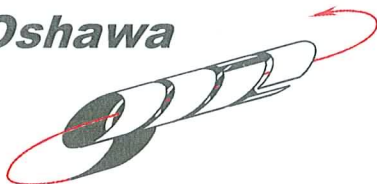


Oshawa



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

November 1, 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 and updated for questions received from Vulnerable Energy Consumers Coalition (VECC). 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 based 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	15,480,716	13,451,952	1,146,230	14,598,181	94.3%	94.3%	94.5%	14,622,643	1,146,230	13,476,413	85%	115%
GS < 50 kW	2,872,629	3,204,227	178,167	3,382,394	117.7%	117.7%	117.7%	3,382,394	178,167	3,204,227	80%	120%
GS 50 to 999 kW (I1 & I4)	4,171,910	4,341,673	182,630	4,524,303	108.4%	108.4%	108.4%	4,524,303	182,630	4,341,673	80%	120%
GS 1,000 to 4,999 kW (I2)	495,925	580,217	21,499	601,715	121.3%	121.3%	120.0%	595,110	21,499	573,611	80%	120%
Large Use (I3)	216,114	259,887	6,034	265,920	123.0%	123.0%	115.0%	248,531	6,034	242,497	85%	115%
Street Lighting	1,058,527	862,015	65,899	927,913	87.7%	87.7%	87.7%	927,913	65,899	862,015	70%	120%
USL	80,237	69,605	5,165	74,770	93.2%	93.2%	93.2%	74,770	5,165	69,605	80%	120%
Sentinel Lights	1,969	2,697	132	2,829	143.7%	143.7%	120.0%	2,362	132	2,231	70%	120%
TOTAL	24,378,026	22,772,273	1,605,754	24,378,026	100.0%			24,378,027	1,605,754	22,772,273		

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									
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	1	1.1400	1.14	1	4.2216	4.22	3.08	270.32%	30.84%
Distribution (kW)	0.2	17.6117	3.31	0.2	7.2883	1.37	(1.94)	(58.62%)	10.01%
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%)	0.35%
Distribution Sub-Total			4.24			5.64	1.40	33.01%	41.20%
Retail Transmission (kW)	0.2	3.6016	0.68	0.2	3.6016	0.68	0.00	0.00%	4.94%
Delivery Sub-Total			4.92			6.32	1.40	28.46%	46.14%
Other Charges (kWh)	76	0.0122	0.92	75	0.0122	0.92	(0.00)	(0.54%)	6.69%
Cost of Power Commodity (kWh)	76	0.0650	4.91	75	0.0650	4.88	(0.03)	(0.54%)	35.66%
SPC (kWh)	76	0.0004	0.03	75	0.0000	0.00	(0.03)	(100.00%)	0.00%
Total Bill Before Taxes			10.77			12.11	1.34	12.44%	88.50%
HST		13.00%	1.40		13.00%	1.57	0.17	12.44%	11.50%
Total Bill			12.17			13.69	1.51	12.44%	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 6 - 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	4,480	3,853			8,333
Poles, Wires	38,863	5,718			44,581
Line Transformers	2,408	170			2,578
Meters	2,701	690	(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			1,098
Other Distribution Assets	297	108			404
GROSS ASSETS	51,127	12,244		6,385	67,926
Contributions and Grants	0	(1,994)			(1,994)
Depreciation	0	(5,092)		(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			
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	MIFRS Net Book Value Jan 1, 2011
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 refer to Attachment A for responses to questions 1 through 6 set out in Exhibit KT1.4.

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 refer to Attachment B for responses to questions 7 and 8 set out in Exhibit KT1.4.

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 refer to Attachment C for response to question 9 set out in Exhibit KT1.4.

UNDERTAKING NO. JT1.17:

TO ANSWER QUESTION 10 ON KT1.4.

OPUCN Response

Please refer to Attachment D for response to question 10 set out in Exhibit KT1.4.

UNDERTAKING NO. JT1.18:

TO ANSWER QUESTION 11 ON KT1.4.

OPUCN Response

Please refer to Attachment E for response to question 11 set out in Exhibit KT1.4.

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%

Attachment A

UNDERTAKING NO. JT1.14:

1. Capitalization Change due to transition to MIFRS (Board Staff Interrogatory 63a, 67b)

- Confirm that impact of capitalization change due to transition to MIFRS for the test year 2012 is a decrease in fixed assets of \$505,000 and an increase of OM&A of \$505,000
- Please explain impact of capitalization change on the transition year/bridge year 2011 – what is decrease in rate base and increase in OM&A?
- Please provide supporting documentation from OPUCN's external auditor/professional advisor of the capitalization change due to transition to MIFRS and any other supporting documentation from external auditor/professional advisor for MIFRS impacts/advice

OPUCN Response

- Point 1 – confirmed
- Point 2 - the impact of capitalization change on the transition year/bridge year 2011 is decrease in fixed asset additions of \$490,435 and an increase in OM&A of \$495,435.
- Point 3 – as discussed in the Technical Conference, the capitalization change was made after verbal discussions with Ernst & Young, OPUCN's external auditors. No formal documentation was prepared.

