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November 15, 2011

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Toronto Hydro-Electric System Limited's ("THESL")
2012-2014 Electricity Distribution Rates Application – Responses to Undertakings
OEB File No. EB-2011-0144**

THESL received five undertakings at the Oral Hearing on the Preliminary Issue held on November 11, 2011. Enclosed are THESL's responses to these undertakings.

Please direct any questions or comments to my attention.

Yours truly,

[original signed by]

Glen A. Winn
Manager, Regulatory Applications & Compliance

.encl

:GAW/acc

cc: J. Mark Rodger, Counsel for THESL
Intervenors of Record for EB-2011-0144

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

UNDERTAKING NO. J2.1:

Reference(s): **none provided**

To provide full list of projects that would be eligible for the incremental capital module, and their dollar values.

RESPONSE:

In Hydro One's EB-2008-0187 Decision (pp. 8-9), the Board stated, "In fact what the Board requires in considering an application under the incremental capital module is a demonstration that the distributor is facing extraordinary and unanticipated capital spending requirements; i.e. something other than the normal course of business".

The Board's IRM decision for Guelph Hydro in EB-2010-0130 and Oakville Hydro in EB-2010-0104, seemed to soften the interpretation of the word "unanticipated" to some extent by allowing municipal transformer stations to be approved for recovery through the ICM mechanism.

Based on these Decisions, and the Board's July 14, 2008 "Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors", THESL concludes that the only capital that may be considered eligible by the Board for ICM treatment in THESL's case, would be Bremner station and potentially contributions to HONI for Leaside-Birch transmission reinforcement. The amounts are presented below.

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

	2012	2013	2014
Bremner Station [1]	66.8	31.9	6.0
HONI Contributions [2]	19.8	17.5	-
Total	86.6	49.4	6.0

Notes: [1] See Exhibit D1, Tab 10, Schedule 4

[2] See Exhibit D1, Tab 10, Schedule 7 comprising the Leaside-Birch and Bremner Station project contributions

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

UNDERTAKING NO. J2.2:

Reference(s): none provided

To provide response to whether all six member utilities that amalgamated to become Toronto Hydro-Electric have the same job classifications – i.e., truck driver and linemen and possibly equipment operator – necessary to do the single job of erecting a pole and framing it.

RESPONSE:

Prior to amalgamation, while different utilities had different job descriptions and classifications that varied in scope, member utilities such as Scarborough and Toronto had separate positions that existed for (a) transporting the pole to the jobsite and (b) installing the pole using a mobile crane. At amalgamation, the “MCO / Driver” classification was created. This position was then further harmonized with the Heavy Equipment Operator position to create the “MCO / HEO” classification, that is capable of carrying out the (a) and (b) functions listed above, as well as operating heavy digging equipment capable of loading materials (screening) used in the pole installation process. With respect to pole framing, this function has traditionally been done by linepersons, and continues to be done by Certified Power Line Persons (“CPLPs”) today. CPLPs continue to be able to assist with the delivery and installation of poles as required, however jobs involving multiple installations are typically assigned to MCO/HEO crews.

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

UNDERTAKING NO. J2.3:

Reference(s): none provided

To provide order of magnitude for potential impact of switching from underground to overhead lines.

RESPONSE:

The underground portfolio investment over the next ten years is forecast to be in the order of $1.8 billion; about 60% of this investment is cable replacement which may have an overhead equivalent.

If an equivalent overhead solution could be implemented for the cable replacement, it would cost about 35% of the underground solution. However, there are a host of reasons why an equivalent overhead solution is considerably inferior, and in most cases, could not be implemented, including:

- Overhead systems are exposed to the elements and reliability is known to be significantly worse than underground. Based upon reliability data measured on a per kilometer basis from 2001 to 2011:
  - Sustained customer interruptions ("CI") are 2.1 times higher on the overhead system.
  - Sustained customer hours interrupted ("CHI") are 2.2 times higher on the overhead system.
  - Quantity of sustained interruptions is 2.0 times higher on the overhead system.
  - Quantity of momentary interruptions is 2.1 times higher on the overhead system.
  - Non-asset-related CI is 4.4 times higher on the overhead system.

