

EB-2011-0272

**NORFOLK POWER DISTRIBUTION INC.
2012 RATES REBASING CASE
EB-2011-0272**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory #1

Ref: Exhibit 1, Tab 1, Schedule 2, page 2

Please confirm that the rate order sought by Norfolk in this application is for rates effective May 1, 2012, not May 1, 2011 as stated at the bottom of page 2.

Response:

Norfolk confirms this application is for rates effective May 1, 2012.

Interrogatory #2

Ref: Exhibit 1, Tab 1, Schedule 4, page 2

Has Norfolk started paying a charge to the IESO for the provincial MDM/R in the 2011 rate year? If not, what is the current expectation of when these payments will commence?

Response:

Norfolk has not started paying charges to the IESO for the MDM/R. Norfolk has inquired of its account representative at the MDM/R and been told the billing details have not been finalized. No date for the potential start of billing was indicated.

Interrogatory #3

Ref: Exhibit 1, Tab 1, Schedule 13

Are any costs associated with the Board of Directors of Norfolk Energy Inc. and/or Norfolk Power Inc. or any other affiliate included in the Norfolk revenue requirement? If so, please quantify.

Response:

Norfolk has not included in its revenue requirement any costs associated with the Board of Directors of Norfolk Energy or its parent company, Norfolk Power Inc. Also, Norfolk has also removed the costs associated with the NPI Board of Directors from its historical costs for comparison purposes, as provided in Exhibit 4, Tab 1, Schedule 1, page 2.

Interrogatory #4

Ref: Exhibit 1, Tab 3, Schedule 2

- a) Please explain why property taxes have been removed from the OM&A expense in 2009, as shown in Table 1.3.**

Response:

In 2009 financial statements property taxes were included in Administrative and General Expense. In both 2008 and 2010 property taxes were reported under "Taxes other than amounts in lieu of corporate taxes". The removal for 2009 was to make consistent comparisons with 2008 and 2010 in Table 1.3.

- b) With respect to the adjusting entry related to the use of the half-year depreciation rule for 2007, 2008 and 2009, please indicate and provide references to how the depreciation expense was calculated in the 2008 cost of service application for the test year. In particular, did the Board approved revenue requirement include depreciation based on the application of the half-year rule for assets added in the current year, or was it based on the application of the full year methodology that Norfolk appears to have used for 2007, 2008 and 2009?**

Response:

The Board approved revenue requirement calculated in the 2008 cost of service application included depreciation based on the application of the half-year rule for assets added in the current year. Norfolk has provided the 2007 Bridge and 2008 Test year calculations using tables supplied by Norfolk in its 2008 COS application (Please see Appendix 1 2008 COS_FA Cont Scheds to Prove Half year Rule Energy Probe IR 4b), based on the OEB's current model for depreciation found in the Chapter 2 Filing Requirements excel file – please see Appendix 2 Amortization Calculations to Prove Half Year Rule Used in 2008 COS Energy Probe IR 4b . Note that the gross fixed assets, the additions for each year, and the calculated depreciation match very closely to what the OEB's model calculates (and this model uses the half-year rule for capital additions in the year of acquisition). Norfolk has also provided a copy of the rate base table from its July 15, 2008 submission (relating to the 2008 COS application) that was subsequently approved by the Board in its August 1, 2008 decision.

Please see Appendix 3 Norfolk_Revised_Submission_Draft_Rate_Order_20080715 Energy Probe IR 4b.

Interrogatory #5

Ref: Exhibit 2, Tab 2, Schedule 1, Table 2.4

a) Please break out the Disposals/Adjustments column to Accumulated Depreciation to reflect by account the adjustment for 2007 through 2009 cumulative effect of adopting the half year rule, and the adjustments related to the Disposals/Adjustments to gross assets made in 2010.

Response:

Norfolk has provided a table which breaks out the Disposals/Adjustments column to Accumulated Depreciation to reflect by account the adjustment for 2007 through 2009 cumulative effect of adopting the half-year rule, and the adjustments related to the Disposals/Adjustments to gross assets made in 2010.

ENERGY PROBE - QUESTION 5 (Ref: Exh 2/Tab 2/Sched 1/ Table 2.4)

CCA Class	OEB	Description	Accum Deprec TABLE 2.4 Disposals / Adjustments	RECONCILE DISPOSALS/ADJUSTMENTS TO ACCUMULATED DEPRECIATION IN 2010						Total Disposals/ Adjustments	Difference (Table 2.4) to Reconciliation
				2007 Adjust Deprec for Half- Year Rule	2008 Adjust Deprec for Half- Year Rule	2009 Adjust Deprec for Half- Year Rule	2010 Write-Off Fully Depreciated	2010 Disposals			
N/A	1805	Land		\$0	\$0	\$0			\$0	\$ -	
	1806	Land Rights		\$0	\$0	\$0			\$0	0	
47	1808	Buildings	\$ 1,648	\$0	\$741	\$908			\$1,648	0	
13	1810	Leasehold Improvements		\$0	\$0	\$0			\$0	0	
47	1815	Transformer Station Equipment >50 kV	\$ 5,176	\$3,505	\$1,671	\$0			\$5,176	0	
47	1820	Distribution Station Equipment <50 kV	\$ 1,415,631	\$11,486	\$13,452	\$3,938	\$1,386,755		\$1,415,631	0	
47	1825	Storage Battery Equipment		\$0	\$0	\$0			\$0	0	
47	1830	Poles, Towers & Fixtures	\$ 5,748,601	\$25,289	\$16,492	\$20,131	\$5,686,690		\$5,748,601	0	
47	1835	Overhead Conductors & Devices	\$ 2,802,934	\$20,662	\$17,321	\$14,651	\$2,750,300		\$2,802,934	0	
47	1840	Underground Conduit	\$ 11,576	\$4,240	\$1,086	\$6,250			\$11,576	0	
47	1845	Underground Conductors & Devices	\$ 1,228,921	\$10,160	\$3,533	\$10,303	\$1,204,925		\$1,228,921	0	
47	1850	Line Transformers	\$ 44,045	\$20,796	\$14,821	\$8,428			\$44,045	0	
47	1855	Services (Overhead & Underground)	\$ 17,900	\$6,650	\$5,707	\$5,542			\$17,900	0	
47	1860	Meters	\$ 10,181	\$3,751	\$3,757	\$2,673			\$10,181	0	
47	1860	Meters (Smart Meters)							\$0	0	
N/A	1905	Land		\$0	\$0	\$0		\$0	\$0	0	
CEC	1906	Land Rights		\$0	\$0	\$0		\$0	\$0	0	
47	1908	Buildings & Fixtures	\$ 2,679	\$1,729	\$688	\$262			\$2,679	0	
13	1910	Leasehold Improvements							\$0	0	
8	1915	Office Furniture & Equipment (10 years)	\$ 266,478	\$788	\$771	\$204	\$264,715		\$266,478	0	
8	1915	Office Furniture & Equipment (5 years)							\$0	0	
10	1920	Computer Equipment - Hardware	\$ 636,791	\$6,985	\$17,987	\$2,400	\$609,419		\$636,791	0	
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)							\$0	0	
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)							\$0	0	
12	1925	Computer Software	\$ 156,246	\$5,594	\$3,043	\$501	\$147,109		\$156,246	0	
12	1925	Computer Software (Smart Meters)							\$0	0	
10	1930	Transportation Equipment	\$ 618,087				\$577,471	\$40,616	\$618,087	0	
8	1935	Stores Equipment	\$ 81,339	\$125	\$66	\$16	\$81,132		\$81,339	0	
8	1940	Tools, Shop & Garage Equipment	\$ 420,526	\$822	\$1,641	\$907	\$417,155		\$420,526	0	
8	1945	Measurement & Testing Equipment	\$ 1,672	\$230	\$629	\$813			\$1,672	0	
8	1950	Power Operated Equipment							\$0	0	
8	1955	Communications Equipment	\$ 2,599	\$606	\$1,993	\$0			\$2,599	0	
8	1955	Communication Equipment (Smart Meters)							\$0	0	
8	1960	Miscellaneous Equipment	\$ 13,640	\$832	\$594	\$12,214			\$13,640	0	
47	1975	Load Management Controls Utility Premises	\$ 16,565	\$0	\$0	\$0	\$16,565		\$16,565	0	
47	1980	System Supervisor Equipment	\$ 64	\$1	\$0	\$63			\$63	0	
45.1	1980	System Supervisor Equipment - Hardware	\$ 1,265	\$0	\$995	\$270			\$1,265	0	
47	1985	Miscellaneous Fixed Assets							\$0	0	
47	1995	Contributions & Grants	-\$ 29,144	(\$19,884)	(\$6,629)	(\$2,630)			(\$29,144)	0	
8	2005	Property Under Capital Lease							\$0	0	
N/A	2055	Work In Progress							\$0	0	
		Total	\$ 13,475,419	\$104,368	\$100,360	\$87,840	\$13,142,235	\$40,616	\$13,475,418	\$ -	

10	Transportation	-\$	170,213
8	Stores Equipment & Garage Tools	-\$	33,317
12/45	Computer Hardware & Software	-\$	147,866
		-\$	289,866
		-\$	2,351,567

b) For any account in Table 2.4 where the Disposals/Adjustments related to the removal of gross assets is greater than that associated Disposals/Adjustments for accumulated depreciation, please confirm that the asset was not fully depreciated and explain why the asset was removed.

Response:

Account 1930 in Table 2.4 is the only account where the Disposals/Adjustments related to the removal of gross assets is greater than that associated Disposals/Adjustments for accumulated depreciation due to several vehicles that were sold in 2010 that were not fully depreciated. A reconciliation of the difference between removal from Gross Assets of \$659,750 and the removal from Accumulated Depreciation of \$618,087 is provided below.

Adjustments/Disposals - Gross Assets (2010)	659,750
Adjustments/Disposals - Accumulated Depreciation (2010)	618,087
Difference to Reconcile	41,663
Difference Comprised of:	
Gross Cost of Fully Depreciated Assets Written off in 2010	577,471
Gross Cost of Assets Sold During 2010	82,279
Accumulated Depreciation on Assets Written off in 2010	(577,471)
Accumulated Depreciation on Assets Sold During 2010	(37,916)
Adjustment to Depreciation Expense re: 2007 Addition That Had not been Amortized to Date	(2,700)
Difference (Gross Assets Less Accumulated Depreciation)	41,663

Interrogatory #6

**Ref: Exhibit 2, Tab 2, Schedule 1, Tables 2.1-2.6 &
Exhibit 2, Tab 5, Schedule 1, Tables 5.1-5.2 & 5.7**

- a) Please confirm that Tables 2.1, 2.2 and 2.3 use the full year rule with respect to the calculation of depreciation for assets added in the current year and that this has been accounted for in Table 2.4 for 2010.**

Response:

Norfolk confirms that Tables 2.1, 2.2 & 2.3 use the full year rule with respect to the calculation of depreciation for assets added in the current year and that this has been accounted for in Table 2.4 for 2010.

- b) Please provide revised Tables 2.4 and 2.5 (for 2010 and 2011) assuming there is no adjustment made in 2010 for the cumulative effect of adopting the half year rule in 2007 through 2009 and that for 2010 and 2011, the full year methodology remains in place.**

Response:

Norfolk has provided revised Tables 2.4 and 2.5 (for 2010 & 2011) assuming there is no adjustment made in 2010 for the cumulative effect of adopting the half-year rule in 2007 through 2009 and that for 2010 and 2011, the full year methodology remains in place.

ENERGY PROBE - 6(b)