2. Depreciation Expense Change due transition to MIFRS (Board Staff Interrogatory 63a)

- Confirm that impact of depreciation expense change due to transition to MIFRS (adoption of new depreciation rates and reduction to fixed assets) for the test year is a decrease of \$152,000
- Please explain impact of depreciation expense change on the transition year/ bridge year 2011 – what is the impact on 2011 depreciation expense
- Would the impact of depreciation expense change for the test year still be a decrease of \$152,000, considering the reduction to fixed assets that may need to be made for the 2011 bridge year?

OPUCN Response

- Point 1 – the depreciation expense change due to transition to MIFRS would be a decrease of \$139,933
- Point 2 – the depreciation expense change due to transition to MIFRS would be an increase of \$916,573
- Point 3 – the depreciation expense change would be a decrease of \$150,051.

3. 2011 Fixed Asset Continuity Schedule (Ex. 2 p.47 table 10)

- Confirm that the table in the pre-filed evidence is CGAAP based
- Complete on an MIFRS basis
- Ensure that on an MIFRS basis the continuity of historical cost is established by OPUCN by using the December 31, 2010 regulatory gross capital cost and accumulated depreciation values as the opening January 1, 2011 regulatory gross capital cost and accumulated depreciation values
- Compare the two versions (“Total before work in progress” line) and explain the difference; if applicable also note whether reflects redistribution between plant types due to asset componentization.

OPUCN Response

- Point 1 – confirmed
- Point 2 & 3 – see MIFRS table below

2011 MIFRS - Fixed Asset Continuity Schedule by Component (showing Gross Capital Cost)

		Cost						Accumulated Depreciation						Net Book Value
USA	Description	CGAAP Useful Life	Revised Useful Life	Opening Balance	Additions	Disposals - Stranded Meters	Add Smart Meters	Closing Balance	Opening Balance	Additions	Disposals - Stranded Meters	Add Smart Meters	Closing Balance	
1805	Land	-	-	293,875	0	0	0	293,875	0	0	0	0	0	293,875
1808	Buildings and Fixtures	20	29	836,355	826,927	0	0	1,663,281	368,163	99,774	0	0	467,937	1,195,344
1820	Transformer Stn Equip. - < 50 kV	30	30	12,551,612	2,894,670	0	0	15,446,282	8,268,051	559,330	0	0	8,827,380	6,618,902
1830	Poles, Towers and Fixtures	26	26	21,908,330	922,598	0	0	22,830,928	12,615,379	364,381	0	0	12,979,760	9,851,169
1835	OH Conductors and Devices	25	25	14,581,180	390,645	0	0	14,971,825	8,426,373	186,915	0	0	8,613,288	6,358,537
1845	UG Conductors and Devices	25	25	56,189,850	2,590,533	0	0	58,780,383	32,774,250	1,992,779	0	0	34,767,029	24,013,354
1850	Line Transformers	25	25	9,333,673	136,954	0	0	9,470,627	6,925,483	162,300	0	0	7,087,784	2,382,843
1860	Meters	25	26	7,142,657	673,968	(2,101,875)	6,084,742	11,799,492	4,442,018	310,170	(272,744)	1,270,364	5,749,808	6,049,685
1910	Leasehold Improvements	20	5	296,465	260,000	0	0	556,465	148,221	73,715	0	0	221,936	334,529
1915	Office Furniture and Equipment	10	10	861,503	0	0	0	861,503	807,818	46,759	0	0	854,576	6,927
1920	Computer Equipment - Hardware	5	5	2,090,184	154,500	0	0	2,244,684	2,014,111	95,857	0	0	2,109,968	134,716
1925	Computer Software	2	2	235,770	154,500	0	300,000	690,270	230,850	43,545	0	175,000	449,395	240,875
1930	Transportation Equipment	8	8	3,622,595	1,040,000	0	0	4,662,595	3,094,846	447,646	0	0	3,542,492	1,120,103
1935	Stores Equipment	10	10	38,638	0	0	0	38,638	25,353	3,752	0	0	29,106	9,532
1940	Tools, Shop and Garage Equip.	10	23	1,977,361	96,829	0	0	2,074,190	1,144,534	599,773	0	0	1,744,307	329,883
1945	Measurement & Testing Equip.	20	19	645,127	0	0	0	645,127	489,652	76,877	0	0	566,530	78,597
1955	Communication Equipment	10	-	96,488	0	0	0	96,488	96,488	0	0	0	96,488	0
1975	Load Mgmt Controls - Utility	10	10	1,021,693	107,500	0	0	1,129,193	724,891	28,319	0	0	753,210	375,983
1980	System Supervisory Equipment	20	-	293,582	0	0	0	293,582	293,582	0	0	0	293,582	0
Total				134,016,940	10,249,623	(2,101,875)	6,384,742	148,549,431	82,890,063	5,091,894	(272,744)	1,445,364	89,154,577	59,394,854

