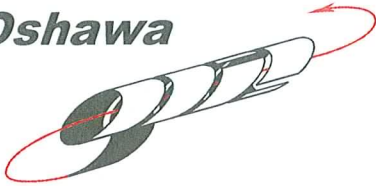


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

October 28, 2011

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

Dear Ms. Walli:

Re: Oshawa PUC Networks Inc. (ED-2002-0560)
Board File Number EB-2011-0073

Enclosed with this letter are two (2) copies OPUCN's responses to undertakings assigned during the Technical Conference held on October 21, 2011. The responses have also been filed using the RESS online submission system.

If you have any questions about this submission please contact the undersigned.

Yours truly,

Phil Martin,
VP Finance & Regulatory Compliance
Email: pmartin@opuc.on.ca
Phone: (905) 723-4626 ext 5250

UNDERTAKING NO. JT1.1:

TO PROVIDE A COMPLETE REVENUE REQUIREMENT WORK FORM CONSISTENT WITH THE REVENUE SUFFICIENCY/DEFICIENCY SHOWN ON PAGE 7 OF THE OCTOBER 13, 2001 UPDATE.

OPUCN Response

Below is a corrected version showing the initial application information. Note that further changes have been made, resulting in a latest revenue deficiency of \$4.4m (explained in JT 1.2). An updated RRWF matching this number is being filed via RESS.



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

		Revenue Sufficiency/Deficiency					
Line No.	Particulars	Initial Application		Close of Discovery		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$4,050,721		\$4,051,901		\$4,051,901
2	Distribution Revenue	\$18,164,634	\$18,164,634	\$18,368,984	\$18,368,984	\$18,368,984	\$18,368,984
3	Other Operating Revenue	\$1,733,852	\$1,733,852	\$1,633,580	\$1,633,580	\$1,633,580	\$1,633,580
	Offsets - net						
4	Total Revenue	\$19,898,485	\$23,949,206	\$20,002,564	\$24,054,465	\$20,002,564	\$24,054,465
5	Operating Expenses	\$17,093,028	\$17,093,028	\$17,635,323	\$17,635,323	\$17,635,323	\$17,635,323
6	Deemed Interest Expense	\$2,474,561	\$2,474,561	\$2,378,707	\$2,378,707	\$2,378,707	\$2,378,707
	Total Cost and Expenses	\$19,567,589	\$19,567,589	\$20,014,029	\$20,014,029	\$20,014,029	\$20,014,029
7	Utility Income Before Income Taxes	\$330,897	\$4,381,618	(\$11,465)	\$4,040,436	(\$11,465)	\$4,040,436
8		\$455,587	\$455,587	\$153,416	\$153,416	\$153,416	\$153,416
	Tax Adjustments to Accounting Income per 2009 PILs						
9	Taxable Income	\$786,484	\$4,837,205	\$141,951	\$4,193,852	\$141,951	\$4,193,852
10	Income Tax Rate	25.63%	25.63%	24.33%	24.33%	24.33%	24.33%
11	Income Tax on Taxable Income	\$201,574	\$1,239,766	\$34,534	\$1,020,286	\$34,534	\$1,020,286
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$129,323	\$3,141,852	(\$45,999)	\$3,020,150	(\$45,999)	\$3,020,150
14	Utility Rate Base	\$81,989,864	\$81,989,864	\$78,813,933	\$78,813,933	\$78,813,933	\$78,813,933
	Deemed Equity Portion of Rate Base	\$32,795,945	\$32,795,945	\$31,525,573	\$31,525,573	\$31,525,573	\$31,525,573
15	Income/Equity Rate Base (%)	0.39%	9.58%	-0.15%	9.58%	-0.15%	9.58%
16	Target Return - Equity on Rate Base	9.58%	9.58%	9.58%	9.58%	9.58%	9.58%
17	Sufficiency/Deficiency in Return on Equity	-9.19%	0.00%	-9.73%	0.00%	-9.73%	0.00%
18	Indicated Rate of Return	3.18%	6.85%	2.96%	6.85%	2.96%	6.85%
19	Requested Rate of Return on Rate Base	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
20	Sufficiency/Deficiency in Rate of Return	-3.67%	0.00%	-3.89%	0.00%	-3.89%	0.00%
21	Target Return on Equity	\$3,141,852	\$3,141,852	\$3,020,150	\$3,020,150	\$3,020,150	\$3,020,150
22	Revenue Deficiency/(Sufficiency)	\$3,012,529	(\$0)	\$3,066,149	\$ -	\$3,066,149	\$ -
23	Gross Revenue Deficiency/(Sufficiency)	\$4,050,721 (1)		\$4,051,901 (1)		\$4,051,901 (1)	

UNDERTAKING NO. JT1.2:

TO PROVIDE CONTINUITY TABLE THAT SHOWS THE DIFFERENCE FOR EACH OF THE LINE ITEMS THAT IS CHANGED IN THE REVENUE SUFFICIENCY/DEFICIENCY IN THE UPDATE SHOWING THE DIFFERENCE, A SHORT DESCRIPTION OF WHAT IS DRIVING THE DIFFERENCE, AND A REFERENCE TO THE EVIDENCE AND THE IR RESPONSES, THE TECHNICAL CONFERENCE QUESTIONS, ET CETERA, SUPPORTING THAT CHANGE.

