0.0045	0.0105
GS<50 kW	kWh	0.0048	0.0042	14.1%	-5.9%	0.0055	0.0040	0.0095
GS>50 kW	kW	1.9802	1.6642	14.1%	-5.9%	2.2593	1.5665	3.8258
Sentinel	kW	1.4661	1.3906	14.1%	-5.9%	1.6727	1.3090	2.9817
Streetlighting	kW	1.4970	1.2785	14.1%	-5.9%	1.7080	1.2035	2.9116
Unmetered/Scattered	kWh	0.0048	0.0043	14.1%	-5.9%	0.0055	0.0040	0.0095

The resulting changes in Niagara Peninsula Energy's Retail Transmission Service Rates from those proposed in the Application are as shown in Appendix N.

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy's proposed Low Voltage rates will be calculated as follows;

- The actual charge determinants from January 1, 2010 to December 31, 2010 and Hydro One Networks approved 2011 sub-transmission rates are to be applied to the updated 2011 weather normalized load forecast noted in section 3.1 above as per VECC IR # 11.

See Appendix M for the updated Low Voltage rates for 2011.

The Parties agree the Wholesale and Rural Rate Assistance rates are appropriate.

8.5 Are the proposed Loss Factors appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 8

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties accept Niagara Peninsula Energy's proposed loss factors.

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

9.1 Are the balances in the Deferral and Variance Accounts appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula, Energy Probe, SEC, VECC

Evidence: Exhibit 9

Interrogatory responses OEB Staff IR # 4(d) – (g), 24, 25

Interrogatory responses VECC IR # 17, 19

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties accept the balances in Niagara Peninsula Energy's Deferral and Variance Accounts.

9.2 Are the methods of disposition of the Deferral and Variance Accounts appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 9

Interrogatory responses VECC IR # 17, 18

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that the methods of disposition of the Deferral and Variance Accounts are appropriate with the exception of the disposition of the additional charges from HONI for sub-transmission service in account 1508. Niagara Peninsula Energy disposed of this balance in the amount of \$4,198 using the distribution revenues. As per VECC IR #18c, Niagara Peninsula Energy will dispose of the balance in Account 1508 using the allocated Low Voltage Revenues per rate class. The Parties agree that all other Deferral and Variance Accounts will be recovered from or rebated to customers as proposed by Niagara Peninsula Energy in the Application and updated for the updated load forecast described in section 3.1. See Appendix (O)

9.3 Are the Smart Meter charges, disposition rate rider and rate adder appropriate?

Status: **Complete Settlement**

Supporting Parties: Niagara Peninsula Energy, Energy Probe, SEC, VECC

Evidence: Exhibit 9

Interrogatory responses OEB Staff IR # 4 (d)-(g)

Interrogatory response VECC IR # 19

For the purposes of obtaining complete settlement of all of the issues in this proceeding except two, the Parties agree that Niagara Peninsula Energy will continue with a smart meter rate rider over one year in the amount of \$1.00 per month and applied to all metered customers.

Niagara Peninsula Energy will continue to use the Smart Meter variance accounts for capital expenditures incurred after July 1, 2010 in the 2010 Bridge Year and the 2011 Test Year and related OM&A costs for disposition at a later date.

APPENDIX A-Summary of Unsettled Matters

Unsettled Matters for Written Submission

1. Cost of Capital

The Long term debt rate on the affiliate debt was calculated by Niagara Peninsula Energy using the previously approved rate of 7.25%. The Intervenor's disagree with the rate of 7.25% and are requesting this rate be changed to the deemed rate of 5.32% as per the updated Cost of Capital parameters for 2011 cost of service applications with a May 1, 2011 rate year. The Parties propose that this matter be the subject of written submissions.

Effective Date of Rates

Niagara Peninsula Energy is requesting that the Board approve an effective date for 2011 rates of May 1, 2011. The Parties propose that this matter be the subject of written submissions.

**APPENDIX B-Summary of the Significant Items Adjusted as a result of this
Agreement**

Summary of Significant Items Adjusted			
	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Rate Base			
Average Fixed Assets	101,968,654	101,130,066	(838,588)
Working Capital Allowance	17,176,290	18,437,623	1,261,334
Rate Base	119,144,943	119,567,690	422,746
Capital Additions			
2010 Bridge Year	10,814,974	10,165,197	(649,776)
2011 Test Year	9,102,793	9,344,633	241,840
			(407,936)
Other Revenue	2,185,747	1,961,747	(224,000)
Loss Factor	1.056	1.056	0
Load Forecast (kWh)	1,214,746,971	1,223,308,130	8,561,158
RPP Cost of Power Rate	0.06215	0.06838	0.00623
Non-RPP Cost of Power Rate	0.06062	0.06561	0.00499
Cost of Power			
4705-Power Purchased	78,708,485	86,482,863	7,774,378
4708-Charges-WMS	6,670,357	6,717,368	47,011
4714-Charges-NW	6,850,285	7,803,026	952,740
4716-Charges-CN	5,733,459	5,603,528	(129,931)
4730-Rural Rate Assistance	1,667,589	1,679,342	11,753
4750-Low Voltage	360,512	554,681	194,169
Total Cost of Power	99,990,688	108,840,807	8,850,119
Cost of Capital			
Long-Term Debt Rate	6.36%	6.36%	0.00
Short-Term Debt Rate	2.07%	2.46%	0.39
Return on Equity	9.85%	9.58%	(0.27)
Weighted Debt Rate	6.07%	6.10%	0.03
Regulated Rate of Return	7.58%	7.49%	(0.09)
Deemed Long-Term Debt Component %	56.00%	56.00%	0.00
Deemed Short-Term Debt Component %	4.00%	4.00%	0.00
Deemed Equity Component %	40.00%	40.00%	0.00
Return on Long-Term Debt	4,241,494	4,256,543	15,050
Return on Short-Term Debt	98,652	117,655	19,003
Return on Equity	4,694,311	4,581,834	(112,477)
Total Return on Capital	9,034,456	8,956,032	(78,425)
Deemed Interest	4,340,146	4,374,198	34,052
OM&A Expenses	14,517,909	14,076,682	(441,227)
Depreciation Expense			
2010 Bridge Year	7,000,940	7,307,102	306,162
2011 Test Year	7,143,688	7,150,827	7,139
PILS	1,725,276	1,597,070	(128,206)
Service Revenue Requirement	32,421,330	31,780,611	(640,718)
Revenue Offset	2,185,747	1,961,747	(224,000)
Base Revenue Requirement	30,235,583	29,818,865	(416,718)
Revenue Deficiency	3,378,275	2,869,242	(509,033)
Deferral and Variance \$ Rate Rider over 1 year	96,902	96,902	0
Deferral and Variance \$ Rate Riders (over 2 years)	7,535,270	7,535,270	0

APPENDIX C – Updated Fixed Asset Continuity Schedules Including Depreciation

2010

2011

Fixed Asset Continuity Schedule (Distribution & Operations)
As at December 31, 2010
Updated for 2010 Actuals and updated 2010 Depreci

Cost						Accumulated Depreciation				
OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
1805	Land	507,274	0	0	507,274	0	0	0	0	507,274
1806	Land Rights	1,598,170	0	0	1,598,170	633,336	56,850	0	690,185	907,985
1808	Buildings and Fixtures	111,638	0	0	111,638	91,869	8,098	0	99,967	11,671
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Primary	6,558,514	43,487	0	6,602,001	757,613	146,037	0	903,650	5,698,351
1820	Distribution Station Equipment - Normally Primary	4,507,465	476,632	0	4,984,097	2,809,726	144,935	0	2,954,661	2,029,436
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	28,665,012	1,960,627	0	30,625,639	14,461,696	852,975	0	15,314,671	15,310,967
1835	Overhead Conductors and Devices	31,395,023	1,528,973	0	32,923,995	15,490,537	1,205,225	0	16,695,762	16,228,233
1840	Underground Conduit	10,367,640	1,123,895	0	11,491,536	3,142,094	193,919	0	3,336,013	8,155,523
1845	Underground Conductors and Devices	54,396,854	1,943,735	0	56,340,589	28,314,738	2,350,896	0	30,665,633	25,674,956
1850	Line Transformers	31,103,686	1,075,315	0	32,179,000	15,981,171	1,274,323	0	17,255,494	14,923,506
1855	Services	3,459,629	394,289	0	3,853,918	626,179	154,154	0	780,333	3,073,584
1860	Meters	6,677,338	4,374,664	3,163,008	7,888,994	3,921,874	295,402	2,204,477	2,012,799	5,876,195
1865	Other Installations on Customer's Premises	440	0	0	440	0	0	0	0	440
1905	Land	508,970	0	0	508,970	0	0	0	0	508,970
1906	Land Rights	0	0	0	0	0	0	0	0	0
1908	Buildings and Fixtures	12,391,184	67,188	0	12,458,371	1,817,234	210,181	0	2,027,415	10,430,956
1910	Leasehold Improvements	120,252	0	0	120,252	120,252	0	0	120,252	(0)
1915	Office Furniture and Equipment	1,107,299	35,091	0	1,142,390	628,664	71,802	0	700,467	441,924
1920	Computer Equipment - Hardware	2,624,840	257,960	0	2,882,799	1,953,498	231,174	0	2,184,673	698,127
1925	Computer Software	1,920,006	250,022	54,000	2,116,029	1,735,390	267,957	0	2,003,347	112,682
1930	Transportation Equipment	5,484,897	869,037	0	6,353,934	3,706,634	397,581	0	4,104,215	2,249,720
1935	Stores Equipment	200,261	26,336	0	226,597	182,660	3,821	0	186,481	40,116
1940	Tools, Shop and Garage Equipment	1,566,110	94,973	0	1,661,083	1,257,226	62,906	0	1,320,132	340,951
1945	Measurement and Testing Equipment	183,146	5,700	0	188,846	133,421	28,086	0	161,507	27,339
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
1955	Communication Equipment	158,934	9,662	0	168,596	92,379	20,070	0	112,449	56,147
1960	Miscellaneous Equipment	67,903	5,049	0	72,952	46,643	6,723	0	53,366	19,586
1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
1980	System Supervisory Equipment	128,961	0	0	128,961	128,961	0	0	128,961	0
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
1995	Contributions and Grants	(16,320,649)	(1,160,428)	0	(17,481,077)	(3,370,553)	(676,015)	0	(4,046,567)	(13,434,509)
2005	Property under Capital Lease	143,036	0	0	143,036	0	0	0	0	143,036
	Total before Work in Process	189,633,833	13,382,205	3,217,008	199,799,030	94,663,241	7,307,102	2,204,477	99,765,867	100,033,164
	Work in Process	0			0	0			0	0
	Total after Work in Process	189,633,833	13,382,205	3,217,008	199,799,030	94,663,241	7,307,102	2,204,477	99,765,867	100,033,164

