



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

June 7, 2011

Attention: Board Secretary

Re: Kenora Hydro Electric Corporation Ltd. – EB-2010-0135

Enclosed please find Kenora Hydro's submission in response to the OEB's Decision and Order dated May 25, 2011. Copies have been filed through the OEB Portal, as well as e-mailed to contacts at VECC.

Should you require additional information, please contact me directly.

Yours truly,

A handwritten signature in black ink, appearing to be "D. Sinclair", written over a horizontal line.

David Sinclair
President & CEO
Kenora Hydro
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KENORA HYDRO ELECTRIC CORPORATION LTD.
DRAFT RATE ORDER
EB-2010-0135

MANAGER'S SUMMARY

The sections that follow detail the changes and modifications made to the models and calculations used to determine the final Tariff of Rates and Charges for Kenora Hydro, to be effective July 1, 2011:

- Forecasted 2011 customer counts
- CDM – load forecast
- Capital expenditures and rate base
- Changes to working capital allowance
- Late payment settlement rate rider
- Leap payment requirement
- Deferral and variance accounts rate rider
- Smart Meter rate rider
- Smart Meter capital and Stranded Assets
- Revenue offsets
- Interest
- Income Tax adjustments and PILs calculation
- Updated Revenue Requirement Work Form
- Revised Rate Schedule
- Revised customer impact sheets

FORECASTED 2011 CUSTOMER COUNTS

Kenora Hydro has updated the customer counts throughout the models to reflect the final OEB Direction:

Class	ORIGINAL Counts	REVISED 2011 Test Year Count
Residential	4,674	4,731
GS <50 kW	703	736
GS > 50 kW	75	70
TOTAL	5,452	5,537

CDM – LOAD FORECAST

As directed by the Board, revisions have been made throughout the model to update the expected kWh purchases for the revision of the CDM target. The original reduction was 1,250,000 kWh in 2011. The Board has directed that the CDM target be 522,000 kWh in 2011. The original expected kWh of 109,093,068 kWh is now reduced by 522,000 kWh, resulting in expected sales of 108,571,068 kWh. The kWh total is then further increased by impact of increasing the customer counts. These results are produced when the original load forecast model was updated for the CDM and count changes. The revised counts and kWh are used throughout the models.

This table indicates the changes in expected kWh for 2011:

	2011 Forecast - ORIGINAL	Change CDM from 1.25 M to 522,000 kWh	Impact of Altering Customer Counts	REVISED 2011 Weather Normal
Actual kWh Purchases				
Predicted kWh Purchases	113,784,070	759,304	722,598	115,265,972
Billed kWh	107,843,068	728,000	692,807	109,263,875
By Class				
Residential				
Customers	4,674		57	4,731
kWh	38,188,928	264,339	1,223,757	39,677,024
GS<50				
Customers	703		33	736
kWh	22,359,418	160,064	1,506,003	24,025,485
GS>50				
Customers	75		(5)	70
kWh	45,342,066	290,482	(2,036,684)	43,595,864
kW	116,530	746	(5,233)	112,043
SLR				
Customers	550			550
kWh	1,807,975	12,143	(248)	1,819,870
kW	5,737	39	(1)	5,775
USL				
Customers	30			30
kWh	144,681	972	(20)	145,633
Total				
Customer/Connections	6,031		85	6,117
kWh	107,843,068	728,000	692,808	109,263,876
kW from applicable classes	122,267	785	(5,234)	117,818

CAPITAL EXPENDITURES AND RATE BASE

The Board accepted the following:

- Kenora’s 2006-2010 capital expenditures are prudent and should be included in the rate base.
- The revised 2011 Capital Budget additions of \$908,500.
- The 2011 Rate Base adjusted by the \$376,000 reduction in originally proposed capital projects and the updated Working Capital Allowance.
- That Kenora Hydro will file an updated WCA in the draft rate order submission.

The following table indicates the changes made in the model to reduce the 2011 Capital to \$908,500, as directed:

REVISED CAPITAL ADDITIONS BY OEB ACCOUNTS - 2011				
USoA	Account	ORIGINAL 2011 ADDITIONS AS FILED	CHANGE PER OEB	REVISED CAPITAL ADDITONS
1815	Transformer Substation	605,000	(302,500)	302,500
1830	Poles, Towers, Fixtures	60,000		60,000
1835	Overhead Conductors	100,000	(20,000)	80,000
1840	Underground Conduit	18,000		18,000
1845	Underground Conductors	40,000		40,000
1850	Line Transformers	119,000		119,000
1855	Services	35,000		35,000
1860	Meters	3,500		3,500
1908	Buildings	155,000		155,000
1915	Office furniture	16,000	(15,000)	1,000
1920	Computer Hardware	2,000		2,000
1925	Computer Software	2,000		2,000
1930	Fleet	150,000		150,000
1940	Tools, Shop	5,000	(2,500)	2,500
1945	Measurement & Testing	2,000		2,000
1960	Miscellaneous Equipment	2,000	(2,000)	0
1995	Capital Contributions	(30,000)	(34,000)	(64,000)
	FINAL BALANCE	1,284,500	(376,000)	908,500

The following table shows the changes made to the opening balances in the capital accounts, to add the cost and accumulated amortization of the Smart Meter balances, as well as to remove the Stranded Assets from the rate base.

Fixed Asset Continuity Schedule							
Changes to Opening Balances per OEB Direction							
		Cost			Accumulated Depreciation		
OEB	Description	Closing 2010 Balance	Jan 1, 2011 Change	REVISED OPENING	Closing 2010 Balance	Jan 1, 2011 Change	REVISED OPENING
1805	Land	2,366		2,366	0		0
1808	Buildings and Fixtures	37,065		37,065	37,065		37,065
1815	Transformer Station Equipment	3,235,615		3,235,615	391,463		391,463
1830	Poles, Towers and Fixtures	4,682,513		4,682,513	2,856,059		2,856,059
1835	Overhead Cond and Devices	1,474,620		1,474,620	796,061		796,061
1840	Underground Conduit	261,727		261,727	132,244		132,244
1845	Underground Conductors	554,483		554,483	276,712		276,712
1850	Line Transformers	1,723,162		1,723,162	1,071,017		1,071,017
1855	Services	635,902		635,902	159,056		159,056
1860	Meters	562,338	464,687	1,027,025	387,177	(256,624)	130,553
1905	Land	16,562		16,562	0		0
1908	Buildings and Fixtures	634,985		634,985	205,674		205,674
1915	Office Furniture and Equipment	27,042		27,042	16,934		16,934
1920	Computer Equipment - Hardware	32,313		32,313	25,610		25,610
1925	Computer Software	19,402		19,402	14,037		14,037
1930	Transportation Equipment	721,537		721,537	506,197		506,197
1940	Tools, Shop and Garage Equip	76,522		76,522	59,727		59,727
1945	Measurement and Testing Equip	6,982		6,982	2,985		2,985
1955	Communication Equipment	1,193		1,193	929		929
1960	Miscellaneous Equipment	15,484		15,484	5,594		5,594
1995	Contributions and Grants	(485,313)		(485,313)	(105,780)		(105,780)
	Total	14,236,501	464,687	14,701,188	6,838,759	(256,624)	6,582,135
	Remove Stranded Assets		(559,948)	Remove Stranded Assets		(387,081)	
	Add Smart Meter Base		1,030,168	Add Smart Meter Base		130,826	
	Less Extra Function Meters		(5,533)	Less Extra Function Meters		(369)	
			<u>464,687</u>			<u>(256,624)</u>	

The "REVISED OPENING" columns have been input as the 2011 Opening Balances for the Fixed Asset Continuity Schedule. Changes as a result of reduced project spending and amortization changes as a result, are also presented in the following table:

Fixed Asset Continuity Schedule												
As at December 31, 2011												
		Cost				Accumulated Depreciation						
OEB	Description	Adjusted Opening Balance	ORIGINAL Additions	Reduce Capital Projects	Closing Balance	Adjusted Opening Balance	ORIGINAL Amortization	Reduce Capital Projects	2011 Smart Meter Amtz	Remove 2011 Stranded Asset Amtz	Closing Balance	Net Book Value
1805	Land	2,366			2,366	0					0	2,366
1808	Buildings and Fixtures	37,065			37,065	37,065					37,065	0
1815	Transformer Station Equipment	3,235,615	605,000	(302,500)	3,538,115	391,463	88,453	(3,781)			476,135	3,061,980
1830	Poles, Towers and Fixtures	4,682,513	60,000		4,742,513	2,856,059	164,734				3,020,793	1,721,720
1835	Overhead Cond and Devices	1,474,620	100,000	(20,000)	1,554,620	796,060	57,475	(400)			853,135	701,485
1840	Underground Conduit	261,727	18,000		279,727	132,244	10,747				142,991	136,736
1845	Underground Conductors	554,483	40,000		594,483	276,712	23,061				299,773	294,710
1850	Line Transformers	1,723,162	119,000		1,842,162	1,071,017	67,231				1,138,248	703,914
1855	Services	635,902	35,000		670,902	159,056	26,136				185,192	485,710
1860	Meters	1,027,025	3,500		1,030,525	130,553	19,640		75,316	(18,974)	206,535	823,990
1905	Land	16,562			16,562	0					0	16,562
1908	Buildings and Fixtures	634,985	155,000		789,985	205,674	14,106				219,780	570,204
1915	Office Furniture and Equipment	27,042	16,000	(15,000)	28,042	16,934	2,325	(750)			18,509	9,533
1920	Computer Equipment - Hardware	32,313	2,000		34,313	25,610	2,318				27,928	6,385
1925	Computer Software	19,402	2,000		21,402	14,037	5,031				19,068	2,334
1930	Transportation Equipment	721,537	150,000		871,537	506,197	64,630				570,827	300,710
1940	Tools, Shop and Garage Equip	76,522	5,000	(2,500)	79,022	59,727	4,053	(125)			63,655	15,367
1945	Measurement and Testing Equip	6,982	2,000		8,982	2,985	776				3,761	5,221
1955	Communication Equipment	1,193			1,193	929	38				967	227
1960	Miscellaneous Equipment	15,484	2,000	(2,000)	15,484	5,594	1,648	(100)			7,142	8,342
1995	Contributions and Grants	(485,313)	(30,000)	(34,000)	(549,313)	(105,780)	(18,812)	(680)			(125,272)	(424,042)
	Total	14,701,188	1,284,500	(376,000)	15,609,688	6,582,135	533,590	(5,836)	75,316	(18,974)	7,166,231	8,443,457
							2011 Amtz	584,096	64,556	Meter Amortization 15 yrs		
							Less: Fully Allocated Depreciation	(500)		Remove per VECC		
							Transportation	64,630	11,260	Software amortization 5 years		
							Net Dep'n	519,466	75,316			

