ERIE THAMES POWERLINES

Your Home Town Utility

VIA WEB PORTAL AND BY COURIER

August 26, 2011

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON.
M4P 1E4

Dear Ms. Walli:

Re: EB-2011-0085 – Erie Thames Powerlines Corporation ("Erie Thames") Application for Service Area Amendment – Procedural Order No. 2

Pursuant to Procedural Order No. 2 issued on August 19th , 2011, please find attached a detailed economic evalution prepared in accordance with Appendix B of the Distribution System Code (the "Revised Economic Evaluation"). As requested, the Revised Economic Evaluation includes:

a. A detailed description of all capital costs, both non-contestable and contestable;
b. Assumptions for projected revenue calculation; and
c. The amount of capital contribution the customer must pay.

To assist the Board in its assessment of the above information, we have included the contents of Appendix B.1 - Common Elements of the Discounted Cash Flow Model at the end of the Revised Economic Evaluation. This addition includes comments from Erie Thames that links the information required under Appendix B.1 to the information entered into the Revised Economic Evaluation.

In the attached, we have revised the economic evaluation previously submitted with our application (the "Original Economic Evaluation") to include the basic connection costs as per sections 3.1.4 and 3.2.9 (f) of the Distribution System Code. Although not included in the

Original Economic Evaluation, please note that the $360.00 per lot basic connection cost was included in Erie Thames' Offer to Connect, Schedule 4, Contestable Electrical Plan Installation.

As a matter of comparison, we have illustrated the differences between the Original Economic Evaluation and the Revised Economic Evaluation below:

	Original	Revised
Total Expansion Cost	$222,816.43	$242,256.00
Erie Thames Investment	$81,631.00	$97,884.00
Customer Capital Contribution	$141,181.00	$144,372.00

As a final note, page 2 of the Procedural Order No. 2 sugggests that the Original Economic Evaluation did not determine the capital contribution amount required from the developer. Erie Thames respectfully submits that the customer's capital contribution was set out in the Summary of Results included with the Original Economic Evaluation. (For the Board's review, a copy of the original Summary of Results is included at the end of the attached Revised Economic Evaluation.)

Sincerely,

Chris White
President & CEO

Encls.

PO Box 157, 143 Bell Street, Ingersoll ON N5C 3K5
T: 519-485-1820 • TF: 877-850-3128 • Fax: 519-485-5838
www.eriethamespowerlines.ca

Erie Thames Economic Evaluation Model

Summary of Results For Sifton Subdivision

Capital Costs	Total Expansion Cost	%	LDC Investment
Cost of Electrical Installation	$0.00	0%	$0
Transformer Equipment	$0	0%	$0
Poles Towers and Fixtures	$14,525	6%	$5,869
O/H Conductors	$2,383	1%	$963
U/G Conduit	$80,870	33%	$32,676
U/G Conductors	$47,320	20%	$19,120
Line transformers	$77,718	32%	$31,402
Services	$19,440	8%	$7,855
Unmetered Load	$0	0%	$0
0	$0	0%	$0
Land	$0	0%	$0
Total	$242,256.00	100%	$97,884

LDC Capital Investment $97,884

LDC Record of Investments

	New Connections	Annual Investment	Accumulated Investment		***Price Per Lot Paid by Powerlines***
2011	11	$25,144	$25,144.00	**2011**	$2,285.82
2012	11	$20,762	$20,762.00	**2012**	$1,887.45
2013	11	$19,042	$19,042.00	**2013**	$1,731.09
2014	11	$18,008	$18,008.00	**2014**	$1,637.09
2015	10	$14,928	$14,928.49	**2015**	$1,492.85
Total	54	$97,884			

Customer Capital Contribution $144,372

Adjustment For Capacity Enhancements (Upstream) Costs

	Annual Investment	Upstream Costs	Due to Customer
2011	$25,144	$0	$25,144
2012	$20,762	$0	$20,762
2013	$19,042	$0	$19,042
2014	$18,008	$0	$18,008
2015	$14,928	$0	$14,928

Erie Thames Economic Evaluation Model

Inputs For Project	Sifton Subdivision
First Year of Analysis	2011

Naming Conventions

Capital Classes

Capital Class 1	Buildings and Fixtures
Capital Class 2	Transformer Equipment
Capital Class 3	Poles Towers and Fixtures
Capital Class 4	O/H Conductors
Capital Class 5	U/G Conduit
Capital Class 6	U/G Conductors
Capital Class 7	Line transformers
Capital Class 8	Services
Capital Class 9	Unmetered Load
Capital Class 10	

Please Note: As outlined below Land is a 'hard coded' capital category because it is the only capital cost to attract municipal tax.

Rate Classes

Rate Class 1	Residential
Rate Class 2	GS< 50
Rate Class 3	GS> 50
Rate Class 4	Intermediate
Rate Class 5	Large Use
Rate Class 6	Sentinel Light
Rate Class 7	Street Light
Rate Class 8	Unmetered Load
Rate Class 9	
Rate Class 10	

Revenue Forecasting Inputs

Distribution Rates Excluding Transition or Z Factor Cost Recovery

2011	Monthly Service Charge ($/Customer)	Volumetric Charge ($/kWh)	Volumetric Charge ($/kW)
Residential	$14.19	$0.0144	
GS< 50	$23.80	$0.0120	
GS> 50	$349.36		$1.1760
Intermediate	$6,397.14		$1.2349
Large Use	$12,978.09		$0.5752
Sentinel Light	$1.50		$6.3758
Street Light	$0.48		$1.0645
Unmetered Load	$5.00	$0.0300	
0			
0			

2012	Monthly Service Charge ($/Customer)	Volumetric Charge ($/kWh)	Volumetric Charge ($/kW)
Residential	$14.19	$0.0144	
GS< 50	$23.80	$0.0120	
GS> 50	$349.36		$1.1760
Intermediate	$6,397.14		$1.2349
Large Use	$12,978.09		$0.5752
Sentinel Light	$1.50		$6.3758
Street Light	$0.48		$1.0645
Unmetered Load	$5.00	$0.0300	
0			
0			

2013	Monthly Service Charge ($/Customer)	Volumetric Charge ($/kWh)	Volumetric Charge ($/kW)
Residential	$14.19	$0.0144	
GS< 50	$23.80	$0.0120	
GS> 50	$349.36		$1.1760
Intermediate	$6,397.14		$1.2349
Large Use	$12,978.09		$0.5752
Sentinel Light	$1.50		$6.3758
Street Light	$0.48		$1.0645
Unmetered Load	$5.00	$0.0300	
0			
0			

2014	Monthly Service Charge ($/Customer)	Volumetric Charge ($/kWh)	Volumetric Charge ($/kW)
Residential	$14.19	$0.0144	
GS< 50	$23.80	$0.0120	
GS> 50	$349.36		$1.1760