Account	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Disposal	Additions	Closing Balance 2010	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense	Adjustments	Total Depreciation 2010 Actual Additions with Software @ 3yrs	Full year based on Actual Year additions
		(a)	(b)	© = (a) - (b)	(c1)	(d)		(e) = (© - c1) + 1.0 x (d)	(f)	(g) = 1/(f)	(h) = (e)/(f)	(i)	(j) = (h) + (i)	
1805	Land	507,274	0	507,274		0	507,274	507,274			0	0	0	-
1806	Land Rights	1,598,170	0	1,598,170		0	1,598,170	1,598,170	25	0.04	63,927	(7,077)	56,850	56,850
1808	Buildings and Fixtures	111,638	0	111,638		0	111,638	111,638	25	0.04	4,466	5,196	9,661	9,661
1810	Leasehold Improvements	0	0	0		0	0	0			0	0	0	-
1815	Transformer Station Equipment - Normally Primary at	6,558,514	0	6,558,514		43,487	6,602,001	6,602,001	40	0.03	165,050	(18,985)	146,065	146,065
1820	Distribution Station Equipment - Normally Primary bel	4,507,465	924,634	3,582,831		476,632	4,984,097	4,984,097	25	0.04	162,379	(17,443)	144,935	144,935
1825	Storage Battery Equipment	0	0	0		0	0	0			0	0	0	-
1830	Poles, Towers and Fixtures	28,665,012	8,329,566	20,335,446		1,960,627	30,625,639	22,296,073	25	0.04	891,843	(38,060)	853,783	853,783
1835	Overhead Conductors and Devices	31,395,023	2,048,498	29,346,525		1,528,973	32,923,995	30,875,497	25	0.04	1,235,020	(30,602)	1,204,418	1,204,418
1840	Underground Conduit	10,367,640	0	10,367,640		1,123,895	11,491,536	11,491,536	25	0.04	459,661	(265,743)	193,919	193,919
1845	Underground Conductors and Devices	54,396,854	321,277	54,075,577		1,943,735	56,340,589	56,019,312	25	0.04	2,240,772	110,123	2,350,896	2,350,896
1850	Line Transformers	31,103,686	3,366,951	27,736,735		1,075,315	32,179,000	28,812,049	25	0.04	1,152,482	(13,656)	1,138,826	1,138,826
1855	Services	3,459,629	0	3,459,629		394,289	3,853,918	3,853,918	25	0.04	154,157	(2)	154,154	154,154
1860	Meters	6,677,338	1,340,931	5,336,407	958,531	4,374,664	10,093,471	8,752,540	25	0.04	350,102	(30,643)	319,459	319,459
1865	Other Installations on Customer's Premises	440	0	440		0	440	440	25	0.04	18	(18)	0	-
1905	Land	508,970	0	508,970		0	508,970	508,970			0	0	0	-
1906	Land Rights	0	0	0		0	0	0			0	0	0	-
1908	Buildings and Fixtures	12,391,184	1,817,234	10,573,950		67,188	12,458,371	10,641,137	60	0.02	177,352	32,829	210,181	210,181
1910	Leasehold Improvements	120,252	120,252	(0)		0	120,252	(0)	3	0.33	(0)	0	0	-
1915	Office Furniture and Equipment	1,107,299	628,664	478,635		35,091	1,142,390	513,726	10	0.10	51,373	23,133	74,505	74,505
1920	Computer Equipment - Hardware	2,624,840	1,953,498	671,341		257,960	2,882,799	929,301	5	0.20	185,860	85,739	271,600	271,600
1925	Computer Software	1,926,006	1,735,390	184,616	0	250,022	2,170,029	434,638	3	0.33	144,879	(44,810)	100,069	389,828
1930	Transportation Equipment	5,484,897	3,706,634	1,778,263		869,037	6,353,934	2,647,301	8	0.13	330,913	124,602	455,515	455,515
1935	Stores Equipment	200,261	182,660	17,601		26,336	226,597	43,937	10	0.10	4,394	804	5,198	5,198
1940	Tools, Shop and Garage Equipment	1,566,110	1,257,226	308,884		94,973	1,661,083	403,857	10	0.10	40,386	26,969	67,354	67,354
1945	Measurement and Testing Equipment	183,146	133,421	49,725		5,700	188,846	55,425	5	0.20	11,085	17,601	28,686	28,686
1950	Power Operated Equipment	0	0	0		0	0	0			0	0	0	-
1955	Communication Equipment	158,934	92,379	66,555		9,662	168,596	76,217	4	0.25	19,054	1,872	20,926	20,926
1960	Miscellaneous Equipment	67,903	46,643	21,260		5,049	72,952	26,309	5	0.20	5,262	1,691	6,952	6,952
1970	Load Management Controls - Customer Premises	0	0	0		0	0	0			0	0	0	-
1975	Load Management Controls - Utility Premises	0	0	0		0	0	0			0	0	0	-
1980	System Supervisory Equipment	128,961	128,961	0		0	128,961	0	15	0.07	0	0	0	-
1985	Sentinel Lighting Rentals	0	0	0		0	0	0			0	0	0	-
	Affiliate Assets	0	0	0	54,000	0	(54,000)	(54,000)			0	0	0	-
1995	Contributions and Grants	(16,320,649)	0	(16,320,649)		(1,160,428)	(17,481,077)	(17,481,077)	25	0.04	(699,243)	23,080	(676,163)	(676,163)
2005	Property under Capital Lease	143,036	143,036	0	0	0	143,036	0	25	0.04	0	0	0	-
	Total before Work in Process	189,633,833	28,277,856	161,355,977	1,012,531	13,382,205	202,003,507	173,725,652			7,151,190	(13,400)	7,137,790	7,427,549
	Work in Process													
	Total after Work in Process	189,633,833	28,277,856	161,355,977	1,012,531	13,382,205	202,003,507	173,725,652			7,151,190	(13,400)	7,137,790	

NPEI Actual 2010	Actual 2010	Actual 2010 Additions	Adjusted 2010
Depreciation Half year	Depreciation Half year	Depreciation Full year	Depreciation full year
	Software at 3 years	(d) / (f) * 5	with software at 3 yrs
-	-	-	-
56,850	56,850	-	56,850
8,098	8,098	-	8,098
145,493	145,493	544	146,037
135,403	135,403	9,533	144,935
813,763	813,763	39,213	852,975
1,174,646	1,174,646	30,579	1,205,225
171,441	171,441	22,478	193,919
2,312,021	2,312,021	38,875	2,350,896
1,252,817	1,252,817	21,506	1,274,323
146,268	146,268	7,886	154,154
207,908	207,908	87,493	295,402
209,621	209,621	560	210,181
71,802	71,802	-	71,802
231,174	231,174	-	231,174
210,594	267,957	-	267,957
397,581	397,581	-	397,581
3,821	3,821	-	3,821
62,906	62,906	-	62,906
28,086	28,086	-	28,086
20,070	20,070	-	20,070
6,723	6,723	-	6,723
(652,806)	(652,806)	(23,209)	(676,015)
7,014,282	7,071,645	235,457	7,307,102

1925	Computer Software	
	Opening NBV Jan 1, 2010	184,616
	2010 Additions	250,022
		434,638
	2010 Depreciation	
	Opening NBV over 1 year	184,616
	2010 Additions over 3 years	83,341
	2010 Total depreciation	267,957
	Closing NBV Dec 31 2010	166,682

Fixed Asset Continuity Schedule (Distribution & Operations)
As at December 31, 2011

Updated 2011 Continuity Schedule						Cost					Accumulated Depreciation				
OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
1805	Land	507,274	0	0	507,274	0	0	0	0	507,274	0	0	0	0	507,274
1806	Land Rights	1,598,170	0	0	1,598,170	690,185	56,850	0	747,035	851,135	0	0	0	0	851,135
1808	Buildings and Fixtures	111,638	0	0	111,638	99,967	4,111	0	104,078	7,560	0	0	0	0	7,560
1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1815	Transformer Station Equipment - Normally Primary	6,602,001	0	0	6,602,001	903,650	146,009	0	1,049,659	5,552,342	0	0	0	0	5,552,342
1820	Distribution Station Equipment - Normally Primary	4,984,097	704,803	0	5,688,900	2,954,661	157,131	0	3,111,792	2,577,108	0	0	0	0	2,577,108
1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	30,625,639	2,482,838	0	33,108,476	15,314,671	900,592	0	16,215,263	16,893,213	0	0	0	0	16,893,213
1835	Overhead Conductors and Devices	32,923,995	972,176	0	33,896,171	16,695,762	1,214,410	0	17,910,172	15,985,999	0	0	0	0	15,985,999
1840	Underground Conduit	11,491,536	1,369,289	0	12,860,825	3,336,013	221,305	0	3,557,317	9,303,508	0	0	0	0	9,303,508
1845	Underground Conductors and Devices	56,340,589	1,572,596	0	57,913,186	30,665,633	2,350,350	0	33,015,983	24,897,203	0	0	0	0	24,897,203
1850	Line Transformers	32,179,000	1,284,894	0	33,463,894	17,255,494	1,157,229	0	18,412,723	15,051,171	0	0	0	0	15,051,171
1855	Services	3,853,918	499,935	0	4,353,853	780,333	164,153	0	944,486	3,409,367	0	0	0	0	3,409,367
1860	Meters	7,888,994	185,185	0	8,074,179	2,012,799	258,599	0	2,271,398	5,802,782	0	0	0	0	5,802,782
1865	Other Installations on Customer's Premises	440	0	0	440	0	0	0	0	440	0	0	0	0	440
1905	Land	508,970	0	0	508,970	0	0	0	0	508,970	0	0	0	0	508,970
1906	Land Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1908	Buildings and Fixtures	12,458,371	0	0	12,458,371	2,027,415	210,181	0	2,237,596	10,220,775	0	0	0	0	10,220,775
1910	Leasehold Improvements	120,252	0	0	120,252	120,252	0	0	120,252	(0)	0	0	0	0	(0)
1915	Office Furniture and Equipment	1,142,390	92,593	0	1,234,983	700,467	76,432	0	776,899	458,084	0	0	0	0	458,084
1920	Computer Equipment - Hardware	2,882,799	291,898	0	3,174,697	2,184,673	260,364	0	2,445,037	729,661	0	0	0	0	729,661
1925	Computer Software	2,116,029	182,870	0	2,298,899	2,003,347	113,819	0	2,117,166	181,733	0	0	0	0	181,733
1930	Transportation Equipment	6,353,934	462,963	0	6,816,897	4,104,215	426,516	0	4,530,731	2,286,166	0	0	0	0	2,286,166
1935	Stores Equipment	226,597	0	0	226,597	186,481	3,821	0	190,302	36,295	0	0	0	0	36,295
1940	Tools, Shop and Garage Equipment	1,661,083	92,593	0	1,753,675	1,320,132	67,536	0	1,387,668	366,007	0	0	0	0	366,007
1945	Measurement and Testing Equipment	188,846	0	0	188,846	161,507	28,086	0	189,594	(748)	0	0	0	0	(748)
1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1955	Communication Equipment	168,596	0	0	168,596	112,449	20,070	0	132,519	36,077	0	0	0	0	36,077
1960	Miscellaneous Equipment	72,952	0	0	72,952	53,366	6,723	0	60,089	12,862	0	0	0	0	12,862
1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1980	System Supervisory Equipment	128,961	0	0	128,961	128,961	0	0	128,961	0	0	0	0	0	0
1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1990	Other Tangible Property	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1995	Contributions and Grants	(17,481,077)	(850,000)	0	(18,331,077)	(4,046,567)	(693,459)	0	(4,740,027)	(13,591,050)	0	0	0	0	(13,591,050)
2005	Property under Capital Lease	143,036	0	0	143,036	0	0	0	0	143,036	0	0	0	0	143,036
	Total before Work in Process	199,799,030	9,344,633	0	209,143,663	99,765,867	7,150,827	0	106,916,694	102,226,969					
	Work in Process	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total after Work in Process	199,799,030	9,344,633	0	209,143,663	99,765,867	7,150,827	0	106,916,694	102,226,969					