Exhibit 2 (page 47) - Table 10 in Initial Application Filing	134,016,940	10,249,623	6,384,742	151,141,741	82,890,063	4,362,909	736,494	87,989,466	63,152,275
Difference	-	490,436	2,101,875	2,592,310	-	(728,985)	272,744	(708,870)	3,757,421
		1.	2.			3.	2.	3.	

- Capitalization policy change
- Disposal of stranded meters
- Change in depreciation lives under MIFRS

4. 2012 Fixed Asset Continuity Schedule (Ex. 2 p.53 table 11)

- Confirm the basis on which the table was prepared, MIFRS or CGAAP
- As necessary, complete on an MIFRS and/or CGAAP basis.
- Compare the two versions ("Total before work in progress" line) and explain the difference

OPUCN Response

- Point 1 – CGAAP. Note, at time of initial application, OPUCN expected MIFRS and CGAAP to be substantially the same.
- Point 2 & 3 – see MIFRS table below

2012 MIFRS - Fixed Asset Continuity Schedule by Component (showing Gross Capital Cost)

Cost							Accumulated Depreciation			Net Book Value
USA	Description	CGAAP Useful Life	Revised Useful Life	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Closing Balance	
1805	Land	0	-	293,875	0	293,875	0	0	0	293,875
1808	Buildings and Fixtures	20	29	1,663,281	330,534	1,993,815	467,937	42,987	510,924	1,482,891
1820	Transformer Stn Equip. - < 50 kV	30	30	15,446,282	5,112,220	20,558,502	8,827,380	502,223	9,329,604	11,228,899
1830	Poles, Towers and Fixtures	0	26	22,830,928	778,817	23,609,745	12,979,760	385,553	13,365,313	10,244,432
1835	OH Conductors and Devices	25	25	14,971,825	326,418	15,298,243	8,613,288	195,385	8,808,673	6,489,570
1845	UG Conductors and Devices	25	25	58,780,383	1,792,798	60,573,181	34,767,029	1,463,805	36,230,834	24,342,347
1850	Line Transformers		25	9,470,627	108,753	9,579,380	7,087,784	153,121	7,240,905	2,338,475
1860	Meters	25	26	11,799,492	322,654	12,122,146	5,749,808	1,148,833	6,898,641	5,223,506
1910	Leasehold Improvements	20	5	556,465	25,000	581,465	221,936	102,215	324,151	257,314
1915	Office Furniture and Equipment	10	10	861,503	0	861,503	854,576	2,615	857,191	4,312
1920	Computer Equipment - Hardware	5	5	2,244,684	50,000	2,294,684	2,109,968	67,380	2,177,347	117,336
1925	Computer Software	2	2	690,270	50,000	740,270	449,395	214,750	664,145	76,125
1930	Transportation Equipment	8	8	4,662,595	1,220,000	5,882,595	3,542,492	391,368	3,933,859	1,948,736
1935	Stores Equipment	10	10	38,638	0	38,638	29,106	3,177	32,283	6,355
1940	Tools, Shop and Garage Equip.	10	23	2,074,190	50,000	2,124,190	1,744,307	180,343	1,924,650	199,540
1945	Measurement & Testing Equip.	20	19	645,127	0	645,127	566,530	27,588	594,118	51,009
1955	Communication Equipment	10	-	96,488	0	96,488	96,488	0	96,488	0
1975	Load Mgmt Controls - Utility	10	10	1,129,193	450,000	1,579,193	753,210	46,902	800,112	779,081
1980	System Supervisory Equipment	20	-	293,582	0	293,582	293,582	0	293,582	0
	Total			148,549,431	10,617,194	159,166,625	89,154,577	4,928,245	94,082,822	65,083,803

Exhibit 2 (page 53) - Table 11 in Initial Application Filing
Difference

151,141,741	11,122,343	162,264,084	87,989,466	5,261,598	93,251,064	69,013,020
2,592,310	505,149	3,097,459	(1,165,110)	333,353	(831,758)	3,929,217
1.	2.		1.	3.		