OPUCN Response

The table below summarizes the movements to date compared to the initial submission:

Summary of Changes to Initial Application dated May 31st 2011

Item & Reference	Regulated Return on Capital	Regulated Return of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
Initial Submission May 2011	\$5,616,412	6.85%	\$81,989,864	\$106,048,108	\$15,907,216	\$5,261,598	\$1,239,766	\$11,831,430	\$23,949,206	\$22,215,355	\$4,050,721
Current Status - 28 October 2011	\$5,457,006	6.85%	\$79,662,814	\$107,295,702	\$16,094,355	\$5,389,029	\$1,195,413	\$12,336,579	\$24,378,026	\$22,772,273	\$4,403,288
Increase / (Decrease)	(\$159,406)	0.0%	(\$2,327,049)	\$1,247,594	\$187,139	\$127,431	(\$44,353)	\$505,149	\$428,820	\$556,918	\$352,567
PILS Correction - Ont Small Bus Credit & CCA Adjs Board Staff IR 44, TCQ 9							(\$60,761)		(\$60,761)	(\$60,761)	(\$60,761)
PILS Correction - App Tax Credits Energy Probe IR 56							(\$5,801)		(\$5,801)	(\$5,801)	(\$5,801)
MFRS - Capitalization Policy Change Various - TCQ exhibit KT 1.4, Board IR 63/64	(\$135,000)		(\$739,000)	\$505,149	\$75,772	(\$149,958)	\$80,333	\$505,149	\$761,333	\$761,333	\$761,333
MFRS - PP&E Deferral Account Various - TCQ exhibit KT 1.4, Board IR 63/64	\$128,000					\$461,000	\$42,667		\$170,667	\$170,667	\$170,667
Stranded Meters Written Off Board Decisions in EB-2010-0132 & EB-2010-0135	(\$111,823)		(\$1,632,417)			(\$183,611)	(\$83,182)		(\$378,616)	(\$378,616)	(\$378,616)
Load Forecast - CDM Savings Adjusted VECC IR 14, Energy Probe TCQ 12	\$7,629			\$742,446	\$111,367		\$2,488				(\$204,350)
Other	(\$48,212)		\$44,368	(\$0)	(\$0)	(\$0)	(\$20,097)	(\$0)	(\$58,002)	\$70,096	\$70,095
Increase / (Decrease)	(\$159,406)	0.0%	(\$2,327,049)	\$1,247,594	\$187,139	\$127,431	(\$44,353)	\$505,149	\$428,820	\$556,918	\$352,567

UNDERTAKING NO. JT1.3:

TO IDENTIFY INTEREST RELATED TO REGULATORY ASSET ACCOUNTS FOR 2010 AND FORECASTS FOR 2011 AND 2012.

OPUCN Response

The regulatory interest earned and included in the revenue offsets are as follows: 2010 - \$58,305; 2011 - \$46,091; and 2012 - \$46,091

UNDERTAKING NO. JT1.4:

TO RECONCILE RESPONSE TO TCQ-6 RE TYPES OF METERS FOR GS LESS THAN 50 CUSTOMERS WITH SHEET I7 IN COST ALLOCATION MODEL.

OPUCN Response

The table below summarizes the number and type of meter by category:



Sheet I7.1 Meter Capital Worksheet - v2 of CA Model issued after filing date

	Residential (R1)			GS <50 (C1)		
	1	2	3	1	2	3
	Number of Meters	Weighted Metering Costs	Weighted Average Costs	Number of Meters	Weighted Metering Costs	Weighted Average Costs
Allocation Percentage Weighted Factor			68.66%			24%
Cost Relative to Residential Average Cost			1.00			4.60
Total	49,517	4,940,348	99.8	3,764	1,725,950	458.5
Cost per Meter (Installed)						
Meter Types						
Single Phase 200 Amp - Urban		0			0	
Single Phase 200 Amp - Rural		0			0	
Central Meter		0			0	
Network Meter (Costs to be updated)		0			0	
Three-phase - No demand		0			0	
Smart Meters		0			0	
Demand without IT (usually three-phase)		0			0	
Demand with IT		0			0	
Demand with IT and Interval Capability - Secondary		0			0	
Demand with IT and Interval Capability - Primary		0			0	
Demand with IT and Interval Capability -Special (WMP)		0			0	
Smart Meters \$100	49,517	4,940,348		1,964	195,950	
Smart Meters - 3 Phase \$850		0		1,800	1,530,000	
LDC Specific 3 \$1,000		0			0	

UNDERTAKING NO. JT1.5:

TO PROVIDE RERUN OF MODEL UPDATE.

OPUCN Response

The updated model has been filed via RESS.