**REVISED TABLE 2.4
Fixed Asset Continuity Schedule**

Year Revised 2010 - No Half Year Rule

CCA Class	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation - REVISED				Net Book Value	
				Opening Balance	Additions	Disposals / Adjustments	Closing Balance	Opening Balance	Additions	Disposals / Adjustments	Closing Balance		
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ 391,259	\$ -	\$ -	\$ -	\$ -	\$ 391,259	
	1806	Land Rights		\$ 302,784	\$ -	\$ -	\$ 302,784	\$ -	\$ -	\$ -	\$ -	\$ 302,784	
47	1808	Buildings	2.00%	\$ 1,615,717	\$ 4,361	\$ -	\$ 1,620,078	\$ -	\$ 149,866	\$ 32,402	\$ -	\$ 1,437,811	
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1815	Transformer Station Equipment >50 kV	2.00%	\$ 3,215,596	\$ 5,696,787	\$ -	\$ 8,912,383	\$ -	\$ 377,926	\$ 222,846	\$ -	\$ 8,311,611	
47	1820	Distribution Station Equipment <50 kV	3.30%	\$ 4,120,928	\$ 33,675	\$ 1,386,755	\$ 2,767,848	\$ -	\$ 1,691,662	\$ 87,864	\$ 1,386,755	\$ 392,772	\$ 2,375,076
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1830	Poles, Towers & Fixtures	4.00%	\$ 25,698,012	\$ 846,036	\$ 5,686,690	\$ 20,857,358	\$ -	\$ 12,098,600	\$ 865,199	\$ 5,686,690	\$ 7,277,109	\$ 13,580,249
47	1835	Overhead Conductors & Devices	4.00%	\$ 13,715,614	\$ 751,468	\$ 2,750,300	\$ 11,716,783	\$ -	\$ 5,405,305	\$ 468,671	\$ 2,750,300	\$ 3,123,676	\$ 8,593,107
47	1840	Underground Conduit	4.00%	\$ 3,845,066	\$ 160,329	\$ -	\$ 4,005,396	\$ -	\$ 1,373,797	\$ 142,824	\$ -	\$ 1,516,620	\$ 2,488,775
47	1845	Underground Conductors & Devices	4.00%	\$ 7,636,026	\$ 255,331	\$ 1,204,925	\$ 6,686,432	\$ -	\$ 2,729,642	\$ 267,457	\$ 1,204,925	\$ 1,792,174	\$ 4,894,258
47	1850	Line Transformers	4.00%	\$ 11,237,917	\$ 744,525	\$ -	\$ 11,982,442	\$ -	\$ 6,212,344	\$ 557,155	\$ -	\$ 6,769,499	\$ 5,212,942
47	1855	Services (Overhead & Underground)	4.00%	\$ 2,507,308	\$ 271,077	\$ -	\$ 2,778,385	\$ -	\$ 432,561	\$ 111,135	\$ -	\$ 543,696	\$ 2,234,689
47	1860	Meters	4.00%	\$ 4,025,165	\$ 131,968	\$ -	\$ 4,157,133	\$ -	\$ 2,229,621	\$ 158,335	\$ -	\$ 2,387,956	\$ 1,769,176
47	1860	Meters (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ 243,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,636
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1908	Buildings & Fixtures	2.00%	\$ 2,215,638	\$ 91,650	\$ -	\$ 2,307,288	\$ -	\$ 810,205	\$ 34,132	\$ -	\$ 844,337	\$ 1,462,951
13	1910	Leasehold Improvements	10.00%	\$ 6,177	\$ -	\$ -	\$ 6,177	\$ -	\$ 3,223	\$ 640	\$ -	\$ 3,863	\$ 2,314
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 411,687	\$ 5,958	\$ 264,715	\$ 152,930	\$ -	\$ 345,971	\$ 15,326	\$ 264,715	\$ 96,582	\$ 56,348
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	1920	Computer Equipment - Hardware	20.00%	\$ 1,280,299	\$ 44,046	\$ 609,419	\$ 714,926	\$ -	\$ 1,089,266	\$ 107,699	\$ 609,419	\$ 587,546	\$ 127,380
45	1920	Computer Equip. -Hardware(Post Mar. 22/04)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
45.1	1920	Computer Equip. -Hardware(Post Mar. 19/07)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	1925	Computer Software	20.00%	\$ 406,997	\$ 35,884	\$ 147,109	\$ 295,773	\$ -	\$ 284,676	\$ 48,160	\$ 147,109	\$ 185,728	\$ 110,045
12	1925	Computer Software (Smart Meters)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	1930	Transportation Equipment	10% to 25%	\$ 2,122,603	\$ 75,784	\$ 659,750	\$ 1,538,637	\$ -	\$ 1,510,404	\$ 170,213	\$ 659,750	\$ 1,020,867	\$ 517,770
8	1935	Stores Equipment	10.00%	\$ 120,335	\$ 358	\$ 81,132	\$ 39,562	\$ -	\$ 102,515	\$ 3,956	\$ 81,132	\$ 25,339	\$ 14,223
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 727,933	\$ 6,946	\$ 417,155	\$ 317,724	\$ -	\$ 573,406	\$ 31,772	\$ 417,155	\$ 188,023	\$ 129,701
8	1945	Measurement & Testing Equipment	10.00%	\$ 178,973	\$ 1,895	\$ -	\$ 180,868	\$ -	\$ 93,994	\$ 18,087	\$ -	\$ 112,081	\$ 68,788
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1955	Communications Equipment	10.00%	\$ 106,906	\$ 1,021	\$ -	\$ 107,927	\$ -	\$ 47,912	\$ 10,793	\$ -	\$ 58,705	\$ 49,222
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1960	Miscellaneous Equipment	10.00%	\$ 412,334	\$ 15,885	\$ -	\$ 428,220	\$ -	\$ 100,640	\$ 42,822	\$ -	\$ 143,462	\$ 284,758
47	1975	Load Management Controls Utility Premises	N/A	\$ 16,565	\$ -	\$ 16,565	\$ -	\$ -	\$ 16,565	\$ -	\$ -	\$ -	
47	1980	System Supervisor Equipment	6.70%	\$ 613,956	\$ 540,685	\$ -	\$ 1,154,641	\$ -	\$ 266,709	\$ 76,976	\$ -	\$ 343,685	\$ 810,956
45.1	1980	System Supervisor Equipment - Hardware	20.00%	\$ 12,653	\$ 9,479	\$ -	\$ 22,132	\$ -	\$ 4,522	\$ 4,426	\$ -	\$ 8,948	\$ 13,184
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1995	Contributions & Grants	4.00%	\$ 7,654,021	\$ 819,501	\$ -	\$ 8,473,522	\$ -	\$ 1,638,433	\$ 338,941	\$ -	\$ 1,977,374	\$ 6,496,148
8	2005	Property Under Capital Lease	10.00%	\$ 10,039	\$ -	\$ -	\$ 10,039	\$ -	\$ 5,019	\$ 1,004	\$ -	\$ 6,023	\$ 4,015
N/A	2055	Work in Progress	N/A	\$ 5,472,038	\$ 5,472,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Total		\$ 85,016,144	\$ 3,433,607	\$ 13,224,513	\$ 75,225,237	\$ 36,317,916	\$ 3,140,953	\$ 13,224,513	\$ 26,234,356	\$ 48,990,881	

10	Transportation
8	Stores Equipment & Garage Tools
12/45	Computer Hardware & Software

Less: Fully Allocated Depreciation	
Transportation	\$ 170,213
Stores & Garage Equipment	\$ 33,682
Computer HW & SW	\$ 155,859

Net Depreciation to Inc. Stmt \$ 2,781,199

Note: 2010 Amortization Expense adjusted for 2007 to 2009 cumulative effect of adopting half-year rule

ENERGY PROBE - 6(b)

REVISED TABLE 2.5
Fixed Asset Continuity Schedule

Year Revised 2011 Bridge - No Half Year

GAAP

CCA Class	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation - REVISED				
				Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ 391,259	\$ -	\$ -	\$ -	\$ -	\$ 391,259
	1806	Land Rights		\$ 302,784	\$ 1,000	\$ -	\$ 303,784	\$ -	\$ -	\$ -	\$ -	\$ 303,784
47	1808	Buildings	2.00%	\$ 1,620,078	\$ -	\$ -	\$ 1,620,078	-\$ 182,267	-\$ 32,402	\$ -	-\$ 214,669	\$ 1,405,409
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	2.00%	\$ 8,912,383	\$ -	\$ -	\$ 8,912,383	-\$ 600,773	-\$ 222,846	\$ -	-\$ 823,619	\$ 8,088,764
47	1820	Distribution Station Equipment <50 kV	3.30%	\$ 2,767,848	\$ 75,000	\$ -	\$ 2,842,848	-\$ 392,772	-\$ 90,364	\$ -	-\$ 483,136	\$ 2,359,712
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1830	Poles, Towers & Fixtures	4.00%	\$ 20,857,358	\$ 1,196,375	\$ -	\$ 22,053,733	-\$ 7,277,109	-\$ 913,054	\$ -	-\$ 8,190,163	\$ 13,863,570
47	1835	Overhead Conductors & Devices	4.00%	\$ 11,716,783	\$ 849,912	\$ -	\$ 12,566,695	-\$ 3,123,676	-\$ 502,668	\$ -	-\$ 3,626,344	\$ 8,940,351
47	1840	Underground Conduit	4.00%	\$ 4,005,396	\$ 220,000	\$ -	\$ 4,225,396	-\$ 1,516,620	-\$ 151,624	\$ -	-\$ 1,668,244	\$ 2,557,152
47	1845	Underground Conductors & Devices	4.00%	\$ 6,686,432	\$ 388,000	\$ -	\$ 7,074,432	-\$ 1,792,174	-\$ 282,977	\$ -	-\$ 2,075,151	\$ 4,999,281
47	1850	Line Transformers	4.00%	\$ 11,982,442	\$ 902,945	\$ -	\$ 12,885,387	-\$ 6,769,499	-\$ 370,322	\$ -	-\$ 7,139,822	\$ 5,745,565
47	1855	Services (Overhead & Underground)	4.00%	\$ 2,778,385	\$ 268,108	\$ -	\$ 3,046,493	-\$ 543,696	-\$ 121,860	\$ -	-\$ 665,556	\$ 2,380,937
47	1860	Meters	4.00%	\$ 4,157,133	\$ 72,000	\$ -	\$ 4,229,133	-\$ 2,387,956	-\$ 161,215	\$ -	-\$ 2,549,171	\$ 1,679,962
47	1860	Meters (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ 243,636	\$ -	\$ -	\$ -	\$ -	\$ 243,636
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1908	Buildings & Fixtures	2.00%	\$ 2,307,288	\$ 10,000	\$ -	\$ 2,317,288	-\$ 844,337	-\$ 34,332	\$ -	-\$ 878,669	\$ 1,438,618
13	1910	Leasehold Improvements	10.00%	\$ 6,177	\$ -	\$ -	\$ 6,177	-\$ 3,863	-\$ 640	\$ -	-\$ 4,503	\$ 1,674
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 152,930	\$ 15,000	\$ -	\$ 167,930	-\$ 96,582	-\$ 15,267	\$ -	-\$ 111,849	\$ 56,080
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1920	Computer Equipment - Hardware	20.00%	\$ 714,926	\$ 30,000	\$ -	\$ 744,926	-\$ 587,546	-\$ 69,552	\$ -	-\$ 657,098	\$ 87,828
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	1925	Computer Software	20.00%	\$ 295,773	\$ 27,000	\$ -	\$ 322,773	-\$ 185,728	-\$ 41,847	\$ -	-\$ 227,575	\$ 95,198
12	1925	Computer Software (Smart Meters)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1930	Transportation Equipment	10% to 25%	\$ 1,538,637	\$ 440,000	\$ -	\$ 1,978,637	-\$ 1,020,867	-\$ 234,533	\$ -	-\$ 1,255,400	\$ 723,237
8	1935	Stores Equipment	10.00%	\$ 39,562	\$ 1,000	\$ -	\$ 40,562	-\$ 25,339	-\$ 4,056	\$ -	-\$ 29,396	\$ 11,166
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 317,724	\$ 23,000	\$ -	\$ 340,724	-\$ 188,023	-\$ 33,167	\$ -	-\$ 221,190	\$ 119,534
8	1945	Measurement & Testing Equipment	10.00%	\$ 180,868	\$ 6,000	\$ -	\$ 186,868	-\$ 112,081	-\$ 18,687	\$ -	-\$ 130,767	\$ 56,101
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1955	Communications Equipment	10.00%	\$ 107,927	\$ 8,000	\$ -	\$ 115,927	-\$ 58,705	-\$ 11,593	\$ -	-\$ 70,298	\$ 45,629
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1960	Miscellaneous Equipment	10.00%	\$ 428,220	\$ 5,000	\$ -	\$ 433,220	-\$ 143,462	-\$ 43,322	\$ -	-\$ 186,784	\$ 246,436
47	1975	Load Management Controls Utility Premises	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1980	System Supervisor Equipment	6.70%	\$ 1,154,641	\$ 245,000	\$ -	\$ 1,399,641	-\$ 343,685	-\$ 93,309	\$ -	-\$ 436,995	\$ 962,646
45.1	1980	System Supervisor Equipment - Hardware	20.00%	\$ 22,132	\$ -	\$ -	\$ 22,132	-\$ 8,948	-\$ 4,426	\$ -	-\$ 13,374	\$ 8,757
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1995	Contributions & Grants	4.00%	-\$ 8,473,522	-\$ 861,340	\$ -	-\$ 9,334,862	\$ 1,977,374	\$ 373,394	\$ -	\$ 2,350,769	-\$ 6,984,093
8	2005	Property Under Capital Lease	10.00%	\$ 10,039	\$ -	\$ -	\$ 10,039	-\$ 6,023	-\$ 1,004	\$ -	-\$ 7,027	\$ 3,012
N/A	2055	Work In Progress	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Total		\$ 75,225,237	\$ 3,922,000	\$ -	\$ 79,147,237	-\$ 26,234,356	-\$ 3,081,673	\$ -	-\$ 29,316,029	\$ 49,831,208

10	Transportation
8	Stores Equipment & Garage Tools
12/45	Computer Hardware & Software

Less: Fully Allocated Depreciation
Transportation \$ 234,533
Stores & Garage Equipment \$ 35,177
Computer HW & SW \$ 111,400
Net Depreciation to Inc. Stmt \$ 2,700,564

c) Based on the response provided in part (b) above, please provide a revised Table 2.6 (2012 CGAAP) that reflects the use of a full year of depreciation for assets added in the current year up to and including 2011, but reflects the half year rule in 2012.

Response:

Norfolk has provided a revised Fixed Asset continuity statement under GAAP for the year 2012, assuming the half-year rule is not applied to 2007 through 2011 but adopted in 2012. Please note that an error was made regarding depreciation expense for 2012 under CGAAP regarding Account 1860. In calculating depreciation expense for 2012, Norfolk did not remove the gross fixed asset value of the Stranded Meters (which were removed from 2012 Opening Balances). This resulted in 2012 CGAAP depreciation expense being overstated for Account 1860 by approximately \$76,180. This has been corrected and is reflected in the table below.