- 2011 changes b/f
- Capitalization policy change
- Change in depreciation lives under MIFRS

5. 2011 Depreciation Expense Summary (Ex. 4 p.67 table 31)

- Confirm that the table in the pre-filed evidence is CGAAP based
- Complete on an MIFRS basis
- Compare the two versions ("Total" line) and explain the difference.

OPUCN Response

- Point 1 – CGAAP. Note, at time of initial application, OPUCN expected MIFRS and CGAAP to be substantially the same.
- Point 2 & 3 – see table below

TABLE 31 Revised - 2011 DEPRECIATION EXPENSE SUMMARY

	2011 Op Bal	Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
	(a)	(b)	(c) = (a) - (b)	(d)	(c) + 0.5 * (d)	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805 Land	293,875	0	293,875	0	293,875	0	0	0
1808 Buildings and Fixtures	514,520	41,469	473,051	0	473,051	25	4.0%	9,958
1820 Transformer Stn Equip. - < 50 kV	12,873,446	3,239,548	9,633,898	3,721,597	11,494,697	25	4.0%	649,146
1830 Poles, Towers and Fixtures	21,908,330	5,367,306	16,541,024	922,598	17,002,323	50	2.0%	364,381
1835 OH Conductors and Devices	14,526,271	3,329,684	11,196,587	390,645	11,391,910	50	2.0%	205,049
1845 UG Conductors and Devices	56,244,760	11,642,615	44,602,145	2,590,533	45,897,411	50	2.0%	1,974,645
1850 Line Transformers	9,333,673	3,250,175	6,083,498	136,954	6,151,974	30	3.3%	162,300
1860 Meters	7,142,657	777,566	6,365,091	673,968	6,702,075	25	4.0%	310,170
1910 Leasehold Improvements	296,465	124,275	172,190	260,000	302,190	5	20.0%	73,715
1915 Office Furniture and Equipment	861,503	600,028	261,475	0	261,475	5	20.0%	46,759
1920 Computer Equipment - Hardware	2,090,184	1,904,300	185,884	154,500	263,134	3	33.3%	95,857
1925 Computer Software	235,770	225,929	9,841	154,500	87,091	2	50.0%	43,545
1930 Transportation Equipment	3,622,595	2,446,926	1,175,669	1,040,000	1,695,669	5	20.0%	447,646
1935 Stores Equipment	38,638	23,366	15,272	0	15,272	5	20.0%	3,752
1940 Tools, Shop and Garage Equip.	1,977,361	615,228	1,362,133	96,829	1,410,548	5	20.0%	599,773
1945 Measurement & Testing Equip.	645,127	330,208	314,919	0	314,919	5	20.0%	76,877
1955 Communication Equipment	96,488	96,488	0	0	0	5	20.0%	0
1975 Load Mgmt Controls - Utility	1,021,693	597,214	424,479	107,500	478,229	15	6.7%	28,319
1980 System Supervisory Equipment	293,582	293,582	0	0	0	5	20.0%	0
	134,016,940	34,905,907	99,111,032	10,249,623	104,235,844			5,091,894

Initial Application Table 31	134,016,940	10,740,059	4,362,909
Difference	0	490,436	(728,985)
Capitalization Policy change		490,436	4,904
Stranded Meters W/off	(10,138)		187,588
Change in Useful Lives under MIFRS	(10,138)	490,436	(921,477)
			(728,985)

6. 2012 Depreciation Expense Summary (Ex. 4 p.68 table 32)

- Confirm the basis on which the table was prepared, MIFRS or CGAAP
- As necessary, complete on an MIFRS and/or CGAAP basis.
- Compare the two versions ("Total" line) and explain the difference.

OPUCN Response

- Point 1 – CGAAP. Note, at time of initial application, OPUCN expected MIFRS and CGAAP to be substantially the same.
- Point 2 & 3 – see table below