UNDERTAKING NO. JT1.6:

TO FOLLOW ENERGY PROBE QUESTION 15(B) BASED ON NEW COST ALLOCATION RESULTS AND PROVIDE THE RESULT.

OPUCN Response

As requested by VECC, the following Table provides the results of revenue to cost ratios based on assumptions made by VECC and Energy Probe.

Cost Allocation Based Calculations												
Class	Revenue Requirement	Base Revenue on Proportion of Revenue at Existing Rates	Miscellaneous Revenue	Total Revenue	Revenue Cost Ratio	Check Revenue Cost Ratios	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	15,742,584	13,244,382	1,169,509	14,413,890	91.6%	91.6%	93.8%	14,760,041	1,169,509	13,590,532	85%	115%
GS < 50 kW	2,444,723	3,154,784	177,965	3,332,749	136.3%	136.3%	120.0%	2,933,668	177,965	2,755,703	80%	120%
GS 50 to 999 kW (I1 & I4)	4,026,589	4,274,679	185,635	4,460,314	110.8%	110.8%	110.8%	4,460,314	185,635	4,274,679	80%	120%
GS 1,000 to 4,999 kW (I2)	490,266	571,264	21,927	593,191	121.0%	121.0%	120.0%	588,320	21,927	566,393	80%	120%
Large Use (I3)	214,590	255,877	6,230	262,106	122.1%	122.1%	115.0%	246,778	6,230	240,548	85%	115%
Street Lighting	1,053,972	848,713	66,922	915,636	86.9%	86.9%	93.8%	988,191	66,922	921,268	70%	120%
USL	79,781	68,531	5,259	73,790	92.5%	92.5%	93.8%	74,802	5,259	69,543	80%	120%
Sentinel Lights	1,960	2,656	134	2,789	142.3%	142.3%	120.0%	2,352	134	2,218	70%	120%
TOTAL	24,054,465	22,420,885	1,633,580	24,054,465	100.0%			24,054,465	1,633,580	22,420,885		

The differences resulting in the revenue to cost ratios are a decrease of \$247 thousand in the Residential category offset by increases in the Street Light and USL categories totalling \$246 thousand and \$1 thousand respectively.

The Table below illustrates an unacceptable rate impact on the Street Lighting customer category resulting from applying the assumptions above.

Street Lighting									
Billing Determinants									
1 Connections									
72 kWh									
0.2 kW									
	2011 BILL			2012 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	1	1.1400	1.14	1	4.5118	4.51	3.37	295.77%	31.95%
Distribution (kW)	0.2	17.6117	3.31	0.2	7.7893	1.46	(1.85)	(55.77%)	10.37%
Low Voltage Rider (kW)	0.2	0	0.00	0.2	0.0000	0.00	0.00	0.00%	0.00%
LRAM & SSM Rider (kW)	0.2		0.00	0.2	0.0000	0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			0.03			0.00	(0.03)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	0	(1.2845)	-0.24	0	0.2562	0.05	0.29	(119.95%)	0.34%
Distribution Sub-Total			4.24			6.02	1.78	42.07%	42.65%
Retail Transmission (kW)	0.2	3.6016	0.68	0.2	3.6016	0.68	0.00	0.00%	4.79%
Delivery Sub-Total			4.92			6.70	1.78	36.28%	47.45%
Other Charges (kWh)	76	0.0122	0.92	75	0.0122	0.92	(0.00)	(0.54%)	6.49%
Cost of Power Commodity (kWh)	76	0.0650	4.91	75	0.0650	4.88	(0.03)	(0.54%)	34.56%
SPC (kWh)	76	0.0004	0.03	75	0.0000	0.00	(0.03)	(100.00%)	0.00%
Total Bill Before Taxes			10.77			12.50	1.72	16.00%	88.50%
HST		13.00%	1.40		13.00%	1.62	0.22	16.00%	11.50%
Total Bill			12.17			14.12	1.95	16.00%	100.00%

UNDERTAKING NO. JT1.7:

TO PROVIDE PORTION OF DIFFERENCE IN 2011 BETWEEN CGAAP AND IFRS THAT RELATES TO CATCH-UP.

OPUCN Response

Please see table below:

At "LOW" useful Lives	Depreciation 2011 (IFRS) TOTAL	2011 'Normal' IFRS Amount	2011 Catch Up Amount
Excluding Smart Meters	\$4,819,149	\$3,958,870	\$860,279
Including Smart Meters	\$1,197,853	\$1,176,948	\$20,904
Total	\$6,017,002	\$5,135,819	\$881,183
At "TYPICAL" useful Lives	Depreciation 2011 (IFRS) TOTAL	2011 'Normal' IFRS Amount	2011 Catch Up Amount
Excluding Smart Meters	\$2,273,606	\$2,759,895	(\$486,289)
Including Smart Meters	\$630,197	\$653,146	(\$22,949)
Total	\$2,903,803	\$3,413,041	(\$509,238)

UNDERTAKING NO. JT1.8:

TO PROVIDE TABLES 4 THROUGH 12 CONSISTENT WITH THE UPDATE.