ENERGY PROBE - 6(c)

**REVISED TABLE 2.6
 Fixed Asset Continuity Schedule**

Year **Revised 2012 Test - Full Year Up to 2012** **GAAP**

CCA Class	OEB	Description	Depreciation Rate	Cost			Accumulated Depreciation			Net Book Value	
				Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions		Disposals
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ 391,259	\$ -	\$ -	\$ -	\$ 391,259
CEC	1806	Land Rights	N/A	\$ 303,784	\$ -	\$ -	\$ 303,784	\$ -	\$ -	\$ -	\$ 303,784
47	1808	Buildings	2.00%	\$ 1,620,078	\$ -	\$ -	\$ 1,620,078	\$ 214,669	\$ 32,402	\$ -	\$ 1,373,007
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	2.00%	\$ 8,912,383	\$ -	\$ -	\$ 8,912,383	\$ 823,619	\$ 222,846	\$ -	\$ 1,046,465
47	1820	Distribution Station Equipment <50 kV	3.30%	\$ 2,842,848	\$ 275,000	\$ -	\$ 3,117,848	\$ 483,136	\$ 94,948	\$ -	\$ 578,084
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1830	Poles, Towers & Fixtures	4.00%	\$ 22,053,733	\$ 1,463,000	\$ -	\$ 23,516,733	\$ 8,190,163	\$ 942,314	\$ -	\$ 9,132,477
47	1835	Overhead Conductors & Devices	4.00%	\$ 12,566,695	\$ 925,000	\$ -	\$ 13,491,695	\$ 3,626,344	\$ 521,168	\$ -	\$ 4,147,512
47	1840	Underground Conduit	4.00%	\$ 4,225,396	\$ 100,000	\$ -	\$ 4,325,396	\$ 1,668,244	\$ 153,624	\$ -	\$ 1,821,868
47	1845	Underground Conductors & Devices	4.00%	\$ 7,074,432	\$ 203,000	\$ -	\$ 7,277,432	\$ 2,075,151	\$ 287,037	\$ -	\$ 2,362,188
47	1850	Line Transformers	4.00%	\$ 12,885,387	\$ 952,000	\$ -	\$ 13,837,387	\$ 7,139,822	\$ 317,405	\$ -	\$ 7,457,227
47	1855	Services (Overhead & Underground)	4.00%	\$ 3,046,493	\$ 375,000	\$ -	\$ 3,421,493	\$ 665,556	\$ 129,360	\$ -	\$ 794,916
47	1860	Meters	4.00%	\$ 2,096,524	\$ 948,000	\$ -	\$ 3,044,524	\$ 1,330,726	\$ 92,542	\$ -	\$ 1,423,268
47	1860	Meters (Smart Meters)	6.67%	\$ 3,214,012	\$ -	\$ -	\$ 3,214,012	\$ 586,005	\$ 214,267	\$ -	\$ 800,272
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ 243,636	\$ -	\$ -	\$ -	\$ 243,636
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1908	Buildings & Fixtures	2.00%	\$ 2,317,288	\$ -	\$ -	\$ 2,317,288	\$ 878,669	\$ 34,332	\$ -	\$ 913,001
13	1910	Leasehold Improvements	10.00%	\$ 6,177	\$ -	\$ -	\$ 6,177	\$ 4,503	\$ 640	\$ -	\$ 5,143
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 167,930	\$ 15,500	\$ -	\$ 183,430	\$ 111,849	\$ 13,490	\$ -	\$ 125,339
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1920	Computer Equipment - Hardware	20.00%	\$ 744,926	\$ 40,000	\$ -	\$ 784,926	\$ 657,098	\$ 66,567	\$ -	\$ 723,666
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	1925	Computer Software	20.00%	\$ 322,773	\$ 142,500	\$ -	\$ 465,273	\$ 227,575	\$ 50,503	\$ -	\$ 278,078
12	1925	Computer Software (Smart Meters)	20.00%	\$ 406,373	\$ -	\$ -	\$ 406,373	\$ 170,523	\$ 81,275	\$ -	\$ 251,798
10	1930	Transportation Equipment	10% to 25%	\$ 1,978,637	\$ 40,000	\$ -	\$ 2,018,637	\$ 1,255,400	\$ 202,476	\$ -	\$ 1,457,876
8	1935	Stores Equipment	10.00%	\$ 40,562	\$ 1,000	\$ -	\$ 41,562	\$ 29,396	\$ 3,223	\$ -	\$ 32,619
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 340,724	\$ 20,000	\$ -	\$ 360,724	\$ 221,190	\$ 29,707	\$ -	\$ 250,897
8	1945	Measurement & Testing Equipment	10.00%	\$ 186,868	\$ 2,000	\$ -	\$ 188,868	\$ 130,767	\$ 13,871	\$ -	\$ 144,638
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1955	Communications Equipment	10.00%	\$ 115,927	\$ 53,000	\$ -	\$ 168,927	\$ 70,298	\$ 12,197	\$ -	\$ 82,495
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1960	Miscellaneous Equipment	10.00%	\$ 433,220	\$ 5,000	\$ -	\$ 438,220	\$ 186,784	\$ 43,572	\$ -	\$ 230,356
47	1975	Load Management Controls Utility Premises	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1980	System Supervisor Equipment	6.70%	\$ 1,399,641	\$ 100,000	\$ -	\$ 1,499,641	\$ 436,995	\$ 96,643	\$ -	\$ 533,638
45.1	1980	System Supervisor Equipment - Hardware	20.00%	\$ 22,132	\$ -	\$ -	\$ 22,132	\$ 13,374	\$ 4,426	\$ -	\$ 17,800
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1995	Contributions & Grants	4.00%	\$ 9,334,862	\$ 652,000	\$ -	\$ 9,986,862	\$ 2,350,769	\$ 386,434	\$ -	\$ 2,737,203
8	2005	Property Under Capital Lease	10.00%	\$ 10,039	\$ -	\$ -	\$ 10,039	\$ 7,027	\$ 1,004	\$ -	\$ 8,031
N/A	2055	Work In Progress	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Total		\$ 80,635,013	\$ 4,408,000	\$ -	\$ 85,043,013	\$ 28,854,112	\$ 3,275,406	\$ -	\$ 32,129,519

10	Transportation	
8	Stores Equipment & Garage Tools	\$ 202,476
12/45	Computer Hardware & Software	\$ 30,884
		\$ 117,070
		\$ 2,924,976

Less: Fully Allocated Depreciation
 Transportation \$ 202,476
 Stores & Garage Equipment \$ 30,884
 Computer HW & SW \$ 117,070
Net Depreciation to Inc. Stmt \$ 2,924,976

d) Please provide revised Tables 5.1 and 5.2 to reflect Table 2.5 in the response to part (b) above and Table 2.6 in the response to part (c) above. In other words, please provide the 2011 and 2012 MIFRS based continuity schedules assuming the half year rule is only applied to 2012.

Response:

Norfolk has provided revised Tables 5.1 & 5.2 to reflect Table 2.5 in response to part (b) above and Table 2.6 in response to part (c) above (2011 & 2012 MIFRS Continuity Statements assuming no half year rule until 2012).

ENERGY PROBE - 6(d)

**REVISED TABLE 5.1
 Fixed Asset Continuity Schedule**

Year **2011 Bridge - No Half-Yr Rule**

IFRS

CCA Class	OEB	Description	Depreciation Rate	Cost			Accumulated Depreciation				Net Book Value
				Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ 391,259	\$ -	\$ -	\$ -	\$ 391,259
	1806	Land Rights	N/A	\$ 302,784	\$ 1,000	\$ -	\$ 303,784	\$ -	\$ -	\$ -	\$ 303,784
47	1808	Buildings	2.00%	\$ 1,437,811	\$ -	\$ -	\$ 1,437,811	\$ -	\$ 33,076	\$ -	\$ 1,404,735
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	2.5% to 5%	\$ 8,311,611	\$ -	\$ -	\$ 8,311,611	\$ -	\$ 230,363	\$ -	\$ 8,081,248
47	1820	Distribution Station Equipment <50 kV	5.00%	\$ 2,375,076	\$ 65,131	\$ -	\$ 2,440,207	\$ -	\$ 159,301	\$ -	\$ 2,280,906
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1830	Poles, Towers & Fixtures	2.20%	\$ 13,580,249	\$ 1,038,945	\$ -	\$ 14,619,194	\$ -	\$ 404,922	\$ -	\$ 14,214,272
47	1835	Overhead Conductors & Devices	1.6% to 2.5%	\$ 8,593,107	\$ 738,072	\$ -	\$ 9,331,179	\$ -	\$ 197,291	\$ -	\$ 9,133,888
47	1840	Underground Conduit	2.00%	\$ 2,488,775	\$ 191,050	\$ -	\$ 2,679,825	\$ -	\$ 61,811	\$ -	\$ 2,618,015
47	1845	Underground Conductors & Devices	3.33%	\$ 4,894,258	\$ 336,943	\$ -	\$ 5,231,201	\$ -	\$ 223,708	\$ -	\$ 5,007,493
47	1850	Line Transformers	2.5% to 2.8%	\$ 5,212,942	\$ 784,127	\$ -	\$ 5,997,069	\$ -	\$ 182,895	\$ -	\$ 5,814,175
47	1855	Services (Overhead & Underground)	2.50%	\$ 2,234,689	\$ 232,828	\$ -	\$ 2,467,517	\$ -	\$ 69,245	\$ -	\$ 2,398,272
47	1860	Meters	3.33% to 4%	\$ 1,769,176	\$ 62,526	\$ -	\$ 1,831,702	\$ -	\$ 98,280	\$ -	\$ 1,733,422
47	1860	Meters (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ 243,636	\$ -	\$ -	\$ -	\$ 243,636
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1908	Buildings & Fixtures	2.00%	\$ 1,462,951	\$ 10,000	\$ -	\$ 1,472,951	\$ -	\$ 54,993	\$ -	\$ 1,417,958
13	1910	Leasehold Improvements	10.00%	\$ 2,314	\$ -	\$ -	\$ 2,314	\$ -	\$ 654	\$ -	\$ 1,660
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 56,348	\$ 15,000	\$ -	\$ 71,348	\$ -	\$ 15,267	\$ -	\$ 56,080
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1920	Computer Equipment - Hardware	25.00%	\$ 127,380	\$ 30,000	\$ -	\$ 157,380	\$ -	\$ 54,688	\$ -	\$ 102,692
45	1920	Computer Equip. -Hardware(Post Mar. 22/04)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45.1	1920	Computer Equip. -Hardware(Post Mar. 19/07)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	1925	Computer Software	20.00%	\$ 110,045	\$ 27,000	\$ -	\$ 137,045	\$ -	\$ 38,346	\$ -	\$ 98,699
12	1925	Computer Software (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1930	Transportation Equipment	6.6% to 14.3%	\$ 517,770	\$ 440,000	\$ -	\$ 957,770	\$ -	\$ 95,299	\$ -	\$ 862,471
8	1935	Stores Equipment	10.00%	\$ 14,223	\$ -	\$ -	\$ 14,223	\$ -	\$ 3,956	\$ -	\$ 10,267
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 129,701	\$ 35,000	\$ -	\$ 164,701	\$ -	\$ 33,495	\$ -	\$ 131,206
8	1945	Measurement & Testing Equipment	20.00%	\$ 68,788	\$ -	\$ -	\$ 68,788	\$ -	\$ 11,923	\$ -	\$ 56,865
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1955	Communications Equipment	20.00%	\$ 49,222	\$ 8,000	\$ -	\$ 57,222	\$ -	\$ 23,051	\$ -	\$ 34,171
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1960	Miscellaneous Equipment	20.00%	\$ 284,758	\$ -	\$ -	\$ 284,758	\$ -	\$ 94,300	\$ -	\$ 190,458
47	1975	Load Management Controls Utility Premises	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1980	System Supervisor Equipment	5.00%	\$ 824,140	\$ 212,761	\$ -	\$ 1,036,901	\$ -	\$ 62,324	\$ -	\$ 974,577
45.1	1980	System Supervisor Equipment - Hardware	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1995	Contributions & Grants	various	\$ 6,496,148	\$ 861,340	\$ -	\$ 7,357,488	\$ -	\$ 202,725	\$ -	\$ 7,154,763
8	2005	Property Under Capital Lease	10.00%	\$ 4,015	\$ -	\$ -	\$ 4,015	\$ -	\$ 1,004	\$ -	\$ 3,011
N/A	2055	Work In Progress	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Total		\$ 48,990,880	\$ 3,367,043	\$ 89,504	\$ 52,268,419	\$ -	\$ 1,947,469	\$ -	\$ 50,320,950

10	Transportation
8	Stores Equipment & Garage Tools
12/45	Computer Hardware & Software

Less: Fully Allocated Depreciation
 Transportation \$ 95,299
 Stores & Garage Equipment \$ 38,456
 Computer HW & SW \$ -
Net Depreciation to Inc. Stmt \$ 1,813,714

ENERGY PROBE 6(d)

**REVISED TABLE 5.2
 Fixed Asset Continuity Schedule**

Year 2012 Test - Adopt Half Year Rule in 2012

IFRS

CCA Class	OEB	Description	Depreciation Rate	Cost			Accumulated Depreciation			Net Book Value	
				Opening Balance	Additions	Disposals	Opening Balance	Additions	Disposals		Closing Balance
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,259	
CEC	1806	Land Rights	N/A	\$ 303,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,784	
47	1808	Buildings	2.00%	\$ 1,437,811	\$ -	\$ -	\$ 33,076	\$ 33,076	\$ -	\$ 1,371,658	
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1815	Transformer Station Equipment >50 kV	2.5% to 5%	\$ 8,311,611	\$ -	\$ -	\$ 230,363	\$ 230,363	\$ -	\$ 7,850,885	
47	1820	Distribution Station Equipment <50 kV	5.00%	\$ 2,440,207	\$ 245,564	\$ -	\$ 159,301	\$ 165,440	\$ -	\$ 2,361,029	
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1830	Poles, Towers & Fixtures	2.20%	\$ 14,619,194	\$ 1,306,399	\$ -	\$ 404,922	\$ 442,525	\$ -	\$ 15,078,146	
47	1835	Overhead Conductors & Devices	1.6% to 2.5%	\$ 9,331,179	\$ 825,897	\$ -	\$ 197,291	\$ 212,601	\$ -	\$ 9,747,274	
47	1840	Underground Conduit	2.00%	\$ 2,679,825	\$ 89,296	\$ -	\$ 61,811	\$ 66,525	\$ -	\$ 2,640,796	
47	1845	Underground Conductors & Devices	3.33%	\$ 5,231,201	\$ 191,271	\$ -	\$ 223,708	\$ 237,961	\$ -	\$ 4,950,803	
47	1850	Line Transformers	2.5% to 2.8%	\$ 5,997,069	\$ 850,097	\$ -	\$ 182,895	\$ 213,124	\$ -	\$ 6,451,148	
47	1855	Services (Overhead & Underground)	2.50%	\$ 2,467,517	\$ 334,860	\$ -	\$ 69,245	\$ 79,251	\$ -	\$ 2,653,880	
47	1860	Meters	3.33% to 4%	\$ 1,831,702	\$ 310,750	\$ 907,587	\$ 98,280	\$ 52,860	\$ 53,197	\$ 1,136,922	
47	1860	Meters (Smart Meters)	10.00%	\$ 3,214,012	\$ -	\$ -	\$ 479,090	\$ 368,399	\$ -	\$ 2,366,523	
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,636	
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1908	Buildings & Fixtures	2.00%	\$ 1,472,951	\$ -	\$ -	\$ 54,993	\$ 55,159	\$ -	\$ 1,362,799	
13	1910	Leasehold Improvements	10.00%	\$ 2,314	\$ -	\$ -	\$ 654	\$ 654	\$ -	\$ 1,006	
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 71,348	\$ 15,500	\$ -	\$ 15,267	\$ 13,490	\$ -	\$ 58,091	
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	1920	Computer Equipment - Hardware	25.00%	\$ 157,380	\$ 40,000	\$ -	\$ 54,688	\$ 67,188	\$ -	\$ 75,503	
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	1925	Computer Software	20.00%	\$ 137,045	\$ 142,500	\$ -	\$ 38,346	\$ 47,196	\$ -	\$ 194,002	
12	1925	Computer Software (Smart Meters)	20.00%	\$ 406,373	\$ -	\$ -	\$ 129,885	\$ 80,212	\$ -	\$ 196,276	
10	1930	Transportation Equipment	6.6% to 14.3%	\$ 957,770	\$ 40,000	\$ -	\$ 95,299	\$ 125,966	\$ -	\$ 776,505	
8	1935	Stores Equipment	10.00%	\$ 14,223	\$ -	\$ -	\$ 3,956	\$ 3,073	\$ -	\$ 7,193	
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 164,701	\$ 28,000	\$ -	\$ 33,495	\$ 33,935	\$ -	\$ 125,270	
8	1945	Measurement & Testing Equipment	20.00%	\$ 26,274	\$ -	\$ -	\$ 11,923	\$ 9,163	\$ -	\$ 5,188	
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1955	Communications Equipment	20.00%	\$ 44,089	\$ 53,000	\$ -	\$ 23,051	\$ 21,079	\$ -	\$ 52,959	
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1960	Miscellaneous Equipment	20.00%	\$ 250,901	\$ -	\$ -	\$ 94,300	\$ 84,313	\$ -	\$ 72,288	
47	1975	Load Management Controls Utility Premises	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1980	System Supervisor Equipment	5.00%	\$ 1,036,901	\$ 89,296	\$ -	\$ 62,324	\$ 75,195	\$ -	\$ 988,678	
45.1	1980	System Supervisor Equipment - Hardware	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1995	Contributions & Grants	various	\$ 7,357,488	\$ 652,000	\$ -	\$ 202,725	\$ 217,251	\$ -	\$ 7,589,513	
8	2005	Property Under Capital Lease	10.00%	\$ 4,015	\$ -	\$ -	\$ 1,004	\$ 1,004	\$ -	\$ 2,008	
N/A	2055	Work In Progress	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Total		\$ 55,888,804	\$ 3,900,520	\$ 907,587	\$ 2,556,444	\$ 2,502,502	\$ 53,197	\$ 5,005,749	\$ 53,875,988