TABLE 32 Revised - 2012 DEPRECIATION EXPENSE SUMMARY

		2011 Op Bal	Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense
		(a)	(b)	(c) = (a) - (b)	(d)	(c) + 0.5 * (d)	(f)	(g) = 1 / (f)	(h) = (e) / (f)
1805	Land	293,875	0	293,875	0	293,875	0	0	0
1808	Buildings and Fixtures	1,663,281	41,469	1,621,812	0	1,621,812	25	4.0%	42,987
1820	Transformer Stn Equip. - < 50 kV	15,446,282	4,712,515	10,733,767	5,442,754	13,455,144	25	4.0%	502,223
1830	Poles, Towers and Fixtures	22,830,928	5,381,604	17,449,324	778,817	17,838,732	50	2.0%	385,553
1835	OH Conductors and Devices	14,971,825	3,335,227	11,636,598	326,418	11,799,807	50	2.0%	195,385
1845	UG Conductors and Devices	58,780,383	16,955,396	41,824,987	1,792,798	42,721,386	50	2.0%	1,463,805
1850	Line Transformers	9,470,627	3,640,959	5,829,667	108,753	5,884,044	30	3.3%	153,121
1860	Meters	11,799,492	2,263,143	9,536,350	322,654	9,697,677	25	4.0%	1,148,833
1910	Leasehold Improvements	556,465	124,275	432,190	25,000	444,690	5	20.0%	102,215
1915	Office Furniture and Equipment	861,503	850,546	10,957	0	10,957	5	20.0%	2,615
1920	Computer Equipment - Hardware	2,244,684	2,061,516	183,168	50,000	208,168	3	33.3%	67,380
1925	Computer Software	690,270	235,770	454,500	50,000	479,500	2	50.0%	214,750
1930	Transportation Equipment	4,662,595	3,377,124	1,285,471	1,220,000	1,895,471	5	20.0%	391,368
1935	Stores Equipment	38,638	24,516	14,122	0	14,122	5	20.0%	3,177
1940	Tools, Shop and Garage Equip.	2,074,190	1,429,460	644,730	50,000	669,730	5	20.0%	180,343
1945	Measurement & Testing Equip.	645,127	527,617	117,510	0	117,510	5	20.0%	27,588
1955	Communication Equipment	96,488	96,488	0	0	0	5	20.0%	0
1975	Load Mgmt Controls - Utility	1,129,193	597,214	531,979	450,000	756,979	15	6.7%	46,902
1980	System Supervisory Equipment	293,582	293,582	0	0	0	5	20.0%	0
		148,549,431	45,948,424	102,601,007	10,617,194	107,909,604			4,928,245

Initial Application Table 32	151,146,383	11,122,343	5,261,907
Difference	2,596,952	505,149	333,662
Capitalization Policy change	495,077	505,149	9,809
Stranded Meters W/off	2,101,875		183,611
Useful life changes			140,242
	2,596,952	505,149	333,662

Attachment B

UNDERTAKING NO. JT1.15:

7. Summary – OM&A Expenses (Ex 4 p.7 table 1 cols. 2011 Bridge 2012 Test)

For each of 2011 Bridge and 2012 Test

- Confirm the basis on which the table was prepared, MIFRS or CGAAP
- As necessary, complete on an MIFRS and/or CGAAP basis.
- Compare the two versions (“Total OM&A expense” line) and explain the difference.

OPUCN Response

- Point 1 – CGAAP. Note, at time of initial application, OPUCN expected MIFRS and CGAAP to be substantially the same.
- Point 2 & 3 – see table below

Table 1 - Summary of OM&A Expenses

SUMMARY OF OM&A EXPENSES						
Summary of OM&A Expenses	2008 Board Approved \$	2008 Actual \$	2009 Actual \$	2010 Actual \$	2011 Bridge \$	2012 Test \$
Operations	162,576	293,376	589,979	548,159	1,589,246	1,909,491
Maintenance	1,009,725	1,215,986	1,067,491	1,028,033	1,204,572	1,480,709
Billing & Collecting	2,263,907	2,143,541	2,300,172	2,279,448	2,302,950	2,659,399
Community Relations	1,054,004	1,079,971	648,758	760,663	852,097	945,160
Administrative & General	4,716,351	4,110,228	4,167,945	4,218,205	4,383,530	5,192,469
Total OM&A Expense	9,206,563	8,843,103	8,774,345	8,834,508	10,332,396	12,187,229
Year over Year Increase		(3.9)%	(0.8)%	0.7%	17.0%	18.0%
CAGR from 2008 Approved			(4.7)%	(2.0)%	3.9%	7.3%
CAGR from 2008 Actual			(0.8)%	(0.0)%	5.3%	8.3%
Inflation Rate (Canada CPI)	2.3%	2.3%	0.3%	1.8%	1.8%	1.8%

Initial Application	9,841,961	11,682,080
Difference (Change in Capitalization Policy)	(490,435)	(505,149)

8. Employee Compensation (Ex. 4 p.48 table 23)

For each of 2011 Bridge and 2012 Test

- Confirm the basis on which the table was prepared, MIFRS or CGAAP
- As necessary, complete on an MIFRS and/or CGAAP basis.
- Compare the two versions (“Total Compensation”, Total Compensation Charged to OM&A”, and “Total compensation Capitalized” lines and explain the difference.