OPUCN Response

The tables below reflect the update from October 14th plus the impact of applying the capitalization policy change to 2011. The impact of the capitalization policy change on 2011 depreciation expense is very small - a reduction from \$3,126 as reported in the response to SEC TCQ # 36 to \$3,115.

Table 4 - CGAAP and MIFRS Depreciation for 2012 Test Year

	\$000s
CGAAP Depreciation Expense	5,078
MIFRS Depreciation Expense	4,928
Increase / (Decrease) in Depreciation Expense	(150)

Table 5 - Transition of 2010 Ending CGAAP Balances to Opening MIFRS Balances

Asset Group	CGAAP 2010 Closing Cost (A) \$000s	Accumulated Depreciation Adjustment (B) \$000s	Capital Contribution Adjustment (C) \$000s	MIFRS 2011 Opening Balances (A+B+C) \$000s
Land and Buildings	808	(242)	0	566
DS Equipment	13,625	(8,571)	(574)	4,480
Poles, Wires	119,338	(59,750)	(20,725)	38,863
Line Transformers	10,127	(7,093)	(626)	2,408
Meters	7,319	(4,493)	(126)	2,701
General Plant	1,158	(956)	0	202
IT Assets	2,326	(2,245)	0	81
Vehicles	3,623	(3,095)	0	528
Equipment	2,832	(1,772)	(59)	1,002
Other Distribution Assets	1,315	(1,018)	0	297
GROSS ASSETS	162,472	(89,234)	(22,110)	51,127
Contributions and Grants	(28,455)	6,344	22,110	0
Depreciation				
TOTAL NET ASSETS	134,017	(82,890)	0	51,127

Table 3 - MIFRS Bridge Year Gross and Net Fixed Assets

Asset Group	MIFRS 2011 Opening Balances	MIFRS 2011 Additions	Stranded Meters Disposal	MIFRS 2011 Additions Smart Meters	MIFRS 2011 Closing Balances
	\$000s	\$000s		\$000s	\$000s
Land and Buildings	566	0			566
DS Equipment	4,490	3,853			8,333
Poles, Wires	39,863	5,718			44,581
Line Transformers	2,408	170			2,573
Meters	2,701	890	(1,829)	6,385	7,946
General Plant	202	260			462
IT Assets	81	309			390
Vehicles	528	1,040			1,568
Equipment	1,002	97			1,099
Other Distribution Assets	297	108			404
GROSS ASSETS	51,127	12,244		6,385	67,925
Contributions and Grants	0	(1,994)			(1,994)
Depreciation	0	(6,092)		(1,445)	(6,537)
TOTAL NET ASSETS	51,127	5,158		4,939	59,395

Table 7 - MIFRS 2012 Test Year Gross and Net Fixed Assets

Asset Group	MIFRS 2012 Opening Balances	MIFRS 2012 Additions	MIFRS 2012 Closing Balances
	\$000s	\$000s	\$000s
Land and Buildings	566	0	566
DS Equipment	8,333	5,574	13,907
Poles, Wires	44,581	5,308	49,889
Line Transformers	2,578	147	2,725
Meters	7,946	384	8,330
General Plant	462	25	487
IT Assets	390	100	490
Vehicles	1,568	1,220	2,788
Equipment	1,098	50	1,148
Other Distribution Assets	404	450	854
GROSS ASSETS	67,926	13,259	81,185
Contributions and Grants	(1,994)	(2,641)	(4,636)
Depreciation	(6,537)	(4,928)	(11,466)
TOTAL NET ASSETS	59,395	5,689	65,084

Table 8 - Restatement of January 1, 2011 Opening Balances - Fixed Asset Continuity Schedule