Intermediate	$6,397.14		$1.2349
Large Use	$12,978.09		$0.5752
Sentinel Light	$1.50		$6.3758
Street Light	$0.48		$1.0645
Unmetered Load	$5.00	$0.0300	
0			
0			

2015	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
Residential	$14.19	$0.0144	
GS< 50	$23.80	$0.0120	
GS> 50	$349.36		$1.1760
Intermediate	$6,397.14		$1.2349
Large Use	$12,978.09		$0.5752
Sentinel Light	$1.50		$6.3758
Street Light	$0.48		$1.0645
Unmetered Load	$5.00	$0.0300	
0			
0			

Monthly Consumption and Vacancy Rate Assumptions

2011	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
Residential	750		0
GS< 50			
GS> 50			
Intermediate			
Large Use			
Sentinel Light			
Street Light			
Unmetered Load			
0			
0			

2012	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
Residential	750		
GS< 50			
GS> 50			
Intermediate			
Large Use			
Sentinel Light			
Street Light			
Unmetered Load			
0			
0			

2013	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
Residential	750		
GS< 50			
GS> 50			
Intermediate			
Large Use			
Sentinel Light			
Street Light			
Unmetered Load			
0			
0			

2014	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
Residential	750		
GS< 50			
GS> 50			
Intermediate			
Large Use			
Sentinel Light			
Street Light			
Unmetered Load			
0			
0			

2015	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
Residential	750		
GS< 50			
GS> 50			
Intermediate			
Large Use			
Sentinel Light			

Street Light	
Unmetered Load	
0	
0	

Actual Customer Connection

	2011	2012	2013	2014	2015
Residential	11	11	11	11	10
GS< 50					
GS> 50					
Intermediate					
Large Use					
Sentinel Light					
Street Light					
Unmetered Load					
0					
0					
Total	11	11	11	11	10

Capital Cost Inputs

Actual Capital Costs

	2011	2012	2013	2014	2015
Buildings and Fixtures	$0				
Transformer Equipment	$0				
Poles Towers and Fixtures	$14,525				
O/H Conductors	$2,383				
U/G Conduit	$80,870				
U/G Conductors	$47,320				
Line transformers	$77,718				
Services	$3,960	$3,960	$3,960	$3,960	$3,600
Unmetered Load					
0					
Land					
Total	$226,776	$3,960	$3,960	$3,960	$3,600

Please Note: Land is a fixed capital category because it is the only capital cost to attract municipal tax
In addition, Land does not depreciation for accounting or income tax purposes. If you do not have Land in the project then leave the input field blank.

	2011	2012	2013	2014	2015
Annual O&M Cost per Customer	$113.04	$113.04	$113.04	$113.04	$113.04
Annual O&M Cost per kWh					
Annual O&M Cost per kW					
Upstream Costs per Customer					

Financial Assumptions

	Depreciation Rates %	Capital Cost Allowance Rates %
Buildings and Fixtures	4	4
Transformer Equipment	4	4
Poles Towers and Fixtures	4	4
O/H Conductors	4	4
U/G Conduit	4	4
U/G Conductors	4	4
Line transformers	4	4
Services	4	4
Unmetered Load	4	4
0		
Land		

Please Note: Land will not have a depreciation or CCA rate applied to it because it is a non depreciating asset.
However, provision for a capital overhead rate on Land has been provided if required for evaluation purposes

	2011	2012	2013	2014	2015
LDC Debt Ratio (%)	60	60	60	60	60
Debt Rate (%)	6.15	6.15	6.15	6.15	6.15
Equity Rate (%)	8.15	8.15	8.15	8.15	8.15
Municipal Tax Rate (%)					
Capital Tax Rate (%)	0.2250	0.2250	0.2250	0.2250	0.2250
Income Tax Rate (%)	30.06	30.06	30.06	30.06	30.06

Erie Thames Economic Evaluation Model

Distribution Revenue Model

Rate Class: Residential

	Monthly Service Charge ($/Customer)	Volumetric Charge ($/kWh)	($/kW)
2011	$14.19	$0.0144	$0.0000
2012	$14.19	$0.0144	$0.0000
2013	$14.19	$0.0144	$0.0000
2014	$14.19	$0.0144	$0.0000
2015	$14.19	$0.0144	$0.0000

	Average Monthly Consumption (kWh)	(kW)	Vacancy Rate %
2011	750	0	0
2012	750	0	0
2013	750	0	0
2014	750	0	0
2015	750	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	11	11	8,250	0	$1,873	$1,426	$0	$3,299	0%	$3,299
2012	11	22	16,500	0	$3,746	$2,851	$0	$6,597	0%	$6,597
2013	11	33	24,750	0	$5,619	$4,277	$0	$9,896	0%	$9,896
2014	11	44	33,000	0	$7,492	$5,702	$0	$13,195	0%	$13,195
2015	10	54	40,500	0	$9,195	$6,998	$0	$16,194	0%	$16,194

Rate Class: GS< 50

	Monthly Service Charge ($/Customer)	Volumetric Charge ($/kWh)	($/kW)
2011	$23.80	$0.0120	$0.0000
2012	$23.80	$0.0120	$0.0000
2013	$23.80	$0.0120	$0.0000
2014	$23.80	$0.0120	$0.0000
2015	$23.80	$0.0120	$0.0000

	Average Monthly Consumption (kWh)	(kW)	Vacancy Rate %
2011	0	0	0

2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: GS> 50

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$349.36	$0.00	$1.18
2012	$349.36	$0.00	$1.18
2013	$349.36	$0.00	$1.18
2014	$349.36	$0.00	$1.18
2015	$349.36	$0.00	$1.18

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: Intermediate

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$6,397.14	$0.00	$1.23
2012	$6,397.14	$0.00	$1.23
2013	$6,397.14	$0.00	$1.23
2014	$6,397.14	$0.00	$1.23
2015	$6,397.14	$0.00	$1.23

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: Large Use

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$12,978.09	$0.00	$0.58
2012	$12,978.09	$0.00	$0.58
2013	$12,978.09	$0.00	$0.58
2014	$12,978.09	$0.00	$0.58
2015	$12,978.09	$0.00	$0.58

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

Annual	Annual	Annual	Total

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Service Charge Revenue	Energy Charge Revenue	Demand Charge Revenue	Total Revenue	Vacancy Rate	Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: Sentinel Light

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$1.50	$0.00	$6.38
2012	$1.50	$0.00	$6.38
2013	$1.50	$0.00	$6.38
2014	$1.50	$0.00	$6.38
2015	$1.50	$0.00	$6.38

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: Street Light

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$0.48	$0.00	$1.06
2012	$0.48	$0.00	$1.06
2013	$0.48	$0.00	$1.06