OPUCN Response

- Point 1 – CGAAP. Note, at time of initial application, OPUCN expected MIFRS and CGAAP to be substantially the same.
- Point 2 & 3 – see extract from table below (only the bottom portion shown here changes)

	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Total Compensation	8,219,127	8,002,405	6,918,709	7,037,028	8,042,886	9,054,700
Total Compensation Charged to OM&A	3,439,946	3,264,054	2,701,564	2,810,090	4,414,494	5,368,957
Total Compensation Capitalized	4,779,181	4,738,351	4,217,144	4,226,938	3,628,391	3,685,742

Initial Application

Total Compensation Charged to OM&A	3,439,946	3,264,054	2,701,564	2,810,090	3,924,059	4,863,809
Total Compensation Capitalized	4,779,181	4,738,351	4,217,144	4,226,938	4,118,826	4,190,891

Difference (Change in Capitalization Policy)

0	0	0	0	490,435	505,148
0	0	0	0	(490,435)	(505,149)

Attachment C

UNDERTAKING NO. JT1.16:

9. PILs (Ex. 4 p.71 table 36)

For each of 2011 Bridge and 2012 Test

- Confirm the basis on which the table was prepared, MIFRS or CGAAP
- As necessary, complete on an MIFRS and CGAAP basis, with revised depreciation numbers added back to taxable income. These depreciation numbers should tie to the fixed asset continuity schedules

OPUCN Response

- Point 1 – CGAAP. Note, at time of initial application, OPUCN expected MIFRS and CGAAP to be substantially the same.
- Point 2 – please see revised tables below under both MIFRS and CGAAP

TABLE 36 - Detailed Tax Calculations (MIFRS)

Description	2011 Bridge	2012 Test
Determination of Taxable Income		
Utility Income Before Taxes	2,469,428	4,248,092
Book to Tax Adjustments		
Additions to Accounting Income:		
Amortization of tangible assets	5,091,894	4,928,245
Charitable donations	4,500	0
Reserves from financial statements- balance at end of year	10,731,273	11,243,273
Other Additions (Apprenticeship Tax Credits)	10,000	36,000
Amortization of MIFRS PP&E Deferral Account		460,783
Total Additions	15,837,666	16,668,301
Deductions from Accounting Income:		
Deductions:		
Capital cost allowance from Schedule 8	4,572,999	5,323,530
Reserves from financial statements - balance at beginning of year	10,215,273	10,731,273
Total Deductions	14,788,271	16,054,803
Regulatory Taxable Income	3,518,823	4,861,590
Corporate Income Tax Rate	27.97%	24.59%
Subtotal		
Less: R&D ITC (0.3)		
Regulatory Income Tax	984,067	1,195,413
Calculation of Utility Income Taxes		
Income Taxes	984,067	1,195,413
Large Corporation Tax	0	0
Ontario Capital Tax	0	0
Total Taxes	984,067	1,195,413
Tax Rates		
Federal Tax	16.50%	15.00%
Provincial Tax	11.75%	10.33%
Tax Credit Adjustment	-0.28%	-0.74%
Total Tax Rate	27.97%	24.59%

TABLE 36 - Detailed Tax Calculations (CGAAP)

Description	2011 Bridge	2012 Test
Determination of Taxable Income		
Utility Income Before Taxes	3,683,187	4,148,926
Book to Tax Adjustments		
Additions to Accounting Income:		
Amortization of tangible assets	4,362,909	5,077,987
Charitable donations	4,500	0
Reserves from financial statements- balance at end of year	10,731,273	11,243,273
Other Additions (Apprenticeship Tax Credits)	10,000	36,000
Amortization of MIFRS PP&E Deferral Account		0
Total Additions	15,108,681	16,357,260
Deductions from Accounting Income:		
Deductions:		
Capital cost allowance from Schedule 8	4,592,616	5,381,396
Reserves from financial statements - balance at beginning of year	10,215,273	10,731,273
Total Deductions	14,807,889	16,112,668
Regulatory Taxable Income	3,983,980	4,393,518
Corporate Income Tax Rate	28.00%	24.41%
Subtotal		
<u>Less: R&D ITC (0.3)</u>		
Regulatory Income Tax	1,115,474	1,072,647
Calculation of Utility Income Taxes		
Income Taxes	1,115,474	1,072,647
Large Corporation Tax	0	0
Ontario Capital Tax	0	0
Total Taxes	1,115,474	1,072,647
Tax Rates		
Federal Tax	16.50%	15.00%
Provincial Tax	11.75%	10.23%
Tax Credit Adjustment	-0.25%	-0.82%
Total Tax Rate	28.00%	24.41%