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

   - Non-asset-related CHI is 7.4 times higher on the overhead system.
   - Quantity of non-asset-related sustained interruptions is 3.4 times higher on the overhead system.
   - Quantity of non-asset-related momentary interruptions is 2.6 times higher on the overhead system.
- The increased risk of electrical contact for employees and the public from the overhead system infrastructure as opposed to the underground equivalent.
- Dense, mature forest in many neighborhoods, or proximity to other overhead structures and buildings, preclude overhead primary distribution in many areas.
- At a number of stations, routing congestion precludes an overhead equivalent for the cable replacement at those locations.
- Customer resistance and community relations impacts associated with changes in the streetscape due to:
   - Perceptions that residential property values will decrease and
   - Aesthetic impacts associated with pruning for primary clearances, poles, lines and hardware.
- Increased resistance for project approvals driven by customer advocate and stakeholder groups.
- In many areas the removal of existing cable infrastructure will be required so those costs, and streetscape disruption will be incurred for no added value.

THESL's experience is that customers do not welcome, and in many cases, engage their Councilors, the media, and others to mount an organized resistance to the introduction of overhead distribution in areas that have historically been underground. THESL has extensive experience engaging home owners on overhead issues. As far back as the late 1980s, when Toronto Hydro started its first conversion of the 4kV distribution system to

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

13.8kV in the Parkdale area, it became apparent, that even increasing voltage levels on its overhead system invited intense customer resistance. The additional tree pruning to accommodate the higher voltage lines was enough to cause some customers to chain themselves to their trees and invite the media. Public resistance became so entrenched that Toronto Hydro was unable to continue with its overhead conversion plans and an underground design was developed and implemented at higher cost.

In any event, even if it was possible for THESL to successfully implement an equivalent overhead solution, the net effect of this “savings” on its annual capital needs would be only approximately $70 million per year. In the event that THESL is put on IRM-PCI, this savings would do very little to offset the IRM-caused CAPEX ”gap” which in the years 2012-2014, THESL estimates as being $450 million, $475 million and $500 million respectively. This IRM-caused CAPEX “gap” is discussed in the Witness Statement of Anthony Haines filed October 31, 2011, and in particular, is illustrated in Figure “c” of that witness statement (page 9 of 14).

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

UNDERTAKING NO. J2.4:

Reference(s): none provided

To explain why incremental adjustment calculation in Exhibit R1, Tab 2, Schedule 18, Appendix A is 8.57 percent, rather than the Board-approved 9.58 percent.

RESPONSE:

Appendix A used the default cost of capital rates as populated in the Board's latest ICM workbook. Using the 2011 Board-Approved cost of capital rates for THESL (ROE of 9.58%, Short-term debt of 2.46%, and Long-Term debt of 5.37%) results in an increase in the ICM revenue requirement calculated in the response by approximately $600k. Corrected Appendices (A, B and C) are attached.

Incremental Capital Adjustment

Current Revenue Requirement

Current Revenue Requirement - Total			$ 522,044,343	A

Return on Rate Base

Incremental Capital CAPEX			$ 397,149,383	B
Depreciation Expense			$ 5,249,817	C
Incremental Capital CAPEX to be included in Rate Base			$ 391,899,566	D = B - C
Deemed ShortTerm Debt %	4.0%	E	$ 15,675,983	G = D * E
Deemed Long Term Debt %	56.0%	F	$ 219,463,757	H = D * F
Short Term Interest	2.46%	I	$ 385,629	K = G * I
Long Term Interest	5.37%	J	$ 11,785,204	L = H * J
Return on Rate Base - Interest			$ 12,170,833	M = K + L
Deemed Equity %	40.0%	N	$ 156,759,826	P = D * N
Return on Rate Base -Equity	9.58%	O	$ 15,017,591	Q = P * O
Return on Rate Base - Total			$ 27,188,424	R = M + Q