2M Depreciation expense Table for 2011

Account	Description	Opening Balance	Less Fully Depreciated	Net for Depreciation	Disposal	Additions	Closing Balance 2011	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense	Adjustments	Total Depreciation	Original	Difference
		(a)	(b)	© = (a) - (b)	(c1)	(d)		(e) = (©-c1)+.5x(d)	(f)	(g)=1/(f)	(h)=(e)/(f)	(i)	(j)=(h)+(i)	Application	
1805	Land	507,274	0	507,274		0	507,274	507,274			0	0	0	-	0
1806	Land Rights	1,598,170	0	1,598,170		0	1,598,170	1,598,170	25	0.04	63,927	(7,077)	56,850	56,850	0
1808	Buildings and Fixtures	111,638	0	111,638		0	111,638	111,638	25	0.04	4,466	(355)	4,111	4,111	(0)
1810	Leasehold Improvements	0	0	0		0	0	0			0	0	0	-	0
1815	Transformer Station Equipment - Normally Primary above 50 kV	6,602,001	0	6,602,001		0	6,602,001	6,602,001	40	0.03	165,050	(19,041)	146,009	144,978	1,031
1820	Distribution Station Equipment - Normally Primary below 50 kV	4,984,097	943,634	4,040,463		704,803	5,688,900	4,392,865	25	0.04	175,715	(18,583)	157,131	140,637	16,495
1825	Storage Battery Equipment	0	0	0		0	0	0			0	0	0	-	0
1830	Poles, Towers and Fixtures	30,625,639	8,349,258	22,276,381		2,482,838	33,108,476	23,517,799	25	0.04	940,712	(40,120)	900,592	937,399	(36,807)
1835	Overhead Conductors and Devices	32,923,995	2,924,147	29,999,848		972,176	33,896,171	30,485,936	25	0.04	1,219,437	(5,028)	1,214,410	1,201,695	12,715
1840	Underground Conduit	11,491,536	0	11,491,536		1,369,289	12,860,825	12,176,180	25	0.04	487,047	(265,743)	221,305	223,350	(2,046)
1845	Underground Conductors and Devices	56,340,589	321,277	56,019,312		1,572,596	57,913,186	56,805,610	25	0.04	2,272,224	78,125	2,350,350	2,341,552	8,798
1850	Line Transformers	32,179,000	3,540,519	28,638,481		1,284,894	33,463,894	29,280,928	25	0.04	1,171,237	(14,008)	1,157,229	1,175,644	(18,416)
1855	Services	3,853,918	0	3,853,918		499,935	4,353,853	4,103,885	25	0.04	164,155	(2)	164,153	147,861	16,292
1860	Meters	7,888,994	1,487,006	6,401,988		185,185	8,074,179	6,494,581	25	0.04	259,783	(1,184)	258,599	253,645	4,954
1865	Other Installations on Customer's Premises	440	0	440		0	440	440	25	0.04	18	(18)	0	-	0
1905	Land	508,970	0	508,970		0	508,970	508,970			0	0	0	-	0
1906	Land Rights	0	0	0		0	0	0			0	0	0	-	0
1908	Buildings and Fixtures	12,458,371	0	12,458,371		0	12,458,371	12,458,371	60	0.02	207,640	2,542	210,181	212,204	(2,023)
1910	Leasehold Improvements	120,252	120,252	(0)		0	120,252	(0)	3	0.33	(0)	0	0	-	0
1915	Office Furniture and Equipment	1,142,390	700,467	441,924		92,593	1,234,983	488,220	10	0.10	48,822	27,610	76,432	79,154	(2,722)
1920	Computer Equipment - Hardware	2,882,799	2,184,673	698,127		291,898	3,174,697	844,076	5	0.20	168,815	91,549	260,364	276,548	(16,183)
1925	Computer Software	2,116,029	1,949,347	166,682		182,870	2,298,899	258,117	3	0.33	86,039	27,780	113,819	91,435	22,384
1930	Transportation Equipment	6,353,934	4,104,215	2,249,720		462,963	6,816,897	2,481,201	8	0.13	310,150	116,366	426,516	427,330	(813)
1935	Stores Equipment	226,597	186,481	40,116		0	226,597	40,116	10	0.10	4,012	(191)	3,821	3,509	312
1940	Tools, Shop and Garage Equipment	1,661,083	1,320,132	340,951		92,593	1,753,675	387,247	10	0.10	38,725	28,811	67,536	67,204	332
1945	Measurement and Testing Equipment	188,846	161,507	27,339		0	188,846	27,339	5	0.20	5,468	22,619	28,086	28,015	71
1950	Power Operated Equipment	0	0	0		0	0	0			0	0	0	-	0
1955	Communication Equipment	168,596	112,449	56,147		0	168,596	56,147	4	0.25	14,037	6,033	20,070	18,866	1,204
1960	Miscellaneous Equipment	72,952	53,366	19,586		0	72,952	19,586	5	0.20	3,917	2,806	6,723	6,448	276
1970	Load Management Controls - Customer Premises	0	0	0		0	0	0			0	0	0	-	0
1975	Load Management Controls - Utility Premises	0	0	0		0	0	0			0	0	0	-	0
1980	System Supervisory Equipment	128,961	128,961	0		0	128,961	0	15	0.07	0	0	0	-	0
1985	Sentinel Lighting Rentals	0	0	0		0	0	0			0	0	0	-	0
1990	Affiliate Assets	0	0	0		0	0	0			0	0	0	-	0
1995	Contributions and Grants	(17,481,077)	0	(17,481,077)		(850,000)	(18,331,077)	(17,906,077)	25	0.04	(716,243)	22,784	(693,459)	(694,746)	1,287
2005	Property under Capital Lease	143,036	143,036	0		0	143,036	0	25	0.04	0	0	0	-	0
	Total before Work in Process	199,799,030	28,730,727	171,068,303	0	9,344,633	209,143,663	175,740,619			7,095,152	55,676	7,150,827	7,143,688	7,139
	Work in Process														
	Total after Work in Process	199,799,030	28,730,727	171,068,303	0	9,344,633	209,143,663	175,740,619			7,095,152	55,676	7,150,827		

1925	Computer Software	
Closing NBV Dec 31 2010		166,682
2011 Additions		182,870
2011 Depreciation		
One third 2010 additions		83,341
One third 2011 additions half year		30,478
		113,819

APPENDIX D-Updated Cost of Power

<u>Electricity - Commodity</u>	2011 Forecasted	2011 Loss			
Class per Load Forecast	Metered kWhs - RPP	Factor	2011		
Residential	391,451,845	1.0560	413,369,341	\$0.06838	\$28,266,196
Street Lighting	6,569,845	1.0560	6,937,692	\$0.06838	\$474,399
Sentinel Lighting	179,047	1.0560	189,072	\$0.06838	\$12,929
GS<50kW	102,575,479	1.0560	108,318,709	\$0.06838	\$7,406,833
GS>50kW	88,683,018	1.0560	93,648,404	\$0.06838	\$6,403,678
Intermediate		1.0560	0	\$0.06838	\$0
Unmetered Scattered Load	1,211,706	1.0560	1,279,549	\$0.06838	\$87,496
TOTAL	590,670,939		623,742,768		\$42,651,530

<u>Electricity - Commodity</u>	2011 Forecasted	2011 Loss			
Class per Load Forecast	Metered kWhs - Non-RPP	Factor	2011		
Residential	71,338,420	1.0560	75,332,678	\$0.06561	\$4,942,577
Street Lighting	897,746	1.0560	948,011	\$0.06561	\$62,199
Sentinel Lighting	113,770	1.0560	120,140	\$0.06561	\$7,882
GS<50kW	19,756,401	1.0560	20,862,567	\$0.06561	\$1,368,793
GS>50kW	539,407,131	1.0560	569,608,684	\$0.06561	\$37,372,026
Intermediate		1.0560	0	\$0.06561	\$0
Unmetered Scattered Load	1,123,722	1.0560	1,186,640	\$0.06561	\$77,855
TOTAL	632,637,190		668,058,721		\$43,831,333

<u>Transmission - Network</u>		Volume			
Class per Load Forecast		Metric	2011		
Residential		kWh	488,702,020	\$0.0060	\$2,933,975
Street Lighting		kW	20,107	\$1.7080	\$34,344
Sentinel Lighting		kW	809	\$1.6727	\$1,353
GS<50kW		kWh	129,181,276	\$0.0055	\$711,471
GS>50kW		kW	1,818,411	\$2.2593	\$4,108,316
Intermediate		kW	0	\$0.0000	\$0
Unmetered Scattered Load		kWh	2,466,189	\$0.0055	\$13,566
TOTAL					\$7,803,026

<u>Transmission - Connection</u>		Volume			
Class per Load Forecast		Metric	2011		
Residential		kWh	488,702,020	\$0.0045	\$2,203,553
Street Lighting		kW	20,107	\$1.2035	\$24,200
Sentinel Lighting		kW	809	\$1.3090	\$1,059
GS<50kW		kWh	129,181,276	\$0.0040	\$516,270
GS>50kW		kW	1,818,411	\$1.5665	\$2,848,564
Intermediate		kW	0	\$0.0000	\$0
Unmetered Scattered Load		kWh	2,466,189	\$0.0040	\$9,883
TOTAL					\$5,603,528

<u>Wholesale Market Service</u>					
Class per Load Forecast			2011		
Residential		kWh	488,702,020	\$0.0052	\$2,541,251
Street Lighting		kWh	7,885,703	\$0.0052	\$41,006
Sentinel Lighting		kWh	309,212	\$0.0052	\$1,608
GS<50kW		kWh	129,181,276	\$0.0052	\$671,743
GS>50kW		kWh	663,257,089	\$0.0052	\$3,448,937
Intermediate		kWh	0	\$0.0052	\$0
Unmetered Scattered Load		kWh	2,466,189	\$0.0052	\$12,824
TOTAL					\$6,717,368

<u>Rural Rate Assistance</u>					
Class per Load Forecast			2011		
Residential		kWh	488,702,020	\$0.0013	\$635,313
Street Lighting		kWh	7,885,703	\$0.0013	\$10,251
Sentinel Lighting		kWh	309,212	\$0.0013	\$402
GS<50kW		kWh	129,181,276	\$0.0013	\$167,936
GS>50kW		kWh	663,257,089	\$0.0013	\$862,234
Intermediate		kWh	0	\$0.0013	\$0
Unmetered Scattered Load		kWh	2,466,189	\$0.0013	\$3,206
TOTAL					\$1,679,342

2011	
4705-Power Purchased	\$86,482,863
4708-Charges-WMS	\$6,717,368
4714-Charges-NW	\$7,803,026
4716-Charges-CN	\$5,603,528
4730-Rural Rate Assistance	\$1,679,342
4750-Low Voltage	\$554,681
TOTAL	108,840,807

APPENDIX E-2011 Test Year Updated Load Forecast

2011 Test Year Updated Load Forecast

	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Predicted kWh Purchases	1,277,014,423	1,286,014,423	9,000,000
Loss Adjustment Factor	1.0513	1.0513	0
2011 Test Year Billed kWh	1,214,746,971	1,223,308,130	8,561,158
By Class			
Residential			
Customers	46,900	46,900	0
kWh	459,406,923	462,790,265	3,383,342
GS<50			
Customers	4,352	4,352	0
kWh	121,437,543	122,331,880	894,337
GS>50			
Customers	848	848	0
kWh	623,806,670	628,090,148	4,283,479
kW	1,806,009	1,818,411	12,401
Sentinel			
Connections	560	560	0
kWh	292,817	292,817	0
kW	809	809	0
Streetlight			
Connections	12,408	12,408	0
kWh	7,467,591	7,467,591	0
kW	20,107	20,107	0
USL			
Connections	465	465	0
kWh	2,335,428	2,335,428	0
Total			
Customer/Connections	65,533	65,533	0
kWh	1,214,746,971	1,223,308,130	8,561,158
kW from applicable classes	1,826,926	1,839,327	12,401

APPENDIX F-2011 Test Year Updated Other Revenue

2011 Test Year Updated Other Revenue

Account	Description	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
4235	Miscellaneous Service Revenues	956,878	956,878	0
4225	Late Payment Charges	518,557	518,557	0
4080	SSS Administrative Charge	126,094	126,094	0
4082	RS Rev	80,748	80,748	0
4084	Serv Tx Requests	2,970	2,970	0
4215	Other Utility Operating Income	348,352	348,352	0
4375	Revenues from Non-Utility Operations	65,480	65,480	0
4380	Expenses of Non-Utility Operations	-	(260,000)	(260,000)
4390	Miscellaneous Non-Operating Income	40,000	40,000	0
4405	Interest and Dividend Income	91,863	127,863	36,000
	Subtotal	2,230,942	2,006,942	(224,000)
4405	Remove carrying charges on Deferral and Variance Accounts	45,195	45,195	0
	Total, not including carrying charges	2,185,747	1,961,747	(224,000)
	Specific Service Charges	956,878	956,878	0
	Late Payment Charges	518,557	518,557	0
	Other Distribution Revenues	558,164	558,164	0
	Other Income and Expenses	152,148	(71,852)	(224,000)
	Net Revenue Offset for Distribution Rates	2,185,747	1,961,747	(224,000)

APPENDIX G-2011 Test Year Updated OM&A

2011 Test Year Updated OM&A

Description	Original As per Application (A)	Settlement Submission (B)	Difference (C = B-A)
Operations	3,573,690	3,573,690	0
Maintenance	2,568,416	2,568,416	0
Billing & Collecting	4,195,729	4,195,729	0
Community Relations	81,464	81,464	0
Administrative & General Expense	3,876,135	3,434,908	(441,227)
subtotal OM&A before property taxes	14,295,435	13,854,208	(441,227)
Property Taxes	222,474	222,474	0
Total OM&A	14,517,909	14,076,682	(441,227)

APPENDIX H-2011 Test Year Updated PILS



PILS OR INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.