		Cost				Accumulated Depreciation			MIFRS Net Book Value Jan 1, 2011
USA	Description	CGAAP Opening Balance (Revised)	Accumulated Depreciation Adjustment	Capital Contribution Adjustment	MIFRS Opening Cost	CGAAP Opening Balance (Revised)	Accumulated Depreciation Adjustment	MIFRS Opening Accumulated Depreciation	
1805	Land	293,875	0		293,875	0	0	0	293,875
1808	Buildings and Fixtures	514,520	(242,374)		272,147	242,374	(242,374)	0	272,147
1820	Distribution Station Equipment - < 50 kV	13,625,078	(8,570,989)	(574,483)	4,479,606	8,570,989	(8,570,989)	0	4,479,606
1825	Storage Battery Equipment	0	0		0	0	0	0	0
1830	Poles, Towers and Fixtures	27,466,625	(13,775,311)	(4,398,362)	9,292,951	13,775,311	(13,775,311)	0	9,292,951
1835	Overhead Conductors and Devices	17,761,382	(9,058,610)	(2,528,250)	6,174,521	9,058,610	(9,058,610)	0	6,174,521
1840	Underground Conduit	0	0		0	0	0	0	0
1845	Underground Conductors and Devices	74,110,285	(36,915,811)	(13,798,587)	23,395,886	36,915,811	(36,915,811)	0	23,395,886
1850	Line Transformers	10,127,279	(7,092,962)	(626,128)	2,408,190	7,092,962	(7,092,962)	0	2,408,190
1855	Services	0	0		0	0	0	0	0
1860	Meters	7,319,009	(4,492,511)	(125,859)	2,700,638	4,492,511	(4,492,511)	0	2,700,638
1865	Smart Meters	0	0		0	0	0	0	0
1910	Leasehold Improvements	296,465	(148,221)		148,244	148,221	(148,221)	0	148,244
1915	Office Furniture and Equipment	861,503	(807,818)		53,686	807,818	(807,818)	0	53,686
1920	Computer Equipment - Hardware	2,090,184	(2,014,111)		76,073	2,014,111	(2,014,111)	0	76,073
1925	Computer Software	235,770	(230,850)		4,920	230,850	(230,850)	0	4,920
1930	Transportation Equipment	3,622,595	(3,094,846)		527,750	3,094,846	(3,094,846)	0	527,750
1935	Stores Equipment	38,638	(25,353)		13,285	25,353	(25,353)	0	13,285
1940	Tools, Shop and Garage Equipment	2,046,882	(1,159,687)	(54,367)	832,827	1,159,687	(1,159,687)	0	832,827
1945	Measurement and Testing Equipment	649,931	(490,038)	(4,419)	155,475	490,038	(490,038)	0	155,475
1955	Communication Equipment	96,488	(96,488)		0	96,488	(96,488)	0	0
1960	Miscellaneous Equipment	0	0		0	0	0	0	0
1970	Load Management Controls - Cust Premises	0	0		0	0	0	0	0
1975	Load Management Controls - Utility Premises	1,021,693	(724,891)		296,802	724,891	(724,891)	0	296,802
1980	System Supervisory Equipment	293,582	(293,582)		0	293,582	(293,582)	0	0
1995	Contributions and Grants	(28,454,846)	6,344,389	22,110,457	0	(6,344,389)	6,344,389	0	0
	Total	134,016,940	(82,890,063)	0	51,126,876	82,890,063	(82,890,063)	0	51,126,876

Table 9 - 2011 MIFRS - Fixed Asset Continuity Schedule

Cost							Accumulated Depreciation					
		Opening Balance	Additions	Disposals	Add Smart Meters	Closing Balance	Opening Balance	Additions	Disposals	Add Smart Meters	Closing Balance	Net Book Value
USA	Description											
1805	Land	293,875	0			293,875	0	0			0	293,875
1808	Buildings and Fixtures	272,147	0			272,147	0	9,958			9,958	262,189
1820	Distribution Station Equipment - < 50 kV	4,479,606	3,852,959			8,332,565	0	651,335			651,335	7,681,230
1825	Storage Battery Equipment	0	0			0	0	0			0	0
1830	Poles, Towers and Fixtures	9,292,951	1,407,221			10,700,173	0	370,928			370,928	10,329,245
1835	Overhead Conductors and Devices	6,174,521	735,093			6,909,614	0	208,974			208,974	6,700,640
1840	Underground Conduit	0	0			0	0	0			0	0
1845	Underground Conductors and Devices	23,395,886	3,575,379			26,971,265	0	1,993,379			1,993,379	24,977,886
1850	Line Transformers	2,408,190	169,768			2,577,958	0	162,847			162,847	2,415,111
1855	Services	0	0			0	0	0			0	0
1860	Meters	2,700,638	690,083	(2,101,875)		1,288,846	0	310,492	(272,744)		37,748	1,251,098
1860	Smart Meters	0			6,384,742	6,384,742	0			1,445,364	1,445,364	4,939,379
1910	Leasehold Improvements	148,244	260,000			408,244	0	73,715			73,715	334,529
1915	Office Furniture and Equipment	53,686	0			53,686	0	46,759			46,759	6,927
1920	Computer Equipment - Hardware	76,073	154,500			230,573	0	95,857			95,857	134,716
1925	Computer Software	4,920	154,500			159,420	0	43,545			43,545	115,875
1930	Transportation Equipment	527,750	1,040,000			1,567,750	0	447,646			447,646	1,120,103
1935	Stores Equipment	13,285	0			13,285	0	3,752			3,752	9,532
1940	Tools, Shop and Garage Equipment	832,827	96,829			929,656	0	599,773			599,773	329,883
1945	Measurement and Testing Equipment	155,475	0			155,475	0	76,877			76,877	78,597
1955	Communication Equipment	0	0			0	0	0			0	0
1960	Miscellaneous Equipment	0	0			0	0	0			0	0
1970	Load Management Controls - Cust Premises	0	0			0	0	0			0	0
1975	Load Management Controls - Utility Premises	296,802	107,500			404,302	0	28,319			28,319	375,983
1980	System Supervisory Equipment	0	0			0	0	0			0	0
1995	Contributions and Grants	0	(1,994,208)			(1,994,208)	0	(32,265)			(32,265)	(1,961,943)
	Total	51,126,876	10,249,623	(2,101,875)	6,384,742	65,659,367	0	5,091,894	(272,744)	1,445,364	6,264,513	59,394,854