Amortization Expense

Amortization Expense - Incremental		C	$ 5,249,817	S

Grossed up PIL's

Regulatory Taxable Income		O	$ 15,017,591	T
Add Back Amortization Expense		S	$ 5,249,817	U
Deduct CCA			$ 31,771,951	V
Incremental Taxable Income			-$ 11,504,542	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	28.3%	X		
PIL's Before Gross Up			-$ 3,250,033	Y = W * X
Incremental Grossed Up PIL's			-$ 4,529,663	Z = Y / (1 - X)

Ontario Capital Tax

Incremental Capital CAPEX			$ 397,149,383	AA
Less : Available Capital Exemption (if any)			$ -	AB
Incremental Capital CAPEX subject to OCT			$ 397,149,383	AC = AA - AB
Ontario Capital Tax Rate (F1.1 Z-Factor Tax Changes)	0.000%	AD		
Incremental Ontario Capital Tax			$ -	AE = AC * AD

Incremental Revenue Requirement

Return on Rate Base - Total		Q	$ 27,188,424	AF
Amortization Expense - Total		S	$ 5,249,817	AG
Incremental Grossed Up PIL's		Z	-$ 4,529,663	AH
Incremental Ontario Capital Tax		AE	$ -	AI
Incremental Revenue Requirement			$ 27,908,579	AJ = AF + AG + AH + AI

Calculation of Incremental Capital Rate Rider - Option A Fixed and Variable

Rate Class	Service Charge % Revenue A	Distribution Volumetric Rate % Revenue kWh B	Distribution Volumetric Rate % Revenue kW C	Service Charge Revenue D = $N * A	Distribution Volumetric Rate Revenue kWh E = $N * B	Distribution Volumetric Rate Revenue kW F = $N * C	Total Revenue by Rate Class G = D + E + F
Residential	25.9%	14.2%	0.0%	$ 7,224,653.42	$ 3,956,906.60	$ -	$ 11,181,560.02
General Service Less Than 50 kW	3.6%	9.0%	0.0%	$ 1,015,521.34	$ 2,509,408.83	$ -	$ 3,524,930.17
General Service 50 to 999 kW	1.1%	0.0%	28.6%	$ 295,080.43	$ -	$ 7,977,169.17	$ 8,272,249.60
General Service 1,000 to 4,999 kW	0.8%	0.0%	8.9%	$ 224,099.22	$ -	$ 2,493,398.86	$ 2,717,498.08
Large Use	0.3%	0.0%	4.5%	$ 89,825.59	$ -	$ 1,252,962.99	$ 1,342,788.58
Street Lighting	0.5%	0.0%	1.8%	$ 134,598.83	$ -	$ 489,584.58	$ 624,183.41
Unmetered Scattered Load	0.2%	0.6%	0.0%	$ 66,833.96	$ 178,181.25	$ -	$ 245,015.21
Unmetered Scattered Load	0.0%	0.0%	0.0%	$ 353.83	$ -	$ -	$ 353.83
				$ 9,050,966.62	$ 6,644,496.68	$ 12,213,115.60	$ 27,908,578.91
							-
							N

Rate Class	Billed Customers or Connections H	Billed kWh I	Billed kW J	Service Charge Rate Rider K = D / H / 12	Distribution Volumetric Rate kWh Rate Rider L = E / I	Distribution Volumetric Rate kW Rate Rider M = F / J	Service Charge Rate Rider (DOS)	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider (DOS)
Residential	623,406	4,986,768,673	0	$0.965750	$0.000793		0.95	0.00079	
General Service Less Than 50 kW	65,792	2,139,318,076	0	$1.286275	$0.001173		1.27	0.00117	
General Service 50 to 999 kW	13,067	10,116,374,153	26,935,191	$1.881907	$0.000000	$0.296162	1.86		0.2921
General Service 1,000 to 4,999 kW	514	4,626,928,262	10,587,119	$36.332559	$0.000000	$0.235512	35.83		0.2323
Large Use	47	2,376,778,323	4,993,733	$159.265226	$0.000000	$0.250907	157.08		0.2475
Street Lighting	162,777	110,165,016	322,023	$0.068908	$0.000000	$1.520341	0.07		1.4995
Unmetered Scattered Load	21,729	56,231,585	0	$0.256315	$0.003169		0.25	0.00317	
Unmetered Scattered Load	1,130	0	0	$0.026101			0.03		

Enter the above rate riders onto Sheet
"J2.8 Incremental Capital Rate Rider"
of the 2011 OEB IRM3 Rate Generator.