File Number: EB-2010-0138

Rate Year: 2011

Data Input Sheet

Applicants Rate Base		Rate Re-Basing Amount	
Average Net Fixed Assets			
Gross Fixed Assets - Re-Basing Opening	\$ 174,707,636	A	
Add: CWIP Re-Basing Opening		B	
Re-Basing Capital Additions	\$ 65,997,114	C	
Re-Basing Capital Disposals	-\$ 6,469,694	D	
Re-Basing Capital Retirements	\$ -	E	
Deduct: CWIP Re-Basing Closing		F	
Gross Fixed Assets - Re-Basing Closing	\$ 234,235,056	G	
Average Gross Fixed Assets			\$ 204,471,346 H = (A + G) / 2
Accumulated Depreciation - Re-Basing Opening	\$ 85,248,095	I	
Re-Basing Depreciation Expense	\$ 41,235,778	J	
Re-Basing Disposals	-\$ 5,049,408	K	
Re-Basing Retirements	\$ -	L	
Accumulated Depreciation - Re-Basing Closing	\$ 121,434,465	M	
Average Accumulated Depreciation			\$ 103,341,280 N = (I + M) / 2
Average Net Fixed Assets			\$ 101,130,066 O = H - M
Working Capital Allowance			
Working Capital Allowance Base	\$ 122,917,489	P	
Working Capital Allowance Rate	15.0%	Q	
Working Capital Allowance			\$ 18,437,623 R = P * Q
Rate Base			\$ 119,567,689 S = O + R
Return on Rate Base			
Deemed ShortTerm Debt %	4.00%	T	\$ 4,782,708 W = S * T
Deemed Long Term Debt %	56.00%	U	\$ 66,957,906 X = S * U
Deemed Equity %	40.00%	V	\$ 47,827,076 Y = S * V
Short Term Interest	2.46%	Z	\$ 117,655 AC = W * Z
Long Term Interest	6.36%	AA	\$ 4,256,543 AD = X * AA
Return on Equity (Regulatory Income)	9.58%	AB	\$ 4,581,834 AE = Y * AB
Return on Rate Base			\$ 8,956,032 AF = AC + AD + AE

Questions that must be answered

	Historic Yes or No	Bridge Yes or No	Test Year Yes or No
1. Does the applicant have any Investment Tax Credits (ITC)?	Yes	Yes	Yes
2. Does the applicant have any Scientific Research and Experimental	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	Yes	Yes	Yes
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



PILS OR INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.

File Number: EB-2010-0138

Rate Year: 2011

Schedule 8 and 10 UCC and CEC

Historic				
Class	Class Description	UCC End of Year Historic per tax returns	Less: Non-Distribution Portion	UCC Test Year Opening Balance
1	Distribution System - post 1987	66,238,417	0	66,238,417
2	Distribution System - pre 1988	4,653,597	0	4,653,597
8	General Office/Stores Equip	1,296,021	0	1,296,021
10	Computer Hardware/ Vehicles	1,373,437	0	1,373,437
10.1	Certain Automobiles	0	0	0
12	Computer Software	184,608	0	184,608
13 ₁	Lease # 1	0	0	0
13 ₂	Lease #2	0	0	0
13 ₃	Lease # 3	0	0	0
13 ₄	Lease # 4	0	0	0
14	Franchise	0	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	394,209	0	394,209
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0
45	Computers & Systems Software acq'd post Mar 22/04	30,955	0	30,955
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0
47	Distribution System - post February 2005	26,661,856	0	26,661,856
50	Data Network Infrastructure Equipment - post Mar 2007	180,020	0	180,020
3		1,565,705	0	1,565,705
1b	Buildings > 18-03-07	6,150,760	0	6,150,760
		0	0	0
		0	0	0
		0	0	0
	SUB-TOTAL - UCC	108,729,585	0	108,729,585
CEC	Goodwill	0	0	0
CEC	Land Rights	1,305,401	0	1,305,401
CEC	FMV Bump-up	0	0	0
		0	0	0
		0	0	0
	SUB-TOTAL - CEC	1,305,401	0	1,305,401



PILS OR INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.

File Number: EB-2010-0138

Rate Year: 2011

Schedule 13 Tax Reserves Historical

CONTINUITY OF RESERVES

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:	3,612,877		3,612,877
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
Changes in Regulatory Asset/Liability Variances	7,629,013		7,629,013
			0
Total	11,241,890	0	11,241,890



PILS OR INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.

File Number: EB-2010-0138

Rate Year: 2011

Historic Year Adjusted Taxable Income

Historic				
	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	4,146,197	0	4,146,197
Additions:				
Interest and penalties on taxes	103	8,655	0	8,655
Amortization of tangible assets	104	7,754,076	0	7,754,076
Amortization of intangible assets	106	0	0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109	0	0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112	0	0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120	0	0	0
Non-deductible meals and entertainment expense	121	0	0	0
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves deducted in prior year	125	0	0	0
Reserves from financial statements- balance at end of year	126	11,241,890	0	11,241,890
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Other Additions				
Interest Expensed on Capital Leases	290	2,065	0	2,065
Realized income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
	294	0	0	0
Previous years apprentice tax credit claimed and Prior Year Apprentice tax credit	295	45,937	0	45,937
Total Additions		19,052,623	0	19,052,623
Deductions:				
Gain on disposal of assets per financial statements	401	0	0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	6,870,909	0	6,870,909
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	98,256	0	98,256
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves claimed in current year	413	0	0	0
Reserves from financial statements - balance at beginning of year	414	8,531,419	0	8,531,419
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
<i>Other deductions: (Please explain in detail the nature of the item)</i>				
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	49,242	0	49,242
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Apprenticeship and co-op credits included in F/S income	393	27,284	0	27,284
	394	0	0	0
Total Deductions		15,577,110	0	15,577,110
Net Income for Tax Purposes		7,621,710	0	7,621,710
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 4	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
TAXABLE INCOME		7,621,710	0	7,621,710



PILS OR INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Schedule 8 CCA Bridge Year

Class	Class Description	UCC Bridge Year Opening Balance	Additions	Disposals	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	\$ 66,238,417	\$ -	\$ -	\$ 66,238,417	\$ -	\$ 66,238,417	4%	\$ 2,649,537	\$ 63,588,880
2	Distribution System - pre 1988	\$ 4,653,597	\$ -	\$ -	\$ 4,653,597	\$ -	\$ 4,653,597	6%	\$ 279,216	\$ 4,374,381
8	General Office/Stores Equip	\$ 1,296,021	\$ 176,811	\$ -	\$ 1,472,832	\$ 88,406	\$ 1,384,427	20%	\$ 276,885	\$ 1,195,947
10	Computer Hardware/ Vehicles	\$ 1,373,437	\$ 1,126,997	\$ -	\$ 2,500,434	\$ 563,498	\$ 1,936,935	30%	\$ 581,081	\$ 1,919,353
10.1	Certain Automobiles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 184,608	\$ 250,022	\$ 54,000	\$ 380,630	\$ 71,011	\$ 309,619	100%	\$ 309,619	\$ 71,011
13.1	Lease # 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5	\$ -	\$ -
13.2	Lease #2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4	\$ -	\$ -
13.3	Lease # 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	\$ -	\$ -
13.4	Lease # 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4	\$ -	\$ -
14	Franchise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7	\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 394,209	\$ -	\$ -	\$ 394,209	\$ -	\$ 394,209	8%	\$ 31,537	\$ 362,672
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 30,955	\$ -	\$ -	\$ 30,955	\$ -	\$ 30,955	45%	\$ 13,930	\$ 17,025
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 26,661,856	\$ 11,828,375	\$ 3,163,008	\$ 35,327,223	\$ 2,751,179	\$ 32,576,043	8%	\$ 2,606,083	\$ 32,721,139
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 180,020	\$ -	\$ -	\$ 180,020	\$ -	\$ 180,020	55%	\$ 99,011	\$ 81,009
3		\$ 1,565,705	\$ -	\$ -	\$ 1,565,705	\$ -	\$ 1,565,705	5%	\$ 78,285	\$ 1,487,420
1b	Buildings > 18-03-07	\$ 6,150,760	\$ -	\$ -	\$ 6,150,760	\$ -	\$ 6,150,760	6%	\$ 369,046	\$ 5,781,714
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 108,729,585	\$ 13,382,205	\$ 3,217,008	\$ 118,894,782	\$ 3,474,095	\$ 115,420,688		\$ 7,294,229	\$ 111,600,553



PILS OR INCOME TAXES WORK

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Schedule 10 CEC Bridge Year

Cumulative Eligible Capital				<u>1,305,401</u>
<u>Additions</u>				
Cost of Eligible Capital Property Acquired during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0	x 1/2 =	0	
			0	0
Amount transferred on amalgamation or wind-up of subsidiary	0			0
Subtotal				<u>1,305,401</u>
<u>Deductions</u>				
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year	0			
Other Adjustments	0			
Subtotal	0	x 3/4 =	0	0
Cumulative Eligible Capital Balance				1,305,401
Current Year Deduction	1,305,401	x 7% =	91,378	
Cumulative Eligible Capital - Closing Balance				1,214,023



**PILS OR INCOME TAXES WORK
FORM**

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Schedule 13 Tax Reserves Bridge

CONTINUITY OF RESERVES

Description	Historic Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses
				Additions	Disposals			
Capital Gains Reserves ss.40(1)	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes								
Reserve for doubtful accounts ss. 20(1)(l)	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0		0			0	0	
Other tax reserves	0		0			0	0	
	0		0			0	0	
	0		0			0	0	
Total	0	0	0	0	0	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)								
General Reserve for Inventory Obsolescence (non-specific)	0		0			0	0	
General reserve for bad debts	0		0			0	0	
Accrued Employee Future Benefits:	3,612,877		3,612,877	41,717		3,654,594	41,717	
- Medical and Life Insurance	0		0			0	0	
- Short & Long-term Disability	0		0			0	0	
- Accumulated Sick Leave	0		0			0	0	
- Termination Cost	0		0			0	0	
- Other Post-Employment Benefits	0		0			0	0	
Provision for Environmental Costs	0		0			0	0	
Restructuring Costs	0		0			0	0	
Accrued Contingent Litigation Costs	0		0			0	0	
Accrued Self-Insurance Costs	0		0			0	0	
Other Contingent Liabilities	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0		0			0	0	
Other	0		0			0	0	
Changes in Regulatory Asset/Liability Variances	7,629,013		7,629,013	0	0	7,629,013	0	
	0		0			0	0	
Total	11,241,890	0	11,241,890	41,717	0	11,283,607	41,717	0



PILS OR INCOME TAXES WORK

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Bridge Year Adjusted Taxable Income

Bridge		
	T2S1 line #	Total for Legal Entity
Income before PILs/Taxes	A	2,665,199
Additions:		
Interest and penalties on taxes	103	1,039
Amortization of tangible assets	104	7,307,102
Amortization of intangible assets	106	0
Recapture of capital cost allowance from Schedule 8	107	0
Gain on sale of eligible capital property from Schedule 10	108	0
Income or loss for tax purposes- joint ventures or partnerships	109	0
Loss in equity of subsidiaries and affiliates	110	0
Loss on disposal of assets	111	0
Charitable donations	112	0
Taxable Capital Gains	113	0
Political Donations	114	0
Deferred and prepaid expenses	116	0
Scientific research expenditures deducted on financial statements	118	0
Capitalized interest	119	0
Non-deductible club dues and fees	120	0
Non-deductible meals and entertainment expense	121	0
Non-deductible automobile expenses	122	0
Non-deductible life insurance premiums	123	0
Non-deductible company pension plans	124	0
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	11,283,607
Soft costs on construction and renovation of buildings	127	0
Book loss on joint ventures or partnerships	205	0
Capital items expensed	206	0
Debt issue expense	208	0
Development expenses claimed in current year	212	0
Financing fees deducted in books	216	0
Gain on settlement of debt	220	0
Non-deductible advertising	226	0
Non-deductible interest	227	0
Non-deductible legal and accounting fees	228	0
Recapture of SR&ED expenditures	231	0
Share issue expense	235	0
Write down of capital property	236	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0
Other Additions		
Interest Expensed on Capital Leases	290	0
Realized Income from Deferred Credit Accounts	291	0
Pensions	292	0
Non-deductible penalties	293	0
Apprenticeship tax credits	294	39,937
	295	0
Total Additions		18,631,685
Deductions:		
Gain on disposal of assets per financial statements	401	0
Dividends not taxable under section 83	402	0
Capital cost allowance from Schedule 8	403	7,294,229
Terminal loss from Schedule 8	404	0
Cumulative eligible capital deduction from Schedule 10	405	91,378
Allowable business investment loss	406	0
Deferred and prepaid expenses	409	0
Scientific research expenses claimed in year	411	0
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	11,241,890
Contributions to deferred income plans	416	0
Book income of joint venture or partnership	305	0
Equity in income from subsidiary or affiliates	306	0
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	0
Capital Lease Payments	391	0
Non-taxable imputed interest income on deferral and variance accounts	392	0
	393	0
	394	0
Total Deductions		18,627,498
Net Income for Tax Purposes		2,669,387
Charitable donations from Schedule 2	311	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0
TAXABLE INCOME		2,669,387