AMORTIZATION EXPENSE ADJUSTMENTS

The following table details the changes to the amortization expense for 2011, taking into account the following items and the indicated total capital base impact:

- Postpone 2011 transformer rewind = \$ (302,500)
- Remove Stranded Assets from rate base = NBV \$ (172,867)
- Add Smart Meter Assets to rate base = NBV \$ 894,178
- Reduce 2011 Overhead capital spending = \$ (20,000)
- Increase 2011 capital contribution = \$(34,000)
- Delay 2011 photocopier purchase = \$ (15,000)
- Delay 2011 small tools purchase = \$ (2,500)
- Delay 2011 miscellaneous equipment purchase = \$ (2,000)

The following item has also impacted the 2011 amortization expense:

- Correct for an overstatement of amortization in original filing (VECC) = \$ (500)

The calculation of the revised amortization expense by item has been detailed below:

2011 Amortization Expense - ADJUSTMENTS							
OEB	Description	ORIGINAL Amortization	Changes to Amortization Expense	Amortization as Adjusted			
1805	Land				ITEM		Amtz
1808	Buildings and Fixtures				Delay Transformer	(302,500)	
1815	Transformer Station Equipment	88,453	(3,781)	84,672	40 Years, 1/2 Year rule		(3,781)
1830	Poles, Towers and Fixtures	164,734		164,734			
1835	Overhead Cond and Devices	57,475	(400)	57,075	Reduce OH Capital Add'n	(20,000)	
1840	Underground Conduit	10,747		10,747	25 Years, 1/2 Year rule		(400)
1845	Underground Conductors	23,061		23,061			
1850	Line Transformers	67,231		67,231			
1855	Services	26,136		26,136			
1860	Meters	19,640	56,342	75,982	See below		56,342
1905	Land						
1908	Buildings and Fixtures	14,106		14,106			
1915	Office Furniture and Equipment	2,325	(750)	1,575	Delay photocopier	(15,000)	
1920	Computer Equipment - Hardware	2,318		2,318	10 Years, 1/2 year rule		(750)
1925	Computer Software	5,031		5,031			
1930	Transportation Equipment	64,630		64,630			
1940	Tools, Shop and Garage Equip	4,053	(125)	3,928	Delay misc tools	(2,500)	
1945	Measurement and Testing Equip	776		776	10 Years, 1/2 year rule		(125)
1955	Communication Equipment	38		38	Delay misc tools	(2,000)	
1960	Miscellaneous Equipment	1,648	(100)	1,548	10 Years, 1/2 year rule		(100)
1995	Contributions and Grants	(18,812)	(680)	(19,492)	Increase Contributions	(34,000)	
					25 Years, 1/2 Year rule		(680)
	Total	533,590	50,506	584,096	Total Increase in Amortization for 2011		50,506
	Add Meters to base (1,030,168 - 5,533 -56,297)		968,338				
			Amortized over 15 Years	64,556			
	Breakout SM Software		56,297				
			Amortized over 5 Years	11,260			
	Remove \$500 error (VECC)			(500)			
	Remove Stranded Asset 2011 amortization			(18,974)			
	TOTAL CHANGE TO METERS AMORTIZATION FOR 2011			56,342			

The resulting total amortization expense of \$584,096 has been incorporated into the models.

OPENING RATE BASE ADJUSTMENTS

The following table details the changes made to the opening 2011 Rate Base:

RATE BASE CALCULATION FOR 2011		
As filed: Fixed Assets Closing Balance 2010		7,397,743
Add: Smart Meter Base	1,030,168	
Accumulated Amortization	(130,826)	
Less: Extra functionality on meters	(5,533)	
Accumulated Amortization	369	
Total Smart Meter Addition to Rate Base	894,178	894,178
Less: Stranded Asset Base	(559,948)	
Accumulated Amortization	387,081	
Total Stranded Asset Removed from Rate Base	(172,867)	(172,867)
Opening Fixed Asset Balance 2011 As Adjusted		8,119,054

In Revenue Requirement Model – REVISED Opening 2011 Rate Base:

RATE BASE CALCULATION FOR 2011	
Fixed Assets Opening Balance 2011	8,119,054
Fixed Assets Closing Balance 2011	8,443,458
Average Fixed Asset Balance for 2011	8,281,256
Working Capital Allowance	1,723,344
Rate Base	10,004,600
Regulated Rate of Return	5.51%
Regulated Return on Capital	551,213
Deemed Interest Expense	167,837
Deemed Return on Equity	383,376

The evidence supporting the Working Capital Allowance updated calculation is provided in sections as follows:

- Changes in Income Statement Items
- Changes in Cost of Power resulting from kWh, RPP rate change and RTST rate changes.

Changes to income statement line items for working capital allowance (Income Side):

Acct	Sales of Electricity	2011 As Filed	Revision	2011 As Revised	Change Resulting From
4006	Residential Energy Sales	(2,125,792)	(184,827)	(2,310,619)	Increased kWh,customer #, RPP and RTSR rates
4025	Street Lighting Energy Sales	(122,572)	(6,500)	(129,072)	Increased kWh,customer #, RPP and RTSR rates
4035	General Energy Sales	(4,417,726)	(406,409)	(4,824,135)	Increased kWh,customer #, RPP and RTSR rates
4055	Energy Sales for Resale	(645,131)	(62,781)	(707,912)	Increased kWh,customer #, RPP and RTSR rates
4062	WMS	(731,122)	(9,632)	(740,754)	Increased kWh,customer #, RPP and RTSR rates
4066	NS	(619,147)	(8,189)	(627,336)	Increased kWh,customer #, RPP and RTSR rates
4068	CS	(162,117)	(2,700)	(164,817)	Increased kWh,customer #, RPP and RTSR rates
Revenues From Services - Distribution					
4080	Distribution Services Revenue	(2,864,985)	133,491	(2,731,494)	Increased kWh and customer numbers
4082	RS Rev	(8,000)		(8,000)	
4084	Serv Tx Requests	(500)		(500)	
Other Operating Revenues					
4210	Rent from Electric Property	(108,040)		(108,040)	
4215	Other Utility Operating Income	(250)	(20,000)	(20,250)	Reclass gain on truck
4220	Other Electric Revenues	(44,250)		(44,250)	
4225	Late Payment Charges	(43,000)		(43,000)	
4235	Miscellaneous Service Revenues	(37,000)		(37,000)	
Other Income/ Deductions					
4325	Revenues from Merchandise, Jobbir	(115,000)		(115,000)	
4330	Costs and Expenses of Merch, Jobb	98,950		98,950	
4355	Gain on Disposition	(20,000)	20,000	0	Reclass gain on truck
4375	Revenues from Non-Utility Operatio	(78,165)		(78,165)	
4380	Expenses of Non-Utility Operations	14,000		14,000	
4390	Miscellaneous Non-Operating Incom	(500)		(500)	
Investment Income					
4405	Interest and Dividend Income	(11,451)	7,500	(3,951)	Remove interest on variance accounts

Changes to income statement line items for working capital allowance (Expense Side):

	Other Power Supply Expenses				
4705	Power Purchased	7,311,221	660,517	7,971,738	Increased kWh,customer #, RPP and RTSR rate:
4708	WMS	731,122	9,632	740,754	Increased kWh,customer #, RPP and RTSR rate:
4714	NW	619,147	8,189	627,336	Increased kWh,customer #, RPP and RTSR rate:
4716	NCN	162,117	2,700	164,817	Increased kWh,customer #, RPP and RTSR rate:
	Distribution Expenses - Operation				
5014	Transformer St Equip- Operation Lab	8,000		8,000	
5020	OH Dist Lines & Feeders - Opn Labo	65,000		65,000	
5025	OH Dist Lines & Feeders - Supp & E	27,000		27,000	
5035	OH Dist Transformers - Operation	29,530		29,530	
5040	UG Dist Lines & Feeders - Opn Labo	8,500		8,500	
5065	Meter Expense	37,590		37,590	
5075	Customer Premises - Mat & Expens	3,570		3,570	
5085	Miscellaneous Distribution Expense	18,900		18,900	
	Distribution Expenses - Maintenance				
5112	Maint of Transformer Stn Equip	5,000		5,000	
5120	Maint of Poles, Towers & Fixtures	17,000		17,000	
5125	Maintof OH Conductors and Devices	243,600	(5,000)	238,600	General reduction in Op Costs Inflation
5135	OH Dist Lines and Feeders - RoW	80,909		80,909	
5145	Maintenance of Underground Condu	0			
5150	Maint of UG Conductors & Devices	8,040		8,040	
5160	Maintenance of Line Transformers	46,100		46,100	
	Billing and Collecting				
5310	Meter Reading Expense	146,843		146,843	
5315	Customer Billing	413,399	(40,434)	372,965	Correct error in estimate of City charges
5335	Bad Debt Expense	16,700		16,700	
	Administrative and General Expenses				
5605	Executive Salaries and Expenses	10,300		10,300	
5610	Management Salaries and Expenses	139,740		139,740	
5615	General Admin Salaries and Expens	406,362	(10,000)	396,362	Reduce wages
5620	Office Supplies and Expenses	98,090	(13,096)	84,994	Remove HST savings
5630	Outside Services Employed	70,645		70,645	
5635	Property Insurance	24,480		24,480	
5645	Employee Pensions and Benefits	12,206	1,167	13,373	Increase OMERS expense
5655	Regulatory Expenses	91,830	(24,365)	67,465	Reduce regulatory expenses \$(28,053)
5665	Miscellaneous Expenses	22,450		22,450	Add LEAP payment \$3,688
5675	Maintenance of General Plant	6,000		6,000	
5680	Electrical Safety Authority Fees	5,000		5,000	
	Amortization Expense				
5705	Amortization Exp - PP&E	468,960	50,506	519,466	Impact of addition reductions, SM into base and S.Asset removal (see Changes to Amtz)
	Interest Expense				
6005	Interest on Long Term Debt	120,051	(74,776)	45,275	Impact of reducing expected interest LTD
6030	Interest on Debt to Associated Comp	85,000		85,000	
6035	Other Interest Expense	11,000		11,000	
	Taxes				
6105	Taxes Other Than Income Taxes	13,260		13,260	
6110	Income Taxes	20,812	1,393	22,205	As calculated by model
	NET INCOME	(436,323)	26,386	(409,937)	