Attachment D

UNDERTAKING NO. JT1.17:

10. Impact on Rate Base, Revenue Requirement and PP&E Deferral Account (Response to Board Staff Interrogatory 63b)

For each of CGAAP and MIFRS columns

- Confirm the basis that the tables were prepared – i.e. that it is a true comparison between MIFRS and CGAAP
- As necessary, complete on an MIFRS and CGAAP basis
- Ensure that capitalization change (decrease in rate base, increase in OM&A) and depreciation expense change are reflected in both bridge and test years
- Please update the “Impact on Rate Base” table, “Impact on Revenue Requirement” table, and “Deferral Account in Relation to PP&E” table accordingly

OPUCN Response

- Point 1 & 2 – the tables were prepared on the basis as noted above each column
- Point 3 – please see updated tables below, reflecting capitalization and depreciation expense changes in both bridge and test years

MIFRS Impact to Rate Base

Rate Base	CGAAP \$000s	MIFRS \$000s
2011 Net Fixed Assets	61,238	59,395
2012 Net Fixed Assets	67,282	65,084
Average Fixed Assets	64,260	62,239
Cost of Power		
OM&A	11,831	12,337
Working Capital Requirement @	15% 1,775	15% 1,850
Rate Base	66,035	64,090
Increase / (Decrease) in Rate Base		(1,945)

MIFRS Impact to Revenue Requirement

Revenue Requirement	CGAAP \$000s	MIFRS \$000s	Difference \$000s
OM&A	11,831	12,337	505
Depreciation	5,078	4,928	(150)
PILs	1,073	1,195	123
Return on Capital @ 6.95%	4,589	4,454	(135)
Revenue Requirement Impact			343
MIFRS Deferral Account	0	589	589
Total Impact on Revenue Requirement			932

Deferral Account in Relation to PP&E Components of Rate Base

	2011			
	\$000s			
PP&E Values under CGAAP				
Opening NBV	51,127			
Additions	10,740			
Additions - Smart Meters	6,385			
Disposals - Stranded Meters Cost	(2,102)			
Disposals - Stranded Meters Accumulated Depreciation	188			
Depreciation	(4,363)			
Depreciation - Smart Meters	(736)			
Closing NBV	61,238			
PP&E Values under MIFRS				
Opening NBV	51,127			
Additions	10,250			
Additions - Smart Meters	6,385			
Disposals - Stranded Meters Cost	(2,102)			
Disposals - Stranded Meters Accumulated Depreciation	273			
Depreciation	(5,092)			
Depreciation - Smart Meters	(1,445)			
Closing NBV	59,395			
Difference in Closing NBV	(1,843)	0		
Deferral Account - PP&E		2012	2013	2014
		\$000s	\$000s	\$000s
Opening Balance	0	1,843	1,382	922
Amount added in year	1,843	0	0	0
Amount of Amortization, included in depreciation expense ¹	0	461	461	461
Closing Balance	1,843	1,382	922	461
Effect on Revenue Requirement of Including Deferral Account Amortization on Rebasing				
Amortization of deferred balance as above	461			
Return on rate base associated with deferred balance at WACC (6.95%)	128			
Amount included in Revenue Requirement on rebasing	589			

Positive - Claim from Customers
Negative - Payable to Customers

¹ Beginning in 2012, amortization of the difference included in the deferral account over a 4 year period and return on the unamortized balance

Attachment E

UNDERTAKING NO. JT1.18:

11. Revenue Requirement Work Form (Board Staff Interrogatory 64d)

- Please update the Revenue Requirement Work Forms for the Test Year and prepare the form under two different bases: CGAAP and MIFRS

OPUCN Response

Please see tables below :