10	Transportation
8	Stores Equipment & Garage Tools
12/45	Computer Hardware & Software

Less: Fully Allocated Depreciation
 Transportation \$ 125,966
 Stores & Garage Equipment \$ 35,533
 Computer HW & SW \$ -
Net Depreciation to Inc. Stmt \$ 2,341,003

e) What is the impact on Table 5.7 on the MIFRS - CGAAP variance for 2011 if 2011 reflects use of the full year depreciation on assets added in the current year for 2007 through 2011?

Response:

The impact on Table 5.7 (MIFRS-CGAAP variance for 2011) if 2011 reflects use of the full year depreciation on assets added in the current year for 2007 through 2011 can be seen in the table below.

	2011 Bridge (CGAAP)	2011 Bridge (MIFRS)	Variance
Gross Fixed Assets	\$79,147,237	\$52,268,419	
Accumulated Depreciation	\$29,316,029	\$1,947,469	
NET BOOK VALUE	\$49,831,208	\$50,320,951	(\$489,743)

Interrogatory #7

**Ref: Exhibit 2, Tab 2, Schedule 3, page 1 &
Exhibit 2, Tab 2, Schedule 1, Table 2.4**

Please reconcile the disposals of gross assets of \$7,752,475 shown in Table 2.4 with the \$13,142,235 noted at line 16 of page 1 of Exhibit 2, Tab 2, Schedule 3.

Response:

The disposal of gross assets of \$7,752,475 shown in Table 2.4 with the \$13,142,235 noted at line 16 on page 1 of Exhibit 2, Tab 2, Schedule 3 is as follows:

The \$5,472,035 relating to Work In Progress from 2009 (relating to the Bloomsburg TS – the asset was not in service until 2010 and thus the amounts spent to date were recorded in Work In Progress account) should have been debited to the “Additions” column for account 1815 in 2010 (instead it was included in the Disposals/Adjustments column as a debit). A revised version of the 2010 Gross fixed assets portion of Table 2.4 has been included below:

ENERGY PROBE - 7(a)

**REVISED TABLE 2.4
Fixed Asset Continuity Schedule**

Year **Revised 2010 - re: WIP Transferred to Gross Assets**

CCA Class	OEB	Description	Depreciation Rate	Cost			Closing Balance
				Opening Balance	Additions	Disposals / Adjustments	
N/A	1805	Land	N/A	\$ 391,259	\$ -		\$ 391,259
	1806	Land Rights		\$ 302,784	\$ -		\$ 302,784
47	1808	Buildings	2.00%	\$ 1,615,717	\$ 4,361		\$ 1,620,078
13	1810	Leasehold Improvements	N/A	\$ -	\$ -		\$ -
47	1815	Transformer Station Equipment >50 kV	2.00%	\$ 3,215,596	\$ 5,696,787		\$ 8,912,383
47	1820	Distribution Station Equipment <50 kV	3.30%	\$ 4,120,928	\$ 33,675	-\$ 1,386,755	\$ 2,767,848
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -		\$ -
47	1830	Poles, Towers & Fixtures	4.00%	\$ 25,698,012	\$ 846,036	-\$ 5,686,690	\$ 20,857,358
47	1835	Overhead Conductors & Devices	4.00%	\$ 13,715,614	\$ 751,468	-\$ 2,750,300	\$ 11,716,783
47	1840	Underground Conduit	4.00%	\$ 3,845,066	\$ 160,329		\$ 4,005,396
47	1845	Underground Conductors & Devices	4.00%	\$ 7,636,026	\$ 255,331	-\$ 1,204,925	\$ 6,686,432
47	1850	Line Transformers	4.00%	\$ 11,237,917	\$ 744,525		\$ 11,982,442
47	1855	Services (Overhead & Underground)	4.00%	\$ 2,507,308	\$ 271,077		\$ 2,778,385
47	1860	Meters	4.00%	\$ 4,025,165	\$ 131,968		\$ 4,157,133
47	1860	Meters (Smart Meters)	N/A	\$ -	\$ -		\$ -
N/A	1905	Land	N/A	\$ 243,636	\$ -		\$ 243,636
CEC	1906	Land Rights	N/A	\$ -	\$ -		\$ -
47	1908	Buildings & Fixtures	2.00%	\$ 2,215,638	\$ 91,650		\$ 2,307,288
13	1910	Leasehold Improvements	10.00%	\$ 6,177	\$ -		\$ 6,177
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 411,687	\$ 5,958	-\$ 264,715	\$ 152,930
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -		\$ -
10	1920	Computer Equipment - Hardware	20.00%	\$ 1,280,299	\$ 44,046	-\$ 609,419	\$ 714,926
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	20.00%	\$ -	\$ -		\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	20.00%	\$ -	\$ -		\$ -
12	1925	Computer Software	20.00%	\$ 406,997	\$ 35,884	-\$ 147,109	\$ 295,773
12	1925	Computer Software (Smart Meters)	20.00%	\$ -	\$ -		\$ -
10	1930	Transportation Equipment	10% to 25%	\$ 2,122,603	\$ 75,784	-\$ 659,750	\$ 1,538,637
8	1935	Stores Equipment	10.00%	\$ 120,335	\$ 358	-\$ 81,132	\$ 39,562
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 727,933	\$ 6,946	-\$ 417,155	\$ 317,724
8	1945	Measurement & Testing Equipment	10.00%	\$ 178,973	\$ 1,895		\$ 180,868
8	1950	Power Operated Equipment	N/A	\$ -	\$ -		\$ -
8	1955	Communications Equipment	10.00%	\$ 106,906	\$ 1,021		\$ 107,927
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -		\$ -
8	1960	Miscellaneous Equipment	10.00%	\$ 412,334	\$ 15,885		\$ 428,220
47	1975	Load Management Controls Utility Premises	N/A	\$ 16,565	\$ -	-\$ 16,565	\$ -
47	1980	System Supervisor Equipment	6.70%	\$ 613,956	\$ 540,685		\$ 1,154,641
45.1	1980	System Supervisor Equipment - Hardware	20.00%	\$ 12,653	\$ 9,479		\$ 22,132
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -		\$ -
47	1995	Contributions & Grants	4.00%	-\$ 7,654,021	-\$ 819,501		-\$ 8,473,522
8	2005	Property Under Capital Lease	10.00%	\$ 10,039	\$ -		\$ 10,039
N/A	2055	Work In Progress	N/A	\$ 5,472,038	-\$ 5,472,038		\$ -
		Total		\$ 85,016,144	\$ 3,433,607	-\$ 13,224,513	\$ 75,225,237

The revised figure for Disposals/Adjustments of Fixed Assets in 2010 is \$13,224,513. At page 1 of Exhibit 2/Tab 2/Schedule 3, line 16, Norfolk states that in 2010, a write-off of fully depreciated assets in the amount of \$13,142,235 occurred. In Norfolk's response to Energy Probe interrogatory #5(b), it states that assets with a gross cost of \$82,279 were sold/disposed during 2010. In other words, \$13,224,513 less \$13,142,235 equals \$82,279 (these assets were part of a separate transaction whereby the assets were sold and the gross costs and related accumulated depreciation were removed from the books). The \$82,279 is comprised of a Dodge Sprinter Van (gross asset cost \$67,263) and a Chevrolet Cavalier (gross asset cost \$15,016) that were sold in 2010.

Interrogatory #8

**Ref: Exhibit 2, Tab 2, Schedule 5 &
Exhibit 2, Tab 2, Schedule 1, Table 2.4**

The evidence states that the total fully depreciated assets written off in 2010 were \$13,142,235. Based on the figure of \$13,475,419 shown in Table 2.4, please explain what the remaining \$333,184 of the adjustment to accumulated depreciation is related to. Is all of this remaining amount related to the 2007 to 2009 adjustment?

Response:

Table 2.4 - Adjustments/Disposals to Accum Deprec	\$	13,475,419
Write-Off of Fully Depreciated Assets (evidence)	\$	13,142,235
Difference to Reconcile	\$	333,184
Adjustment to 2007 to 2009 Depreciation for 1/2 Yr Rule	\$	292,568
Accumulated Depreciation on Assets Sold During 2010	\$	37,916
Adjustment to Depreciation Expense re: 2007 Addition That Had not been Amortized to Date	\$	2,700
Reconciled to Difference (above)	\$	333,184

Please refer to Norfolk's response to Energy Probe interrogatory #5(a) and #5(b) for further details.

Interrogatory #9

Ref: Exhibit 2, Tab 3, Schedule 1, Table 3.1

Please update Table 3.1 to reflect the most recent year-to-date actual capital expenditures for 2011, along with the current forecast for the expenditures on projects that will be completed and put into service by the end of 2011.

Response:

Please see table below.

Year	Total Distribution Plant (\$)	Capital Contributions	Net Distribution Plant	General Plant	Total Capital net of Contributions	\$ Increase / (Decrease)	% Increase / (Decrease)
2006	4,343,309	(886,512)	3,456,797	706,447	4,163,244	1,585,115	61%
2007	5,883,106	(994,216)	4,888,890	575,515	5,464,405	1,301,161	31%
2008	3,838,726	(331,461)	3,507,265	437,917	3,945,182	(1,519,223)	-28%
2009	9,205,936	(531,414)	8,674,522	393,832	9,068,354	5,123,172	130%
2010	3,423,518	(819,501)	2,604,017	829,591	3,433,608	(5,634,746)	-62%
2011	3,973,340	(861,340)	3,112,000	810,000	3,922,000	488,392	14%
2011 forecast	3,211,840	(861,340)	2,350,500	810,000	3,160,500	(273,108)	-8%
2011 YTD	1,533,714	(486,005)	1,047,709	810,000	1,857,709	N/A	N/A
2012	4,641,000	(652,000)	3,989,000	419,000	4,408,000	1,247,500	39%

Interrogatory #10

Ref: Exhibit 2, Tab 3, Schedule 2, pages 42-48

Please confirm that each of the projects described on these pages is still forecast to be completed and in service by the end of 2011. If this cannot be confirmed, please provide details on the projects that will not be in service by the end of 2011.

Response:

All 2011 projects are tentatively scheduled for completion with the exception of:

Project #6 - Rebuild and Convert Overhead to Underground – Talbot St., Simcoe

This project will not be completed in 2011 due to unforeseen staffing resource constraints specifically in engineering design. Budgeted Cost: \$153,000. Forecast: \$0.

Project #9 - Replace Obsolete Pole Transformers Located in Street Lt Poles – Montclair Cres Simcoe

As above, this project will not be completed in 2011 due to unforeseen staffing resource constraints. Budgeted Costs: \$136,000. Forecast \$0

Project #11 - Pole Replacement Program

Anticipate completion of 50 of 80 poles for 2011 due to unforeseen staffing resource constraints. Upon further review, an oversight in the original budget was discovered. The estimated cost per pole has been reduced from \$6000 to \$5000 per pole for 2011. Budgeted Cost: \$480,000. Forecast: \$250,000.

Project #12 – Miscellaneous Overhead and Underground Projects

The estimated cost was based on recent historical values and is challenging to forecast due to the unforeseen nature of projects expected. Further review suggests the forecasted expenditure for 2011 will be \$242,500 versus \$485,000 as was originally budgeted.

Project #17 - New Services and Service Upgrades

These services are driven solely by customer demand. There was an error made in the original budget where it was stated that there would be 175 new services. We have revised the 2011 forecast to account for 110 new services. This has no impact on the dollar value for 2011 capital expenditures relating to New Services & Service Upgrades.

A reconciliation to the original submission's capital plan for 2011 Bridge year has been provided below.

	2011 Bridge (Original Submission)	2011 Revisions ₁	2011 Bridge - REVISED
Distribution Plant Capital Expenditures	\$3,973,340	(\$761,500)	\$3,211,840
Contributed Capital	(\$861,340)	\$0	(\$861,340)
Net Distribution Plant Capital Expenditures	\$3,112,000	(\$761,500)	\$2,350,500
General Plant Capital Expenditures	\$810,000	\$0	\$810,000
TOTAL CAPITAL EXPENDITURES	\$3,922,000	(\$761,500)	\$3,160,500

Note 1:

Project #6	(\$153,000)
Project #9	(\$136,000)
Project #11	(\$230,000)
Project #12	<u>(\$242,500)</u>
Total Changes	<u>(\$761,500)</u>

Interrogatory #11

Ref: Exhibit 2, Tab 3, Schedule 2, pages 51-54

Please confirm that each of the general plant additions described on these pages is still forecast to be completed and in service by the end of 2011. If this cannot be confirmed, please provide details on the expenditures that will not take place or not be in service by the end of 2011.

Response:

All 2011 projects under “General Plant Additions” are tentatively scheduled for completion.