The following indicates the items impacted that affected the working capital allowance amounts:

		ORIGINAL	CHANGE	REVISED
		2011 WC Base		2011 WC Base
	Other Power Supply Expenses			
4705	Power Purchased	7,311,221	660,517	7,971,738
4708	WMS	731,122	9,632	740,754
4714	NW	619,147	8,189	627,336
4716	NCN	162,117	2,700	164,817
		8,823,607		9,504,645
	Distribution Expenses - Operation			
5014	Transformer Station Equip - OpLabour	8,000		8,000
5020	OH Dist Lines and Feeders - Op Labour	65,000		65,000
5025	OH Dist Lines and Feeders - Supp & Exp	27,000		27,000
5035	OH Dist Transformers - Operation	29,530		29,530
5040	UG Dist Lines and Feeders - OpLabour	8,500		8,500
5065	Meter Expense	37,590		37,590
5075	Customer Premises - Materials and Exp	3,570		3,570
5085	Miscellaneous Distribution Expense	18,900		18,900
		198,090		198,090
	Distribution Expenses - Maintenance			
5112	Maintenance of Transformer Stn Equip	5,000		5,000
5120	Maintenance of Poles, Towers & Fixt	17,000		17,000
5125	Maintenance of OH Cond & Devices	243,600	(5,000)	238,600
5135	OH Distribution Lines and Feeders	80,909		80,909
5145	Maintenance of Underground Conduit	0		
5150	Maintenance of UG Cond & Devices	8,040		8,040
5160	Maintenance of Line Transformers	46,100		46,100
		400,649		395,649
	Billing and Collecting			
5310	Meter Reading Expense	146,843		146,843
5315	Customer Billing	413,399	(40,434)	372,965
5335	Bad Debt Expense	16,700		16,700
		576,943		536,509
	Administrative and General Expenses			
5605	Executive Salaries and Expenses	10,300		10,300
5610	Management Salaries and Expenses	139,740		139,740
5615	General Administrative Salaries and Exp	406,362	(10,000)	396,362
5620	Office Supplies and Expenses	98,090	(13,096)	84,994
5630	Outside Services Employed	70,645		70,645
5635	Property Insurance	24,480		24,480
5645	Employee Pensions and Benefits	12,206	1,167	13,373
5655	Regulatory Expenses	91,830	(24,365)	67,465
5665	Miscellaneous Expenses	22,450		22,450
5675	Maintenance of General Plant	6,000		6,000
5680	Electrical Safety Authority Fees	5,000		5,000
		887,103		840,809
	Taxes			
6105	Taxes Other Than Income Taxes	13,260		13,260
	Total WC Expenses	10,899,652		11,488,962
	15% Allowance	1,634,948		1,723,344

The following table indicates the ORIGINAL COP and Working Capital Calculation:

Electricity - Commodity	2011 Forecasted Metered kWhs	2011 Loss Factor			
Class per Load Forecast			2011		
Residential	31,356,177	1.0430	32,704,493	\$0.0650	\$2,125,792
Residential - Non - RPP	6,832,751	1.0430	7,126,559	\$0.0650	\$463,226
Street Lighting	1,807,975	1.0430	1,885,718	\$0.0650	\$122,572
GS<50kW	19,676,254	1.0430	20,522,333	\$0.0650	\$1,333,952
GS<50 kW - Non - RPP	2,683,164	1.0430	2,798,540	\$0.0650	\$181,905
GS>50kW - RPP	16,921,453	1.0430	17,649,075	\$0.0650	\$1,147,190
GS>50kW - Non - RPP	28,420,613	1.0430	29,642,699	\$0.0650	\$1,926,775
Unmetered Scattered Load	141,788	1.0430	147,885	\$0.0650	\$9,613
Unmetered Scattered Load - Non - RPP	2,893	1.0430	3,017	\$0.0650	\$196
TOTAL	107,843,068		112,480,320		\$7,311,221

Transmission - Network		Volume Metric			
Class per Load Forecast			2011		
Residential		kWh	39,831,052	\$0.0059	\$235,003
Street Lighting		kW	5,737	\$1.6355	\$9,383
GS<50kW		kWh	23,320,873	\$0.0052	\$121,269
GS>50kW		kW	116,530	\$2.1686	\$252,708
Unmetered Scattered Load		kWh	150,903	\$0.0052	\$785
TOTAL					\$619,147

Transmission - Connection		Volume Metric			
Class per Load Forecast			2011		
Residential		kWh	39,831,052	\$0.0016	\$63,730
Street Lighting		kW	5,737	\$0.4187	\$2,402
GS<50kW		kWh	23,320,873	\$0.0014	\$32,649
GS>50kW		kW	116,530	\$0.5417	\$63,124
Unmetered Scattered Load		kWh	150,903	\$0.0014	\$211
TOTAL					\$162,117

Wholesale Market Service					
Class per Load Forecast			2011		
Residential			39,831,052	\$0.0052	\$207,121
Street Lighting			1,885,718	\$0.0052	\$9,806
GS<50kW			23,320,873	\$0.0052	\$121,269
GS>50kW			47,291,774	\$0.0052	\$245,917
Unmetered Scattered Load			150,903	\$0.0052	\$785
TOTAL			112,480,320		\$584,898

Rural Rate Assistance					
Class per Load Forecast			2011		
Residential			39,831,052	\$0.0013	\$51,780
Street Lighting			1,885,718	\$0.0013	\$2,451
GS<50kW			23,320,873	\$0.0013	\$30,317
GS>50kW			47,291,774	\$0.0013	\$61,479
Unmetered Scattered Load			150,903	0.00130	\$196
TOTAL			112,480,320		\$146,224

	2011	Allowance for Working Capital 15%
4705-Power Purchased	\$7,311,221	
4708-Charges-WMS	\$584,898	
4714-Charges-NW	\$619,147	
4716-Charges-CN	\$162,117	
4730-Rural Rate Assistance	\$146,224	
TOTAL	8,823,607	1,323,541

The following table indicates the REVISED COP & W/C calculation: updated kWh, COP and RTSR rates per OEB Decision.

Electricity - Commodity	2011 Forecasted Metered kWhs	2011 Loss Factor			
Class per Load Forecast			2011		
Residential	32,578,805	1.0430	33,979,693	\$0.0680	\$2,310,619
Residential - Non - RPP	7,098,219	1.0430	7,403,442	\$0.0680	\$503,434
Street Lighting	1,819,870	1.0430	1,898,124	\$0.0680	\$129,072
GS<50kW	21,142,427	1.0430	22,051,551	\$0.0680	\$1,499,505
GS<50 kW - Non - RPP	2,883,058	1.0430	3,007,029	\$0.0680	\$204,478
GS>50kW - RPP	16,269,977	1.0430	16,969,586	\$0.0680	\$1,153,932
GS>50kW - Non - RPP	27,325,887	1.0430	28,500,900	\$0.0758	\$2,160,368
Unmetered Scattered Load	142,740	1.0430	148,878	\$0.0680	\$10,124
Unmetered Scattered Load - Non - RPP	2,893	1.0430	3,017	\$0.0680	\$205
TOTAL	109,263,875		113,962,222		\$7,971,738

Transmission - Network		Volume Metric			
Class per Load Forecast			2011		
Residential		kWh	41,383,136	\$0.0059	\$244,160
Street Lighting		kW	5,775	\$1.6330	\$9,430
GS<50kW		kWh	25,058,581	\$0.0052	\$130,305
GS>50kW		kW	112,043	\$2.1657	\$242,650
Unmetered Scattered Load		kWh	151,895	\$0.0052	\$790
TOTAL					\$627,336

Transmission - Connection		Volume Metric			
Class per Load Forecast			2011		
Residential		kWh	41,383,136	\$0.0016	\$66,213
Street Lighting		kW	5,775	\$0.4200	\$2,425
GS<50kW		kWh	25,058,581	\$0.0014	\$35,082
GS>50kW		kW	112,043	\$0.5434	\$60,884
Unmetered Scattered Load		kWh	151,895	\$0.0014	\$213
TOTAL					\$164,817

Wholesale Market Service					
Class per Load Forecast			2011		
Residential			41,383,136	\$0.0052	\$215,192
Street Lighting			1,898,124	\$0.0052	\$9,870
GS<50kW			25,058,581	\$0.0052	\$130,305
GS>50kW			45,470,486	\$0.0052	\$236,447
Unmetered Scattered Load			151,895	\$0.0052	\$790
TOTAL			113,962,222		\$592,604

Rural Rate Assistance					
Class per Load Forecast			2011		
Residential			41,383,136	\$0.0013	\$53,798
Street Lighting			1,898,124	\$0.0013	\$2,468
GS<50kW			25,058,581	\$0.0013	\$32,576
GS>50kW			45,470,486	\$0.0013	\$59,112
Unmetered Scattered Load			151,895	\$0.0013	\$197
TOTAL			113,962,222		\$148,151

	2011	Allowance for Working Capital
4705-Power Purchased	\$7,971,738	15%
4708-Charges-WMS	\$592,604	
4714-Charges-NW	\$627,336	
4716-Charges-CN	\$164,817	
4730-Rural Rate Assistance	\$148,151	
TOTAL	9,504,645	1,425,697

Working Capital in Revenue Requirement Model – ORIGINAL

WORKING CAPITAL ALLOWANCE FOR 2011	
Distribution Expenses	
Distribution Expenses - Operation	198,090
Distribution Expenses - Maintenance	400,649
Billing and Collecting	576,943
Community Relations	-
Administrative and General Expenses	887,103
Taxes Other than Income Taxes	13,260
Less: Capital Taxes within 6105	
Total Eligible Distribution Expenses	2,076,045
Power Supply Expenses	8,823,607
Total Working Capital Expenses	10,899,652
Working Capital Allowance rate of 15%	1,634,948

Working Capital in Revenue Requirement Model – REVISED for Income statement items as detailed above, and increased COP:

WORKING CAPITAL ALLOWANCE FOR 2011	
Distribution Expenses	
Distribution Expenses - Operation	198,090
Distribution Expenses - Maintenance	395,649
Billing and Collecting	536,508
Community Relations	-
Administrative and General Expenses	840,809
Taxes Other than Income Taxes	13,260
Less: Capital Taxes within 6105	
Total Eligible Distribution Expenses	1,984,317
Power Supply Expenses	9,504,645
Total Working Capital Expenses	11,488,962
Working Capital Allowance rate of 15%	1,723,344

LATE PAYMENT SETTLEMENT RATE RIDER

The Board has approved the recovery of the late payment settlement amount of \$16,296. The revised late payment settlement monthly fixed per customer amounts, recovered over a 10 month period (July 1, 2011 to April 30, 2012) are as follows:

Kenora Hydro Electric Corporation Ltd.									
Late Payment Settlement Recovery Rate Rider									
REVISED MAY 30, 2011									
Board File EB-2010-0295									
Class	2009 2.1.5 RRR Distrib. Rev	Revenue Proportion	Recovery \$ 16,296	2009 2.1.5 Data # Customer	2009 2.1.5 Data # Connection	Annual Charge Per Cust/Conn	Monthly Fixed Rate Rider	Monthly Fixed Rounded 2 dec.	Check Monthly RR
Residential	1,189,684.68	59.85%	\$ 9,753.37	4,777		\$ 2.04	\$ 0.2042	\$ 0.20	\$ 9,554.00
GS < 50 kW	327,549.58	16.48%	\$ 2,685.34	733		\$ 3.66	\$ 0.3663	\$ 0.37	\$ 2,712.10
GS > 50 kW	434,648.78	21.87%	\$ 3,563.37	69		\$ 51.64	\$ 5.1643	\$ 5.16	\$ 3,560.40
Streetlights	35,890.38	1.81%	\$ 294.24		532	\$ 0.55	\$ 0.0553	\$ 0.06	\$ 319.20
TOTALS	1,987,773.42	100.00%	\$ 16,296.32						\$ 16,145.70
							Under Collect		\$ (150.62)

LEAP PAYMENT REQUIREMENT

The original filings did not include an operating expense for the required LEAP payments in 2011. It was agreed that based on the revised service revenue requirement as calculated from this filing would be used as an expense in 2011. The following details the calculation:

Required LEAP Payment	
0.12% OF THE TOTAL SERVICE REVENUE REQUIREMENT	
Revised Service Revenue Requirement (after all changes and before LEAP expense)	3,073,479
Calculated at 0.12%	3,688
This expense was added to OM&A 2011	
New Service Revenue Requirement with LEAP and related PILs impact	3,077,201

DEFERRAL AND VARIANCE ACCOUNTS RATE RIDER

Kenora Hydro has re-input the customer counts and kWh by class and into the deferral account template, maintaining the same ratios of RPP to Non-RPP customer counts and kWh as originally filed. The resulting rates for the recovery of the deferral and variance accounts over the ten month period (July 1 2011 to April 30, 2012) are as follows:

		ALL CUSTOMERS		ADDITIONAL DISPOSAL OF GA BALANCE FOR NON-RPP CUSTOMERS ONLY		
		ORIGINAL	REVISED	ORIGINAL		REVISED
		DISPOSAL	DISPOSAL	DISPOSAL	DISPOSAL	DISPOSAL
	Metric	4 YEARS	10 MONTHS	Metric	4 YEARS	10 MONTHS
Residential	kWh	(0.0016)	(0.0074)	kWh	0.0010	0.0050
GS < 50	kWh	(0.0016)	(0.0074)	kWh	0.0010	0.0050
GS > 50	kW	(0.6038)	(2.8981)	kWh	0.0010	0.0050
USL	kWh	(0.0016)	(0.0074)	kWh	0.0010	0.0050
Streetlight	kW	(0.4890)	(2.3472)	N/A	N/A	N/A

These revised disposal amounts by class have been incorporated into the revised rate schedules.

SMART METER RATE RIDER

The smart meter rate rider model was accepted by the Board as file. The original per month per meter amount of \$2.99 for a 12 month recovery has been updated to \$3.55 to recover the \$196,666 as originally filed, now to be recovered over a 10 month period, and revised customer count of 5,537.

Ex 9 - Table 10 - Smart Meter Revenue Requirement

Rate Rider to Recover Smart Meter Costs	
Revenue Requirement 2006	\$ -
Revenue Requirement 2007	\$ -
Revenue Requirement 2008	\$ 18,765
Revenue Requirement 2009	\$ 133,040
Revenue Requirement 2010	\$ 213,465
Revenue Requirement Total	\$ 365,269
Smart Meter Rate Adder	(167,018)
Carrying Cost	(1,585)
Smart Meter True-up	\$ 196,666
Number of Metered Customers	5,537
Rate Rider to Recover SM Costs/Meter/Month	\$ 2.96
10 Month Rate Rider/Meter/Month	\$ 3.55
2011 Addition to Rate Base	
Fixed Assets	
Smart Meters	\$ 933,407
Computer Hardware and Software	\$ 56,296
	\$ 989,703
Accumulated Depreciation	
Smart Meters	(93,341)
Computer Hardware and Software	(24,395)
	(117,736)

SMART METER CAPITAL MOVE INTO RATE BASE

The Board has directed that Kenora Hydro close the Smart Meter capital balance of \$894,178 (the NBV as of December 31, 2009) into its rate base as of January 1, 2011. The opening 2011 balance in account 1860 – Meters, has been updated to reflect this decision. The opening Accumulated Amortization and amortization expense for 2011 has been updated for this change, taking into account the SM software will be amortized over 5 years, while the remainder of SM capital is amortized over 15 years.

STRANDED ASSETS – REMOVE FROM RATE BASE

The Board has directed Kenora Hydro to remove the Stranded Meter Assets from the rate base as of January 1, 2011.

The December 31, 2010 actual balances in the stranded assets included in the rate base are:

COST	\$ 559,948
A/A	<u>(\$ 387,081)</u>
NBV	<u>\$ 172,867</u>

These balances have been removed from account 1860 – Meters, and removed from the accumulated amortization as at January 1, 2011. The estimated 2011 amortization on these assets, which would have been included in the original filing, was \$ 18,974. This amount is removed from the 2011 OMA amortization expense amount.

The NBV of \$172,867 will be recovered through a Rate Rider on a per meter/month basis over a period of 10 months, (July 1, 2011 to April 30, 2012) of \$3.12 per metered customer.

Stranded Asset Recovery	Amount		Residential	GS < 50 KW	GS > 50	Total
Stranded Asset Rate Rider		Customer Count	4,731	736	70	5,537
Balance to be Collected	\$172,867					
Balance to be collected per year by Class			\$ 147,703	\$ 22,978	\$ 2,185	\$172,867
Billing Determinants			/meter/mo	/meter/mo	/meter/mo	
Stranded Asset Rate Rider / Month for 10 months			\$3.12	\$3.12	\$3.12	
	Check = Rate x 10 x customer count		\$147,607	\$22,963	\$2,184	\$172,754
					Undercollect	\$ 113

REVENUE OFFSETS

The original revenue offsets of \$357,246 have been updated to be \$359,916. The following details the changes to the offsets as directed by the OEB:

USofA	Description	ORIGINAL 2011 TEST FILED	CHANGE AS PER OEB DIRECTION	REVISED 2011 TEST YEAR
4235	Specific Service Charges	37,000		37,000
4225	Late Payment Charges	43,000		43,000
4082	Retail Services Revenues	8,000		8,000
4084	Service Transaction Requests (STR) Revenues	500		500
4210	Rental from Electric Property	108,040		108,040
4215	Other Utility Operating Income	250		250
4220	Other Electric Revenues	44,250	20,000	64,250
4325	Revenues from Merchandise, Jobbing, Etc.	115,000		115,000
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	(98,950)		(98,950)
4355	Gain on Disposition of Utility and Other Property	20,000	(20,000)	0
4375	Revenues from Non-Utility Operations	78,165		78,165
4380	Expenses of Non-Utility Operations	(14,000)		(14,000)
4390	Miscellaneous Non-Operating Income	500		500
4405	Interest and Dividend Income	11,451	(7,500)	3,951
	Total:	353,206	(7,500)	345,706
	Specific Service Charges	37,000		37,000
	Late Payment Charges	43,000		43,000
	Other Distribution Revenues	161,040		181,040
	Other Income and Expenses	112,166		84,666
	Total:	353,206	353,206	345,706
	Less: 1/2 Gain on Truck Disposal	10,000		0
	Add: \$.25 admin fees from distribution revenue	14,040		14,210
	Total Revenue Offsets	357,246		359,916
	Change from \$10,000 in offset to \$20,000 in Other revenue			
	Remove Variance interest \$7,500			
	Small change in admin fee revenue due to increased customer counts			
	Original Revenue Offset	357,246		
	Add back \$10,000 gain on truck disposal	10,000		
	Less \$7,500 interest on variance accounts	(7,500)		
	Change in Admin fee revenues	170		
	Revised Revenue Offsets	359,916		

INTEREST

From Revenue Requirement Model –ORIGINAL

2011		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	3.95%
Short-Term Debt	4.00%	2.07%
Return On Equity	40.00%	9.85%
Weighted Debt Rate		3.82%
Regulated Rate of Return		6.23%

These rates have all been updated in the revenue requirement model, as directed by the Board:

Revenue Requirement Model - REVISED

2011		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	2.82%
Short-Term Debt	4.00%	2.46%
Return On Equity	40.00%	9.58%
Weighted Debt Rate		2.80%
Regulated Rate of Return		5.51%

Each of the updates provided above are incorporated into the Revenue Requirement Model and the Rate Design Model, to generate the required rates by class. The tables that follow show the changes as a result.

From the Rate Design Model, the updated table indicating the new kWh, counts revenue offset amount, reconciling to the new revenue deficiency number. The original revenue deficiency number of \$909,070 has been updated to be \$760,565. This revised revenue deficiency number appears in the updated RRWF.