2014	$0.48	$0.00	$1.06
2015	$0.48	$0.00	$1.06

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: Unmetered Load

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$5.00	$0.03	$0.00
2012	$5.00	$0.03	$0.00
2013	$5.00	$0.03	$0.00
2014	$5.00	$0.03	$0.00
2015	$5.00	$0.03	$0.00

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0

2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: 0

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$0.00	$0.00	$0.00
2012	$0.00	$0.00	$0.00
2013	$0.00	$0.00	$0.00
2014	$0.00	$0.00	$0.00
2015	$0.00	$0.00	$0.00

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Rate Class: 0

	Monthly Service Charge	Volumetric Charge	
	($/Customer)	($/kWh)	($/kW)
2011	$0.00	$0.00	$0.00
2012	$0.00	$0.00	$0.00
2013	$0.00	$0.00	$0.00
2014	$0.00	$0.00	$0.00
2015	$0.00	$0.00	$0.00

	Average Monthly Consumption		Vacancy Rate
	(kWh)	(kW)	%

2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0

	Annual Connections	Accum. Connections	Monthly Energy (kWh)	Monthly Demand (kW)	Annual Service Charge Revenue	Annual Energy Charge Revenue	Annual Demand Charge Revenue	Total Revenue	Vacancy Rate	Total Revenue Adjusted for Vacancy
2011	0	0	0	0	$0	$0	$0	$0	0%	$0
2012	0	0	0	0	$0	$0	$0	$0	0%	$0
2013	0	0	0	0	$0	$0	$0	$0	0%	$0
2014	0	0	0	0	$0	$0	$0	$0	0%	$0
2015	0	0	0	0	$0	$0	$0	$0	0%	$0

Summary

	Residential	GS< 50	GS> 50	Intermediate	Large Use	Sentinel Light	Street Light	ımetered Lo	0	0	Total	Annual
Revenue												
2011	$3,299	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,299	
2012	$6,597	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,597	
2013	$9,896	$0	$0	$0	$0	$0	$0	$0	$0	$0	$9,896	
2014	$13,195	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13,195	
2015	$16,194	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,194	
Accumulated Connections												
2011	11	0	0	0	0	0	0	0	0	0	11	
2012	22	0	0	0	0	0	0	0	0	0	22	
2013	33	0	0	0	0	0	0	0	0	0	33	
2014	44	0	0	0	0	0	0	0	0	0	44	
2015	54	0	0	0	0	0	0	0	0	0	54	
Accumulated kWh												
2011	8,250	0	0	0	0	0	0	0	0	0	8,250	99,000
2012	16,500	0	0	0	0	0	0	0	0	0	16,500	198,000
2013	24,750	0	0	0	0	0	0	0	0	0	24,750	297,000
2014	33,000	0	0	0	0	0	0	0	0	0	33,000	396,000
2015	40,500	0	0	0	0	0	0	0	0	0	40,500	486,000
Accumulated kW												
2011	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0

Erie Thames Economic Evaluation Model

O & M Calculation

Year	O&M per Customer	New Customers	Accum O&M on per Customer Basis	O&M per kWh	New Annual kWhs	Accum O&M on per kWh Basis	O&M per kW	New Annual kW	Accum O&M on per kW Basis	Total O&M
2011	$113.04	11	$1,243	$0.00	99,000	$0	$0.00	0	$0	$1,243
2012	$113.04	11	$2,487	$0.00	99,000	$0	$0.00	0	$0	$2,487
2013	$113.04	11	$3,730	$0.00	99,000	$0	$0.00	0	$0	$3,730
2014	$113.04	11	$4,974	$0.00	99,000	$0	$0.00	0	$0	$4,974
2015	$113.04	10	$6,104	$0.00	90,000	$0	$0.00	0	$0	$6,104

Erie Thames Economic Evaluation Model

Municipal Tax Calculations

	Land Capital Costs	Accum Land Costs	Municipal Tax Rate	Municipal Taxes
2011	$0	$0	0%	$0
2012	$0	$0	0%	$0
2013	$0	$0	0%	$0
2014	$0	$0	0%	$0
2015	$0	$0	0%	$0

Erie Thames Economic Evaluation Model

Capital Cost Allowance and Capital Tax Calculation

Total Capital Costs

	Cost of Electrical Installation	Transformer Equipment	Poles Towers and Fixtures	O/H Conductors
2011	$0	$0	$1,508	$247
2012	$0	$0	$1,245	$204
2013	$0	$0	$1,142	$187
2014	$0	$0	$1,080	$177
2015	$0	$0	$895	$147

	Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC
2011	$0	$0	$0	$0	$0	$0	$1,508	$30	$1,477	$247	$5	$242
2012	$0	$0	$0	$0	$0	$0	$2,722	$84	$2,638	$447	$14	$433
2013	$0	$0	$0	$0	$0	$0	$3,780	$128	$3,652	$620	$21	$599
2014	$0	$0	$0	$0	$0	$0	$4,731	$168	$4,564	$776	$28	$749
2015	$0	$0	$0	$0	$0	$0	$5,459	$200	$5,258	$896	$33	$863
2016	$0	$0	$0	$0	$0	$0	$5,258	$210	$5,048	$863	$35	$828
2017	$0	$0	$0	$0	$0	$0	$5,048	$202	$4,846	$828	$33	$795
2018	$0	$0	$0	$0	$0	$0	$4,846	$194	$4,652	$795	$32	$763
2019	$0	$0	$0	$0	$0	$0	$4,652	$186	$4,466	$763	$31	$733
2020	$0	$0	$0	$0	$0	$0	$4,466	$179	$4,287	$733	$29	$703
2021	$0	$0	$0	$0	$0	$0	$4,287	$171	$4,116	$703	$28	$675
2022	$0	$0	$0	$0	$0	$0	$4,116	$165	$3,951	$675	$27	$648
2023	$0	$0	$0	$0	$0	$0	$3,951	$158	$3,793	$648	$26	$622
2024	$0	$0	$0	$0	$0	$0	$3,793	$152	$3,642	$622	$25	$597
2025	$0	$0	$0	$0	$0	$0	$3,642	$146	$3,496	$597	$24	$574
2026	$0	$0	$0	$0	$0	$0	$3,496	$140	$3,356	$574	$23	$551
2027	$0	$0	$0	$0	$0	$0	$3,356	$134	$3,222	$551	$22	$529
2028	$0	$0	$0	$0	$0	$0	$3,222	$129	$3,093	$529	$21	$507
2029	$0	$0	$0	$0	$0	$0	$3,093	$124	$2,969	$507	$20	$487
2030	$0	$0	$0	$0	$0	$0	$2,969	$119	$2,850	$487	$19	$468
2031	$0	$0	$0	$0	$0	$0	$2,850	$114	$2,736	$468	$19	$449
2032	$0	$0	$0	$0	$0	$0	$2,736	$109	$2,627	$449	$18	$431
2033	$0	$0	$0	$0	$0	$0	$2,627	$105	$2,522	$431	$17	$414
2034	$0	$0	$0	$0	$0	$0	$2,522	$101	$2,421	$414	$17	$397
2035	$0	$0	$0	$0	$0	$0	$2,421	$97	$2,324	$397	$16	$381