Table 10 - 2012 MIFRS - Fixed Asset Continuity Schedule

		Cost			Accumulated Depreciation			Net Book Value
USA	Description	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Closing Balance	
1805	Land	293,875	0	293,875	0	0	0	293,875
1808	Buildings and Fixtures	272,147	0	272,147	9,958	9,958	19,916	252,231
1820	Distribution Station Equipment - < 50 kV	8,332,565	5,574,429	13,906,994	651,335	541,826	1,193,161	12,713,833
1825	Storage Battery Equipment	0	0	0	0	0	0	0
1830	Poles, Towers and Fixtures	10,700,173	1,397,133	12,097,305	370,928	407,104	778,032	11,319,273
1835	Overhead Conductors and Devices	6,909,614	678,374	7,587,988	208,974	207,251	416,225	7,171,762
1840	Underground Conduit	0	0	0	0	0	0	0
1845	Underground Conductors and Devices	26,971,265	3,232,732	30,203,997	1,993,379	1,528,769	3,522,148	26,681,849
1850	Line Transformers	2,577,958	146,865	2,724,823	162,847	154,850	317,697	2,407,126
1855	Services	0	0	0	0	0	0	0
1860	Meters	1,288,846	383,974	1,672,820	37,748	1,150,704	1,188,452	484,368
1865	Other Installations on Customer's Premises	6,384,742	0	6,384,742	1,445,364	0	1,445,364	4,939,379
1910	Leasehold Improvements	408,244	25,000	433,244	73,715	102,215	175,931	257,314
1915	Office Furniture and Equipment	53,686	0	53,686	46,759	2,615	49,373	4,312
1920	Computer Equipment - Hardware	230,573	50,000	280,573	95,857	67,380	163,237	117,336
1925	Computer Software	159,420	50,000	209,420	43,545	214,750	258,295	(48,875)
1930	Transportation Equipment	1,567,750	1,220,000	2,787,750	447,646	391,368	839,014	1,948,736
1935	Stores Equipment	13,285	0	13,285	3,752	3,177	6,930	6,355
1940	Tools, Shop and Garage Equipment	929,656	50,000	979,656	599,773	180,343	780,116	199,540
1945	Measurement and Testing Equipment	155,475	0	155,475	76,877	27,588	104,465	51,009
1955	Communication Equipment	0	0	0	0	0	0	0
1960	Miscellaneous Equipment	0	0	0	0	0	0	0
1970	Load Management Controls - Cust Premises	0	0	0	0	0	0	0
1975	Load Management Controls - Utility Premises	404,302	450,000	854,302	28,319	46,902	75,221	779,081
1980	System Supervisory Equipment	0	0	0	0	0	0	0
1995	Contributions and Grants	(1,994,208)	(2,641,312)	(4,635,520)	(32,265)	(108,554)	(140,819)	(4,494,701)
	Total	65,659,367	10,617,194	76,276,562	6,264,513	4,928,245	11,192,759	65,083,803

Table 11 - MIFRS Depreciation 2011 Bridge Year

Asset Group	CGAAP 2011	MIFRS 2011	Variance
	\$000s	\$000s	\$000s
Land and Buildings	19	10	9
DS Equipment	348	651	(303)
Poles, Wires	3,916	2,573	1,343
Line Transformers	397	163	234
Meters	291	310	(20)
General Plant	29	120	(91)
IT Assets	83	139	(57)
Vehicles	212	448	(236)
Equipment	159	680	(521)
Other Distribution Assets	48	28	20
Contributions and Grants	(1,138)	(32)	(1,106)
TOTAL	4,363	5,092	(729)

Table 12 - MIFRS Depreciation 2012 Test Year

Asset Group	CGAAP 2012	MIFRS 2012	Variance
	\$000s	\$000s	\$000s
Land and Buildings	10	10	0
DS Equipment	555	542	13
Poles, Wires	4,276	2,143	2,133
Line Transformers	251	155	96
Meters	467	1,151	(684)
General Plant	42	105	(63)
IT Assets	251	282	(31)
Vehicles	264	391	(127)
Equipment	157	211	(55)
Other Distribution Assets	76	47	29
Contributions and Grants	(1,271)	(109)	(1,162)
TOTAL	5,078	4,928	150

UNDERTAKING NO. JT1.9:

TO PROVIDE RESPONSE TO BOARD STAFF QUESTIONS SET OUT IN KT1.1.

OPUCN Response

Please see excel file "Oshawa_Smart Meters Rev Requirements Workings_20111028.xls" which has been filed via RESS.

UNDERTAKING NO. JT1.10:

TO EXPLAIN DIFFERING CCA NUMBERS FOR BRIDGE YEAR.

OPUCN Response

This was caused by an inconsistent allocation of additions between CCA classes, which has now been fixed. Note the CCA amounts will be different under MIFRS due to the capitalization policy change.