Rate Year: 2011

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 63,588,880	\$ -	\$ -	\$ 63,588,880	\$ -	\$ 63,588,880	4%	\$ 2,543,555	\$ 61,045,325
2	Distribution System - pre 1988	\$ 4,374,381	\$ -	\$ -	\$ 4,374,381	\$ -	\$ 4,374,381	6%	\$ 262,463	\$ 4,111,918
8	General Office/Stores Equip	\$ 1,195,947	\$ 185,185	\$ -	\$ 1,381,132	\$ 92,593	\$ 1,288,540	20%	\$ 257,708	\$ 1,123,424
10	Computer Hardware/ Vehicles	\$ 1,919,353	\$ 754,861	\$ -	\$ 2,674,214	\$ 377,431	\$ 2,296,784	30%	\$ 689,035	\$ 1,985,179
10.1	Certain Automobiles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 71,011	\$ 182,870	\$ -	\$ 253,882	\$ 91,435	\$ 162,446	100%	\$ 162,446	\$ 91,435
13.1	Lease # 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
13.2	Lease #2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
13.3	Lease # 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
13.4	Lease # 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
14	Franchise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 362,672	\$ -	\$ -	\$ 362,672	\$ -	\$ 362,672	8%	\$ 29,014	\$ 333,658
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 17,025	\$ -	\$ -	\$ 17,025	\$ -	\$ 17,025	45%	\$ 7,661	\$ 9,364
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 32,721,139	\$ 8,221,716	\$ -	\$ 40,942,855	\$ 4,110,858	\$ 36,831,997	8%	\$ 2,946,560	\$ 37,996,295
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 81,009	\$ -	\$ -	\$ 81,009	\$ -	\$ 81,009	55%	\$ 44,555	\$ 36,454
3		\$ 1,487,420	\$ -	\$ -	\$ 1,487,420	\$ -	\$ 1,487,420	5%	\$ 74,371	\$ 1,413,049
1b	Buildings > 18-03-07	\$ 5,781,714	\$ -	\$ -	\$ 5,781,714	\$ -	\$ 5,781,714	6%	\$ 346,903	\$ 5,434,812
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
	TOTAL	\$ 111,600,553	\$ 9,344,633	\$ -	\$ 120,945,186	\$ 4,672,316	\$ 116,272,869		\$ 7,364,271	\$ 113,580,914



PILS OR INCOME TAXES WORK

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Schedule 10 CEC Test Year

Cumulative Eligible Capital

1,214,023

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal 0 x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0 0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal **1,214,023**

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal 0 x 3/4 = 0 0

Cumulative Eligible Capital Balance

1,214,023

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")

1,214,023 x 7% = 84,982

Cumulative Eligible Capital - Closing Balance

1,129,041



2010-11 INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.

Number: EB-2010-0138

Date Year: 2011

Ontario

Taxable Income Test Year

	T2 S1 line #	Test Year Taxable Income
Net Income Before Taxes		6,178,904
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	7,150,827
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	
Reserves from financial statements- balance at end of year	126	11,325,324
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
Apprenticeship tax credit	294	40,000
	295	
	296	
	297	
Total Additions		18,516,151
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	7,364,271
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	84,982
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	
Reserves from financial statements - balance at beginning of year	414	11,283,607
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
Total Deductions		18,732,860
NET INCOME FOR TAX PURPOSES		5,962,196
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		5,962,196



PILS OR INCOME TAXES WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

PILs,Tax Provision

				Wires Only		
Regulatory Taxable Income				\$ 5,962,196		A
Ontario Income Taxes						
Income tax payable	Ontario income tax	11.75%	B	\$ 700,558	C = A * B	
Small business credit	Ontario Small Business Threshold	\$ 500,000	D			
	Rate reduction	-7.25%	E	-\$ 36,250	F = D * E	
Ontario Income tax				\$ 664,308		J = C + F
Combined Tax Rate and PILs						
	Effective Ontario Tax Rate	11.14%	K = J / A			
	Federal tax rate	16.50%	L			
	Combined tax rate			27.64%	M = L + L	
Total Income Taxes				\$ 1,648,070		N = A * M
	Investment Tax Credits			\$ 11,000	O	
	Miscellaneous Tax Credits			\$ 40,000	P	
Total Tax Credits				\$ 51,000		Q = O + P
Corporate PILs/Income Tax Provision for Test Year				\$ 1,597,070		R = N - Q
Corporate PILs/Income Tax Provision Gross Up		72.36%	S = 1 - M	\$ 610,108		T = R / S - N
Income Tax (grossed-up)				\$ 2,207,179		U = R + T
Ontario Capital Tax (not grossed-up)				\$ -		V
Tax Provision for Test Year Rate Recovery				\$ 2,207,179		W = U + V

APPENDIX I-2011 Test Year Updated Cost of Capital

(subject to Long-Term Debt issue as determined by the Board)

ORIGINAL APPLICATION

Deemed Capital Structure for 2011

Description	% of Rate Base	\$	Cost Rate	Return
Long Term Debt	56%	66,721,168	6.36%	4,241,494
Unfunded Short Term Debt	4%	4,765,798	2.07%	98,652
Total Debt	60%	71,486,966		4,340,146
Common Share Equity	40%	47,657,977	9.85%	4,694,311
Total equity	40%	47,657,977		4,694,311
Total Rate Base	100%	119,144,943	7.58%	9,034,456

Updated for Cost of Capital

Deemed Capital Structure for 2011

Description	% of Rate Base	\$	Cost Rate	Return
Long Term Debt	56%	66,957,906	6.36%	4,256,543
Unfunded Short Term Debt	4%	4,782,708	2.46%	117,655
Total Debt	60%	71,740,614		4,374,198
Common Share Equity	40%	47,827,076	9.58%	4,581,834
Total equity	40%	47,827,076		4,581,834
Total Rate Base	100%	119,567,690	7.49%	8,956,032

APPENDIX J-2011 Test Year Updated Revenue Deficiency

**Niagara Peninsula Energy
Revenue Deficiency Determination**

Description	2010 Bridge Actual	2011 Test Existing Rates	2011 Test - Required Revenue	Original Application
Revenue				
Revenue Deficiency	0	0	2,869,242	3,378,275
Distribution Revenue	25,989,747	26,949,623	26,949,623	26,857,308
Other Operating Revenue (Net)	1,999,852	1,961,747	1,961,747	2,185,747
Total Revenue	27,989,599	28,911,370	31,780,611	32,421,330
Costs and Expenses				
Administrative & General, Billing & Collecting	7,766,452	7,712,101	7,712,101	8,153,328
Operation & Maintenance	5,935,146	6,142,107	6,142,107	6,142,107
Depreciation & Amortization	7,307,102	7,150,827	7,150,827	7,143,688
Property Taxes	232,000	222,474	222,474	222,474
Capital Taxes	83,846	0	0	-
Deemed Interest	4,083,700	4,374,198	4,374,198	4,340,146
Total Costs and Expenses	25,408,246	25,601,707	25,601,707	26,001,743
Less OCT Included Above	(83,846)	0	0	-
Total Costs and Expenses Net of OCT	25,324,400	25,601,707	25,601,707	26,001,743
Utility Income Before Income Taxes	2,665,199	3,309,662	6,178,904	6,419,587
Income Taxes:				
Corporate Income Taxes	776,534	828,498	1,597,070	1,725,276
Total Income Taxes	776,534	828,498	1,597,070	1,725,276
Utility Net Income	1,888,665	2,481,165	4,581,834	4,694,311
Capital Tax Expense Calculation:				
Total Rate Base	114,025,993	119,567,690	119,567,690	119,144,943
Exemption	15,000,000	15,000,000	15,000,000	15,000,000
Deemed Taxable Capital	99,025,993	104,567,690	104,567,690	104,144,943
Ontario Capital Tax	83,846	0	0	-
Income Tax Expense Calculation:				
Accounting Income	2,665,199	3,309,662	6,178,904	6,419,587
Tax Adjustments to Accounting Income	4,188	(216,708)	(216,708)	(131,884)
Taxable Income	2,669,387	3,092,954	5,962,196	6,287,703
Income Tax Expense	776,534	828,498	1,597,070	1,725,276
Tax Rate Reflecting Tax Credits	29.09%	26.79%	26.79%	27.44%
Actual Return on Rate Base:				
Rate Base	114,025,993	119,567,690	119,567,690	119,144,943
Interest Expense	4,083,700	4,374,198	4,374,198	4,340,146
Net Income	1,888,665	2,481,165	4,581,834	4,694,311
Total Actual Return on Rate Base	5,972,365	6,855,362	8,956,032	9,034,456
Actual Return on Rate Base	5.24%	5.73%	7.49%	7.58%
Required Return on Rate Base:				
Rate Base	114,025,993	119,567,690	119,567,690	119,144,943
Return Rates:				
Return on Debt (Weighted)	5.97%	6.10%	6.10%	6.07%
Return on Equity	9.00%	9.58%	9.58%	9.85%
Deemed Interest Expense	4,083,700	4,374,198	4,374,198	4,340,146
Return On Equity	4,104,936	4,581,834	4,581,834	4,694,311
Total Return	8,188,635	8,956,032	8,956,032	9,034,456
Expected Return on Rate Base	7.18%	7.49%	7.49%	7.58%
Revenue Deficiency After Tax	2,216,271	2,100,669	0	-
Revenue Deficiency Before Tax	3,125,485	2,869,242	0	-

APPENDIX K-2011 Test Year Updated Revenue to Cost Ratios

Cost Allocation Based Calculations

Class	Revenue Requirement - 2011 Cost Allocation Model	2011 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2011 Cost Allocation Model	Total Revenue	Revenue Cost Ratio	Check Revenue Cost Ratios from 2011 Cost Allocation Model	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Original	Difference
Residential	21,015,365	16,180,666	1,346,572	17,527,238	83.4%	83.4%	85.0%	17,863,061	1,346,572	16,516,489	85.0%	0.0%
GS < 50 kW	3,601,936	3,662,422	274,930	3,937,352	109.3%	109.3%	109.3%	3,937,352	274,930	3,662,422	108.2%	1.1%
GS >50	6,500,362	9,730,315	333,440	10,063,754	154.8%	154.8%	147.6841%	9,600,000	333,440	9,266,560	148.6%	-0.9%
Large Use	0	0	0	0	0.0%	0.0%	0.0%	0	0	0	0.0%	0.0%
Sentinel Lights	145,590	8,916	1,778	10,694	7.3%	7.3%	38.7%	56,303	1,778	54,525	38.3%	0.4%
Street Lighting	376,167	95,673	2,998	98,671	26.2%	26.2%	48.1%	180,994	2,998	177,996	47.9%	0.3%
USL	141,191	140,873	2,029	142,902	101.2%	101.2%	101.2%	142,902	2,029	140,873	100.5%	0.7%
TOTAL	31,780,612	29,818,865	1,961,747	31,780,612	100.0%	100.0%		31,780,612	1,961,747	29,818,865		

Distribution Rate Allocation Between Fixed & Variable Rates For 2011 Test Year

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	16,516,489	55.39%	16.05	\$0.0162	\$ 9,030,603	\$ 7,485,886		16,516,489	212,506	16,728,994
GS < 50 kW	3,662,422	12.28%	37.79	\$0.0138	\$ 1,973,672	\$ 1,688,749		3,662,422	49,151	3,711,573
GS >50	9,266,560	31.08%	179.88	\$4.3048	\$ 1,831,183	\$ 7,435,377	\$ 392,476	9,659,036	289,496	9,948,532
Large Use	0	0.00%	0.00	\$0.0000	\$ -	\$ -		0	0	0
Sentinel Lights	54,525	0.18%	7.05	\$8.8092	\$ 47,399	\$ 7,126		54,525	108	54,633
Street Lighting	177,996	0.60%	0.78	\$3.0654	\$ 116,359	\$ 61,637		177,996	2,459	180,455
USL	140,873	0.47%	19.52	\$0.0136	\$ 108,995	\$ 31,878		140,873	961	141,834
TOTAL	29,818,865	100.00%			\$ 13,108,211	\$ 16,710,653	\$ 392,476	\$ 30,211,340	\$ 554,681	\$ 30,766,021
Forecast Fixed/Variable Ratios					43.388%	55.313%	1.299%	100.000%		30,766,021

Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Spilt	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2010 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	45.32%	54.68%	100.00%	16.05	15.96	26.40
GS < 50 kW	46.11%	53.89%	100.00%	37.79	47.27	38.64
GS >50	80.24%	19.76%	100.00%	179.88	280.14	110.79
Large Use	0.00%	100.00%	100.00%	0.00	0.00	0.00
Sentinel Lights	13.07%	86.93%	100.00%	7.05	1.10	21.42
Street Lighting	34.63%	65.37%	100.00%	0.78	0.32	19.58
USL	22.63%	77.37%	100.00%	19.52	23.65	19.55
TOTAL						