Forecast Revenue For 2011 Test Year Based on Existing Rates (Less Low Voltage Rate Component)								
Customer Class	Annual kWh	Annual kW For Dx	Annual kW For Tx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Before TX Allow.
Residential	39,677,024			56,772		\$768,125	\$392,803	\$1,160,928
GS < 50 kW	24,025,485			8,832		\$227,601	\$96,102	\$323,703
GS >50	43,595,864	112,043	35,492	840		\$312,698	\$138,619	\$451,317
Street Lighting	1,819,870	5,775			6,600	\$23,364	\$13,442	\$36,806
USL	145,633				359	\$4,664	\$597	\$5,261
Total	109,263,875	117,817	35,492	66,444	6,959	\$1,336,452	\$641,562	\$1,978,015
Less Transformer Allowances:								
GS >50								(\$21,295)
Net Revenue At Existing Rates								\$ 1,956,719
Budgeted Revenue Offsets								\$ 359,916
Total Revenue								\$ 2,316,636
Revenue Requirement								\$ 3,077,201
Revenue Deficiency								\$ 760,565
						check Rev Req Model		760,565
								\$ -

Taken from the Rate Design Model, the forecasted revenue at existing 2010 rates, using the updated kWh and customer counts, is as follows:

Forecast Class Billing Determinants for 2011 Test Year Based on Existing Class Revenue Proportions										
Revenue At Existing Rates										
Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Including Transformer	Transformer Allowance	Dist. Rev. Excluding Transformer	Dist Rev At Existing Rates %
Residential	39,677,024		56,772		768,125	392,803	1,160,928		1,160,928	59.33%
GS < 50 kW	24,025,485		8,832		227,601	96,102	323,703		323,703	16.54%
GS >50	43,595,864	112,043	840		312,698	138,619	451,317	21,295	430,022	21.98%
Street Lighting	1,819,870	5,775		6,600	23,364	13,442	36,806		36,806	1.88%
USL	145,633			359	4,664	597	5,261		5,261	0.27%
	109,263,875	117,817	66,444	6,959	1,336,452	641,562	1,978,015	21,295	1,956,719	100%

The expected distribution revenue including transformer of \$1,978,015 into the calculation of the revised revenue deficiency, as above.

The revised service revenue requirement of \$3,077,201, less the revised revenue offsets of \$359,916, result in the expected total revenue requirement of \$2,717,285. This figure flows through the rate design model:

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	1,606,740	59.13%	18.73	\$0.0137	\$ 1,063,096	\$ 543,644		1,606,740	0	1,606,740
GS < 50 kW	465,101	17.12%	37.03	\$0.0057	\$ 327,020	\$ 138,081		465,101	0	465,101
GS >50	587,005	21.60%	508.16	\$1.6195	\$ 426,851	\$ 160,154	\$ 21,295	608,300	0	608,300
Street Lighting	52,118	1.92%	5.01	\$3.2961	\$ 33,084	\$ 19,034		52,118	0	52,118
USL	6,321	0.23%	15.62	\$0.0049	\$ 5,604	\$ 717		6,321	0	6,321
TOTAL	2,717,285	100.00%			\$ 1,855,655	\$ 861,630	\$ 21,295	\$ 2,738,580	\$ -	\$ 2,738,580
			Forecast Fixed/Variable Ratios		67.760%	31.463%	0.778%	100.000%		

The ORIGINAL cost allocation study results brought forward to the Rate Design Model:

Cost Allocation Based Calculations

Class	Revenue Requirement - 2011 Cost Allocation Model	2010 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	Misc Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	1,875,272	1,669,122	218,819	1,887,941	100.7%	100.68%	100.67%	1,887,836	218,819	1,669,017	85%	115%
GS < 50 kW	683,802	450,491	73,284	523,774	76.6%	76.60%	80.00%	547,042	73,284	473,758	80%	120%
GS >50	567,693	669,707	59,440	729,147	128.4%	128.44%	124.52%	706,905	59,440	647,465	80%	180%
Street Lighting	76,164	53,907	5,179	59,086	77.6%	77.58%	77.66%	59,149	5,179	53,970	70%	120%
USL	5,260	7,718	524	8,243	156.7%	156.72%	138.00%	7,258	524	6,734	80%	120%
TOTAL	3,208,191	2,850,945	357,246	3,208,191	100.0%	100.0%		3,208,191	357,246	2,850,945		

The REVISED Cost Allocation indicating the updated revenue requirement, revised revenue offsets amount, and resulting revenue to cost ratio from the Cost Allocation Model.

Cost Allocation Based Calculations

Class	Revenue Requirement - 2011 Cost Allocation Model	2010 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	Misc Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	1,811,016	1,612,173	222,677	1,834,850	101.3%	101.32%	101.02%	1,829,416	222,677	1,606,740	85%	115%
GS < 50 kW	672,816	449,524	75,495	525,019	78.0%	78.03%	80.35%	540,596	75,495	465,101	80%	120%
GS >50	514,980	597,169	56,043	653,212	126.8%	126.84%	124.87%	643,047	56,043	587,005	80%	180%
Street Lighting	73,423	51,112	5,157	56,269	76.6%	76.64%	78.01%	57,276	5,157	52,118	70%	120%
USL	4,967	7,306	545	7,851	158.1%	158.07%	138.23%	6,866	545	6,321	80%	120%
TOTAL	3,077,201	2,717,285	359,916	3,077,201	100.0%	100.0%		3,077,201	359,916	2,717,285		

INCOME TAX ADJUSTMENTS

Changes to the opening balance in the meter and the software accounts have resulted in changes to the CCA:

ORIGINAL 2010 Closing CCA Schedule as filed:

CCA Continuity Schedule (2010)

Class	Class Description	UCC Prior Year Ending Balance	UCC Bridge Year Opening Balance	Additions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less	Reduced UCC	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	4,616,945	4,616,945	0	4,616,945	0	4,616,945	184,678	4,432,267
2	Distribution System - pre 1988		0	0	0	0	0	0	0
6	Buildings (No footings below ground)		0	0	0	0	0	0	0
8	General Office/Stores Equip	39,508	39,508	10,000	49,508	5,000	44,508	8,902	40,606
10	Computer Hardware/ Vehicles	248,953	248,953	6,000	254,953	3,000	251,953	75,586	179,367
10.1	Certain Automobiles		0	0	0	0	0	0	0
12	Computer Software	6,047	6,047	2,000	8,047	1,000	7,047	7,047	1,000
3			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0
13.4	Lease # 4		0	0	0	0	0	0	0
14	Franchise	0	0	0	0	0	0	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs		0	0	0	0	0	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	1,913	1,913	0	1,913	0	1,913	861	1,052
50	Computers & Systems Hardware acq'd post Mar 19/07	448	448	0	448	0	448	246	202
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0
47	Distribution System - post 22-Feb-2005	4,020,308	4,020,308	1,042,000	5,062,308	521,000	4,541,308	363,305	4,699,003
	SUB-TOTAL - UCC	8,934,122	8,934,122	1,060,000	9,994,122	530,000	9,464,122	640,624	9,353,498

2011 CCA Schedule as REVISED for changes additions to meter asset base and software asset base:

CCA Continuity Schedule (2011)										
Class	Class Description	UCC Prior Year Ending Balance	UCC Bridge Year Opening Balance	Additions	UCC Before 1/2 Yr Adjustment	{1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	4,432,267	4,432,267	0	4,432,267	0	4,432,267	4%	177,291	4,254,977
2	Distribution System - pre 1988	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	40,606	40,606	5,500	46,106	2,750	43,356	20%	8,671	37,435
10	Computer Hardware/ Vehicles	179,367	179,367	152,000	331,367	76,000	255,367	30%	76,610	254,757
10.1	Certain Automobiles	0	0	0	0	0	0	30%	0	0
12	Computer Software	57,297	57,297	2,000	59,297	1,000	58,297	100%	58,297	1,000
3		0	0	0	0	0	0	5%	0	0
		0	0	0	0	0	0	0%	0	0
13.3	Lease # 3	0	0	0	0	0	0		0	0
13.4	Lease # 4	0	0	0	0	0	0		0	0
14	Franchise	0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	1,052	1,052	0	1,052	0	1,052	45%	473	579
50	Computers & Systems Hardware acq'd post Mar 19/07	202	202	0	202	0	202	55%	111	91
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	5,364,017	5,364,017	749,000	6,113,017	374,500	5,738,517	8%	459,081	5,653,936
	SUB-TOTAL - UCC	10,074,809	10,074,809	908,500	10,983,309	454,250	10,529,059		780,535	10,202,774

Opening UCC has changed as follows:	2010 Original Closing Balance	\$ 9,353,498
	Add NBV SM base	894,178
	Less Stranded Assets NBV	<u>(172,867)</u>
	Revised Opening Balance	<u>\$10,074,809</u>

Kenora Hydro has assumed that the UCC of the existing stranded assets approximates the accounting NBV.

PILs

The PILs calculations in the model have all updated for changes to revenue, expenses, amortization and CCA charges for 2011. The tax rate has remained constant, no changes were required to the rate. The resulting change in the PILs amount appears reasonable.

Schedule from ORIGINAL Revenue Requirement Model:

2011 Capital Taxes			2011 PILs Schedule			2011 Total Taxes	
Description	OCT	LCT	Description	Source or Input	Tax Payable	Description	Tax Payable
Total Rate Base	10,307,488	8,732,605	Accounting Income	11' Rev Def	426,927	Total PILs	20,812
Exemption	(15,000,000)	(50,000,000)	Tax Adj to Accounting Income	11' Rev Def	(292,655)	Net Capital Tax Payable	-
Deemed Taxable Capital	(4,692,512)	(41,267,395)	Taxable Income	PILs Rates	134,273	PILs including Capital Taxes	20,812
Rate	0.000%	0.000%	Combined Income Tax Rate		15.500%		
Gross Tax Payable	0	0	Total Income Taxes		20,812		
Surtax	0	0	Investment Tax Credits		-		
Net Capital Tax Payable	0	0	Apprentice Tax Credits	-			
			Other Tax Credits	-			
			Total PILs		20,812		

Schedule from REVISED Revenue Requirement Model:

2011 Capital Taxes			2011 PILs Schedule			2011 Total Taxes	
Description	OCT	LCT	Description	Source or Input	Tax Payable	Description	Tax Payable
Total Rate Base	10,004,600	8,733,784	Accounting Income	11' Rev Def	405,581	Total PILs	22,205
Exemption	(15,000,000)	(50,000,000)	Tax Adj to Accounting Income	11' Rev Def	(262,322)	Net Capital Tax Payable	-
Deemed Taxable Capital	(4,995,400)	(41,266,216)	Taxable Income	PILs Rates	143,259	PILs including Capital Taxes	22,205
Rate	0.000%	0.000%	Combined Income Tax Rate		15.500%		
Gross Tax Payable	0	0	Total Income Taxes		22,205		
Surtax	0	0	Investment Tax Credits		-		
Net Capital Tax Payable	0	0	Apprentice Tax Credits	-			
			Other Tax Credits	-			
			Total PILs		22,205		

The Tax adjustments to accounting income numbers have changed due to the changes in:

Summary From "Tax Adjustments 2011" in Revenue Requirement Model				
Line Item on Schedule		ORIGINAL	REVISED	COMMENTS
103	Interest & penalties on taxes	500	500	
104	Amortization of tangible assets	533,590	584,096	Expected change due to amtz change
121	Meals	675	675	
126	Reserves from F/S	164,477	165,644	Small change made by Models
401	Gain on disposal	(20,000)	(20,000)	
403	CCA	(759,194)	(780,535)	Calculations by Model for SM add and SAsset removal
405	CEC	(60,432)	(60,432)	
414	Reserves from F/S	(152,270)	(152,270)	
	Tax Adjustments	(292,655)	(262,322)	

COST ALLOCATION MODEL

The following is a portion of the original Cost Allocation Model as file.