Interrogatory #12

Ref: Exhibit 2, Tab 3, Schedule 2, pages 57-60

Are all of the projects described on these pages still forecast to be completed in 2010? If not please provide details.

Response:

The projects outlined in Exhibit 2, Tab 3, Schedule 2 pages 57-60 are still forecast to be completed in 2012.

Interrogatory #13

Ref: Exhibit 2, Tab 3, Schedule 2

- a) **Please provide a table that shows the 2008 through 2012 actual and forecast expenditures related to Customer Demand for Subdivision Development and New Services and Service Upgrades.**

Response:

CAPITAL CONTRIBUTIONS VS. CAPITAL COSTS FOR CUSTOMER DEMAND PROJECTS

Capital Contributions Analysis	2008 Actual *	2009 Actual *	2010 Actual *	2011 Bridge	2012 Test
New Services & Service Upgrades - Capital Expenditures	\$ 345,000	\$ 209,747	\$ 271,077	\$ 446,000	\$ 450,000
Subdivisions - Capital Expenditures	\$ 104,883	\$ 358,166	\$ 276,359	\$ 303,000	\$ 303,000
Capital Contributions Relating to Services & Subdivisions	\$ 331,461	\$ 531,414	\$ 611,422	\$ 510,000	\$ 652,000
NET CAPITAL COST TO NPDI	\$ 118,422	\$ 36,499	-\$ 63,986	\$ 239,000	\$ 101,000
<i>% Costs Paid by Norfolk Power Distribution</i>	26%	6%	-12%	32%	13%
TOTAL CONTRIBUTIONS	\$ 331,461	\$ 531,414	\$ 819,501	\$ 861,340	\$ 652,000
Capital Contributions - Unrelated to Services & Subdivisions	\$ -	\$ -	\$ 208,079	\$ 351,340	\$ -
Contributions Re: Svcs & Subdivisions (from Above)	\$ 331,461	\$ 531,414	\$ 611,422	\$ 510,000	\$ 652,000

* for 2008 through 2010, the actual capital expenditures for Customer Demand Projects for Services & Subdivisions exclude Transformers. Due to the way Norfolk forecasted by project for the 2011 & 2012 budgets, Transformers are now included in the capital costs for Customer Demand Projects for Services & Subdivisions.

Please note that for 2010, Capital Contributions relating to Customer Demand Projects are higher than Capital Expenditures on these projects due to advance collection of funds for projects that were started in 2011.

- b) **Are the figures requested above net of any capital contributions received? If not, please add lines to the table requested in part (a) above to reflect the capital contributions associated with each of Subdivision Development and New Services and Service Upgrades for each year.**

Response:

The figures requested above do not include deductions due to capital contributions. Please find details in the table above.

- c) Please explain the significant increase in capital expenditures in 2011 and 2012 as compared to previous years for New Services and Service Upgrades when the evidence indicates that these amounts are consistent with prior years.**

Response:

Prior to 2011, Norfolk Power had not included the cost associated with new transformers within the “New Services and Service Upgrades” project capital expenditures - they were captured under the new Transformers category. Going forward, transformer costs have been allocated to their specific projects.

- d) Please explain why the 2012 budget for New Services and Service Upgrades is essentially the same as the 2011 forecast when the evidence indicates both include a budget for 6 commercial/industrial services requiring three phase pad mount transformers, but 2011 includes 175 new services and 2012 only includes 100 new services.**

Response:

An oversight was made in the 2011 budget. The project scope for 2011 should have read “110 residential services and 6 industrial/commercial services” rather than 175 new services. This has no dollar impact on the 2011 Bridge year forecast.

Interrogatory #14

Ref: Exhibit 2, Tab 5, Schedule 1

- a) **Are the depreciation rates shown in Tables 5.1 and 5.2 the depreciation rates use under MIFRS for 2011 and 2012?**

Response:

The depreciation rates shown in Table 5.1 and Table 5.2 are not the depreciation rates used under MIFRS for 2011 & 2012. An error was made in Tables 5.1 & 5.2 whereby the gross asset values and depreciation values were inputted correctly, but the depreciation rates were overlooked. As the rates in these tables are for information only, depreciation expense under MIFRS is correct as stated in the original submission in Tables 5.1 & 5.2. Norfolk has provided revised tables showing the proper depreciation rates for new additions under MIFRS for 2011 & 2012 (note that no other information has changed in these tables – only some of the figures in the “Depreciation Rate” column).

TABLE 5.1 – Restated to Show MIFRS Depreciation Rates for New Additions

		File Number:	EB-2011-0272	
		Exhibit:	2	
		Tab:	5	
		Schedule:	1	
		Page:	2	
		Date:	August 26, 2011	

EP # 14(a) - Corrected IFRS Depreciation Rates		Appendix 2-B	
		Fixed Asset Continuity Schedule	
		Year	2011 Bridge IFRS

CCA Class	OEB	Description	REVISED Depreciation Rate	Cost			Accumulated Depreciation				Net Book Value	
				Opening Balance	Additions	Disposals	Opening Balance	Additions	Disposals	Closing Balance		
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,259
	1806	Land Rights	N/A	\$ 302,784	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,784
47	1808	Buildings	2.00%	\$ 1,439,503	\$ -	\$ -	\$ -	\$ 33,112	\$ -	\$ -	\$ 33,112	\$ 1,406,391
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	2.5% to 5%	\$ 8,387,996	\$ -	\$ -	\$ -	\$ 232,330	\$ -	\$ -	\$ 232,330	\$ 8,155,666
47	1820	Distribution Station Equipment <50 kV	5.00%	\$ 2,404,514	\$ 65,131	\$ -	\$ -	\$ 161,059	\$ -	\$ -	\$ 161,059	\$ 2,308,586
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1830	Poles, Towers & Fixtures	2.20%	\$ 13,659,092	\$ 1,036,945	\$ -	\$ -	\$ 395,240	\$ -	\$ -	\$ 395,240	\$ 14,302,786
47	1835	Overhead Conductors & Devices	1.6% to 2.5%	\$ 8,660,771	\$ 738,072	\$ -	\$ -	\$ 191,773	\$ -	\$ -	\$ 191,773	\$ 9,207,070
47	1840	Underground Conduit	2.00%	\$ 2,503,558	\$ 191,050	\$ -	\$ -	\$ 60,211	\$ -	\$ -	\$ 60,211	\$ 2,634,397
47	1845	Underground Conductors & Devices	3.33%	\$ 4,923,361	\$ 336,943	\$ -	\$ -	\$ 219,158	\$ -	\$ -	\$ 219,158	\$ 5,041,146
47	1850	Line Transformers	2.5% to 2.8%	\$ 5,271,877	\$ 784,127	\$ -	\$ -	\$ 174,804	\$ -	\$ -	\$ 174,804	\$ 5,881,200
47	1855	Services (Overhead & Underground)	2.50%	\$ 2,258,010	\$ 232,828	\$ -	\$ -	\$ 66,958	\$ -	\$ -	\$ 66,958	\$ 2,423,880
47	1860	Meters	3.33% to 4%	\$ 1,781,996	\$ 62,526	\$ -	\$ -	\$ 97,707	\$ -	\$ -	\$ 97,707	\$ 1,746,815
47	1860	Meters (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,636
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1908	Buildings & Fixtures	2.00%	\$ 1,466,546	\$ 10,000	\$ -	\$ -	\$ 101,372	\$ -	\$ -	\$ 101,372	\$ 1,375,174
13	1910	Leasehold Improvements	10.00%	\$ 2,314	\$ -	\$ -	\$ -	\$ 654	\$ -	\$ -	\$ 654	\$ 1,660
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 58,409	\$ 15,000	\$ -	\$ -	\$ 15,568	\$ -	\$ -	\$ 15,568	\$ 57,841
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1920	Computer Equipment - Hardware	25.00%	\$ 159,156	\$ 30,000	\$ -	\$ -	\$ 63,095	\$ -	\$ -	\$ 63,095	\$ 126,061
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	1925	Computer Software	20.00%	\$ 122,771	\$ 27,000	\$ -	\$ -	\$ 37,574	\$ -	\$ -	\$ 37,574	\$ 112,197
12	1925	Computer Software (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	1930	Transportation Equipment	6.6% to 14.3%	\$ 476,107	\$ 440,000	\$ -	\$ -	\$ 82,451	\$ -	\$ -	\$ 82,451	\$ 833,656
8	1935	Stores Equipment	10.00%	\$ 14,447	\$ -	\$ -	\$ -	\$ 3,990	\$ -	\$ -	\$ 3,990	\$ 10,457
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 133,419	\$ 35,000	\$ -	\$ -	\$ 32,269	\$ -	\$ -	\$ 32,269	\$ 136,150
8	1945	Measurement & Testing Equipment	20.00%	\$ 70,554	\$ -	\$ 42,514	\$ -	\$ 12,762	\$ -	\$ -	\$ 12,762	\$ 15,278
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1955	Communications Equipment	20.00%	\$ 51,872	\$ 8,000	\$ 13,133	\$ -	\$ 23,866	\$ -	\$ -	\$ 23,866	\$ 22,873
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	1960	Miscellaneous Equipment	20.00%	\$ 299,192	\$ -	\$ 33,857	\$ -	\$ 99,699	\$ -	\$ -	\$ 99,699	\$ 165,636
47	1975	Load Management Controls Utility Premises	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1980	System Supervisor Equipment	5.00%	\$ 829,042	\$ 212,761	\$ -	\$ -	\$ 57,234	\$ -	\$ -	\$ 57,234	\$ 884,569
45.1	1980	System Supervisor Equipment - Hardware	20.00%	\$ 15,397	\$ -	\$ -	\$ -	\$ 847	\$ -	\$ -	\$ 847	\$ 14,550
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	1995	Contributions & Grants	various	\$ 6,541,679	\$ 861,340	\$ -	\$ -	\$ 193,818	\$ -	\$ -	\$ 193,818	\$ 7,209,201
8	2005	Property Under Capital Lease	10.00%	\$ 4,015	\$ -	\$ -	\$ -	\$ 1,004	\$ -	\$ -	\$ 1,004	\$ 3,011
N/A	2055	Work In Progress	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total				\$ 49,389,911	\$ 3,367,043	\$ 89,504	\$ -	\$ 1,970,919	\$ -	\$ -	\$ 1,970,919	\$ 50,696,531

10	Transportation	
8	Stores Equipment & Garage Tools	
12/45	Computer Hardware & Software	

Less: Fully Allocated Depreciation	
Transportation	\$ 82,451
Stores & Garage Equipment	\$ 37,263
Computer HW & SW	\$ -
Net Depreciation to Inc. Stmt	\$ 1,851,205

TABLE 5.2 – Restated to Show MIFRS Depreciation Rates for New Additions

File Number: EB-2011-0272
 Exhibit: 2
 Tab: 5
 Schedule: 1
 Page: 3
 Date: August 26, 2011

EP #14(a) - Corrected IFRS Depreciation Rates

**Appendix 2-B
 Fixed Asset Continuity Schedule**

Year **2012 Test** **IFRS**

CCA Class	OEB	Description	REVISED		Cost			Accumulated Depreciation				Net Book Value	
			Depreciation Rate	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
N/A	1805	Land	N/A	\$ 391,259	\$ -	\$ -	\$ 391,259	\$ -	\$ -	\$ -	\$ -	\$ 391,259	
CEC	1806	Land Rights	N/A	\$ 303,784	\$ -	\$ -	\$ 303,784	\$ -	\$ -	\$ -	\$ -	\$ 303,784	
47	1808	Buildings	2.00%	\$ 1,439,503	\$ -	\$ -	\$ 1,439,503	\$ 33,112	\$ 33,112	\$ -	\$ -	\$ 1,373,279	
13	1810	Leasehold Improvements	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1815	Transformer Station Equipment >50 kV	2.2% to 5%	\$ 8,387,996	\$ -	\$ -	\$ 8,387,996	\$ 232,330	\$ 232,330	\$ -	\$ -	\$ 7,923,336	
47	1820	Distribution Station Equipment <50 kV	5.00%	\$ 2,469,645	\$ 245,564	\$ -	\$ 2,715,209	\$ 161,059	\$ 167,198	\$ -	\$ -	\$ 2,386,952	
47	1825	Storage Battery Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1830	Poles, Towers & Fixtures	2.20%	\$ 14,698,027	\$ 1,306,399	\$ -	\$ 16,004,426	\$ 395,240	\$ 421,300	\$ -	\$ -	\$ 15,187,885	
47	1835	Overhead Conductors & Devices	1.6% to 2.5%	\$ 9,398,843	\$ 825,987	\$ -	\$ 10,224,830	\$ 191,773	\$ 199,428	\$ -	\$ -	\$ 9,833,629	
47	1840	Underground Conduit	2.00%	\$ 2,694,608	\$ 89,296	\$ -	\$ 2,783,904	\$ 60,211	\$ 63,015	\$ -	\$ -	\$ 2,660,678	
47	1845	Underground Conductors & Devices	3.33%	\$ 5,260,304	\$ 181,271	\$ -	\$ 5,441,575	\$ 219,158	\$ 227,795	\$ -	\$ -	\$ 4,994,622	
47	1850	Line Transformers	2.5% to 2.8%	\$ 6,056,004	\$ 850,097	\$ -	\$ 6,906,101	\$ 174,804	\$ 195,231	\$ -	\$ -	\$ 6,536,066	
47	1855	Services (Overhead & Underground)	2.50%	\$ 2,490,838	\$ 334,860	\$ -	\$ 2,825,698	\$ 66,958	\$ 74,055	\$ -	\$ -	\$ 2,684,685	
47	1860	Meters	3.33% to 4%	\$ 930,358	\$ 310,750	\$ -	\$ 1,241,108	\$ 44,214	\$ 50,876	\$ -	\$ -	\$ 1,146,018	
47	1860	Meters (Smart Meters)	10.00%	\$ 3,214,012	\$ -	\$ -	\$ 3,214,012	\$ 479,090	\$ 321,401	\$ -	\$ -	\$ 2,413,521	
N/A	1905	Land	N/A	\$ 243,636	\$ -	\$ -	\$ 243,636	\$ -	\$ -	\$ -	\$ -	\$ 243,636	
CEC	1906	Land Rights	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1908	Buildings & Fixtures	2.00%	\$ 1,476,546	\$ -	\$ -	\$ 1,476,546	\$ 101,372	\$ 101,472	\$ -	\$ -	\$ 1,273,702	
13	1910	Leasehold Improvements	10.00%	\$ 2,314	\$ -	\$ -	\$ 2,314	\$ 654	\$ 654	\$ -	\$ -	\$ 1,006	
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$ 73,409	\$ 15,500	\$ -	\$ 88,909	\$ 15,568	\$ 13,790	\$ -	\$ -	\$ 59,551	
8	1915	Office Furniture & Equipment (5 years)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	1920	Computer Equipment - Hardware	25.00%	\$ 189,156	\$ 40,000	\$ -	\$ 229,156	\$ 63,095	\$ 93,720	\$ -	\$ -	\$ 72,341	
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	1925	Computer Software	20.00%	\$ 149,771	\$ 142,500	\$ -	\$ 292,271	\$ 37,574	\$ 47,211	\$ -	\$ -	\$ 207,486	
12	1925	Computer Software (Smart Meters)	20.00%	\$ 406,373	\$ -	\$ -	\$ 406,373	\$ 129,885	\$ 101,593	\$ -	\$ -	\$ 231,478	
10	1930	Transportation Equipment	6.6% to 14.3%	\$ 916,107	\$ 40,000	\$ -	\$ 956,107	\$ 82,451	\$ 98,451	\$ -	\$ -	\$ 775,205	
8	1935	Stores Equipment	10.00%	\$ 14,447	\$ -	\$ -	\$ 14,447	\$ 3,990	\$ 3,107	\$ -	\$ -	\$ 7,350	
8	1940	Tools, Shop & Garage Equipment	10.00%	\$ 168,419	\$ 28,000	\$ -	\$ 196,419	\$ 32,269	\$ 30,959	\$ -	\$ -	\$ 133,191	
8	1945	Measurement & Testing Equipment	20.00%	\$ 28,040	\$ -	\$ -	\$ 28,040	\$ 12,762	\$ 9,772	\$ -	\$ -	\$ 5,506	
8	1950	Power Operated Equipment	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1955	Communications Equipment	20.00%	\$ 46,739	\$ 53,000	\$ -	\$ 99,739	\$ 23,866	\$ 22,089	\$ -	\$ -	\$ 53,784	
8	1955	Communication Equipment (Smart Meters)	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	1960	Miscellaneous Equipment	20.00%	\$ 265,335	\$ -	\$ -	\$ 265,335	\$ 99,699	\$ 88,879	\$ -	\$ -	\$ 76,757	
47	1975	Load Management Controls Utility Premises	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1980	System Supervisor Equipment	5.00%	\$ 1,041,803	\$ 89,296	\$ -	\$ 1,131,099	\$ 57,234	\$ 64,785	\$ -	\$ -	\$ 1,009,080	
45.1	1980	System Supervisor Equipment - Hardware	20.00%	\$ 15,397	\$ -	\$ -	\$ 15,397	\$ 847	\$ 847	\$ -	\$ -	\$ 13,703	
47	1985	Miscellaneous Fixed Assets	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
47	1995	Contributions & Grants	various	\$ 7,403,019	\$ 652,000	\$ -	\$ 8,055,019	\$ 193,818	\$ 205,507	\$ -	\$ -	\$ 7,855,694	
8	2005	Property Under Capital Lease	10.00%	\$ 4,015	\$ -	\$ -	\$ 4,015	\$ 1,004	\$ 1,004	\$ -	\$ -	\$ 2,007	
N/A	2055	Work In Progress	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Total		\$ 55,373,671	\$ 3,900,520	\$ -	\$ 59,274,191	\$ 2,526,401	\$ 2,458,567	\$ -	\$ -	\$ 4,984,969	\$ 54,289,222