Updated Revenue to Cost Ratios						
Class	2011 Cost Allocation Study	2011 Proposed Ratios	2012 Proposed Ratios	2013 Proposed Ratios	Board Targets Min to Max	
Residential	83.4%	85.0%	85.0%	85.0%	85.0%	115.0%
GS < 50	109.3%	109.3%	109.3%	109.3%	80.0%	120.0%
General Service 50 to 4999 kW	154.8%	147.7%	146.7%	145.7%	80.0%	180.0%
Streetlight	7.3%	48.1%	58.9%	70.0%	70.0%	120.0%
Sentinel Lights	26.2%	38.7%	54.1%	70.0%	70.0%	120.0%
Unmetered Scattered Load	101.2%	101.2%	101.2%	101.2%	80.0%	120.0%

APPENDIX L-Summary of Updated Customer Impacts

Niagara Falls

	Typical kwh Usage	Typical kW Demand	Delivery Charge Impact % as per Application	Delivery Charge Impact % as per Settlement	Change pts	Total Bill Impact % as per Application	Total Bill Impact % as per Settlement	Change pts
Residential	800		17.64%	14.84%	(2.79)	4.27%	3.87%	(0.40)
GS<50	2,000		1.81%	0.18%	(1.63)	0.01%	-0.02%	(0.03)
GS>50	65,000	180	21.80%	24.15%	2.35	1.96%	2.65%	0.70
Sentinel	43.57	0.12	476.47%	466.41%	(10.05)	123.59%	121.23%	(2.36)
Street Lighting	49.60	0.13	143.79%	138.94%	(4.85)	13.36%	13.22%	(0.14)
USL	250		-9.55%	-11.07%	(1.52)	-5.18%	-5.77%	(0.59)

Peninsula West

	Typical kwh Usage	Typical kW Demand	Delivery Charge Impact % as per Application	Delivery Charge Impact % as per Settlement	Change pts	Total Bill Impact % as per Application	Total Bill Impact % as per Settlement	Change pts
Residential-Urban	800		23.02%	19.76%	(3.26)	4.40%	3.99%	(0.41)
Residential-Suburban	800		42.82%	39.04%	(3.78)	7.76%	7.33%	(0.43)
GS<50	2,000		50.06%	47.32%	(2.75)	7.22%	7.18%	(0.03)
GS>50	55,000	175	-32.70%	-31.22%	1.48	-6.14%	-5.43%	0.71
Sentinel	43.57	0.12	754.09%	738.96%	(15.13)	141.63%	139.05%	(2.58)
Street Lighting	52	0.14	93.14%	88.37%	(4.77)	7.92%	7.79%	(0.13)
USL	250		157.38%	152.88%	(4.50)	41.69%	40.79%	(0.90)

	Fixed Rates per Application	Fixed Rates per Settlement	Variable Rates per Application	Variable Rates per Settlement
Residential	16.55	16.05	0.0170	0.0162
GS<50	38.45	37.79	0.0144	0.0138
GS>50	222.81	179.88	4.1353	4.3048
Sentinel	7.19	7.05	9.0642	8.8092
Street Lighting	0.80	0.78	3.2199	3.0654
USL	19.87	19.52	0.0142	0.0136

APPENDIX M-Updated 2011 Test Year Low Voltage Rates

RATES - Low Voltage Adjustment

Customer Class	LV Adj. Allocated	Updated Calculat ed kWh	Updated Calculated kW	Volumetric Rate Type	LV/ Adj. Rates/kWh	LV Adj. Rates/ kW
Residential	212,505.83	462,790,265	0	kWh	0.0005	
GS < 50 kW	49,151.22	122,331,880	0	kWh	0.0004	
GS >50	289,496.23	628,090,148	1,818,411	kW		0.1592
Large Use	0.00	0	0	kW		0.0000
Sentinel Lights	107.62	292,817	809	kW		0.1330
Street Lighting	2,459.25	7,467,591	20,107	kW		0.1223
USL	960.68	2,335,428	0	kWh	0.0004	
TOTALS	554,680.83	1,223,308,130	1,839,327			

Appendix N-Updated 2011 Retail Service Transmission Rates (RTSR)

Transmission - Network		Volume	2011 billing	2010-Current RTSR		% of RTSR	Allocate 2011	Proposed 2011 RTSR	
Class per Load Forecast		Metric	Determinants			revenue @	purchases to		
						2010 rates	rate class		
Residential		kWh	488,702,020	0.0053	2,571,543	37.60%	2,933,975.2	0.0060	2,933,975
GS<50		kWh	129,181,276	0.0048	623,584	9.12%	711,471.2	0.0055	711,471
GS>50		kW	1,818,411	1.9802	3,600,818	52.65%	4,108,315.5	2.2593	4,108,316
Sentinel		kW	809	1.4661	1,186	0.02%	1,353.2	1.6727	1,353
Street Lighting		kW	20,107	1.4970	30,102	0.44%	34,344.0	1.7080	34,344
USL		kWh	2,466,189	0.0048	11,891	0.17%	13,566.5	0.0055	13,566
Total - GL 4066					6,839,123	100.00%	7,803,026		7,803,026

Combined Rate (For Rate Design Model)	
0.0105	Residential
0.0095	GS<50
3.8258	GS>50
2.9817	Sentinel
2.9116	Street Lighting
0.0095	USL

Transmission - Connection		Volume	2011 billing	2010-Current RTSR		% of RTSR	Allocate 2011	Proposed 2011 RTSR	
Class per Load Forecast		Metric	Determinants			revenue @	purchases to		
						2010 rates	rate class		
Residential		kWh	488,702,020	0.0048	2,340,916	39.32%	2,203,553	0.0045	2,203,553
GS<50		kWh	129,181,276	0.0042	548,452	9.21%	516,270	0.0040	516,270
GS>50		kW	1,818,411	1.6642	3,026,135	50.84%	2,848,564	1.5665	2,848,564
Sentinel		kW	809	1.3906	1,125	0.02%	1,059	1.3090	1,059
Street Lighting		kW	20,107	1.2785	25,708	0.43%	24,200	1.2035	24,200
USL		kWh	2,466,189	0.0043	10,499	0.18%	9,883	0.0040	9,883
Total - GL 4068					5,952,836	100.00%	5,603,528		5,603,528

APPENDIX O-Updated 2011 Test Year EDDVAR Rate Riders

Rate Class	Group 1	Group 2	Total	2011 Forecast Quantities	Billing Factor	Updated Rate	Pre-Filed Application Original Load Forecast	Difference
Residential	(699,624)	723,062	23,437	462,790,265	kWh	0.0001	0.0001	(0.0000)
GS<50	(227,088)	71,070	(156,018)	122,331,880	kWh	(0.0013)	(0.0013)	0.0000
GS>50	(1,123,984)	19,423	(1,104,561)	1,818,411	kW	(0.6074)	(0.6119)	0.0045
Sentinel	(764)	2,503	1,738	809	kW	2.1490	2.1482	0.0008
Street Lighting	(12,846)	128	(12,719)	20,107	kW	(0.6325)	(0.6329)	0.0004
USL	(3,611)	2,438	(1,173)	2,335,428	kWh	(0.0005)	(0.0005)	(0.0000)
Total	(2,067,919)	818,623	(1,249,295)					

Rate Class	RSVA 1588 Power sub- Account Global Adjustment	2011 Forecast Non- RPP Quantities	Billing Factor	Updated Rate	Pre-Filed Application Original Load Forecast	Difference
Residential	111,625	71,338,420	kWh	0.0016	0.0016	(0.0000)
GS<50	37,959	19,756,401	kWh	0.0019	0.0019	0.0000
GS>50	999,104	1,561,661	kW	0.6398	0.6442	(0.0044)
Sentinel	307	314	kW	0.9780	0.9780	0.0000
Street Lighting	1,598	2,417	kW	0.6613	0.6613	(0.0000)
USL	1,799	1,123,722	kWh	0.0016	0.0016	0.0000
Total	1,152,393	93,782,936				

APPENDIX P-Updated 2011 Test Year Revenue Requirement Work Form



REVENUE REQUIREMENT WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Version: 2.11

Data Input							(1)
	Initial Application	Adjustments	Settlement Agreement	(7)	Adjustments	Per Board Decision	
1 Rate Base							
Gross Fixed Assets (average)	\$205,000,203	(\$528,857)	\$ 204,471,346			\$204,471,346	
Accumulated Depreciation (average)	(\$103,031,549)	(5) (\$309,731)	-\$ 103,341,280			(\$103,341,280)	
Allowance for Working Capital:							
Controllable Expenses	\$14,517,909	(\$441,227)	\$ 14,076,682			\$14,076,682	
Cost of Power	\$99,990,688	\$8,850,119	\$ 108,840,807			\$108,840,807	
Working Capital Rate (%)	15.00%		15.00%			15.00%	
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$26,857,308	\$92,314	\$26,949,623		\$0	\$26,949,623	
Distribution Revenue at Proposed Rates	\$30,235,583	(\$416,718)	\$29,818,865		\$0	\$29,818,865	
Other Revenue:							
Specific Service Charges	\$956,878	\$0	\$956,878		\$0	\$956,878	
Late Payment Charges	\$518,557	\$0	\$518,557		\$0	\$518,557	
Other Distribution Revenue	\$558,164	\$0	\$558,164		\$0	\$558,164	
Other Income and Deductions	\$152,148	(\$224,000)	(\$71,852)		\$0	(\$71,852)	
Operating Expenses:							
OM+A Expenses	\$14,295,435	(\$441,227)	\$ 13,854,208			\$13,854,208	
Depreciation/Amortization	\$7,143,688	\$7,139	\$ 7,150,827			\$7,150,827	
Property taxes	\$222,474	\$ -	\$ 222,474			\$222,474	
Capital taxes	\$0		\$0			\$0	
Other expenses							
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$131,884)	(3)	(\$216,708)			(\$216,708)	
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$1,237,886		\$1,145,898			\$1,145,898	
Income taxes (grossed up)	\$1,725,276		\$1,597,070			\$1,597,070	
Capital Taxes	\$ -	(6)	\$ -	(6)		\$ -	(6)
Federal tax (%)	16.50%		16.50%			16.50%	
Provincial tax (%)	11.75%		11.75%			11.75%	
Income Tax Credits	(\$51,000)		(\$87,250)			(\$87,250)	
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%		56.0%			56.0%	
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)		4.0%	(2)
Common Equity Capitalization Ratio (%)	40.0%		40.0%			40.0%	
Preferred Shares Capitalization Ratio (%)							
	100.0%		100.0%			100.0%	
Cost of Capital							
Long-term debt Cost Rate (%)	6.36%		6.36%				
Short-term debt Cost Rate (%)	2.07%		2.46%			2.46%	
Common Equity Cost Rate (%)	9.85%		9.58%			9.58%	
Preferred Shares Cost Rate (%)							

Notes:

(Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Not applicable as of July 1, 2010
- (7) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Rate Base							
Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)		\$205,000,203	(\$528,857)	\$204,471,346	\$ -	\$204,471,346
2	Accumulated Depreciation (average) (3)		(\$103,031,549)	(\$309,731)	(\$103,341,280)	\$ -	(\$103,341,280)
3	Net Fixed Assets (average) (3)		\$101,968,654	(\$838,588)	\$101,130,066	\$ -	\$101,130,066
4	Allowance for Working Capital (1)		\$17,176,290	\$1,261,334	\$18,437,623	\$ -	\$18,437,623
5	Total Rate Base		\$119,144,943	\$422,746	\$119,567,689	\$ -	\$119,567,689
(1) Allowance for Working Capital - Derivation							
6	Controllable Expenses		\$14,517,909	(\$441,227)	\$14,076,682	\$ -	\$14,076,682
7	Cost of Power		\$99,990,688	\$8,850,119	\$108,840,807	\$ -	\$108,840,807
8	Working Capital Base		\$114,508,597	\$8,408,892	\$122,917,489	\$ -	\$122,917,489
9	Working Capital Rate % (2)	15.00%		0.00%	15.00%	0.00%	15.00%
10	Working Capital Allowance		\$17,176,290	\$1,261,334	\$18,437,623	\$ -	\$18,437,623