2012 Summary Table - Monthly Bill Impacts - Percentage Change from Current Rates

Class	Consumption/Demand	Distribution (incl. Incr. Capital Rate Riders)	Distribution + Rate Riders	Total Bill
Residential	800 kWh	5.9%	14.8%	3.9%
General Service < 50 kW	2000 kWh	5.9%	13.0%	3.5%
General Service 50-999 kW	150,000 kWh / 388 kVA	5.9%	23.7%	2.9%
General Service 1000-4999 kW	800,000 kWh / 1778 kVA	5.9%	27.1%	2.5%
Large Use	4,500,000 kWh / 9,434 kVA	5.9%	29.5%	2.3%
Steet Lighting	9,182,083 kWh / 25,506 kVA	5.9%	-5.4%	-2.7%
Unmetered Scattered Loads	365 kWh	5.9%	4.7%	2.6%

RESIDENTIAL - 800 kWh	Current			Proposed			Impact	
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %
Service Charge (per 30 days)	1	18.25	18.25	1	18.37	18.37	0.12	0.7%
Distribution	800	0.01520	12.16	800	0.02	12.24	0.08	0.7%
Smart Meter Rider (per 30 days)	1	0.68	0.68	1	1.28	1.28	0.60	88.2%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	800	0.00011	0.09	0.09	n/a
Regulatory Assets - 2010/12 Rate Rider	800	(0.00189)	(1.51)	800	(0.00049)	(0.39)	1.12	-74.1%
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	800	(0.00043)	(0.34)	-	-	-	0.34	-100.0%
Contact Voltage	1	0.16	0.16	-	-	-	(0.16)	-100.0%
Late Payment Penalty	1	0.24	0.24	1	0.24	0.24	-	0.0%
Incremental Capital Rate Rider - Service Charge				1	0.95	0.95	0.95	n/a
Incremental Capital Rate Rider - Distribution				800	0.00079	0.63	0.63	n/a
Foregone Revenue Rate Rider - fixed rate	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	800	(0.00017)	(0.14)	-	-	-	0.14	-100.0%
Sub Total A - Distribution			29.50			33.87	4.38	14.8%
RTST - Network	830	0.00703	5.84	830	0.00688	5.71	(0.12)	-2.1%
RTSR - Connection	830	0.00513	4.26	830	0.00520	4.32	0.06	1.4%
Sub Total B (including Sub-Total A) - Distribution			39.59			43.90	4.31	10.9%
Wholesale Market Rate	830	0.00520	4.32	830	0.00520	4.32	-	0.0%
RRRP	830	0.00130	1.08	830	0.00130	1.08	-	0.0%
DRC	800	0.00700	5.60	800	0.00700	5.60	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%
SPC	830	-	-	830	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	600	0.068	40.80	600	0.068	40.80	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	230	0.079	18.18	230	0.079	18.18	-	0.0%
Total Bill (including Sub-Total B)			109.81			114.12	4.31	3.9%