10	Transportation
8	Stores Equipment & Garage Tools
12/45	Computer Hardware & Software

Less: Fully Allocated Depreciation
 Transportation \$ 98,451
 Stores & Garage Equipment \$ 32,591
 Computer HW & SW \$ -
Net Depreciation to Inc. Stmt \$ 2,327,525

b) Has Norfolk taken into account assets that become fully depreciated in the year in the calculation of the depreciation expense?

Response:

Norfolk confirms that it has taken into account assets that become fully depreciated in the year in the calculation of depreciation expense.

c) Please explain why there is no disposals for accumulated depreciation in Table 5.1 for the three accounts that show disposals of gross assets.

Response:

Norfolk took the IFRS 1 Exemption to use Carrying Value as Deemed Cost, which results in December 31, 2010 NBV as opening cost at the date of transition, with accumulated amortization being cleared to zero. The disposals to the accounts referred to in this question are “one-time” adjustments to write off assets that have no remaining useful life based on the revised useful life range. The adjustment needs to come out of cost only and not accumulated depreciation as the balance of accumulated depreciation upon adoption of IFRS is zero. The one-time adjustments are as follows:

Account 1945 -	\$42,514
Account 1955 -	\$13,133
Account 1960 -	<u>\$33,857</u>
TOTAL ADJ	\$89,504

Interrogatory #15

Ref: Exhibit 2, Appendix B

- a) Please confirm that the RPP and non-RPP cost of power forecast for 2012 is based on the April 2011 Regulated Price Plan Price Report.**

Response:

The RPP and non-RPP cost of power forecast for 2012 is based on the April 2011 Regulated Price Plan Price Report.

- b) Please update the cost of power forecast for 2012 shown in Appendix A to reflect the RPP and non-RPP prices from the October, 2011 Regulated Price Plan Price Report.**

Response:

Please see the updated cost of power forecast for 2012 shown below to reflect the RPP and non-RPP prices from the October, 2011 Regulated Price Plan Price Report.

<u>2012 Load Forecast</u>	kWh	kW	2010 %RPP		
Residential	147,876,185		85%		
General Service < 50 kW	61,468,712		82%		
General Service 50 to 4,999 kW	132,412,296	348,158	18%		
Street Lighting	2,986,427	8,709	99%		
Sentinel Lighting	331,979	864	100%		
Unmetered Scattered Load	467,056		100%		
Hydro One	30,955,199		0%		
TOTAL	376,497,854	357,731			

<u>Electricity - Commodity RPP</u>	2012	2012 Loss			
Class per Load Forecast RPP	Forecasted	Factor	2012		
Residential	125,694,757	1.0550	132,607,969	\$0.07565	\$10,031,793
General Service < 50 kW	50,404,344	1.0550	53,176,583	\$0.07565	\$4,022,808
General Service 50 to 4,999 kW	23,834,213	1.0550	25,145,095	\$0.07565	\$1,902,226
Street Lighting	2,956,563	1.0550	3,119,174	\$0.07565	\$235,965
Sentinel Lighting	331,979	1.0550	350,238	\$0.07565	\$26,495
Unmetered Scattered Load	467,056	1.0550	492,744	\$0.07565	\$37,276
Hydro One	0	1.0550	0	\$0.07565	\$0
TOTAL	203,688,912		214,891,802		\$16,256,565

<u>Electricity - Commodity Non-RPP</u>	2012	2012 Loss			
Class per Load Forecast	Forecasted	Factor	2012		
Residential	22,181,428	1.0550	23,401,406	\$0.07191	\$1,682,795
General Service < 50 kW	11,064,368	1.0550	11,672,908	\$0.07191	\$839,399
General Service 50 to 4,999 kW	108,578,083	1.0550	114,549,877	\$0.07191	\$8,237,282
Street Lighting	29,864	1.0550	31,507	\$0.07191	\$2,266
Sentinel Lighting	0	1.0550	0	\$0.07191	\$0
Unmetered Scattered Load	0	1.0550	0	\$0.07191	\$0
Hydro One	30,955,199	1.0550	32,657,735	\$0.07191	\$2,348,418
TOTAL	172,808,942		149,655,699		\$13,110,159

<u>Transmission - Network</u>					
Class per Load Forecast	Volume Metric		2012		
Residential		kWh	156,009,375	\$0.0064	\$998,460
General Service < 50 kW		kWh	64,849,491	\$0.0058	\$376,127
General Service 50 to 4,999 kW		kW	348,158	\$2.3614	\$822,140
Street Lighting		kW	8,709	\$1.7810	\$15,511
Sentinel Lighting		kW	864	\$1.7900	\$1,547
Unmetered Scattered Load		kWh	492,744	\$0.0058	\$2,858
Hydro One		kWh	32,657,735	\$0.0058	\$189,415
TOTAL					\$2,406,057

<u>Transmission - Connection</u>					
Class per Load Forecast	Volume Metric		2012		
Residential		kWh	156,009,375	\$0.0035	\$546,033
General Service < 50 kW		kWh	64,849,491	\$0.0031	\$201,033
General Service 50 to 4,999 kW		kW	348,158	\$1.2237	\$426,041
Street Lighting		kW	8,709	\$0.9460	\$8,239
Sentinel Lighting		kW	864	\$0.9658	\$834
Unmetered Scattered Load		kWh	492,744	\$0.0031	\$1,528
Hydro One		kWh	32,657,735	\$0.0031	\$101,239
TOTAL					\$1,284,947

<u>Wholesale Market Service</u>					
Class per Load Forecast			2012		
Residential			156,009,375	\$0.0052	\$811,249
General Service < 50 kW			64,849,491	\$0.0052	\$337,217
General Service 50 to 4,999 kW			139,694,972	\$0.0052	\$726,414
Street Lighting			3,150,680	\$0.0052	\$16,384
Sentinel Lighting			350,238	\$0.0052	\$1,821
Unmetered Scattered Load			492,744	\$0.0052	\$2,562
Hydro One			32,657,735	\$0.0052	\$169,820
TOTAL			397,205,236		\$2,065,467
<u>Rural Rate Assistance</u>					
Class per Load Forecast			2012		
Residential			156,009,375	\$0.0013	\$202,812
General Service < 50 kW			64,849,491	\$0.0013	\$84,304
General Service 50 to 4,999 kW			139,694,972	\$0.0013	\$181,603
Street Lighting			3,150,680	\$0.0013	\$4,096
Sentinel Lighting			350,238	\$0.0013	\$455
Unmetered Scattered Load			492,744	\$0.0013	\$641
Hydro One			32,657,735	\$0.0013	\$42,455
TOTAL			397,205,236		\$516,367
		2012			
4705-Power Purchased		\$29,366,724			
4708-Charges-WMS		\$2,065,467			
4714-Charges-NW		\$2,406,057			
4716-Charges-CN		\$1,284,947			
4730-Rural Rate Assistance		\$516,367			
4750-Low Voltage		\$296,427			
TOTAL		35,935,989			

Interrogatory #16

Ref: Exhibit 3, Tab 2, Schedule 1, Table 2.5

- a) **Please confirm that Norfolk did not use 29 days for February, 2012 in its forecast.**

Response:

Norfolk confirms that it did not use 29 days for February, 2012 in its forecast.

- b) **Please confirm that use of the additional day in February, 2012 would increase the total system purchases excluding large use forecast for 2012 from 364.5 GWh to 365.1 GWh and the weather normalized billed energy forecast would be 345.9 GWh.**

Response:

Norfolk confirms that use of the additional day in February, 2012 would increase the total system purchases excluding large use forecast for 2012 from 364.5 GWh to 365.1 GWh and the weather normalized billed energy forecast would be 345.9 GWh.

Interrogatory #17

Ref: Exhibit 3, Tab 2, Schedule 1, Tables 2.6 & 2.8

a) Are the customer/connection numbers shown in Table 2.6 the year end number of customers, or the average number of customers for the year?

Response:

The customer/connection numbers shown in Table 2.6 are the average number of customers for the year.

b) Please provide the actual number of customers/connections by each class shown in Table 2.8 for the most recent month available in 2011, along with the corresponding figure for the same month in 2010.

Response:

Please see table below.

Year	Residential	General Service < 50 kW	General Service 50 to 4,999 kW	Street Lighting	Sentinel Lighting	Unmetered Scattered Load	TOTAL
Actual Number of Customers/Connections							
As at September 30, 2011	16,843	1,990	167	3,819	372	76	23,267
As at September 30, 2010	16,751	2,017	163	3,794	384	76	23,185

Interrogatory #18

Ref: Exhibit 3, Tab 2, Schedule 1, page 17

What is the most recent year-to-date actual consumption for 2011 supplied by Norfolk to Hydro One? What was the year-to-date consumption for the same period in 2010?

Response:

Please see the table below outlining the year-to-date actual consumption for 2011 supplied by Norfolk to Hydro One.

Jan-11		2,663,144
Feb-11		2,023,259
Mar-11		3,229,491
Apr-11		2,265,222
May-11		2,372,260
Jun-11		2,320,178
Jul-11		2,992,931
Aug-11		3,810,455
		21,676,940

Please see the table below outlining the year-to-date consumption for the same period in 2010.

Jan-10		2,574,638
Feb-10		2,259,258
Mar-10		2,160,417
Apr-10		1,838,134
May-10		1,706,054
Jun-10		2,120,246
Jul-10		2,858,814
Aug-10		4,158,261
		19,675,821

Interrogatory #19

Ref: Exhibit 3, Tab 3, Schedule 1, Table 3.1

- a) **Please indicate where the MicoFit revenue has been recorded and show the actual and forecast figures for each year shown and how these revenues tie back into the expected number of connections.**

Response:

MicroFit revenues are recorded in USoA account 4235. For 2010 the actual revenues recorded were approximately \$200. The revenue estimate for USoA account 4235 for 2011 and 2012 did not factor in the increased numbers of MicroFit customer connections and resulting revenue streams. USoA Account 4235 totals for 2011 and 2012 have been updated as shown below to include the MicroFit connections estimated for the remainder of 2011 and 2012. For 2011, the 20 connections that were completed in late 2010 will generate the monthly revenue stream for all of 2011. We have assumed that the 34 connections in 2011(making a total # of connections as at December 31, 2011 of 54) will be in place for 6 months of the year, thus generating the revenue stream for only half of the year. For 2012, the 54 connections completed in 2010 and 2011 will generate revenue streams for the whole year while the remaining 50 new connections estimated for 2012 will generate revenues for half of 2012.