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

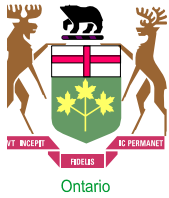
Version: 2.11

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Utility income						
Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$30,235,583	(\$416,718)	\$29,818,865	\$ -	\$29,818,865
2	Other Revenue (1)	\$2,185,747	(\$4,147,493)	\$1,961,747	\$ -	\$1,961,747
3	Total Operating Revenues	\$32,421,330	(\$4,564,212)	\$31,780,611	\$ -	\$31,780,611
Operating Expenses:						
4	OM+A Expenses	\$14,295,435	(\$441,227)	\$13,854,208	\$ -	\$13,854,208
5	Depreciation/Amortization	\$7,143,688	\$7,139	\$7,150,827	\$ -	\$7,150,827
6	Property taxes	\$222,474	\$ -	\$222,474	\$ -	\$222,474
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$21,661,597	(\$434,088)	\$21,227,509	\$ -	\$21,227,509
10	Deemed Interest Expense	\$4,340,146	\$34,052	\$4,374,198	\$ -	\$4,374,198
11	Total Expenses (lines 9 to 10)	\$26,001,743	(\$400,036)	\$25,601,707	\$ -	\$25,601,707
12	Utility income before income taxes	\$6,419,587	(\$4,164,176)	\$6,178,904	\$ -	\$6,178,904
13	Income taxes (grossed-up)	\$1,725,276	(\$128,206)	\$1,597,070	\$ -	\$1,597,070
14	Utility net income	\$4,694,311	(\$4,035,970)	\$4,581,834	\$ -	\$4,581,834

Notes

(1)	Other Revenues / Revenue Offsets					
	Specific Service Charges	\$956,878	\$ -	\$956,878	\$ -	\$956,878
	Late Payment Charges	\$518,557	\$ -	\$518,557	\$ -	\$518,557
	Other Distribution Revenue	\$558,164	\$ -	\$558,164	\$ -	\$558,164
	Other Income and Deductions	\$152,148	(\$224,000)	(\$71,852)	\$ -	(\$71,852)
	Total Revenue Offsets	\$2,185,747	(\$224,000)	\$1,961,747	\$ -	\$1,961,747



REVENUE REQUIREMENT WORK FORM

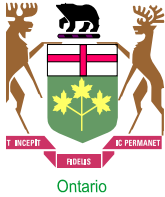
Version: 2.11

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Taxes/PILs				
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$4,694,311	\$4,581,834	\$4,581,834
2	Adjustments required to arrive at taxable utility income	(\$131,884)	(\$216,708)	(\$216,708)
3	Taxable income	\$4,562,427	\$4,365,126	\$4,365,126
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$1,237,886	\$1,145,898	\$1,145,898
5	Capital taxes	\$ - (1)	\$ - (1)	\$ -
6	Total taxes	\$1,237,886	\$1,145,898	\$1,145,898
7	Gross-up of Income Taxes	\$487,390	\$451,172	\$451,172
8	Grossed-up Income Taxes	\$1,725,276	\$1,597,070	\$1,597,070
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$1,725,276	\$1,597,070	\$1,597,070
10	Other tax Credits	(\$51,000)	(\$87,250)	(\$87,250)
<u>Tax Rates</u>				
11	Federal tax (%)	16.50%	16.50%	16.50%
12	Provincial tax (%)	11.75%	11.75%	11.75%
13	Total tax rate (%)	28.25%	28.25%	28.25%

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)



REVENUE REQUIREMENT WORK FORM

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Version: 2.11

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$66,721,168	6.36%	\$4,241,494
2	Short-term Debt	4.00%	\$4,765,798	2.07%	\$98,652
3	Total Debt	60.00%	\$71,486,966	6.07%	\$4,340,146
	Equity				
4	Common Equity	40.00%	\$47,657,977	9.85%	\$4,694,311
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$47,657,977	9.85%	\$4,694,311
7	Total	100.00%	\$119,144,943	7.58%	\$9,034,456

Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$66,957,906	6.36%	\$4,256,543
2	Short-term Debt	4.00%	\$4,782,708	2.46%	\$117,655
3	Total Debt	60.00%	\$71,740,613	6.10%	\$4,374,198
	Equity				
4	Common Equity	40.00%	\$47,827,076	9.58%	\$4,581,834
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$47,827,076	9.58%	\$4,581,834
7	Total	100.00%	\$119,567,689	7.49%	\$8,956,031

Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$66,957,906	6.36%	\$4,256,543
9	Short-term Debt	4.00%	\$4,782,708	2.46%	\$117,655
10	Total Debt	60.00%	\$71,740,613	6.10%	\$4,374,198
	Equity				
11	Common Equity	40.00%	\$47,827,076	9.58%	\$4,581,834
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$47,827,076	9.58%	\$4,581,834
14	Total	100.00%	\$119,567,689	7.49%	\$8,956,031

Notes

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



REVENUE REQUIREMENT WORK FORM

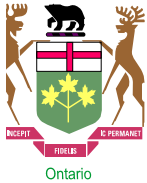
Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Version: 2.11

		Revenue Sufficiency/Deficiency					
Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$3,378,275		\$2,869,242		\$2,869,242
2	Distribution Revenue	\$26,857,308	\$26,857,308	\$26,949,623	\$26,949,623	\$26,949,623	\$26,949,623
3	Other Operating Revenue	\$2,185,747	\$2,185,747	\$1,961,747	\$1,961,747	\$1,961,747	\$1,961,747
	Offsets - net						
4	Total Revenue	\$29,043,055	\$32,421,330	\$28,911,370	\$31,780,611	\$28,911,370	\$31,780,611
5	Operating Expenses	\$21,661,597	\$21,661,597	\$21,227,509	\$21,227,509	\$21,227,509	\$21,227,509
6	Deemed Interest Expense	\$4,340,146	\$4,340,146	\$4,374,198	\$4,374,198	\$4,374,198	\$4,374,198
	Total Cost and Expenses	\$26,001,743	\$26,001,743	\$25,601,707	\$25,601,707	\$25,601,707	\$25,601,707
7	Utility Income Before Income Taxes	\$3,041,312	\$6,419,587	\$3,309,663	\$6,178,904	\$3,309,663	\$6,178,904
8		(\$131,884)	(\$131,884)	(\$216,708)	(\$216,708)	(\$216,708)	(\$216,708)
	Tax Adjustments to Accounting Income per 2009 PILs						
9	Taxable Income	\$2,909,428	\$6,287,703	\$3,092,955	\$5,962,196	\$3,092,955	\$5,962,196
10	Income Tax Rate	28.25%	28.25%	28.25%	28.25%	28.25%	28.25%
11		\$821,913	\$1,776,276	\$873,760	\$1,684,320	\$873,760	\$1,684,320
	Income Tax on Taxable Income						
12	Income Tax Credits	(\$51,000)	(\$51,000)	(\$87,250)	(\$87,250)	(\$87,250)	(\$87,250)
13	Utility Net Income	\$2,270,399	\$4,694,311	\$2,523,153	\$4,581,834	\$2,523,153	\$4,581,834
14	Utility Rate Base	\$119,144,943	\$119,144,943	\$119,567,689	\$119,567,689	\$119,567,689	\$119,567,689
	Deemed Equity Portion of Rate Base	\$47,657,977	\$47,657,977	\$47,827,076	\$47,827,076	\$47,827,076	\$47,827,076
15	Income/Equity Rate Base (%)	4.76%	9.85%	5.28%	9.58%	5.28%	9.58%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.58%	9.58%	9.58%	9.58%
17	Sufficiency/Deficiency in Return on Equity	-5.09%	0.00%	-4.30%	0.00%	-4.30%	0.00%
18	Indicated Rate of Return	5.55%	7.58%	5.77%	7.49%	5.77%	7.49%
19	Requested Rate of Return on Rate Base	7.58%	7.58%	7.49%	7.49%	7.49%	7.49%
20	Sufficiency/Deficiency in Rate of Return	-2.03%	0.00%	-1.72%	0.00%	-1.72%	0.00%
21	Target Return on Equity	\$4,694,311	\$4,694,311	\$4,581,834	\$4,581,834	\$4,581,834	\$4,581,834
22	Revenue Deficiency/(Sufficiency)	\$2,423,912	\$ -	\$2,058,681	(\$0)	\$2,058,681	(\$0)
23	Gross Revenue	\$3,378,275		\$2,869,242		\$2,869,242	
	Deficiency/(Sufficiency)		(1)		(1)		(1)

Notes:

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



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Revenue Requirement					
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision	
1	OM&A Expenses	\$14,295,435	\$13,854,208	\$13,854,208	
2	Amortization/Depreciation	\$7,143,688	\$7,150,827	\$7,150,827	
3	Property Taxes	\$222,474	\$222,474	\$222,474	
4	Capital Taxes	\$ -	\$ -	\$ -	
5	Income Taxes (Grossed up)	\$1,725,276	\$1,597,070	\$1,597,070	
6	Other Expenses	\$ -			
7	Return				
	Deemed Interest Expense	\$4,340,146	\$4,374,198	\$4,374,198	
	Return on Deemed Equity	\$4,694,311	\$4,581,834	\$4,581,834	
8	Distribution Revenue Requirement before Revenues	\$32,421,330	\$31,780,611	\$31,780,611	
9	Distribution revenue	\$30,235,583	\$29,818,865	\$29,818,865	
10	Other revenue	\$2,185,747	\$1,961,747	\$1,961,747	
11	Total revenue	\$32,421,330	\$31,780,611	\$31,780,611	
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$ - (1)	(\$0) (1)	(\$0) (1)	

Notes

(1) Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 15.9600	1	\$ 15.96	\$ 16.0500	1	\$ 16.05	\$ 0.09	0.56%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0136	800	\$ 10.88	\$ 0.0162	800	\$ 12.96	\$ 2.08	19.12%
6 Low Voltage Rate Adder	per kWh		800	\$ -	\$ 0.0005	800	\$ 0.40	\$ 0.40	
7 Volumetric Rate Adder(s)	per kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider			800	\$ -		800	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0028	800	-\$ 2.24	-\$ 0.0028	800	-\$ 2.24	\$ -	0.00%
12 Deferral & Variance Acct (kWh) May 2011-April 2012	per kWh	\$ -	800	\$ -	\$ 0.0001	800	\$ 0.08	\$ 0.08	
13 Global Adjustmenr Rate Rider (kWh) May 2010 - April 2012 Non-RPP Only.	per kWh	\$ 0.0011	800	\$ 0.88	\$ 0.0011	800	\$ 0.88	\$ -	0.00%
14 Global Adjustmenr Rate Rider (kWh) May 2011 - April 2012 Non-RPP Only.	per kWh	\$ -	800	\$ -	\$ 0.0016	800	\$ 1.28	\$ 1.28	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 26.48			\$ 30.41	\$ 3.93	14.84%
17 RTSR - Network	per kWh	\$ 0.0053	845.76	\$ 4.48	\$ 0.0060	844.7922	\$ 5.07	\$ 0.59	13.15%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0046	845.76	\$ 3.89	\$ 0.0045	844.7922	\$ 3.81	\$ 0.08	-2.09%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 34.85			\$ 39.29	\$ 4.44	12.73%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	845.76	\$ 4.40	\$ 0.0052	844.7922	\$ 4.39	-\$ 0.01	-0.11%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	845.76	\$ 1.10	\$ 0.0013	844.7922	\$ 1.10	-\$ 0.00	-0.11%
22 Special Purpose Charge	per kWh	\$ 0.0003725	845.76	\$ 0.32	\$ -	844.7922	\$ -	\$ 0.32	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	845.76	\$ 5.92	\$ 0.0070	844.7922	\$ 5.91	-\$ 0.01	-0.11%
25 Energy	per kWh	\$ 0.0650	845.76	\$ 54.97	\$ 0.0650	844.7922	\$ 54.91	-\$ 0.06	-0.11%
26 Energy		\$ 0.0750	32.8	\$ 2.46	\$ 0.0750	32.8	\$ 2.46	\$ -	0.00%
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 104.27			\$ 108.32	\$ 4.05	3.88%
29 HST		13%		\$ 13.56	13%		\$ 14.08	\$ 0.53	3.88%
30 Total Bill (including Sub-total B)				\$ 117.83			\$ 122.40	\$ 4.57	3.88%
31 Loss Factor (%)	Note 1		5.72%			5.60%			

Notes:

Note 1: Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Niagara Peninsula Energy Inc.
File Number: EB-2010-0138
Rate Year: 2011