Approved Target Net Income (\$)	\$406,115		
Approved PILs (\$)	20,812		
Approved Interest (\$)	\$236,259		
Approved Specific Service Charges (\$)	\$105,205		
Approved Transformer Ownership Allowance (\$)	\$0		
Approved Low Voltage Wheeling Adjustment (\$)			
Approved Revenue Requirement (\$)	\$3,208,191	From this Sheet	Differences?
Revenue Requirement to be Used in this model (\$)	\$3,208,191	\$3,208,191	Rev Req Matches
Approved Rate Base (\$)	\$10,307,488		
Rate Base to be Used in this model (\$)	\$10,307,488	\$10,307,488	Rate Base Matches

This is the REVISED Cost Allocation Model indicating revised net income, PILs, interest, service charges, revenue requirement and rate base - used in the updated Model.

Approved Target Net Income (\$)	\$383,376		
Approved PILs (\$)	22,205		
Approved Interest (\$)	\$167,837		
Approved Specific Service Charges (\$)	\$115,375		
Approved Transformer Ownership Allowance (\$)	\$0		
Approved Low Voltage Wheeling Adjustment (\$)			
Approved Revenue Requirement (\$)	\$3,077,201	From this Sheet	Differences?
Revenue Requirement to be Used in this model (\$)	\$3,077,201	\$3,077,201	Rev Req Matches
Approved Rate Base (\$)	\$10,004,600		
Rate Base to be Used in this model (\$)	\$10,004,600	\$10,004,601	Rate Base Matches

CHANGES:

CA Model Item	ORIGINAL	REVISED	Change	Comment
Approved Target Net Income	406,115	383,376	(22,739)	From 2011 Rev Def Calculation
Approved PILs	20,812	22,205	1,393	From Rev Req - Capital Tax Schedule
Approved Interest	236,259	167,837	(68,422)	Reduced for LTD - Return on Capital
Approved Specific Service Charges	105,206	115,375	10,169	Add \$10,000 Gain, Add incr in \$.25 Admin fees
Approved Revenue Requirement	3,208,191	3,077,201	(130,990)	As Calculated by Revenue Req Model
Approved Rate Base	10,307,488	10,004,600	(302,888)	Agrees to Return on Capital - Rev Req Model

Follows is a copy of the updated Revenue Requirement Work Form:



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Kenora Hydro Electric Corporation
 File Number: EB-2010-0135
 Rate Year: 2011

		Data Input						(1)
		Initial Application					Per Board Decision	
1	Rate Base							
	Gross Fixed Assets (average)	\$15,908,919	(\$753,481)	\$ 15,155,438			\$15,155,438	
	Accumulated Depreciation (average)	(\$7,236,379) (5)	\$362,197	-\$ 6,874,182			(\$6,874,182)	
	Allowance for Working Capital:							
	Controllable Expenses	\$2,076,045	(\$91,728)	\$ 1,984,317			\$1,984,317	
	Cost of Power	\$8,823,607	\$681,038	\$ 9,504,645			\$9,504,645	
	Working Capital Rate (%)	15.00%		15.00%			15.00%	
2	Utility Income							
	Operating Revenues:							
	Distribution Revenue at Current Rates	\$1,941,875	\$14,844	\$1,956,719				
	Distribution Revenue at Proposed Rates	\$2,850,945	(\$133,660)	\$2,717,285		\$0	\$2,717,285	
	Other Revenue:							
	Specific Service Charges	\$37,000	\$0	\$37,000		\$0	\$37,000	
	Late Payment Charges	\$43,000	\$0	\$43,000		\$0	\$43,000	
	Other Distribution Revenue	\$161,040	\$20,000	\$181,040		\$0	\$181,040	
	Other Income and Deductions	\$116,206	(\$17,330)	\$98,876		\$0	\$98,876	
	Operating Expenses:							
	OM+A Expenses	\$2,062,785	(\$91,728)	\$ 1,971,057			\$1,971,057	
	Depreciation/Amortization	\$468,960	\$50,506	\$ 519,466			\$519,466	
	Property taxes	\$13,260		\$ 13,260			\$13,260	
	Capital taxes							
	Other expenses							
3	Taxes/PILs							
	Taxable Income:							
	Adjustments required to arrive at taxable income	(\$292,655) (3)		(\$262,322)			(\$262,322)	
	Utility Income Taxes and Rates:							
	Income taxes (not grossed up)	\$17,586		\$18,763			\$18,763	
	Income taxes (grossed up)	\$20,812		\$22,205			\$22,205	
	Capital Taxes		(6)		(6)		(6)	
	Federal tax (%)	11.00%		11.00%			11.00%	
	Provincial tax (%)	4.50%		4.50%			4.50%	
	Income Tax Credits							
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)			4.00% (2)	
	Common Equity Capitalization Ratio (%)	40.0%		40.0%			40.00%	
	Preferred Shares Capitalization Ratio (%)							
		100.0%		100.0%			100.0%	
	Cost of Capital							
	Long-term debt Cost Rate (%)	3.95%		2.82%			2.82%	
	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:

- through 6 (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



REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Kenora Hydro Electric Corporation Ltd.

File Number: EB-2010-0135

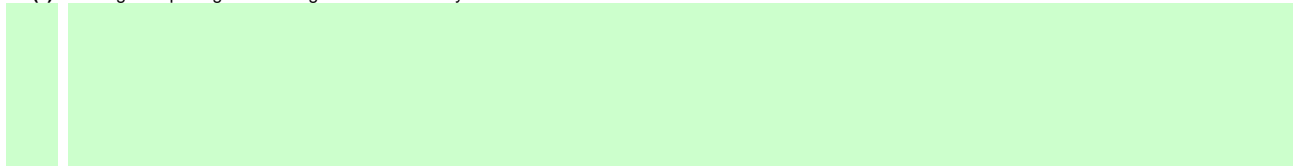
Rate Year: 2011

Rate Base									
Line No.	Particulars		Initial Application					Per Board Decision	
1	Gross Fixed Assets (average) (3)		\$15,908,919		(\$753,481)		\$15,155,438	\$ -	\$15,155,438
2	Accumulated Depreciation (average) (3)		(\$7,236,379)		\$362,197		(\$6,874,182)	\$ -	(\$6,874,182)
3	Net Fixed Assets (average) (3)		\$8,672,540		(\$391,284)		\$8,281,256	\$ -	\$8,281,256
4	Allowance for Working Capital (1)		\$1,634,948		\$88,397		\$1,723,344	\$ -	\$1,723,344
5	Total Rate Base		\$10,307,488		(\$302,888)		\$10,004,600	\$ -	\$10,004,600

(1) Allowance for Working Capital - Derivation									
6	Controllable Expenses		\$2,076,045		(\$91,728)		\$1,984,317	\$ -	\$1,984,317
7	Cost of Power		\$8,823,607		\$681,038		\$9,504,645	\$ -	\$9,504,645
8	Working Capital Base		\$10,899,652		\$589,310		\$11,488,962	\$ -	\$11,488,962
9	Working Capital Rate % (2)		15.00%		0.00%		15.00%	0.00%	15.00%
10	Working Capital Allowance		\$1,634,948		\$88,397		\$1,723,344	\$ -	\$1,723,344

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: Kenora Hydro Electric Corporation Ltd.

File Number: EB-2010-0135

Rate Year: 2011

Ontario

Utility income						
Line No.	Particulars	Initial Application				Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$2,850,945	(\$133,660)	\$2,717,285	\$ -	\$2,717,285
2	Other Revenue	(1) \$357,246	(\$717,162)	\$359,916	\$ -	\$359,916
3	Total Operating Revenues	\$3,208,191	(\$850,822)	\$3,077,201	\$ -	\$3,077,201
Operating Expenses:						
4	OM+A Expenses	\$2,062,785	(\$91,728)	\$1,971,057	\$ -	\$1,971,057
5	Depreciation/Amortization	\$468,960	\$50,506	\$519,466	\$ -	\$519,466
6	Property taxes	\$13,260	\$ -	\$13,260	\$ -	\$13,260
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$2,545,005	(\$41,222)	\$2,503,783	\$ -	\$2,503,783
10	Deemed Interest Expense	\$236,259	(\$68,422)	\$167,837	\$ -	\$167,837
11	Total Expenses (lines 9 to 10)	\$2,781,264	(\$109,644)	\$2,671,620	\$ -	\$2,671,620
12	Utility income before income taxes	\$426,927	(\$741,178)	\$405,581	\$ -	\$405,581
13	Income taxes (grossed-up)	\$20,812	\$1,393	\$22,205	\$ -	\$22,205
14	Utility net income	\$406,115	(\$742,571)	\$383,376	\$ -	\$383,376