U/G Conduit			U/G Conductors			Line transformers			Services			U
$8,394			$4,911			$8,066			$2,018			
$6,931			$4,055			$6,661			$1,666			
$6,357			$3,719			$6,109			$1,528			
$6,011			$3,518			$5,777			$1,445			
$4,983			$2,916			$4,789			$1,198			
Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC	
$8,394	$168	$8,226	$4,911	$98	$4,813	$8,066	$161	$7,905	$2,018	$40	$1,977	
$15,156	$468	$14,689	$8,869	$274	$8,595	$14,566	$449	$14,116	$3,643	$112	$3,531	
$21,045	$715	$20,331	$12,314	$418	$11,896	$20,225	$687	$19,538	$5,059	$172	$4,887	
$26,342	$933	$25,409	$15,414	$546	$14,868	$25,315	$897	$24,418	$6,332	$224	$6,108	
$30,392	$1,116	$29,276	$17,784	$653	$17,131	$29,208	$1,073	$28,135	$7,306	$268	$7,038	
$29,276	$1,171	$28,105	$17,131	$685	$16,445	$28,135	$1,125	$27,010	$7,038	$282	$6,756	
$28,105	$1,124	$26,981	$16,445	$658	$15,788	$27,010	$1,080	$25,929	$6,756	$270	$6,486	
$26,981	$1,079	$25,902	$15,788	$632	$15,156	$25,929	$1,037	$24,892	$6,486	$259	$6,226	
$25,902	$1,036	$24,866	$15,156	$606	$14,550	$24,892	$996	$23,896	$6,226	$249	$5,977	
$24,866	$995	$23,871	$14,550	$582	$13,968	$23,896	$956	$22,941	$5,977	$239	$5,738	
$23,871	$955	$22,916	$13,968	$559	$13,409	$22,941	$918	$22,023	$5,738	$230	$5,509	
$22,916	$917	$21,999	$13,409	$536	$12,873	$22,023	$881	$21,142	$5,509	$220	$5,288	
$21,999	$880	$21,120	$12,873	$515	$12,358	$21,142	$846	$20,296	$5,288	$212	$5,077	
$21,120	$845	$20,275	$12,358	$494	$11,863	$20,296	$812	$19,485	$5,077	$203	$4,874	
$20,275	$811	$19,464	$11,863	$475	$11,389	$19,485	$779	$18,705	$4,874	$195	$4,679	
$19,464	$779	$18,685	$11,389	$456	$10,933	$18,705	$748	$17,957	$4,679	$187	$4,492	
$18,685	$747	$17,938	$10,933	$437	$10,496	$17,957	$718	$17,239	$4,492	$180	$4,312	
$17,938	$718	$17,220	$10,496	$420	$10,076	$17,239	$690	$16,549	$4,312	$172	$4,140	
$17,220	$689	$16,531	$10,076	$403	$9,673	$16,549	$662	$15,887	$4,140	$166	$3,974	
$16,531	$661	$15,870	$9,673	$387	$9,286	$15,887	$635	$15,252	$3,974	$159	$3,815	
$15,870	$635	$15,235	$9,286	$371	$8,915	$15,252	$610	$14,642	$3,815	$153	$3,662	
$15,235	$609	$14,626	$8,915	$357	$8,558	$14,642	$586	$14,056	$3,662	$146	$3,516	
$14,626	$585	$14,041	$8,558	$342	$8,216	$14,056	$562	$13,494	$3,516	$141	$3,375	
$14,041	$562	$13,479	$8,216	$329	$7,887	$13,494	$540	$12,954	$3,375	$135	$3,240	
$13,479	$539	$12,940	$7,887	$315	$7,572	$12,954	$518	$12,436	$3,240	$130	$3,111	

Unmetered Load			0								
$0			$0								
$0			$0								
$0			$0								
$0			$0								
$0			$0								
Opening UCC	CCA	Closing UCC	Opening UCC	CCA	Closing UCC	Total CCA	Total Closing UCC	Capital Cost of Land	Total Tax Base for Capital Tax	Capital Tax Rate	Capital Tax
$0	$0	$0	$0	$0	$0	$503	$24,641	$0	$24,641	0.2250%	$55
$0	$0	$0	$0	$0	$0	$1,401	$44,002	$0	$44,002	0.2250%	$99
$0	$0	$0	$0	$0	$0	$2,141	$60,903	$0	$60,903	0.2250%	$137
$0	$0	$0	$0	$0	$0	$2,796	$76,115	$0	$76,115	0.2250%	$171
$0	$0	$0	$0	$0	$0	$3,343	$87,700	$0	$87,700	0.2250%	$197
$0	$0	$0	$0	$0	$0	$3,508	$84,192	$0	$84,192	0.2250%	$189
$0	$0	$0	$0	$0	$0	$3,368	$80,825	$0	$80,825	0.2250%	$182
$0	$0	$0	$0	$0	$0	$3,233	$77,592	$0	$77,592	0.2250%	$175
$0	$0	$0	$0	$0	$0	$3,104	$74,488	$0	$74,488	0.2250%	$168
$0	$0	$0	$0	$0	$0	$2,980	$71,508	$0	$71,508	0.2250%	$161
$0	$0	$0	$0	$0	$0	$2,860	$68,648	$0	$68,648	0.2250%	$154
$0	$0	$0	$0	$0	$0	$2,746	$65,902	$0	$65,902	0.2250%	$148
$0	$0	$0	$0	$0	$0	$2,636	$63,266	$0	$63,266	0.2250%	$142
$0	$0	$0	$0	$0	$0	$2,531	$60,735	$0	$60,735	0.2250%	$137
$0	$0	$0	$0	$0	$0	$2,429	$58,306	$0	$58,306	0.2250%	$131
$0	$0	$0	$0	$0	$0	$2,332	$55,974	$0	$55,974	0.2250%	$126
$0	$0	$0	$0	$0	$0	$2,239	$53,735	$0	$53,735	0.2250%	$121
$0	$0	$0	$0	$0	$0	$2,149	$51,585	$0	$51,585	0.2250%	$116
$0	$0	$0	$0	$0	$0	$2,063	$49,522	$0	$49,522	0.2250%	$111
$0	$0	$0	$0	$0	$0	$1,981	$47,541	$0	$47,541	0.2250%	$107
$0	$0	$0	$0	$0	$0	$1,902	$45,640	$0	$45,640	0.2250%	$103
$0	$0	$0	$0	$0	$0	$1,826	$43,814	$0	$43,814	0.2250%	$99
$0	$0	$0	$0	$0	$0	$1,753	$42,061	$0	$42,061	0.2250%	$95
$0	$0	$0	$0	$0	$0	$1,682	$40,379	$0	$40,379	0.2250%	$91
$0	$0	$0	$0	$0	$0	$1,615	$38,764	$0	$38,764	0.2250%	$87