General Service < 50 kW

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 47.2700	1	\$ 47.27	\$ 37.7900	1	\$ 37.79	-\$ 9.48	-20.06%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0100	2000	\$ 20.00	\$ 0.0138	2000	\$ 27.60	\$ 7.60	38.00%
6 Low Voltage Rate Adder	per kWh	\$ -	2000	\$ -	\$ 0.0004	2000	\$ 0.80	\$ 0.80	
7 Volumetric Rate Adder(s)	per kWh	\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10 LRAM & SSM Rider			2000	\$ -		2000	\$ -	\$ -	
11 Deferral/Variance Account	monthly	-\$ 0.0027	2000	-\$ 5.40	-\$ 0.0027	2000	-\$ 5.40	\$ -	0.00%
Disposition Rate Rider									
12 Deferral & Variance Acct (kWh) May 2011-April 2012	per kWh	\$ -	2000	\$ -	-\$ 0.0013	2000	-\$ 2.60	-\$ 2.60	
13 Global Adjustmenr Rate Rider (kWh) May 2010 - April 2012 Non-RPP Only	per kWh	\$ 0.0011	2000	\$ 2.20	\$ 0.0011	2000	\$ 2.20	\$ -	0.00%
14 Global Adjustmenr Rate Rider (kWh) May 2011 - April 2012 Non-RPP Only	per kWh	\$ -	2000	\$ -	\$ 0.0019	2000	\$ 3.80	\$ 3.80	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 65.07			\$ 65.19	\$ 0.12	0.18%
17 RTSR - Network	per kWh	\$ 0.0046	2114.4	\$ 9.73	\$ 0.0055	2111.981	\$ 11.63	\$ 1.91	19.59%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0045	2114.4	\$ 9.51	\$ 0.0040	2111.981	\$ 8.44	-\$ 1.07	-11.29%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 84.31			\$ 85.26	\$ 0.95	1.13%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2114.4	\$ 10.99	\$ 0.0052	2111.981	\$ 10.98	-\$ 0.01	-0.11%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2114.4	\$ 2.75	\$ 0.0013	2111.981	\$ 2.75	-\$ 0.00	-0.11%
22 Special Purpose Charge	per kWh	\$ 0.0003725	2114.4	\$ 0.79	\$ -	2111.981	\$ -	-\$ 0.79	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2114.4	\$ 14.80	\$ 0.0070	2111.981	\$ 14.78	-\$ 0.02	-0.11%
25 Energy	per kWh	\$ 0.0650	2114.4	\$ 137.44	\$ 0.0650	2111.981	\$ 137.28	-\$ 0.16	-0.11%
26 Energy		\$ 0.0750	201.87	\$ 15.14	\$ 0.0750	201.87	\$ 15.14	\$ -	0.00%
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 266.47			\$ 266.44	-\$ 0.03	-0.01%
29 HST		13%		\$ 34.64	13%		\$ 34.64	\$ -	0.00%
30 Total Bill (including Sub-total B)				\$ 301.11			\$ 301.08	-\$ 0.03	-0.01%
31 Loss Factor	Note 1		5.72%			5.60%			

Notes:

Note 1: See Note 1 from Sheet 1A. Bill Impacts - Residential

Peninsula West – Residential Urban



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Niagara Peninsula Energy -Peninsula West
File Number:
Rate Year: 2011

Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 10.0400	1	\$ 10.04	\$ 16.0500	1	\$ 16.05	\$ 6.01	59.86%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0180	800	\$ 14.40	\$ 0.0162	800	\$ 12.96	-\$ 1.44	-10.00%
6 Low Voltage Rate Adder	per kWh	\$ 0.0023	800	\$ 1.84	\$ 0.0005	800	\$ 0.40	-\$ 1.44	-78.26%
7 Volumetric Rate Adder(s)	per kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider			800	\$ -		800	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0064	800	-\$ 5.12	-\$ 0.0064	800	-\$ 5.12	\$ -	0.00%
12 Deferral & Variance Acct (kWh) May 2011-April 2012		\$ -	800	\$ -	\$ 0.0001	800	\$ 0.08	\$ 0.08	
13 Global Adjustmenr Rate Rider (kWh) May 2010 - April 2012 Non-RPP Only.		\$ 0.0007	800	\$ 0.56	\$ 0.0007	800	\$ 0.56	\$ -	0.00%
14 Global Adjustmenr Rate Rider (kWh) May 2011 - April 2012 Non-RPP Only.		\$ -	800	\$ -	\$ 0.0016	800	\$ 1.28	\$ 1.28	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 22.72			\$ 27.21	\$ 4.49	19.76%
17 RTSR - Network	per kWh	\$ 0.0052	848.08	\$ 4.41	\$ 0.0060	844.7922	\$ 5.07	\$ 0.66	15.01%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0051	848.08	\$ 4.33	\$ 0.0045	844.7922	\$ 3.81	-\$ 0.52	-11.93%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 31.46			\$ 36.09	\$ 4.64	14.74%
20 Wholesale Market Service Charge (WMSR)	per kWh	\$ 0.0052	848.08	\$ 4.41	\$ 0.0052	844.7922	\$ 4.39	-\$ 0.02	-0.39%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	848.08	\$ 1.10	\$ 0.0013	844.7922	\$ 1.10	-\$ 0.00	-0.39%
22 Special Purpose Charge	per kWh	\$ 0.0003725	848.08	\$ 0.32	\$ -	844.7922	\$ -	-\$ 0.32	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	848.08	\$ 5.94	\$ 0.0070	844.7922	\$ 5.91	-\$ 0.02	-0.39%
25 Energy	per kWh	\$ 0.0650	848.08	\$ 55.13	\$ 0.0650	844.7922	\$ 54.91	-\$ 0.21	-0.39%
26 Energy	per kWh	\$ 0.0750	33.07	\$ 2.48	\$ 0.0750	33.07	\$ 2.48	\$ -	0.00%
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 101.08			\$ 105.14	\$ 4.06	4.02%
29 HST		13%		\$ 13.14	13%		\$ 13.67	\$ 0.53	4.02%
30 Total Bill (including Sub-total B)				\$ 114.22			\$ 118.81	\$ 4.59	4.02%
31 Loss Factor (%)	Note 1		6.01%			5.60%			

Notes:

Note 1: Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.

Peninsula West – Residential Suburban



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Niagara Peninsula Energy -Peninsula West
File Number:
Rate Year: 2011

Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 10.6500	1	\$ 10.65	\$ 16.0500	1	\$ 16.05	\$ 5.40	50.70%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0134	800	\$ 10.72	\$ 0.0162	800	\$ 12.96	\$ 2.24	20.90%
6 Low Voltage Rate Adder	per kWh	\$ 0.0022	800	\$ 1.76	\$ 0.0005	800	\$ 0.40	-\$ 1.36	-77.27%
7 Volumetric Rate Adder(s)	per kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider			800	\$ -		800	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider	monthly	-\$ 0.0064	800	-\$ 5.12	-\$ 0.0064	800	-\$ 5.12	\$ -	0.00%
12 Deferral & Variance Acct (kWh) May 2011-April 2012		\$ -	800	\$ -	\$ 0.0001	800	\$ 0.08	\$ 0.08	
13 Global Adjustmenr Rate Rider (kWh) May 2010 - April 2012 Non-RPP Only.		\$ 0.0007	800	\$ 0.56	\$ 0.0007	800	\$ 0.56	\$ -	0.00%
14 Global Adjustmenr Rate Rider (kWh) May 2011 - April 2012 Non-RPP Only.		\$ -	800	\$ -	\$ 0.0016	800	\$ 1.28	\$ 1.28	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 19.57			\$ 27.21	\$ 7.64	39.04%
17 RTSR - Network	per kWh	\$ 0.0052	848.08	\$ 4.41	\$ 0.0060	844.7922	\$ 5.07	\$ 0.66	15.01%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0051	848.08	\$ 4.33	\$ 0.0045	844.7922	\$ 3.81	-\$ 0.52	-11.93%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 28.31			\$ 36.09	\$ 7.79	27.51%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	848.08	\$ 4.41	\$ 0.0052	844.7922	\$ 4.39	-\$ 0.02	-0.39%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	848.08	\$ 1.10	\$ 0.0013	844.7922	\$ 1.10	-\$ 0.00	-0.39%
22 Special Purpose Charge	per kWh	\$ 0.0003725	848.08	\$ 0.32	\$ -	844.7922	\$ -	-\$ 0.32	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	848.08	\$ 5.94	\$ 0.0070	844.7922	\$ 5.91	-\$ 0.02	-0.39%
25 Energy	per kWh	\$ 0.0650	848.08	\$ 55.13	\$ 0.0650	844.7922	\$ 54.91	-\$ 0.21	-0.39%
26 Energy	per kWh	\$ 0.0750	33.07	\$ 2.48	\$ 0.0750	33.07	\$ 2.48	\$ -	0.00%
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 97.93			\$ 105.14	\$ 7.21	7.36%
29 HST		13%		\$ 12.73	13%		\$ 13.67	\$ 0.94	7.36%
30 Total Bill (including Sub-total B)				\$ 110.66			\$ 118.81	\$ 8.15	7.36%
31 Loss Factor (%)	Note 1		6.01%			5.60%			

Notes:

Note 1: Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.

Peninsula West – GS < 50 kW



REVENUE REQUIREMENT WORK FORM

Name of LDC: Niagara Peninsula Energy -Peninsula West
File Number:
Rate Year: 2011

Version: 2.11

General Service < 50 kW

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 10.3500	1	\$ 10.35	\$ 37.7900	1	\$ 37.79	\$ 27.44	265.12%
2 Smart Meter Rate Adder	monthly	\$ 1.0000	1	\$ 1.00	\$ 1.0000	1	\$ 1.00	\$ -	0.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0176	2000	\$ 35.20	\$ 0.0138	2000	\$ 27.60	-\$ 7.60	-21.59%
6 Low Voltage Rate Adder	per kWh	\$ 0.0018	2000	\$ 3.60	\$ 0.0004	2000	\$ 0.80	-\$ 2.80	-77.78%
7 Volumetric Rate Adder(s)	per kWh	\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10 LRAM & SSM Rider			2000	\$ -		2000	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0065	2000	-\$ 13.00	-\$ 0.0065	2000	-\$ 13.00	\$ -	0.00%
12 Deferral & Variance Acct (kWh) May 2011-April 2012		\$ -	2000	\$ -	-\$ 0.0013	2000	-\$ 2.60	-\$ 2.60	
13 Global Adjustmenr Rate Rider (kWh) May 2010 - April 2012 Non-RPP Only.		\$ 0.0007	2000	\$ 1.40	\$ 0.0007	2000	\$ 1.40	\$ -	0.00%
14 Global Adjustmenr Rate Rider (kWh) May 2011 - April 2012 Non-RPP Only.		\$ -	2000	\$ -	\$ 0.0019	2000	\$ 3.80	\$ 3.80	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 38.55			\$ 56.79	\$ 18.24	47.32%
17 RTSR - Network	per kWh	\$ 0.0047	2120.2	\$ 9.96	\$ 0.0055	2111.981	\$ 11.63	\$ 1.67	16.73%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0045	2120.2	\$ 9.54	\$ 0.0040	2111.981	\$ 8.44	-\$ 1.10	-11.53%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 58.06			\$ 76.86	\$ 18.81	32.39%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2120.2	\$ 11.03	\$ 0.0052	2111.981	\$ 10.98	-\$ 0.04	-0.39%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2120.2	\$ 2.76	\$ 0.0013	2111.981	\$ 2.75	-\$ 0.01	-0.39%
22 Special Purpose Charge	per kWh	\$ 0.0003725	2120.2	\$ 0.79	\$ -	2111.981	\$ -	-\$ 0.79	-100.00%
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2120.2	\$ 14.84	\$ 0.0070	2111.981	\$ 14.78	-\$ 0.06	-0.39%
25 Energy	per kWh	\$ 0.0650	2120.2	\$ 137.81	\$ 0.0650	2111.981	\$ 137.28	-\$ 0.53	-0.39%
26 Energy	per kWh	\$ 0.0750	202.8	\$ 15.21	\$ 0.0750	201.6	\$ 15.12	-\$ 0.09	-0.59%
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 240.74			\$ 258.02	\$ 17.28	7.18%
29 HST		13%		\$ 31.30	13%		\$ 33.54	\$ 2.25	7.18%
30 Total Bill (including Sub-total B)				\$ 272.04			\$ 291.57	\$ 19.53	7.18%
31 Loss Factor	Note 1		6.01%				5.60%		

Notes:

Note 1: See Note 1 from Sheet 1A. Bill Impacts - Residential