	kWh
Consumption Details	**800**
Total Loss Factor	1.0376

GS < 50 kWh with 2,000 kWh	Current			Proposed			Impact	
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %
Service Charge (per 30 days)	1	24.30	24.30	1	24.47	24.47	0.17	0.7%
Distribution	2,000	0.02247	44.94	2,000	0.02262	45.25	0.31	0.7%
Smart Meter Rider (per 30 days)	1	0.68	0.68	1	1.01	1.01	0.33	48.5%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	2,000	0.00008	0.16	0.16	n/a
Regulatory Assets - 2010/12 Rate Rider	2,000	(0.00179)	(3.58)	2,000	(0.00045)	(0.90)	2.68	-74.9%
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	2,000	(0.00044)	(0.88)	-	-	-	0.88	-100.0%
Contact Voltage	1	0.16	0.16	-	-	-	(0.16)	-100.0%
Late Payment Penalty	1	0.69	0.69	1	0.69	0.69	-	0.0%
Incremental Capital Rate Rider - Service Charge				1	1.27	1.27	1.27	n/a
Incremental Capital Rate Rider - Distribution				2,000	0.00117	2.34	2.34	n/a
Foregone Revenue Rate Rider - fixed rate	1	-	-				-	n/a
Foregone Revenue Rate Rider - variable rate	2,000	(0.00008)	(0.16)				0.16	-100.0%
Sub Total A - Distribution			66.15			74.74	8.59	13.0%
RTST - Network	2,075	0.00680	14.11	2,075	0.00695	14.42	0.31	2.2%
RTSR - Connection	2,075	0.00463	9.61	2,075	0.00490	10.17	0.56	5.8%
Sub Total B (including Sub-Total A) - Distribution			89.87			99.33	9.46	10.5%
Wholesale Market Rate	2,075	0.0052	10.79	2,075	0.00520	10.79	-	0.0%
RRRP	2,075	0.0013	2.70	2,075	0.00130	2.70	-	0.0%
DRC	2,000	0.0070	14.00	2,000	0.00700	14.00	-	0.0%
Standard Supply Service Charge	1.00	0.25	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	2,075	-	-	2,075	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750	0.068	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	1,325	0.079	104.69	1,325	0.079	104.69	-	0.0%
Total Bill (including Sub-Total B)			273.30			282.76	9.46	3.5%

	kWh
Consumption Details	**2,000.00**
Total Loss Factor	1.0376

GS > 50 < 1000	Current			Proposed			Impact	
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %
Service Charge (per 30 days)	1	35.56	35.56	1	35.80	35.80	0.24	0.7%
Distribution	388	5.5956	2,171.09	388	5.6337	2,185.86	14.76	0.7%
Smart Meter Rider (per 30 days)	1	0.68	0.68	1	$1.26	1.26	0.58	85.3%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	388	0.0207	8.03	8.03	n/a
Regulatory Assets - 2010/12 Rate Rider	388	(0.6119)	(237.42)	388	(0.2563)	(99.44)	137.97	-58.1%
Regulatory Assets - Global Adjustment - Non RPP	150,000	0.00053	79.50	150,000	0.00137	205.50	126.00	158.5%
Regulatory Assets - 2011 Rate Rider	388	(0.18070)	(70.11)	-	-	-	70.11	-100.0%
Contact Voltage	1	0.04	0.04	-	-	-	(0.04)	-100.0%
Late Payment Penalty	1	8.37	8.37	1	8.37	8.37	-	0.0%
Incremental Capital Rate Rider - Service Charge				1	1.86	1.86	1.86	n/a
Incremental Capital Rate Rider - Distribution				388	0.2921	113.33	113.33	n/a
Foregone Revenue Rate Rider - fixed rate	1	0.02000	0.02	-	-	-	(0.02)	-100.0%
Foregone Revenue Rate Rider - variable rate	388	0.00420	1.63	-	-	-	(1.63)	-100.0%
Sub Total A - Distribution			1,989.36			2,461.03	471.67	23.7%
RTST - Network	349	2.4351	849.85	349	2.5087	875.54	25.69	3.0%
RTSR - Connection	349	1.7630	615.29	349	1.8092	631.41	16.12	2.6%
Sub Total B (including Sub-Total A) - Distribution			3,454.50			3,967.98	513.48	14.9%
Wholesale Market Rate	155,640	0.0052	809.33	155,640	0.0052	809.33	-	0.0%
RRRP	155,640	0.0013	202.33	155,640	0.0013	202.33	-	0.0%
DRC	150,000	0.0070	1,050.00	150,000	0.0070	1,050.00	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	155,640	-	-	155,640	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750	0.068	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	154,890	0.079	12,236.31	154,890	0.079	12,236.31	-	0.0%
Total Bill (including Sub-Total B)			17,803.72			18,317.20	513.48	2.9%

	kWh	kW	kVA	Hours Use	PF	Net/Conn
Consumption Details	150,000	349	388	430	90%	100%
Total Loss Factor	1.0376					