Erie Thames Economic Evaluation Model

Depreciation and Interest Calculations

Total Capital Costs

	Cost of Electrical Installation	Transformer Equipment	Poles Towers and Fixtures	O/H Conductors	U/G Conduit
2011	$0	$0	$1,508	$247	$8,394
2012	$0	$0	$1,245	$204	$6,931
2013	$0	$0	$1,142	$187	$6,357
2014	$0	$0	$1,080	$177	$6,011
2015	$0	$0	$895	$147	$4,983

	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant
2011	$0	$0	$0	$0	$0	$0	$0	$0	$1,508	$30	$30	$1,477	$247	$5	$5	$242	$8,394
2012	$0	$0	$0	$0	$0	$0	$0	$0	$2,752	$85	$115	$2,637	$452	$14	$19	$433	$15,324
2013	$0	$0	$0	$0	$0	$0	$0	$0	$3,894	$133	$248	$3,646	$639	$22	$41	$598	$21,681
2014	$0	$0	$0	$0	$0	$0	$0	$0	$4,974	$177	$426	$4,548	$816	$29	$70	$746	$27,692
2015	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$217	$642	$5,226	$963	$36	$105	$857	$32,676
2016	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$877	$4,992	$963	$39	$144	$819	$32,676
2017	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$1,112	$4,757	$963	$39	$182	$780	$32,676
2018	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$1,347	$4,522	$963	$39	$221	$742	$32,676
2019	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$1,582	$4,287	$963	$39	$259	$703	$32,676
2020	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$1,816	$4,053	$963	$39	$298	$665	$32,676
2021	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$2,051	$3,818	$963	$39	$336	$626	$32,676
2022	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$2,286	$3,583	$963	$39	$375	$588	$32,676
2023	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$2,521	$3,348	$963	$39	$414	$549	$32,676
2024	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$2,755	$3,114	$963	$39	$452	$511	$32,676
2025	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$2,990	$2,879	$963	$39	$491	$472	$32,676
2026	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$3,225	$2,644	$963	$39	$529	$434	$32,676
2027	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$3,460	$2,409	$963	$39	$568	$395	$32,676
2028	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$3,694	$2,175	$963	$39	$606	$357	$32,676
2029	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$3,929	$1,940	$963	$39	$645	$318	$32,676
2030	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$4,164	$1,705	$963	$39	$683	$280	$32,676
2031	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$4,399	$1,470	$963	$39	$722	$241	$32,676
2032	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$4,633	$1,236	$963	$39	$760	$203	$32,676
2033	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$4,868	$1,001	$963	$39	$799	$164	$32,676
2034	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$5,103	$766	$963	$39	$837	$126	$32,676
2035	$0	$0	$0	$0	$0	$0	$0	$0	$5,869	$235	$5,338	$531	$963	$39	$876	$87	$32,676

			U/G Conductors				Line transformers				Services				Unmetered Load	
			$4,911				$8,066				$2,018				$0	
			$4,055				$6,661				$1,666				$0	
			$3,719				$6,109				$1,528				$0	
			$3,518				$5,777				$1,445				$0	
			$2,916				$4,789				$1,198				$0	
Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation
$168	$168	$8,226	$4,911	$98	$98	$4,813	$8,066	$161	$161	$7,905	$2,018	$40	$40	$1,977	$0	$0
$474	$642	$14,682	$8,967	$278	$376	$8,591	$14,727	$456	$617	$14,110	$3,684	$114	$154	$3,529	$0	$0
$740	$1,382	$20,299	$12,686	$433	$809	$11,877	$20,836	$711	$1,328	$19,507	$5,212	$178	$332	$4,880	$0	$0
$987	$2,370	$25,323	$16,204	$578	$1,387	$14,817	$26,613	$949	$2,277	$24,336	$6,657	$237	$570	$6,087	$0	$0
$1,207	$3,577	$29,099	$19,120	$706	$2,093	$17,027	$31,402	$1,160	$3,438	$27,965	$7,855	$290	$860	$6,995	$0	$0
$1,307	$4,884	$27,792	$19,120	$765	$2,858	$16,262	$31,402	$1,256	$4,694	$26,708	$7,855	$314	$1,174	$6,681	$0	$0
$1,307	$6,191	$26,485	$19,120	$765	$3,623	$15,497	$31,402	$1,256	$5,950	$25,452	$7,855	$314	$1,488	$6,367	$0	$0
$1,307	$7,498	$25,178	$19,120	$765	$4,388	$14,732	$31,402	$1,256	$7,206	$24,196	$7,855	$314	$1,802	$6,052	$0	$0
$1,307	$8,805	$23,871	$19,120	$765	$5,152	$13,968	$31,402	$1,256	$8,462	$22,940	$7,855	$314	$2,117	$5,738	$0	$0
$1,307	$10,112	$22,564	$19,120	$765	$5,917	$13,203	$31,402	$1,256	$9,718	$21,684	$7,855	$314	$2,431	$5,424	$0	$0
$1,307	$11,419	$21,256	$19,120	$765	$6,682	$12,438	$31,402	$1,256	$10,974	$20,428	$7,855	$314	$2,745	$5,110	$0	$0
$1,307	$12,726	$19,949	$19,120	$765	$7,447	$11,673	$31,402	$1,256	$12,230	$19,172	$7,855	$314	$3,059	$4,796	$0	$0
$1,307	$14,033	$18,642	$19,120	$765	$8,211	$10,908	$31,402	$1,256	$13,486	$17,916	$7,855	$314	$3,373	$4,481	$0	$0
$1,307	$15,340	$17,335	$19,120	$765	$8,976	$10,144	$31,402	$1,256	$14,743	$16,660	$7,855	$314	$3,688	$4,167	$0	$0
$1,307	$16,648	$16,028	$19,120	$765	$9,741	$9,379	$31,402	$1,256	$15,999	$15,404	$7,855	$314	$4,002	$3,853	$0	$0
$1,307	$17,955	$14,721	$19,120	$765	$10,506	$8,614	$31,402	$1,256	$17,255	$14,148	$7,855	$314	$4,316	$3,539	$0	$0
$1,307	$19,262	$13,414	$19,120	$765	$11,271	$7,849	$31,402	$1,256	$18,511	$12,891	$7,855	$314	$4,630	$3,225	$0	$0
$1,307	$20,569	$12,107	$19,120	$765	$12,035	$7,084	$31,402	$1,256	$19,767	$11,635	$7,855	$314	$4,944	$2,910	$0	$0
$1,307	$21,876	$10,800	$19,120	$765	$12,800	$6,320	$31,402	$1,256	$21,023	$10,379	$7,855	$314	$5,259	$2,596	$0	$0
$1,307	$23,183	$9,493	$19,120	$765	$13,565	$5,555	$31,402	$1,256	$22,279	$9,123	$7,855	$314	$5,573	$2,282	$0	$0
$1,307	$24,490	$8,186	$19,120	$765	$14,330	$4,790	$31,402	$1,256	$23,535	$7,867	$7,855	$314	$5,887	$1,968	$0	$0
$1,307	$25,797	$6,879	$19,120	$765	$15,095	$4,025	$31,402	$1,256	$24,791	$6,611	$7,855	$314	$6,201	$1,654	$0	$0
$1,307	$27,104	$5,572	$19,120	$765	$15,859	$3,260	$31,402	$1,256	$26,047	$5,355	$7,855	$314	$6,515	$1,339	$0	$0
$1,307	$28,411	$4,265	$19,120	$765	$16,624	$2,496	$31,402	$1,256	$27,303	$4,099	$7,855	$314	$6,830	$1,025	$0	$0
$1,307	$29,718	$2,958	$19,120	$765	$17,389	$1,731	$31,402	$1,256	$28,560	$2,843	$7,855	$314	$7,144	$711	$0	$0