RRWF – Prepared on CGAAP Basis



REVENUE REQUIREMENT WORK FORM

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

Version: 2.1

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		\$3,378,422		\$3,378,422
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	\$1,733,852	\$1,733,852	\$1,733,852	\$1,733,852
	Offsets - net						
4	Total Revenue	\$19,898,485	\$23,949,206	\$20,102,836	\$23,481,257	\$20,102,836	\$23,481,257
5	Operating Expenses	\$17,093,028	\$17,093,028	\$16,909,417	\$16,909,417	\$16,909,417	\$16,909,417
6	Deemed Interest Expense	\$2,474,561	\$2,474,561	\$2,422,915	\$2,422,915	\$2,422,915	\$2,422,915
	Total Cost and Expenses	\$19,567,589	\$19,567,589	\$19,332,332	\$19,332,332	\$19,332,332	\$19,332,332
7	Utility Income Before Income Taxes	\$330,897	\$4,381,618	\$770,504	\$4,148,926	\$770,504	\$4,148,926
8		\$455,587	\$455,587	\$244,592	\$244,592	\$244,592	\$244,592
	Tax Adjustments to Accounting Income per 2009 PILs						
9	Taxable Income	\$786,484	\$4,837,205	\$1,015,096	\$4,393,518	\$1,015,096	\$4,393,518
10	Income Tax Rate	25.63%	25.63%	24.41%	24.41%	24.41%	24.41%
11	Income Tax on Taxable Income	\$201,574	\$1,239,766	\$247,829	\$1,072,647	\$247,829	\$1,072,647
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$129,323	\$3,141,852	\$522,675	\$3,076,279	\$522,675	\$3,076,279
14	Utility Rate Base	\$81,989,864	\$81,989,864	\$80,278,673	\$80,278,673	\$80,278,673	\$80,278,673
	Deemed Equity Portion of Rate Base	\$32,795,945	\$32,795,945	\$32,111,469	\$32,111,469	\$32,111,469	\$32,111,469
15	Income/Equity Rate Base (%)	0.39%	9.58%	1.63%	9.58%	1.63%	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%	-7.95%	0.00%	-7.95%	0.00%
18	Indicated Rate of Return	3.18%	6.85%	3.67%	6.85%	3.67%	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%	-3.18%	0.00%	-3.18%	0.00%
21	Target Return on Equity	\$3,141,852	\$3,141,852	\$3,076,279	\$3,076,279	\$3,076,279	\$3,076,279
22	Revenue Deficiency/(Sufficiency)	\$3,012,529	(\$0)	\$2,553,603	\$ -	\$2,553,603	\$ -
23	Gross Revenue	\$4,050,721 (1)		\$3,378,422 (1)		\$3,378,422 (1)	
	Deficiency/(Sufficiency)						

RRWF – Prepared on MIFRS Basis



REVENUE REQUIREMENT WORK FORM

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

Version: 2.1

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		\$4,403,288		\$4,403,288
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	\$1,605,754	\$1,605,754	\$1,605,754	\$1,605,754
	Offsets - net						
4	Total Revenue	\$19,898,485	\$23,949,206	\$19,974,738	\$24,378,026	\$19,974,738	\$24,378,026
5	Operating Expenses	\$17,093,028	\$17,093,028	\$17,725,607	\$17,725,607	\$17,725,607	\$17,725,607
6	Deemed Interest Expense	\$2,474,561	\$2,474,561	\$2,404,327	\$2,404,327	\$2,404,327	\$2,404,327
	Total Cost and Expenses	\$19,567,589	\$19,567,589	\$20,129,935	\$20,129,935	\$20,129,935	\$20,129,935
7	Utility Income Before Income Taxes	\$330,897	\$4,381,618	(\$155,197)	\$4,248,092	(\$155,197)	\$4,248,092
8		\$455,587	\$455,587	\$613,499	\$613,499	\$613,499	\$613,499
	Tax Adjustments to Accounting Income per 2009 PILs						
9	Taxable Income	\$786,484	\$4,837,205	\$458,302	\$4,861,590	\$458,302	\$4,861,590
10	Income Tax Rate	25.63%	25.63%	24.59%	24.59%	24.59%	24.59%
11	Income Tax on Taxable Income	\$201,574	\$1,239,766	\$112,692	\$1,195,413	\$112,692	\$1,195,413
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$129,323	\$3,141,852	(\$267,888)	\$3,052,679	(\$267,888)	\$3,052,679
14	Utility Rate Base	\$81,989,864	\$81,989,864	\$79,662,814	\$79,662,814	\$79,662,814	\$79,662,814
	Deemed Equity Portion of Rate Base	\$32,795,945	\$32,795,945	\$31,865,126	\$31,865,126	\$31,865,126	\$31,865,126
15	Income/Equity Rate Base (%)	0.39%	9.58%	-0.84%	9.58%	-0.84%	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%	-10.42%	0.00%	-10.42%	0.00%
18	Indicated Rate of Return	3.18%	6.85%	2.68%	6.85%	2.68%	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%	-4.17%	0.00%	-4.17%	0.00%
21	Target Return on Equity	\$3,141,852	\$3,141,852	\$3,052,679	\$3,052,679	\$3,052,679	\$3,052,679
22	Revenue Deficiency/(Sufficiency)	\$3,012,529	(\$0)	\$3,320,567	\$ -	\$3,320,567	\$ -
23	Gross Revenue	\$4,050,721 (1)		\$4,403,288 (1)		\$4,403,288 (1)	
	Deficiency/(Sufficiency)						