UNDERTAKING NO. JT1.11:

PROVIDE EQUIVALENT OF TABLES 37 AND 39 FOR TABLE 36 ON PAGE 15.

OPUCN Response

Please see tables below. Note these reflect changes arising from capitalization policy change to 2011.

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 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	43,616,635	43,616,635	0	43,616,635	0	43,616,635	4%	1,744,665	41,871,970
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	900,614	900,614	96,829	997,443	48,414	949,028	20%	189,806	807,637
10	Computer Hardware/ Vehicles	514,817	514,817	1,194,500	1,709,317	597,250	1,112,067	30%	333,620	1,375,697
10.1	Certain Automobiles	0	0	0	0	0	0	30%	0	0
12	Computer Software	0	0	154,500	154,500	77,250	77,250	100%	77,250	77,250
42	Fibre Optics	38,671	38,671	0	38,671	0	38,671	12%	4,641	34,030
13	Leasehold Improvements	0	0	260,000	260,000	130,000	130,000	20%	26,000	234,000
13.3	Lease # 3	0	0	0	0	0	0	0	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0
14	Franchise	0	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	38,654	38,654	0	38,654	0	38,654	45%	17,394	21,259
50	Computers & Systems Hardware acq'd post Mar 19/07	8,426	8,426	0	8,426	0	8,426	55%	4,634	3,792
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	22,915,461	22,915,461	9,034,230	31,949,691	4,517,115	27,432,576	8%	2,194,606	29,755,085
	SUB-TOTAL - UCC	68,033,278	68,033,278	10,740,058	78,773,336	5,370,029	73,403,307		4,592,616	74,180,720

CCA Continuity Schedule (2012)

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 Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	41,871,970	41,871,970	0	41,871,970	0	41,871,970	4%	1,674,879	40,197,091
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	807,637	807,637	50,000	857,637	25,000	832,637	20%	166,527	691,110
10	Computer Hardware/ Vehicles	1,375,697	1,375,697	1,270,000	2,645,697	635,000	2,010,697	30%	603,209	2,042,488
10.1	Certain Automobiles	0	0	0	0	0	0	30%	0	0
12	Computer Software	77,250	77,250	50,000	127,250	25,000	102,250	100%	102,250	25,000
42	Fibre Optics	34,030	34,030	0	34,030	0	34,030	12%	4,084	29,947
13	Leasehold Improvements	234,000	234,000	25,000	259,000	12,500	246,500	20%	49,300	209,700
13.3	Lease # 3	0	0	0	0	0	0	0	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0
14	Franchise	0	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	21,259	21,259	0	21,259	0	21,259	45%	9,567	11,693
50	Computers & Systems Hardware acq'd post Mar 19/07	3,792	3,792	0	3,792	0	3,792	55%	2,085	1,706
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	29,755,085	29,755,085	9,727,194	39,482,279	4,863,597	34,618,682	8%	2,769,495	36,712,784
	SUB-TOTAL - UCC	74,180,720	74,180,720	11,122,194	85,302,915	5,561,097	79,741,817		5,381,396	79,921,519

UNDERTAKING NO. JT1.12:

TO INVESTIGATE AMOUNT OF \$2.6 MILLION OF UNAMORTIZED ACTUARIAL LOSSES THAT OPUCN IS PROPOSING TO RECOVER IN A DEFERRAL ACCOUNT AT A LATER DATE, CONSIDERING THE AUDITED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010 SHOW NO CHANGE IN THE DISCOUNT RATE.

OPUCN Response

The estimate for unamortized actuarial losses in the amount of \$2.6 million was obtained from an update provided by AON Hewitt on April 7, 2011. AON Hewitt is the organization contracted by OPUCN to prepare its past valuations.

According to AON, the primary reason for the change in losses occurring since the last full valuation was a decrease in interest rates from 6.25% to 5.6%.

A copy of the update and OPUCN's latest full valuation were provided as Attachment D in the responses to Technical Conference questions.

OPUCN's auditors did not require a full valuation for the December 31, 2010 financial statements and disclosed assumptions were considered reasonable for financial statement purposes.

UNDERTAKING NO. JT1.13:

TO CONFIRM WHETHER THERE IS \$2.6 MILLION OF UNAMORTIZED ACTUARIAL LOSSES AS AT JANUARY 1, 2011, AND IF SO, TO PROVIDE UNDERLYING ACTUARIAL VALUATION REPORT TO SUPPORT THAT NUMBER.

OPUCN Response

The estimate for unamortized actuarial losses as at December 31, 2010, in the amount of \$2.6 million was obtained from an update provided by AON Hewitt on April 7, 2011. AON Hewitt is the organization contracted by OPUCN to prepare its past valuations.

A copy of the update and OPUCN's latest full valuation were provided as Attachment D in the responses to Technical Conference questions.

UNDERTAKING NO. JT1.14:

TO PROVIDE RESPONSES TO QUESTIONS 1 THROUGH 6 SET OUT IN EXHIBIT KT1.4.