GS > 1000 < 5000	Current			Proposed			Impact	
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %
Service Charge (per 30 days)	1	686.46	686.46	1	691.13	691.13	4.67	0.7%
Distribution	1,778	4.4497	7,911.57	1,778	4.4800	7,965.37	53.80	0.7%
Smart Meter Rider (per 30 days)	1	0.68	0.68	-	-	-	(0.68)	-100.0%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	1,778	0.0294	52.27	52.27	n/a
Regulatory Assets - 2010/12 Rate Rider	1,778	(0.6922)	(1,230.73)	1,778	(0.3026)	(538.02)	692.71	-56.3%
Regulatory Assets - Global Adjustment - Non RPP	800,000	0.00055	440.00	800,000	0.00149	1,192.00	752.00	170.9%
Regulatory Assets - 2011 Rate Rider	1,778	(0.2133)	(379.25)	-	-	-	379.25	-100.0%
Contact Voltage	-	-	-	-	-	-	-	n/a
Late Payment Penalty	1.00	69.81	69.81	1	69.81	69.81	-	0.0%
Incremental Capital Rate Rider - Service Charge				1	35.83	35.83	35.83	n/a
Incremental Capital Rate Rider - Distribution				1,778	0.2323	413.03	413.03	n/a
Foregone Revenue Rate Rider - fixed rate	1.00	8.98	8.98	-	-	-	(8.98)	-100.0%
Foregone Revenue Rate Rider - variable rate	1,778	0.1492	265.28	-	-	-	(265.28)	-100.0%
Sub Total A - Distribution			7,772.80			9,881.87	2,109.08	27.1%
RTST - Network	1,600	2.3527	3,764.32	1,600	2.4225	3,876.00	111.68	3.0%
RTSR - Connection	1,600	1.7613	2,818.08	1,600	1.8084	2,893.44	75.36	2.7%
Sub Total B (including Sub-Total A) - Distribution			14,355.20			16,651.31	2,296.12	16.0%
Wholesale Market Rate	830,080	0.00520	4,316.42	830,080	0.00520	4,316.42	-	0.0%
RRRP	830,080	0.00130	1,079.10	830,080	0.00130	1,079.10	-	0.0%
DRC	800,000	0.00700	5,600.00	800,000	0.00700	5,600.00	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	830,080	-	-	830,080	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750	0.068	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	829,330	0.079	65,517.07	829,330	0.079	65,517.07	-	0.0%
Total Bill (including Sub-Total B)			90,919.04			93,215.15	2,296.12	2.5%

	kWh	kW	kVA	Hours Use	PF	Net/Conn
Consumption Details	800,000	1,600	1,778	500	90%	100%
Total Loss Factor	1.0376					