Notes

(1)	Other Revenues / Revenue Offsets					
	Specific Service Charges	\$37,000	\$ -	\$37,000	\$ -	\$37,000
	Late Payment Charges	\$43,000	\$ -	\$43,000	\$ -	\$43,000
	Other Distribution Revenue	\$161,040	\$20,000	\$181,040	\$ -	\$181,040
	Other Income and Deductions	\$116,206	(\$17,330)	\$98,876	\$ -	\$98,876
	Total Revenue Offsets	\$357,246	\$2,670	\$359,916	\$ -	\$359,916



REVENUE REQUIREMENT WORK FORM

Version: 2.11

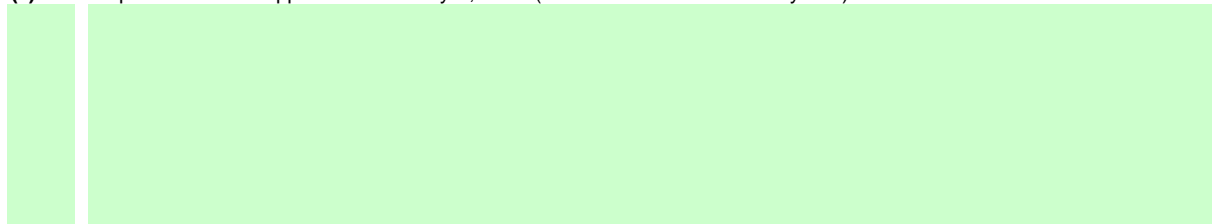
Name of LDC: Kenora Hydro Electric Corporation Ltd.
 File Number: EB-2010-0135
 Rate Year: 2011

Taxes/PILs

Line No.	Particulars	Application		Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$406,115		\$383,376	
2	Adjustments required to arrive at taxable utility income	(\$292,655)		(\$262,322)	
3	Taxable income	\$113,460		\$121,054	
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$17,586		\$18,763	
5	Capital taxes	\$ -	(1)	\$ -	(1)
6	Total taxes	\$17,586		\$18,763	
7	Gross-up of Income Taxes	\$3,226		\$3,442	
8	Grossed-up Income Taxes	\$20,812		\$22,205	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$20,812		\$22,205	
10	Other tax Credits	\$ -		\$ -	
<u>Tax Rates</u>					
11	Federal tax (%)	11.00%		11.00%	
12	Provincial tax (%)	4.50%		4.50%	
13	Total tax rate (%)	15.50%		15.50%	

Notes

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





REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Kenora Hydro Electric Corporation Ltd.

File Number: EB-2010-0135

Rate Year: 2011

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio	Cost Rate	Return	
Initial Application					
		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$5,772,193	3.95%	\$227,725
2	Short-term Debt	4.00%	\$412,300	2.07%	\$8,535
3	Total Debt	60.00%	\$6,184,493	3.82%	\$236,259
Equity					
4	Common Equity	40.00%	\$4,122,995	9.85%	\$406,115
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$4,122,995	9.85%	\$406,115
7	Total	100.00%	\$10,307,488	6.23%	\$642,374

		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$5,602,576	2.82%	\$157,993
2	Short-term Debt	4.00%	\$400,184	2.46%	\$9,845
3	Total Debt	60.00%	\$6,002,760	2.80%	\$167,837
Equity					
4	Common Equity	40.00%	\$4,001,840	9.58%	\$383,376
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$4,001,840	9.58%	\$383,376
7	Total	100.00%	\$10,004,600	5.51%	\$551,213

Per Board Decision					
		(%)	(\$)	(%)	(\$)
Debt					
8	Long-term Debt	56.00%	\$5,602,576	2.82%	\$157,993
9	Short-term Debt	4.00%	\$400,184	2.46%	\$9,845
10	Total Debt	60.00%	\$6,002,760	2.80%	\$167,837
Equity					
11	Common Equity	40.00%	\$4,001,840	9.58%	\$383,376
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$4,001,840	9.58%	\$383,376
14	Total	100.00%	\$10,004,600	5.51%	\$551,213

Notes

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



REVENUE REQUIREMENT WORK FORM

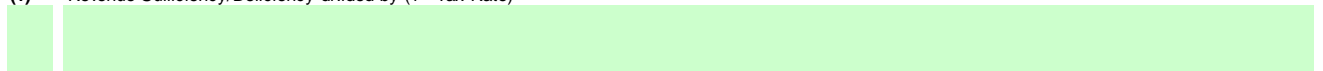
Version: 2.11

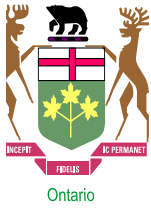
Name of LDC: Kenora Hydro Electric Corporation Ltd.
 File Number: EB-2010-0135
 Rate Year: 2011

Revenue Sufficiency/Deficiency							
Line No.	Particulars	Initial Application		Per Board Decision			
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates		At Current Approved Rates
1	Revenue Deficiency from Below		\$909,070		\$760,567		\$760,567
2	Distribution Revenue	\$1,941,875	\$1,941,875	\$1,956,719	\$1,956,718	\$1,956,719	\$1,956,718
3	Other Operating Revenue	\$357,246	\$357,246	\$359,916	\$359,916	\$359,916	\$359,916
	Offsets - net						
4	Total Revenue	\$2,299,121	\$3,208,191	\$2,316,635	\$3,077,201	\$2,316,635	\$3,077,201
5	Operating Expenses	\$2,545,005	\$2,545,005	\$2,503,783	\$2,503,783	\$2,503,783	\$2,503,783
6	Deemed Interest Expense	\$236,259	\$236,259	\$167,837	\$167,837	\$167,837	\$167,837
	Total Cost and Expenses	\$2,781,264	\$2,781,264	\$2,671,620	\$2,671,620	\$2,671,620	\$2,671,620
7	Utility Income Before Income Taxes	(\$482,143)	\$426,927	(\$354,985)	\$405,581	(\$354,985)	\$405,581
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$292,655)	(\$292,655)	(\$262,322)	(\$262,322)	(\$262,322)	(\$262,322)
9	Taxable Income	(\$774,798)	\$134,272	(\$617,307)	\$143,259	(\$617,307)	\$143,259
10	Income Tax Rate	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
11	Income Tax on Taxable Income	(\$120,094)	\$20,812	(\$95,683)	\$22,205	(\$95,683)	\$22,205
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$362,049)	\$406,115	(\$259,303)	\$383,376	(\$259,303)	\$383,376
14	Utility Rate Base	\$10,307,488	\$10,307,488	\$10,004,600	\$10,004,600	\$10,004,600	\$10,004,600
	Deemed Equity Portion of Rate Base	\$4,122,995	\$4,122,995	\$4,001,840	\$4,001,840	\$4,001,840	\$4,001,840
15	Income/Equity Rate Base (%)	-8.78%	9.85%	-6.48%	9.58%	-6.48%	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	-18.63%	0.00%	-16.06%	0.00%	-16.06%	0.00%
18	Indicated Rate of Return	-1.22%	6.23%	-0.91%	5.51%	-0.91%	5.51%
19	Requested Rate of Return on Rate Base	6.23%	6.23%	5.51%	5.51%	5.51%	5.51%
20	Sufficiency/Deficiency in Rate of Return	-7.45%	0.00%	-6.42%	0.00%	-6.42%	0.00%
21	Target Return on Equity	\$406,115	\$406,115	\$383,376	\$383,376	\$383,376	\$383,376
22	Revenue Deficiency/(Sufficiency)	\$768,164	(\$0)	\$642,679	(\$0)	\$642,679	(\$0)
23	Gross Revenue Deficiency/(Sufficiency)	\$909,070 (1)		\$760,567 (1)		\$760,567 (1)	

Notes:

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





REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Kenora Hydro Electric Corporation Ltd.
 File Number: EB-2010-0135
 Rate Year: 2011

Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$2,062,785		\$1,971,057	\$1,971,057
2	Amortization/Depreciation	\$468,960		\$519,466	\$519,466
3	Property Taxes	\$13,260		\$13,260	\$13,260
4	Capital Taxes	\$ -		\$ -	\$ -
5	Income Taxes (Grossed up)	\$20,812		\$22,205	\$22,205
6	Other Expenses	\$ -			
7	Return				
	Deemed Interest Expense	\$236,259		\$167,837	\$167,837
	Return on Deemed Equity	\$406,115		\$383,376	\$383,376
8	Distribution Revenue Requirement before Revenues	\$3,208,191		\$3,077,201	\$3,077,201
9	Distribution revenue	\$2,850,945		\$2,717,285	\$2,717,285
10	Other revenue	\$357,246		\$359,916	\$359,916
11	Total revenue	\$3,208,191		\$3,077,201	\$3,077,201
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$0) (1)		(\$0) (1)	(\$0) (1)

Notes

(1) Line 11 - Line 8



FINAL RATES

The changes as directed by the OEB have resulted in the following rates by class:

REVISED Schedule of Rates and Charges effective July 1, 2011.

KENORA HYDRO ELECTRIC CORPORATION LTD. MONTHLY RATES AND CHARGES EFFECTIVE JULY 1, 2011			
Residential			
Service Charge		\$	18.73
Distribution Volumetric Rate		\$/kWh	0.0137
Stranded Asset Rate Rider		\$	3.12
Smart Meter Rate Rider		\$	3.55
Deferral and Variance Account Rate Rider		\$/kWh	(0.0074)
GA Rate Rider (NON RPP Customers Only)		\$/kWh	0.0050
Late Payment Charge Settlement		\$	0.20
General Service Less Than 50 kW			
Service Charge		\$	37.03
Distribution Volumetric Rate		\$/kWh	0.0057
Stranded Asset Rate Rider		\$	3.12
Smart Meter Rate Rider		\$	3.55
Deferral and Variance Account Rate Rider		\$/kWh	(0.0074)
GA Rate Rider (NON RPP Customers Only)		\$/kWh	0.0050
Late Payment Charge Settlement		\$	0.37
General Service 50 to 4,999 kW			
Service Charge		\$	508.16
Distribution Volumetric Rate		\$/kW	1.6195
Stranded Asset Rate Rider		\$	3.12
Smart Meter Rate Rider		\$	3.55
Deferral and Variance Account Rate Rider		\$/kW	(2.8981)
GA Rate Rider (NON RPP Customers Only)		\$/kWh	0.0050
Late Payment Charge Settlement		\$	5.16
Unmetered Scattered Load			
Service Charge (per connection)		\$	15.62
Distribution Volumetric Rate		\$/kWh	0.0049
Deferral and Variance Account Rate Rider		\$/kWh	(0.0074)
GA Rate Rider (NON RPP Customers Only)		\$/kWh	0.0050
Street Lighting			
Service Charge (per connection)		\$	5.01
Distribution Volumetric Rate		\$/kW	3.2961
Deferral and Variance Account Rate Rider		\$/kW	(2.3472)
Late Payment Charge Settlement (per connection)		\$	0.06

BILL IMPACTS – No GA disposition is presented in these tables. The GA is a charge of \$0.0050 per kWh for NON-RPP customers in any class, except streetlight.