OPUCN Response

Please see questions 1 to 6 in section at the end of the Undertakings, titled “Technical Conference – OPUCN Responses to Exhibit KT 1.4 (EB-2011-0073)”.

UNDERTAKING NO. JT1.15:

TO COMPARE LAST THREE LINES OF THE TABLE 32, TOTAL COMPENSATION, TOTAL COMPENSATION CHARGED TO OM&A, TOTAL COMPENSATION CAPITALIZED BETWEEN THE CGAAP AND MIFRS, AND EXPLAIN THE DIFFERENCE.

OPUCN Response

Please see questions 7 to 8 in section at the end of the Undertakings, titled “Technical Conference – OPUCN Responses to Exhibit KT 1.4 (EB-2011-0073)”.

UNDERTAKING NO. JT1.16:

FOR EACH OF 2011 BRIDGE AND 2012 TEST, TO CONFIRM THE BASIS ON WHICH THE TABLE WAS PREPARED, MIFRS OR CGAAP; AS NECESSARY, COMPLETE ON MIFRS AND/OR CGAAP BASIS AND COMPARE THE PILS EXPENSE UNDER EACH OF MIFRS AND CGAAP AND EXPLAIN THE DIFFERENCE.

OPUCN Response

Please see question 9 in section at the end of the Undertakings, titled “Technical Conference – OPUCN Responses to Exhibit KT 1.4 (EB-2011-0073)”.

UNDERTAKING NO. JT1.17:

TO ANSWER QUESTION 10 ON KT1.4.

OPUCN Response

Please see question 10 in section at the end of the Undertakings, titled “Technical Conference – OPUCN Responses to Exhibit KT 1.4 (EB-2011-0073)”.

UNDERTAKING NO. JT1.18:

TO ANSWER QUESTION 11 ON KT1.4.

OPUCN Response

Please see question 11 in section at the end of the Undertakings, titled “Technical Conference – OPUCN Responses to Exhibit KT 1.4 (EB-2011-0073)”.

UNDERTAKING NO. JT1.19:

TO SHOW THE REDUCTION OF THE FORECASTED PURCHASE VOLUMES FOR CDM
AND FOR LOSSES BEFORE THEY ARE ALLOCATED TO THE CUSTOMER CLASSES.

OPUCN Response

The Table below provides predicted purchases including CDM energy savings and without. Additionally, the Table illustrates the impact of the CDM energy savings on each of the customer categories.

Table 15 - Exhibit 3

Description	2011 Weather Normal	2012 Weather Normal	2011 Weather Normal	2012 Weather Normal	2011 Difference	2012 Difference	2011 Percent	2012 Percent
	Includes CDM		Without CDM					
Predicted kWh Purchases	1,124,584,992	1,131,445,443	1,127,615,992	1,139,959,109	3,031,000	8,513,667		
% Difference								
Billed kWh	1,078,189,350	1,084,766,768	1,081,095,304	1,092,929,197	2,905,954	8,162,429		
By Class								
Residential								
Customers	49,184	49,920	49,184	49,920				
kWh	475,106,455	482,416,462	476,488,887	486,334,138	1,382,432	3,917,676	47.6%	48.0%
GS<50								
Customers	3,961	3,961	3,961	3,961				
kWh	128,687,643	128,579,910	129,062,090	129,624,100	374,446	1,044,190	12.9%	12.8%
GS>50								
Customers	518	518	518	518				
kWh	349,365,775	349,815,802	350,319,390	352,481,569	953,615	2,665,767	32.8%	32.7%
kW	891,840	892,989	894,274	899,794	2,434	6,805	85.3%	85.6%
Large User								
Customers	1	1	1	1				
kWh	33,402,763	33,402,763	33,402,763	33,402,763	-	-	0.0%	0.0%
kW	70,585	70,585	70,585	70,585	-	-	0.0%	0.0%
I2								
Customers	10	10	10	10				
kWh	77,843,519	76,259,966	78,038,979	76,794,762	195,460	534,796	6.7%	6.6%
kW	166,449	163,063	166,867	164,207	418	1,144	14.7%	14.4%
Streetlights								
Connections	12,441	12,762	12,441	12,762				
kWh	10,731,918	11,044,796	10,731,918	11,044,796	-	-	0.0%	0.0%
kW	28,731	29,568	28,731	29,568	-	-	0.0%	0.0%
Sentinels								
Connections	23	22	23	22				
kWh	37,164	38,567	37,164	38,567	-	-	0.0%	0.0%
kW	111	115	111	115	-	-	0.0%	0.0%
USL								
Connections	311	313	311	313				
kWh	3,014,113	3,208,502	3,014,113	3,208,502	-	-	0.0%	0.0%
Total of Above								
Customer/Connections	66,450	67,507	66,450	67,507				
kWh	1,078,189,350	1,084,766,768	1,081,095,304	1,092,929,197	2,905,954	8,162,429	100.0%	100.0%
kW from applicable classes	1,157,716	1,156,320	1,160,568	1,164,269	2,852	7,949	100.0%	100.0%