Large Use	Current			Proposed			Impact	
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %
Service Charge (per 30 days)	1	3,009.11	3,009.11	1	3,029.57	3,029.57	20.46	0.7%
Distribution	9,434	4.7406	44,722.82	9,434	4.7728	45,026.94	304.12	0.7%
Smart Meter Rider (per 30 days)	1	0.68	0.68	-	-	-	(0.68)	-100.0%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	9,434	0.0718	677.36	677.36	n/a
Regulatory Assets - 2010/12 Rate Rider	9,434	(0.7477)	(7,053.80)	9,434	(0.3005)	(2,834.92)	4,218.88	-59.8%
Regulatory Assets - Global Adjustment - Non RPP	4,500,000	0.00053	2,385.00	4,500,000	0.00148	6,660.00	4,275.00	179.2%
Regulatory Assets - 2011 Rate Rider	9,434	(0.23340)	(2,201.90)	-	-	-	2,201.90	-100.0%
Contact Voltage	-	-	-	-	-	-	-	n/a
Late Payment Penalty	1	304.62	304.62	1	304.62	304.62	-	0.0%
Incremental Capital Rate Rider - Service Charge				1	157.08	157.08	157.08	n/a
Incremental Capital Rate Rider - Distribution				9,434	0.2475	2,334.92	2,334.92	n/a
Foregone Revenue Rate Rider - fixed rate	1	45.52	45.52	-	-	-	(45.52)	-100.0%
Foregone Revenue Rate Rider - variable rate	9,434	0.16090	1,517.93	-	-	-	(1,517.93)	-100.0%
Sub Total A - Distribution			42,729.98			55,356.03	12,626.04	29.5%
RTST - Network	8,491	2.6820	22,772.86	8,491	2.6257	22,294.82	(478.04)	-2.1%
RTSR - Connection	8,491	1.9567	16,614.34	8,491	1.9149	16,259.42	(354.92)	-2.1%
Sub Total B (including Sub-Total A) - Distribution			82,117.19			93,910.26	11,793.08	14.4%
Wholesale Market Rate	4,584,150	0.0052	23,837.58	4,584,150	0.0052	23,837.58	-	0.0%
RRRP	4,584,150	0.0013	5,959.40	4,584,150	0.0013	5,959.40	-	0.0%
DRC	4,500,000	0.0070	31,500.00	4,500,000	0.0070	31,500.00	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	4,584,150	-	-	4,584,150	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750	0.068	51.00	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	4,583,400	0.079	362,088.60	4,583,400	0.079	362,088.60	-	0.0%
Total Bill (including Sub-Total B)			505,554.01			517,347.09	11,793.08	2.3%
	kWh	**kW**	**kVA**	**Hours Use**	**PF**	**Net/Conn**		
Consumption Details	4,500,000	8,491	9,434	530	90%	100%		
Total Loss Factor	1.0187							

Street Lighting	Current			Proposed			Impact		
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %	
Connection Charge	162,353	1.30	211,059.44	162,353	1.31	212,494.64	1,435.20	0.7%	0.68%
Distribution	25,755	28.7248	739,807.22	25,755	28.9201	744,837.91	5,030.69	0.7%	0.68%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a	
Regulatory Assets - 2010/12 Rate Rider	25,755	(0.7499)	(19,313.67)	25,755	(0.3015)	(7,765.13)	11,548.54	-59.8%	
Regulatory Assets - Global Adjustment - RPP	-	-	-	9,271,748	0.00139	12,887.73	12,887.73	n/a	
Regulatory Assets - 2011 Rate Rider	25,755.00	(0.18680)	(4,811.03)	-	-	-	4,811.03	-100.0%	
Contact Voltage	162,353	0.92	149,365.14	-	-	-	(149,365.14)	-100.0%	
Late Payment Penalty	162,353	0.04	6,494.14	162,353	0.04	6,494.14	-	0.0%	
Incremental Capital Rate Rider - Service Charge				162,353	0.07	11,364.74	11,364.74	n/a	
Incremental Capital Rate Rider - Distribution				25,755	1.4995	38,619.62	38,619.62	n/a	
Foregone Revenue Rate Rider - fixed rate	162,353	(0.01)	(1,623.53)	-	-	-	1,623.53	-100.0%	
Foregone Revenue Rate Rider - variable rate	25,755.00	(0.16580)	(4,270.18)	-	-	-	4,270.18	-100.0%	
Sub Total A - Distribution			1,076,707.52			1,018,934.11	(57,773.41)	-5.4%	
RTST - Network	25,755	2.1658	55,780.18	25,755	2.2185	57,137.47	1,357.29	2.4%	
RTSR - Connection	25,755	2.1022	54,142.16	25,755	2.1474	55,306.29	1,164.13	2.2%	
Sub Total B (including Sub-Total A) - Distribution		-	1,186,629.86		-	1,131,377.87	(55,252.00)	-4.7%	
Wholesale Market Rate	9,620,365	0.0052	50,025.90	9,620,365	0.0052	50,025.90	-	0.0%	
RRRP	9,620,365	0.0013	12,506.47	9,620,365	0.0013	12,506.47	-	0.0%	
DRC	9,271,748	0.0070	64,902.23	9,271,748	0.0070	64,902.23	-	0.0%	
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%	
Special Purpose Charge	9,620,365	-	-	9,620,365	-	-	-	n/a	
Cost of Power Commodity - 1st Tier (May 1st 2010)	750	0.068	51.00	750	0.068	51.00	-	0.0%	
Cost of Power Commodity - 2nd Tier (May 1st 2010)	9,619,615	0.079	759,949.60	9,619,615	0.079	759,949.60	-	0.0%	
Total Bill (including Sub-Total B)			2,074,065.32			2,018,813.33	(55,252.00)	-2.7%	

	kWh	Connections	kW	KVA	**Hours Use**	**PF**	**Net/Conn**
Consumption Details	9,271,747.50	162,353	25,755	25,755.00	360	100%	100%
Total Loss Factor	1.0376						