0

$0
$0
$0
$0
$0

Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant	Gross Plant	Depreciation	Accumulated Depreciation	Net Plant Excl Land	Land	Net Plant Incl Land	Debt Ratio	Debt Component	Interest Rate	Interest Cost
$0	$0	$0	$0	$0	$0	$25,144	$503	$503	$24,641	$0	$24,641	60%	$14,785	6.15%	$909
$0	$0	$0	$0	$0	$0	$45,906	$1,421	$1,924	$43,982	$0	$43,982	60%	$26,389	6.15%	$1,623
$0	$0	$0	$0	$0	$0	$64,948	$2,217	$4,141	$60,807	$0	$60,807	60%	$36,484	6.15%	$2,244
$0	$0	$0	$0	$0	$0	$82,956	$2,958	$7,099	$75,857	$0	$75,857	60%	$45,514	6.15%	$2,799
$0	$0	$0	$0	$0	$0	$97,884	$3,617	$10,716	$87,169	$0	$87,169	60%	$52,301	6.15%	$3,217
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$14,631	$83,253	$0	$83,253	60%	$49,952	6.15%	$3,072
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$18,547	$79,338	$0	$79,338	60%	$47,603	6.15%	$2,928
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$22,462	$75,423	$0	$75,423	60%	$45,254	6.15%	$2,783
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$26,377	$71,507	$0	$71,507	60%	$42,904	6.15%	$2,639
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$30,293	$67,592	$0	$67,592	60%	$40,555	6.15%	$2,494
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$34,208	$63,676	$0	$63,676	60%	$38,206	6.15%	$2,350
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$38,124	$59,761	$0	$59,761	60%	$35,857	6.15%	$2,205
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$42,039	$55,846	$0	$55,846	60%	$33,507	6.15%	$2,061
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$45,954	$51,930	$0	$51,930	60%	$31,158	6.15%	$1,916
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$49,870	$48,015	$0	$48,015	60%	$28,809	6.15%	$1,772
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$53,785	$44,099	$0	$44,099	60%	$26,460	6.15%	$1,627
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$57,700	$40,184	$0	$40,184	60%	$24,110	6.15%	$1,483
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$61,616	$36,269	$0	$36,269	60%	$21,761	6.15%	$1,338
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$65,531	$32,353	$0	$32,353	60%	$19,412	6.15%	$1,194
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$69,447	$28,438	$0	$28,438	60%	$17,063	6.15%	$1,049
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$73,362	$24,523	$0	$24,523	60%	$14,714	6.15%	$905
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$77,277	$20,607	$0	$20,607	60%	$12,364	6.15%	$760
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$81,193	$16,692	$0	$16,692	60%	$10,015	6.15%	$616
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$85,108	$12,776	$0	$12,776	60%	$7,666	6.15%	$471
$0	$0	$0	$0	$0	$0	$97,884	$3,915	$89,023	$8,861	$0	$8,861	60%	$5,317	6.15%	$327

Erie Thames Economic Evaluation Model

Income Tax Calculations

Year	Revenue	O&M	Municipal Tax	Capital Tax	Interest	CCA	Taxable Income	Tax Rate	Taxes Payable
2011	$3,299	$1,243	$0	$55	$909	$503	$588	30.06%	$177
2012	$6,597	$2,487	$0	$99	$1,623	$1,401	$988	30.06%	$297
2013	$9,896	$3,730	$0	$137	$2,244	$2,141	$1,644	30.06%	$494
2014	$13,195	$4,974	$0	$171	$2,799	$2,796	$2,454	30.06%	$738
2015	$16,194	$6,104	$0	$197	$3,217	$3,343	$3,332	30.06%	$1,002
2016	$16,194	$6,104	$0	$189	$3,072	$3,508	$3,320	30.06%	$998
2017	$16,194	$6,104	$0	$182	$2,928	$3,368	$3,612	30.06%	$1,086
2018	$16,194	$6,104	$0	$175	$2,783	$3,233	$3,899	30.06%	$1,172
2019	$16,194	$6,104	$0	$168	$2,639	$3,104	$4,179	30.06%	$1,256
2020	$16,194	$6,104	$0	$161	$2,494	$2,980	$4,455	30.06%	$1,339
2021	$16,194	$6,104	$0	$154	$2,350	$2,860	$4,725	30.06%	$1,420
2022	$16,194	$6,104	$0	$148	$2,205	$2,746	$4,990	30.06%	$1,500
2023	$16,194	$6,104	$0	$142	$2,061	$2,636	$5,250	30.06%	$1,578
2024	$16,194	$6,104	$0	$137	$1,916	$2,531	$5,506	30.06%	$1,655
2025	$16,194	$6,104	$0	$131	$1,772	$2,429	$5,757	30.06%	$1,730
2026	$16,194	$6,104	$0	$126	$1,627	$2,332	$6,004	30.06%	$1,805
2027	$16,194	$6,104	$0	$121	$1,483	$2,239	$6,247	30.06%	$1,878
2028	$16,194	$6,104	$0	$116	$1,338	$2,149	$6,486	30.06%	$1,949
2029	$16,194	$6,104	$0	$111	$1,194	$2,063	$6,721	30.06%	$2,020
2030	$16,194	$6,104	$0	$107	$1,049	$1,981	$6,952	30.06%	$2,090
2031	$16,194	$6,104	$0	$103	$905	$1,902	$7,180	30.06%	$2,158
2032	$16,194	$6,104	$0	$99	$760	$1,826	$7,405	30.06%	$2,226
2033	$16,194	$6,104	$0	$95	$616	$1,753	$7,626	30.06%	$2,292
2034	$16,194	$6,104	$0	$91	$471	$1,682	$7,845	30.06%	$2,358
2035	$16,194	$6,104	$0	$87	$327	$1,615	$8,060	30.06%	$2,423