Acct 4235	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011F</u>	<u>2012F</u>
Other Revenue	\$ 95,702.00	\$ 89,927.00	\$ 101,636.00	\$ 88,000.00	\$ 88,000.00
MicroFit Revenue	\$ -	\$ -	\$ 226.63	\$ 2,152.50	\$ 5,103.00
Total 4235	\$ 95,702.00	\$ 89,927.00	\$ 101,862.63	\$ 90,152.50	\$ 93,103.00
Total # of Connections at Year End			20	54	104
# Months Connected During Year (for new connections)			2	6	6
Monthly Charge			5.25	5.25	5.25

Total MicroFit Service Charge Revenue Calculation 2010:	
Total # of Connections at Year End(2010)	20
Average number of months connected for new connections(2010)	2.158
Monthly Service Charge	\$ 5.25
Revenues for 2010 Connected MicroFits (20 x 2.158 x 5.25)	226.63
Total MicroFit Revenue for Year	\$ 226.63
Total MicroFit Service Charge Revenue Calculation 2011 (Forecasted):	
Total # of Connections at Year End (2011)	54
Connections from Previous Year End (2010)	20
Total # of New Connections in 2011	34
Average number of months connected for new customers (2011)	6
Monthly Service Charge	\$ 5.25
Revenues for 2010 Connected MicroFits (20 x 12mths x 5.25/month)	\$ 1,260.00
Revenues for 2011 Connected MicroFits (34 x 6mths x 5.25/month)	\$ 892.50
Total MicroFit Revenue for Year	\$ 2,152.50
Total MicroFit Service Charge Revenue Calculation 2012 (Forecasted):	
Total # of Connections at Year End (2012)	104
Connections as at Previous Year End (2011)	54
Total # of New Connections in 2012	50
Average number of months connected for new customers (2012)	6
Monthly Service Charge	\$ 5.25
Revenues for 2010 and 2011 Connected MicroFits (54 x 12 x 5.25)	\$ 3,402.00
Revenues for 2012 Connected MicroFits (50 x 6 x 5.25)	\$ 1,701.00
	\$ 5,103.00

b) Please explain the decreased forecast for Account 4235 shown between 2010 and 2011.

Response:

The revenues anticipated in 2011(\$88,000) more accurately reflect the average Miscellaneous Revenues for the years 2006 through 2010(\$91,500). In reviewing the Miscellaneous Service Revenues for 2011, January through September, the balance is approximately \$65,757. Extrapolating this figure over a full year would mean a total Miscellaneous Service Revenue for 2011 of \$87,677 which is very close to the forecasted revenue of \$88,000 as per Table 3.1. Declines in Disconnect/Reconnection at Meter (During & After Hours) revenues in 2011 have contributed to this lower Miscellaneous Services Revenues total.

c) Please provide a table that shows the actual year-to-date revenue for the most recent period available in 2011, along with the corresponding amount recorded over the same period in 2010, in the same level of detail as shown in Table 3.1.

Response:

Please see table below that shows the actual year-to-date revenue for the 2011 up to September 20, 2011, along with the corresponding amount recorded over the same period in 2010.

USoA Account	Account Description	2010 Actual YTD (Jan to Sept)	2011 Actual YTD (Jan to Sept)	2011 Bridge Forecast
4080	SSS Administration Charge	36,275	36,971	57,742
4082	Retail Services Revenue	100	300	800
4084	Service Transaction Requests	984	590	700
4210	Rent from Electric Property	71,300	73,672	96,000
4225	Late Payment Charges	107,868	115,865	138,000
4235	Miscellaneous Service Revenues	77,281	65,758	88,000
4315	Revenues from Electric Plant Leased to Others			23,880
4234	Special Purpose Charge	45,475	57,574	57,574
4325	Revenues from Merchandise, Jobbing, Etc.	893	135	2,000
4355	Gain on Disposition of Utility and Other Property	2,869		
4360	Loss of Disposition of Utility and Other Property		(5,910)	(6,000)
4375	Revenues from Non-Utility Operations	362,773	324,631	780,314
4380	Expenses of Non-Utility Operations	(372,391)	(233,588)	(780,314)
4385	Non-Utility Rental Income			
4390	Miscellaneous Non-Operating Income	32,976	108,538	58,000
4398	Foreign Exchange Gains and Losses, Including Amortization	23		
4405	Interest and Dividend Income (exclude interest on reg assets)	4,011	8,599	12,000
Total		370,437	553,135	528,696
Summary of Other Operating Revenue				
	SSS Administration Charge	36,275	36,971	57,742
	Specific Service Charges	77,281	65,758	88,000
	Late Payment Charges	107,868	115,865	138,000
	Other Distribution Revenues	72,384	74,562	97,500
	Other Income and Expenses	76,628	296,950	147,454
	Total Other Operating Revenue	370,437	590,105	528,696

Account 4080 (SSS Administration Charge):

SSS Administration Charge was not recorded originally in Table 3.1 for years 2008, 2009, 2010 as Norfolk has recorded these amounts with Distribution Revenue. SSS Administration Charges for these years were: 2008 (\$29,736), 2009 (\$47,476) and 2010 (\$48,369).

Account 4224 (Late Payment Charges):

Late Payment Charges revenues in 2010 (January to September) were fairly consistent with 2011 revenues for the same period. The end of year revenues for Late Payment Charges in 2010 were offset by Norfolk's share of the Late Payment Penalty class action lawsuit (EB-2010-0295) which amounted to \$55,876.

Account 4375 (Revenues from Non-Utility Operations) and 4380 (Expenses from Non-Utility Operations):

This revenue and expense group includes OPA and CDM activities.

4390 (Miscellaneous Non-Operating Income):

The 2011 Y-T-D figures for this revenue source exceed the 2010 Y-T-D figures by \$75,562. This increase is a direct result of a new process implemented in 2011 for the treatment of billable work orders for 3rd party work. Prior to 2011, this revenue account only tracked the incremental revenues from these billings. Commencing in 2011, Norfolk now shows the full revenues for this work in this account. The expenses for these billing are tracked in various maintenance and/or repair accounts. The net effect is the same, however full revenues and full expenses are now tracked for these 3rd party billable work orders.

Interrogatory #20

Ref: Exhibit 4, Tab 1, Schedule 1, Table 1.6

Please provide a table in the same level of detail as Table 1.6 that shows the most recent year-to-date actual expenditures for 2011 and the amounts for the corresponding period in 2010.

Response:

Please see the table below which shows the most recent year-to-date actual expenditures for 2011 (January to September) and the amounts for the corresponding period in 2010.

Description		Jan 1 to Sep 30 2010	Jan 1 to Sep 30 2011	Variance \$	Variance %
Operations		817,093	860,171	43,079	5.3%
Maintenance		824,838	890,428	65,590	8.0%
Billing & Collecting		795,760	729,589	(66,171)	-8.3%
Community Relations		24,200	25,568	1,368	5.7%
Administrative & General Expense		1,194,752	1,255,334	60,582	5.1%
Total OM&A Expense		3,656,644	3,761,091	104,447	2.9%

Interrogatory #21

**Ref: Exhibit 4, Tab 2, Schedule 3, Table 2.7 &
Exhibit 4, Tab 1, Schedule 1, Table 1.2**

a) Please explain why the Special Purpose Charge is shown as a cost driver in Table 2.7.

Response:

The Special Purpose Charge (SPC) is shown as a cost driver in Table 2.7 as this charge was included as an OM&A expense. Based on direction from the letter from the Board dated April 23, 2010, Norfolk charged this expense to USoA account 5681 (under general and administrative expense), with the associated revenues for the Special Purpose Charge recorded in account 4324. Please see Appendix 4 Special Purpose Charge Energy Probe IR 21a. The remaining variance between these accounts was recorded in deferral account 1521 (Norfolk has not requested for disposition of this account in this application).

b) Please indicate where the Special Purpose Charge has been included in Table 1.2 of Exhibit 4, Tab 1, Schedule 1.

Response:

The Special Purpose Charge has been included in the "Administrative & General Expense" row in the "2010 Actual" column total of \$1,612,447 in Table 1.2 of Exhibit 4, Tab 1, Schedule 1 for amounts collected in 2010. The remaining amount has been included in the "Administrative & General Expense" row in the "2011 Bridge" column total of \$1,633,500 in Table 1.2 of Exhibit 4, Tab 1, Schedule 1.

The amounts for both years can be seen in Table 2.6 Detailed Account by Account General & Administrative Expenses, found in Exhibit 4, Tab 2, Schedule 2.

c) Please provide a revised Table 1.2 that excludes the Special Purpose Charge.

Response:

Norfolk has provided a revised Table 1.2 that excludes the Special Purpose Charge below.

Revised Table 1.2 (Exh 4/Tab 1/Sched 1) – Excluding SPC

Summary of OM&A Expenses							
Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test GAAP	2012 Test IFRS
Operations	1,201,788	1,185,564	1,060,932	1,106,741	1,144,900	1,226,500	1,288,506
Maintenance	718,374	1,507,433	1,025,443	1,115,511	1,151,200	1,165,100	1,248,605
Billing & Collecting	982,644	1,053,434	1,037,686	971,841	968,850	1,228,062	1,228,062
Community Relations	27,069	95,043	45,608	48,761	58,000	37,000	37,000
Administrative & General Expense	1,323,498	1,333,024	1,313,371	1,523,000	1,577,500	1,544,400	2,015,444
Total OM&A Expense	4,253,373	5,174,498	4,483,040	4,765,854	4,900,450	5,201,062	5,817,617
Year over Year % Increase		21.7%	-13.4%	6.3%	2.8%	6.1%	
CAGR from 2008 Approved						5.2%	
CAGR from 2008 Actual						0.1%	
GDP-IPI		2.1%	2.3%	1.3%	1.3%		

Interrogatory #22

Ref: Exhibit 4, Tab 2, Schedule 4

What is the impact on total compensation, total compensation charged to OM&A and total compensation capitalized, in 2012 if the 2.5% increase in 2011 and the 3.0% increase in 2012 forecast for management was reduced to 1.5% in each of 2011 and 2012?

Response:

An increase of 1.5% in management wages instead of 2.5% in 2011 would reduce total compensation in 2011 by \$11,562. With an increase of 1.5% again in 2012 instead of 3.0% would reduce total compensation by \$31,018.

2011	Per Application	With 1.5% Increase
Management Wages	\$1,185,086	\$1,173,524
2012	Per Application	With 1.5% Increase
2011 Management Wages	1,185,086	1,173,524
Add increase from FTE change	100,435	100,435
Total before inflationary increase	1,285,521	1,273,959
Add 3% per Application / 1.5% per Interrogatory	\$1,324,087	\$1,293,069
Total Reduction		\$31,018
Reduction in OM&A		\$14,268
Reduction in Capital		\$16,750

Interrogatory #23

**Ref: Exhibit 4, Tab 2, Schedule 5 &
Exhibit 3, Tab 3, Schedule 1, Table 3.1**

- a) Please explain why no revenues are shown in Table 2.27 for Street Light & Sentinel Light Services between NPDI and NEI even though the evidence at page 6 indicates that NPDI provides these services to NEI.**

Response:

Norfolk allocates these expenses to NEI, through offsetting expenses with revenue.

- b) Are the costs incurred by Norfolk to provide services to its affiliates, as shown in Table 2.27 included in the OM&A expense or as expense offsets to the revenues shown in Table 3.1 of Exhibit 3, Tab 3, Schedule 1?**

Response:

The costs incurred by Norfolk to provide the services to its affiliates as shown in Table 2.27 are not included in OM&A expenses. These expenses are allocated to NEI with expenses and revenue offsetting each other.

- c) Please provide a reconcile between the revenues and costs shown in Table 2.27 and the revenues and expenses shown in Table 3.1. Please explain any differences.**

Response:

Norfolk has indicated on the replication of Table 2.27 below, the treatment for each cost and revenue between affiliates. Office rental, Pole rental and Fibre rental are the only revenue sources that are reported on Table 3.1. The costs for the remaining services provided to NEI are directly allocated to NEI and are not included in the financial statements of NPDI, nor in this application for recovery through distribution rates.

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service	
From	To			\$	\$	
NPDI	NEI	Management Related Services	Cost-Based	48,000	48,000	Direct Allocation
NPDI	NEI	Water & Sewer Billing Services	Cost-Based	400,056	400,056	Direct Allocation
NPDI	NEI	Hot Water Heater Billing Services	Cost-Based	N/A	N/A	
NPDI	NEI	Office Rental	Market	9,600	9,600	Revenue in Account 4210
NPDI	NEI	Pole Rental	Market	15,600	15,600	Revenue in Account 4210
NPDI	NEI	Purchasing and Inventory Services	Cost-Based	N/A	N/A	
NPDI	NEI	Fibre Rental	Market	23,880	23,880	Revenue in Account 4315
NPDI	NEI	Street Light & Sentinel Light Services			-	
NPDI	NEI	Labor	Cost-Plus	40,500	40,500	Direct Allocation
NPDI	NEI	Truck	Cost-Plus	23,000	23,000	Direct Allocation
NPDI	NEI	Material	Cost-Plus	28,000	28,000	Direct Allocation
NPDI	NEI	Total Street Light & Sentinel Light Services	Cost-Plus	91,500	91,500	Direct Allocation
					-	
NEI	NPDI	CDM Consulting Services	Market	N/A	N/A	
NEI	NPDI	Fibre Rental	Market	14,400	14,400	Expense Account 5013
NPDI	Norfolk County	Street Light and Sentinel Light Services				
		Labor	Cost-Plus	N/A	N/A	
		Truck	Cost-Plus	N/A	N/A	
		Material	Cost-Plus	N/A	N/A	
		Total Street Light Services	Cost-Plus	N/A	N/A	
NPI	NPDI	Management Fee	Cost-Based	N/A	N/A	
Norfolk Count	NPDI	Tower Rental	Market	56,000	56,000	Expense Account 5310

Interrogatory #24

Ref: Exhibit 4, Tab 2, Schedule 7, Tables 2.35 & 2.36 & Exhibit 2, Tab 5, Schedule 1

Please provide similar tables for 2011 and 2012 based on MIFRS. Please ensure that the Depreciation Expense Per Continuity Schedule match the figures provided in Tables 5.1 & 5.2 in Exhibit 2, Tab 5, Schedule 1.

Response:

Although Norfolk does not believe that Appendix M of the Chapter 2 Filing Requirements can be applied appropriately in an IFRS environment due to the “remaining useful life” of existing assets being different for historical additions, it has supplied depreciation calculation tables for 2011 & 2012 under IFRS. In some cases, Norfolk has had to use an “average remaining useful life for existing assets” as the amortization period in an effort to satisfy a response to this interrogatory. The OEB’s model found in Appendix M of the Chapter 2 Filing Requirements excel file (to which this question refers: see Tables 2.35 & 2.36 of Exhibit 4/Tab 2/Schedule 7) uses a simplified approach to calculating amortization expense using the gross asset value in the pool and divides it by the amortization period (rate). Upon adoption of MIFRS, the calculation of amortization expense becomes more complex due to the various new categories, varying ages of existing assets, and application of new amortization rates to new asset additions.