USL	Current			Proposed			Impact	
	Volume	Rate $	Charge $	Volume	Rate $	Charge $	Change $	Change %
Service Charge (per 30 days)	1	4.84	4.84	1	4.87	4.87	0.03	0.7%
Connection Charge	1	0.49	0.49	1	0.4933	0.49	0.00	0.7%
Distribution	365	0.06070	22.16	365	0.0611	22.31	0.15	0.7%
GEA Rate Rider	-	-	-	1	0.46	0.46	0.46	n/a
LRAM Rider	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2010/12 Rate Rider	365	(0.00197)	(0.72)	365	(0.00050)	(0.18)	0.54	-74.6%
Regulatory Assets - Global Adjustment - RPP	-	-	-	-	-	-	-	n/a
Regulatory Assets - 2011 Rate Rider	365	(0.00041)	(0.15)	-	-	-	0.15	-100.0%
Contact Voltage	1	1.51	1.51	-	-	-	(1.51)	-100.0%
Late Payment Penalty	1	0.09	0.09	1	0.09	0.09	-	0.0%
Incremental Capital Rate Rider - Service Charge				1	0.25	0.25	0.25	n/a
Incremental Capital Rate Rider - Connection Charge				1	0.03	0.03	0.03	n/a
Incremental Capital Rate Rider - Distribution				365	0.00317	1.16	1.16	n/a
Foregone Revenue Rate Rider - fixed rate - customer	1	(0.03)	(0.03)	-	-	-	0.03	-100.0%
Foregone Revenue Rate Rider - variable rate - connection	-	-	-	-	-	-	-	n/a
Foregone Revenue Rate Rider - variable rate	365	(0.00007)	(0.03)	-	-	-	0.03	-100.0%
Sub Total A - Distribution			28.16			29.48	1.32	4.7%
RTST - Network	379	0.00428	1.62	379	0.00474	1.80	0.17	10.7%
RTSR - Connection	379	0.00324	1.23	379	0.00358	1.36	0.13	10.5%
Sub Total B (including Sub-Total A) - Distribution			31.01			32.63	1.62	5.2%
Wholesale Market Rate	379	0.0052	1.97	379	0.0052	1.97	-	0.0%
RRRP	379	0.0013	0.49	379	0.0013	0.49	-	0.0%
DRC	365	0.0070	2.56	365	0.0070	2.56	-	0.0%
Standard Supply Service Charge	1	0.25	0.25	1	0.25	0.25	-	0.0%
Special Purpose Charge	-	-	-	-	-	-	-	n/a
Cost of Power Commodity - 1st Tier (May 1st 2010)	379	0.068	25.75	379	0.068	25.75	-	0.0%
Cost of Power Commodity - 2nd Tier (May 1st 2010)	-	0.079	-	-	0.079	-	-	n/a
Total Bill (including Sub-Total B)			62.03			63.65	1.62	2.6%

	Kwh	Customer	Connection
Consumption Details	365	1	1
Total Loss Factor	1.0376		

UNDERTAKING RESPONSES ON PRELIMINARY ISSUE

UNDERTAKING NO. J2.5:

Reference(s): none provided

To ask shareholder for permission to release shareholder direction under confidentiality.

RESPONSE:

The City of Toronto has advised that it declines the request to release its Shareholder Direction publicly or under the Board's confidential guidelines. The City of Toronto has further advised that the Shareholder Direction from the City of Toronto to Toronto Hydro Corporation is a restricted document between the Corporation and its sole shareholder.