Erie Thames Economic Evaluation Model

Net Present Value Cash Flow Analysis

Year	Revenue	O&M	Municipal Tax	Capital Tax	Income Taxes	After Tax Cash Flow	PV Factor utilizing mid year discounting	PV of After Tax Cash Flow	Cumulative Net Present Value
2011	$3,299	$1,243	$0	$55	$177	1,823	1.029204	1,771	1,771
2012	$6,597	$2,487	$0	$99	$297	3,715	1.089319	3,410	5,181
2013	$9,896	$3,730	$0	$137	$494	5,535	1.152944	4,800	9,982
2014	$13,195	$4,974	$0	$171	$738	7,312	1.220286	5,992	15,974
2015	$16,194	$6,104	$0	$197	$1,002	8,890	1.291562	6,883	22,857
2016	$16,194	$6,104	$0	$189	$998	8,902	1.367000	6,512	29,369
2017	$16,194	$6,104	$0	$182	$1,086	8,822	1.446845	6,097	35,467
2018	$16,194	$6,104	$0	$175	$1,172	8,743	1.531353	5,709	41,176
2019	$16,194	$6,104	$0	$168	$1,256	8,666	1.620797	5,346	46,522
2020	$16,194	$6,104	$0	$161	$1,339	8,589	1.715466	5,007	51,529
2021	$16,194	$6,104	$0	$154	$1,420	8,515	1.815664	4,690	56,219
2022	$16,194	$6,104	$0	$148	$1,500	8,441	1.921715	4,393	60,612
2023	$16,194	$6,104	$0	$142	$1,578	8,369	2.033959	4,115	64,726
2024	$16,194	$6,104	$0	$137	$1,655	8,298	2.152760	3,854	68,581
2025	$16,194	$6,104	$0	$131	$1,730	8,228	2.278500	3,611	72,192
2026	$16,194	$6,104	$0	$126	$1,805	8,159	2.411584	3,383	75,575
2027	$16,194	$6,104	$0	$121	$1,878	8,091	2.552442	3,170	78,745
2028	$16,194	$6,104	$0	$116	$1,949	8,024	2.701526	2,970	81,715
2029	$16,194	$6,104	$0	$111	$2,020	7,958	2.859319	2,783	84,498
2030	$16,194	$6,104	$0	$107	$2,090	7,893	3.026328	2,608	87,106
2031	$16,194	$6,104	$0	$103	$2,158	7,828	3.203092	2,444	89,550
2032	$16,194	$6,104	$0	$99	$2,226	7,765	3.390180	2,290	91,840
2033	$16,194	$6,104	$0	$95	$2,292	7,702	3.588196	2,147	93,987
2034	$16,194	$6,104	$0	$91	$2,358	7,641	3.797778	2,012	95,999
2035	$16,194	$6,104	$0	$87	$2,423	7,579	4.019601	1,886	**97,884**

Erie Thames Economic Evaluation Model

Mid Year Present Value Factor Calculations

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Equity %	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Debt %	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Cost of Equity	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%
Cost of Debt	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%
Tax Rate	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%
Cost of Capital after tax	2.92%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%
Discount Factor	1.0292	1.0893	1.1529	1.2203	1.2916	1.3670	1.4468	1.5314	1.6208	1.7155	1.8157	1.9217

2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%
6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%	6.15%
30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%	30.06%
5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%	5.84%
2.0340	2.1528	2.2785	2.4116	2.5524	2.7015	2.8593	3.0263	3.2031	3.3902	3.5882	3.7978	4.0196

APPENDIX B –
METHODOLOGY AND ASSUMPTIONS FOR AN OFFER TO CONNECT ECONOMIC EVALUATION

B.1 COMMON ELEMENTS OF THE DISCOUNTED CASH FLOW MODEL

To achieve consistent business principles for the development of the elements of an economic evaluation model, the following parameters for the approach are to be followed by all distributors.

The discounted cash flow (DCF) calculation for individual projects will be based on a set of common elements and related assumptions listed below.

Revenue Forecasting

The common elements for any project will be as follows:

(a) Total forecasted customer additions over the Customer Connection Horizon, by class as specified below;

54 customers residential only.

(b) Customer Revenue Horizon as specified below;

25 years of customer revenue has been utilized.

(c) Estimate of average energy and demand per added customer (by project) which reflects the mix of customers to be added - for various classes of customers, this should be carried out by class;

750 kWh's per customer per month for each residential customer has been applied.

(d) Customer additions, as reflected in the model for each year of the Customer Connection Horizon; and

	New Connections
2011	***11***
2012	***11***
2013	***11***
2014	***11***
2015	***10***
Total	***54***

(e) Rates from the approved rate schedules for the particular distributor reflecting the distribution (wires only) rates.

2011	***Monthly Service Charge ($/Customer)***	***Volumetric Charge ($/kWh)***
Residential	***$14.19***	***$0.0144***

APPENDIX B –
METHODOLOGY AND ASSUMPTIONS FOR AN OFFER TO CONNECT ECONOMIC EVALUATION

Capital Costs

Common elements will be as follows:

(a) An estimate of all capital costs directly associated with the expansion to allow forecast customer additions.

Non-Contestable Electrical Plant Installation			Contestable Electrical Plant Installation			Service Installation	
Material		$ 44,329.20	Material		$ 43,552.98	# of Lots	54
Labour & Trucks		$ 26,617.72	Labour & Trucks		$101,826.73	$ Per Lots	$ 360.00
Overheads		$ 2,128.41	Overhead		$ 4,361.39	subtotal	$19,440.00
Sub Total		$ 73,075.33	Sub Total		$149,741.10	HST	$ 2,527.20
	HST	$ 9,499.79		HST	$ 19,466.34		$21,967.20
	Total	$ 82,575.12		Total	$169,207.44		

(b) For expansions to the distribution system, costs of the following elements, where applicable, should be included:
- distribution stations;
- distribution lines;
- distribution transformers;
- secondary busses;
- services; and
- land and land rights.

	2011	2012	2013	2014	2015
Buildings and Fixtures	*$0*				
Transformer Equipment	*$0*				
Poles Towers and Fixtures	*$14,525*				
O/H Conductors	*$2,383*				
U/G Conduit	*$80,870*				
U/G Conductors	*$47,320*				
Line transformers	*$77,718*				
Services	*$3,960*	*$3,960*	*$3,960*	*$3,960*	*$3,600*
Unmetered Load					
0					
Land					
Total	*$226,776*	*$3,960*	*$3,960*	*$3,960*	*$3,600*

Note that the "Ownership Demarcation Point" as specified in the distributor's Condition of Service would define the point of separation between a customers' facilities and distributor's facilities.