Residential at 800 kWh (no GA Rider)

RESIDENTIAL										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			13.53			18.73	5.20	38.43%	15.46%
	800 kWh									
	Distribution (kWh)	800	0.0099	7.92	800	0.0137	10.96	3.04	38.38%	9.05%
	Stranded Asset Rider (per month)	800	0.0000	0.00	0	3.1200	3.12	3.12	(100.00%)	2.58%
	Smart Meter Adder (per month)		1.0000	1.00		0.0000	0.00	(1.00)	(100.00%)	0.00%
	Smart Meter Rider (per month)			0.00			3.55	3.55	100.00%	2.93%
	Deferral & Variance Acct (kWh)	800	0.0000	0.00	800	(0.0074)	(5.96)	(5.96)	(100.00%)	(4.92%)
	Distribution Sub-Total			22.45			30.40	7.95	35.43%	25.10%
	Retail Transmission (kWh)	834	0.0075	6.26	834	0.007497	6.26	(0.00)	(0.04%)	5.16%
	Delivery Sub-Total			28.71			36.66	7.95	27.70%	30.26%
	WMS (kWh)	834	0.0065	5.42	834	0.0065	5.42	0.00	0.00%	4.48%
	Debt Retirement (kWh)	800	0.0070	5.60	800	0.0070	5.60	0.00	0.00%	4.62%
	Late Payment Settlement (per month)	800	0.0000	0.00		0.2000	0.20	0.20	100.00%	0.17%
	Special Purpose Charge (kWh)	800	0.0004	0.30	0	0.0000	0.00	(0.30)	(100.00%)	0.00%
	Cost of Power Commodity (kWh)	600	0.0650	39.00	600	0.0680	40.80	1.80	4.62%	33.68%
	Cost of Power Commodity (kWh)	234	0.0750	17.58	234	0.0790	18.52	0.94	5.33%	15.29%
	Total Bill Before Taxes			96.61			107.20	10.59	10.96%	88.50%
	HST		13.00%	12.56		13.00%	13.94	1.38	10.96%	11.50%
	Total Bill			109.17			121.14	11.97	10.96%	100.00%

General Service Under 50 kW at 2,000 kWh (no GA Rider)

GENERAL SERVICE < 50 kW										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			25.77			37.03	11.26	43.69%	13.65%
	2,000 kWh									
	Distribution (kWh)	2,000	0.0040	8.00	2,000	0.0057	11.40	3.40	42.50%	4.20%
	Stranded Asset Rider (per month)	2,000	0.0000	0.00	0	3.1200	3.12	3.12	(100.00%)	1.15%
	Smart Meter Adder (per month)		1.0000	1.00		0.0000	0.00	(1.00)	(100.00%)	0.00%
	Smart Meter Rider (per month)			0.00			3.55	3.55	100.00%	1.31%
	Deferral & Variance Acct (kWh)	2,000	0.0000	0.00	2,000	(0.0074)	(14.90)	(14.90)	(100.00%)	(5.49%)
	Distribution Sub-Total			34.77			40.21	5.44	15.63%	14.82%
	Retail Transmission (kWh)	2,086	0.0066	13.77	2,086	0.006597	13.76	(0.01)	(0.04%)	5.07%
	Delivery Sub-Total			48.54			53.97	5.43	11.19%	19.89%
	WMS (kWh)	2,086	0.0065	13.56	2,086	0.0065	13.56	0.00	0.00%	5.00%
	Debt Retirement (kWh)	2,000	0.0070	14.00	2,000	0.0070	14.00	0.00	0.00%	5.16%
	Late Payment Settlement (per month)	2,000	0.0000	0.00		0.3700	0.37	0.37	100.00%	0.14%
	Special Purpose Charge (kWh)	2,000	0.0004	0.75	0	0.0000	0.00	(0.75)	(100.00%)	0.00%
	Cost of Power Commodity (kWh)	600	0.0650	39.00	600	0.0680	40.80	1.80	4.62%	15.04%
	Cost of Power Commodity (kWh)	1,486	0.0750	111.45	1,486	0.0790	117.39	5.94	5.33%	43.27%
	Total Bill Before Taxes			227.29			240.09	12.80	5.63%	88.50%
	HST		13.00%	29.55		13.00%	31.21	1.66	5.63%	11.50%
	Total Bill			256.84			271.30	\$14.46	5.63%	100.00%

General Service Over 50 kw at 30,000 kWh, 100 kW (no GA Rider)

GENERAL SERVICE > 50 kW										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			372.26			508.16	135.90	36.51%	13.04%
30,000 kWh	Distribution (kW)	100	1.2372	123.72	100	1.6195	161.95	38.23	30.90%	4.16%
100 kW										
	Stranded Asset Rider (per month)	100	0.0000	0.00	0	3.1200	3.12	3.12	(100.00%)	0.08%
	Smart Meter Adder (per month)		1.0000	1.00		0.0000	0.00	(1.00)	(100.00%)	0.00%
	Smart Meter Rider (per month)			0.00			3.55	3.55	100.00%	0.09%
	Deferral & Variance Acct (kW)	100	0.0000	0.00	100	(2.8981)	(289.81)	(289.81)	(100.00%)	(7.44%)
	Distribution Sub-Total			496.98			386.97	(110.01)	(22.13%)	9.93%
	Retail Transmission (kW)	100	2.7103	271.03	100	2.709058	270.91	(0.12)	(0.05%)	6.95%
	Delivery Sub-Total			768.01			657.88	(110.13)	(14.34%)	16.88%
	WMS (kWh)	31,290	0.0065	203.39	31,290	0.0065	203.39	0.00	0.00%	5.22%
	Debt Retirement (kWh)	30,000	0.0070	210.00	30,000	0.0070	210.00	0.00	0.00%	5.39%
	Late Payment Settlement (per month)	0	0	0		5.1600	5.1600	5.16	100.00%	0.13%
	Special Purpose Charge (kWh)	30,000	0.0004	11.19	0	0.0000	0.00	(11.19)	(100.00%)	0.00%
	Cost of Power Commodity (kWh)	31,290	0.0650	2,033.85	31,290	0.0758	2,371.78	337.93	16.62%	60.87%
	Total Bill Before Taxes			3,226.44			3,448.21	221.65	6.87%	88.50%
	HST		13.00%	419.44		13.00%	448.27	28.83	6.87%	11.50%
	Total Bill			3,645.87			3,896.47	250.48	6.87%	100.00%

Streetlight per Connection:

STREET LIGHTING										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Billing Determinants	Monthly Service Charge	1	3.5400	3.54	1	5.0128	5.01	1.47	41.60%	40.86%
1 Connections	Distribution (kW)	0	2.3277	0.39	0	3.2961	0.55	0.16	41.60%	4.45%
62.47 kWh	Low Voltage Rider (kW)	0	0	0	0	0.0000	0.00	0.00	0.00%	0.00%
0.17 kW	LRAM & SSM Rider (kW)	0	0.0000	0.00	0	0.0000	0.00	0.00	0.00%	0.00%
	Deferral & Variance Acct (kW)	0	0.0000	0.00	0	(2.3472)	(0.39)	(0.39)	(100.00%)	(3.17%)
	Distribution Sub-Total			3.93			5.17	1.24	31.71%	42.14%
	Retail Transmission (kW)	0	2.0542	0.34	0	2.053295	0.34	(0.00)	(0.04%)	2.77%
	Delivery Sub-Total			4.27			5.51	1.24	29.18%	44.91%
	WMS (kWh)	65	0.0065	0.42	65	0.0065	0.42	0.00	0.00%	3.45%
	Late Payment Settlement (per month)	0	0.0000	0.00	1	0.0600	0.06	0.06	100.00%	0.49%
	Debt Retirement (kWh)	62	0.0070	0.43	62	0.0070	0.43	0.00	0.00%	3.54%
	Cost of Power Commodity (kWh)	65	0.0650	4.24	65	0.0680	4.43	0.20	4.62%	36.11%
	Total Bill Before Taxes			9.36			10.86	1.50	16.03%	88.50%
	HST		13.00%	1.22		13.00%	1.41	0.19	16.03%	11.50%
	Total Bill			10.57			12.27	1.69	16.03%	100.00%

Unmetered Scattered Load at 10,000 kWh (no GA Rider)

UNMETERED SCATTERED LOAD										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption										
10,000 kWh	Monthly Service Charge			13.00			15.62	2.62	20.15%	1.53%
	Distribution (kWh)	10,000	0.0041	41.00	10,000	0.0049	49.00	8.00	19.51%	4.79%
	Low Voltage Rider (kWh)	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00	0.00%	0.00%
	Deferral & Variance Acct (kWh)	10,000	0.0000	0.00	10,000	(0.0074)	(74.49)	(74.49)	(100.00%)	(7.28%)
	Distribution Sub-Total			54.00			(9.87)	(63.87)	(118.28%)	(0.96%)
	Retail Transmisssion (kWh)	10,430	0.0066	68.84	10,430	0.006597	68.81	(0.03)	(0.04%)	6.72%
	Delivery Sub-Total			122.84			58.94	(63.90)	(52.02%)	5.76%
	WMS (kWh)	10,430	0.0065	67.80	10,430	0.0065	67.80	0.00	0.00%	6.62%
	Debt Retirement (kWh)	10,000	0.0070	70.00	10,000	0.0070	70.00	0.00	0.00%	6.84%
	Cost of Power Commodity (kWh)	10,430	0.0650	677.95	10,430	0.0680	709.24	31.29	4.62%	69.28%
	Total Bill Before Taxes			938.58			905.98	(32.64)	(3.48%)	88.50%
	HST		13.00%	122.02		13.00%	117.78	(4.24)	(3.47%)	11.50%
	Total Bill			1,060.60			1,023.75	(36.87)	(3.48%)	100.00%