(c) Estimate of incremental overheads applicable to distribution system expansion.

See (a) above.

(d) A per kilowatt enhancement cost estimate – the per kilowatt enhancement cost estimate shall be set annually and shall be based on a historical three to five year rolling average of actual enhancement costs incurred in system expansions.

Not Applicable.

(d.1) paragraph (d) shall cease to apply to a distributor as of the date on which the distributor's rates are set based on a cost of service application for the first time following the 2010 rate year.

Not Applicable.

(e) For residential customers, the amount the cost of the basic connection referred to in section 3.1.4 of the Code.

$360.00 per 54 connections for a total of $19,440.00.

(f) For non-residential customers, if the distributor has chosen to recover the non-residential basic connection charge as part of its revenue requirement, a description of, and the amount for, the connection charges referred to in section 3.1.5 of the Code that have been factored into the economic evaluation.

Not Applicable.

Expense Forecasting

Common elements will be as follows:

(a) Attributable incremental operating and maintenance expenditures - any incremental attributable costs directly associated with the addition of new customers to the system would be included in the operating and maintenance expenditures.

	2011	2012	2013	2014	2015
Annual O&M Cost per Customer	$113.04	$113.04	$113.04	$113.04	$113.04

(b) Income and capital taxes based on tax rates underpinning the existing rate schedules.

	2011	2012	2013	2014	2015
Capital Tax Rate (%)	0.2250	0.2250	0.2250	0.2250	0.2250
Income Tax Rate (%)	30.06	30.06	30.06	30.06	30.06

(c) Municipal property taxes based on projected levels.

None are applicable in this instance.

Specific Parameters/Assumptions

Specific parameters of the common elements include the following:

(a) A maximum customer connection horizon of five (5) years, calculated from the energization date of the facilities.

5 years has been utilized as the connection horizon.

(b) A maximum customer revenue horizon of twenty five (25) years, calculated from the in service date of the new customers.

25 years has been implemented as the revenue horizon.

(c) A discount rate equal to the incremental after-tax cost of capital, based on the prospective capital mix, debt and preference share cost rates, and the latest approved rate of return on common equity.

	2011	2012	2013	2014	2015
LDC Debt Ratio (%)	60	60	60	60	60
Debt Rate (%)	6.15	6.15	6.15	6.15	6.15
Equity Rate (%)	8.15	8.15	8.15	8.15	8.15

(d) Discounting to reflect the true timing of expenditures. Up-front capital expenditures will be discounted at the beginning of the project year and capital expended throughout the year will be mid-year discounted. The same approach to discounting will be used for revenues and operating and maintenance expenditures.

Year	Revenue	O&M	Municipal Tax	Capital Tax	Income Taxes	After Tax Cash Flow	PV Factor utilizing mid year discounting	PV of After Tax Cash Flow	Cumulative Net Present Value
2011	$3,299	$1,243	$0	$55	$177	1,823	1.029204	1,771	1,771
2012	$6,597	$2,487	$0	$99	$297	3,715	1.089319	3,410	5,181
2013	$9,896	$3,730	$0	$137	$494	5,535	1.152944	4,800	9,982
2014	$13,195	$4,974	$0	$171	$738	7,312	1.220286	5,992	15,974
2015	$16,194	$6,104	$0	$197	$1,002	8,890	1.291562	6,883	22,857
2016	$16,194	$6,104	$0	$189	$998	8,902	1.367000	6,512	29,369
2017	$16,194	$6,104	$0	$182	$1,086	8,822	1.446845	6,097	35,467
2018	$16,194	$6,104	$0	$175	$1,172	8,743	1.531353	5,709	41,176
2019	$16,194	$6,104	$0	$168	$1,256	8,666	1.620797	5,346	46,522
2020	$16,194	$6,104	$0	$161	$1,339	8,589	1.715466	5,007	51,529
2021	$16,194	$6,104	$0	$154	$1,420	8,515	1.815664	4,690	56,219
2022	$16,194	$6,104	$0	$148	$1,500	8,441	1.921715	4,393	60,612
2023	$16,194	$6,104	$0	$142	$1,578	8,369	2.033959	4,115	64,726
2024	$16,194	$6,104	$0	$137	$1,655	8,298	2.152760	3,854	68,581
2025	$16,194	$6,104	$0	$131	$1,730	8,228	2.278500	3,611	72,192
2026	$16,194	$6,104	$0	$126	$1,805	8,159	2.411584	3,383	75,575
2027	$16,194	$6,104	$0	$121	$1,878	8,091	2.552442	3,170	78,745
2028	$16,194	$6,104	$0	$116	$1,949	8,024	2.701526	2,970	81,715
2029	$16,194	$6,104	$0	$111	$2,020	7,958	2.859319	2,783	84,498
2030	$16,194	$6,104	$0	$107	$2,090	7,893	3.026328	2,608	87,106
2031	$16,194	$6,104	$0	$103	$2,158	7,828	3.203092	2,444	89,550
2032	$16,194	$6,104	$0	$99	$2,226	7,765	3.390180	2,290	91,840
2033	$16,194	$6,104	$0	$95	$2,292	7,702	3.588196	2,147	93,987
2034	$16,194	$6,104	$0	$91	$2,358	7,641	3.797778	2,012	95,999
2035	$16,194	$6,104	$0	$87	$2,423	7,579	4.019601	1,886	**97,884**

Submitted March 21, 2011 in ETPC SAA application Tab 8 and
May 4th - ETPL response to Board Interrogatories April 20th

Erie Thames Economic Evaluation Model

Summary of Results For Sifton Subdivision

Capital Costs	Total Expansion Cost	%	LDC Investment
Cost of Electrical Installation	$222,816.43	100%	$81,636
Total	$222,816.43	100%	$81,636
LDC Capital Investment			$81,636

LDC Record of Investments

	New Connections	Annual Investment	Accumulated Investment		Price Per Lot Paid by Powerlines
2010	11	$19,385	$19,385.00	**2010**	$1,762.27
2011	11	$17,745	$17,745.00	**2011**	$1,613.18
2012	11	$16,478	$16,478.00	**2012**	$1,498.00
2013	11	$15,239	$15,239.00	**2013**	$1,385.36
2014	10	$12,789	$12,788.79	**2014**	$1,278.88
Total	54	$81,636			

Customer Capital Contribution $141,181

Adjustment For Capacity Enhancements (Upstream) Costs

	Annual Investment	Upstream Costs	Due to Customer
2010	$19,385	$0	$19,385
2011	$17,745	$0	$17,745
2012	$16,478	$0	$16,478
2013	$15,239	$0	$15,239
2014	$12,789	$0	$12,789