Energy Probe #24

Appendix 2-M
 Depreciation and Amortization Expense

Year: 2011 MIFRS

Account	Description	Opening Balance (a)	Less Fully Depreciated ¹ (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + ½ x (d) ²	Average Remaining Life of Opening Balance (i)	Years (f)	Depreciation Rate (g) = 1 / (f)	Depreciation expense on opening (j) = (e)/(i)	Depreciation Expense on Additions (h) = (d)/(f/2)	Total Depreciation Expense (MIFRS) (k) = (j) + (h)	Depreciation Expense Per Continuity Schedule (Table 5.1 of Exh. 2/Tab 5/ Schedule 1)	Variance (Immaterial)
1730	Transmission Plant	\$ 2,193.75		\$ 2,193.75	\$ -	\$ 2,193.75	22.00	25.00	4.0%	\$ 99.72	\$ -	\$ 99.72	\$ 99.72	\$ 99.72
1805	Land	\$ 391,259.39		\$ 391,259.39	\$ -	\$ 391,259.39	-	-						
1806	Land Rights	\$ 302,784.48		\$ 302,784.48	\$ 1,000.00	\$ 303,284.48	-	-						
1808	Transformer Station Building	\$ 1,439,503.08		\$ 1,439,503.08	\$ -	\$ 1,439,503.08	43.47	50.00	2.0%	\$ 33,114.86	\$ -	\$ 33,114.86	\$ 33,114.86	\$ 2.91
1815	Power Transformers	\$ 5,136,797.68		\$ 5,136,797.68	\$ -	\$ 5,136,797.68	41.36	45.00	2.2%	\$ 124,197.24	\$ -	\$ 124,197.24	\$ 124,188.54	\$ 8.69
1815	Station Switchgear	\$ 2,708,365.71		\$ 2,708,365.71	\$ -	\$ 2,708,365.71	36.34	40.00	2.5%	\$ 74,528.50	\$ -	\$ 74,528.50	\$ 74,521.60	\$ 6.90
1815	Station DC System	\$ 540,639.08		\$ 540,639.08	\$ -	\$ 540,639.08	16.13	20.00	5.0%	\$ 33,517.61	\$ -	\$ 33,517.61	\$ 33,519.66	\$ 2.04
1820	Distribution Station Equipment	\$ 2,404,513.58		\$ 2,404,513.58	\$ 65,131.00	\$ 2,437,079.08	15.24	20.00	5.0%	\$ 157,802.37	\$ 3,256.55	\$ 161,058.92	\$ 161,058.92	\$ 0.12
1830	OH Poles (Fully Dressed)	\$ 13,659,081.90		\$ 13,659,081.90	\$ 1,038,945.00	\$ 14,778,554.40	35.60	45.00	2.2%	\$ 383,682.08	\$ 11,543.83	\$ 395,225.91	\$ 395,240.46	\$ 14.55
1835	OH Line Switch	\$ 1,942,630.98		\$ 1,942,630.98	\$ 165,551.27	\$ 2,025,406.61	33.10	40.00	2.5%	\$ 58,689.76	\$ 2,069.39	\$ 60,759.15	\$ 60,764.09	\$ 4.94
1835	OH Conductors - Primary	\$ 6,718,139.59		\$ 6,718,139.59	\$ 572,520.73	\$ 7,004,389.96	53.22	60.00	1.7%	\$ 126,233.36	\$ 4,771.01	\$ 131,004.37	\$ 131,008.57	\$ 4.20
1840	UG Conductors	\$ 2,503,558.32		\$ 2,503,558.32	\$ 191,050.00	\$ 2,599,093.32	42.94	50.00	2.0%	\$ 58,903.64	\$ 1,910.50	\$ 60,214.14	\$ 60,211.21	\$ 2.93
1845	UG Primary Cables	\$ 4,923,360.84		\$ 4,923,360.84	\$ 336,943.00	\$ 5,091,832.34	23.06	30.00	3.3%	\$ 213,502.20	\$ 5,615.72	\$ 219,117.92	\$ 219,158.00	\$ 40.07
18501	OH Transformers & Voltage Regulators	\$ 2,763,736.56		\$ 2,763,736.56	\$ 784,127.00	\$ 3,155,800.06	33.70	40.00	2.5%	\$ 82,009.99	\$ 9,801.59	\$ 91,811.57	\$ 91,802.80	\$ 8.77
18502	Pad-Mounted Transformers	\$ 2,508,140.89		\$ 2,508,140.89	\$ -	\$ 2,508,140.89	30.22	35.00	2.9%	\$ 82,996.06	\$ -	\$ 82,996.06	\$ 83,000.81	\$ 4.75
1855	Secondary Cables (UG & OH)	\$ 2,258,010.15		\$ 2,258,010.15	\$ 232,828.00	\$ 2,374,424.15	35.25	40.00	2.5%	\$ 64,057.03	\$ 2,910.35	\$ 66,967.38	\$ 66,958.42	\$ 8.95
1860	Residential Meters (Stranded)	\$ 914,164.13		\$ 914,164.13	\$ -	\$ 914,164.13	17.09	25.00	4.0%	\$ 53,491.17	\$ -	\$ 53,491.17	\$ 53,492.72	\$ 1.55
1860	Wholesale/Internal Meters	\$ 307,216.17		\$ 307,216.17	\$ 22,140.46	\$ 318,286.40	17.09	25.00	4.0%	\$ 17,976.37	\$ 442.81	\$ 18,419.18	\$ 18,419.70	\$ 0.52
1860	Other meters (CTs & PTs)	\$ 560,616.05		\$ 560,616.05	\$ 40,385.54	\$ 580,808.82	22.32	30.00	3.3%	\$ 25,117.21	\$ 673.09	\$ 25,790.30	\$ 25,794.15	\$ 3.85
1860	Smart Meters	\$ -		\$ -	\$ -	\$ -	-	15.00	6.7%			\$ -	\$ -	\$ -
1905	Land	\$ 243,635.89		\$ 243,635.89	\$ -	\$ 243,635.89	-	-	0.0%			\$ -	\$ -	\$ -
1901	Building - Service Centre	\$ 1,461,862.58		\$ 1,461,862.58	\$ 10,000.00	\$ 1,468,862.58	14.47	50.00	2.0%	\$ 101,027.13	\$ 100.00	\$ 101,127.13	\$ 101,096.77	\$ 30.36
1902	Building - Pond Street Storage	\$ 4,683.16		\$ 4,683.16	\$ -	\$ 4,683.16	17.00	25.00	4.0%	\$ 275.48	\$ -	\$ 275.48	\$ 275.48	\$ -
1910	Leasehold Improvements - Hunt St	\$ 2,313.94		\$ 2,313.94	\$ -	\$ 2,313.94	3.54	10.00	10.0%	\$ 653.66	\$ -	\$ 653.66	\$ 653.98	\$ 0.32
1915	Office Equipment	\$ 58,409.10		\$ 58,409.10	\$ 15,000.00	\$ 65,909.10	4.15	10.00	10.0%	\$ 14,074.48	\$ 750.00	\$ 14,824.48	\$ 15,567.59	\$ 743.11
1920	Computer Hardware	\$ 159,156.30		\$ 159,156.30	\$ 30,000.00	\$ 174,156.30	2.68	4.00	25.0%	\$ 59,386.68	\$ 3,750.00	\$ 63,136.68	\$ 63,094.60	\$ 42.08
1925	Computer Software	\$ 122,771.25		\$ 122,771.25	\$ 27,000.00	\$ 136,271.25	3.52	5.00	20.0%	\$ 34,878.20	\$ 2,700.00	\$ 37,578.20	\$ 37,574.00	\$ 4.20
1925-1	Computer Software - Smart Meters	\$ -		\$ -	\$ -	\$ -	-	5.00	20.0%			\$ -	\$ -	\$ -
1930	Vehicles - Bucket Trucks	\$ 392,326.64		\$ 392,326.64	\$ 440,000.00	\$ 612,326.64	8.53	15.00	6.7%	\$ 45,993.74	\$ 14,666.67	\$ 60,660.41	\$ 60,681.49	\$ 21.07
1930	Vehicles - Other	\$ 83,780.54		\$ 83,780.54	\$ -	\$ 83,780.54	3.85	7.00	14.3%	\$ 21,761.18	\$ -	\$ 21,761.18	\$ 21,769.77	\$ 8.59
1935	Stores Equipment	\$ 14,447.41		\$ 14,447.41	\$ -	\$ 14,447.41	3.62	10.00	10.0%	\$ 3,991.00	\$ -	\$ 3,991.00	\$ 3,990.39	\$ 0.61
19400	Tools & Garage Equipment	\$ 118,167.29		\$ 118,167.29	\$ 35,000.00	\$ 135,667.29	4.17	10.00	10.0%	\$ 26,337.48	\$ 1,750.00	\$ 30,087.48	\$ 30,090.13	\$ 2.65
19401	Recloser Shop Tools & Equipment	\$ 15,251.71		\$ 15,251.71	\$ -	\$ 15,251.71	7.00	10.00	10.0%	\$ 2,178.82	\$ -	\$ 2,178.82	\$ 2,178.82	\$ -
1945	Measurement & Testing Equipment	\$ 70,554.12	\$ 42,514.43	\$ 28,039.69	\$ -	\$ 28,039.69	5.53	5.00	20.0%	\$ 12,758.43	\$ -	\$ 12,758.43	\$ 12,761.93	\$ 3.50
19500	Communication Equipment	\$ 51,871.94	\$ 13,132.76	\$ 38,739.18	\$ 8,000.00	\$ 42,739.18	2.25	5.00	20.0%	\$ 23,054.20	\$ 800.00	\$ 23,854.20	\$ 23,865.70	\$ 11.50
1980/19801	Scada	\$ 844,439.20		\$ 844,439.20	\$ 212,761.00	\$ 950,819.70	16.00	20.00	5.0%	\$ 52,777.45	\$ 5,319.03	\$ 58,096.48	\$ 58,080.78	\$ 15.70
1960	Miscellaneous Equipment	\$ 299,191.96	\$ 33,856.92	\$ 265,335.04	\$ -	\$ 265,335.04	3.00	5.00	20.0%	\$ 99,730.65	\$ -	\$ 99,730.65	\$ 99,699.41	\$ 31.24
2005	Property under Capital Assets	\$ 4,015.44		\$ 4,015.44	\$ -	\$ 4,015.44	4.00	10.00	10.0%	\$ 1,003.86	\$ -	\$ 1,003.86	\$ 1,003.86	\$ -
1995	Contributed Capital	\$ 6,541,691.20		\$ 6,541,691.20	\$ 861,340.00	\$ 6,972,351.20		various				\$ 193,817.32	\$ 193,817.32	\$ -
	Total	\$ 49,389,909.59	\$ 89,504.11	\$ 49,300,405.48	\$ 3,367,043.00	\$ 50,983,926.98				\$ 2,091,201.59	\$ 72,830.53	\$ 1,970,214.79	\$ 1,970,918.56	\$ 803.48

Subtotal Depreciation Expense (Before Allocations) in Table 5.1 \$ 1,970,919.00

DIFFERENCE \$ -

Energy Probe #24

Appendix 2-M
 Depreciation and Amortization Expense

Year: 2012 MIFRS

Account	Description	Opening Balance (a)	Less Fully Depreciated or Other Adjustments (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 1/2 x (d) ²	Years (New Additions Only) (f)	Depreciation Rate (g) = 1 / (f)	Depreciation Expense (MIFRS) (h) = 2011 depr + (d)(f)	Depreciation Expense Per Continuity Schedule (Table 5.2, Exh 2/Tab 5/Sch 1)	Variance	Note to Explain Variances If Applicable
1730	Transmission Plant	\$ 2,193.75		\$ 2,193.75	\$ -	\$ 2,193.75	25.00	4.0%	\$ 99.72	\$ 99.72	\$ -	
1805	Land	\$ 391,259.39		\$ 391,259.39	\$ -	\$ 391,259.39	-		\$ -	\$ -	\$ -	
1806	Land Rights	\$ 303,784.48		\$ 303,784.48	\$ -	\$ 303,784.48	-		\$ -	\$ -	\$ -	
1808	Transformer Station Building	\$ 1,439,503.08		\$ 1,439,503.08	\$ -	\$ 1,439,503.08	50.00	2.0%	\$ 33,114.96	\$ 33,111.95	\$ 2.91	
1815	Power Transformers	\$ 5,136,797.68		\$ 5,136,797.68	\$ -	\$ 5,136,797.68	45.00	2.2%	\$ 124,197.24	\$ 124,188.54	\$ 8.69	
1815	Station Switchgear	\$ 2,708,365.71		\$ 2,708,365.71	\$ -	\$ 2,708,365.71	40.00	2.5%	\$ 74,528.50	\$ 74,521.60	\$ 6.90	
1815	Station DC System	\$ 540,639.08		\$ 540,639.08	\$ -	\$ 540,639.08	20.00	5.0%	\$ 33,517.61	\$ 33,519.66	\$ 2.04	
1820	Distribution Station Equipment	\$ 2,469,644.58		\$ 2,469,644.58	\$ 245,564.00	\$ 2,694,208.58	20.00	5.0%	\$ 167,198.02	\$ 167,197.90	\$ 0.12	
1830	OH Poles (Fully Dressed)	\$ 14,698,026.90		\$ 14,698,026.90	\$ 1,306,399.00	\$ 15,351,226.40	45.00	2.2%	\$ 421,285.29	\$ 421,299.84	\$ 14.55	
1835	OH Line Switch	\$ 2,108,182.24		\$ 2,108,182.24	\$ 185,270.80	\$ 2,200,817.64	40.00	2.5%	\$ 65,144.42	\$ 63,079.98	\$ 2,064.45	1
1835	OH Conductors - Primary	\$ 7,290,660.32		\$ 7,290,660.32	\$ 640,716.20	\$ 7,611,018.42	60.00	1.7%	\$ 141,114.68	\$ 136,347.87	\$ 4,766.80	2
1840	UG Conducts	\$ 2,694,608.32		\$ 2,694,608.32	\$ 89,296.00	\$ 2,739,256.32	50.00	2.0%	\$ 63,017.60	\$ 63,014.67	\$ 2.93	
1845	UG Primary Cables	\$ 5,260,303.84		\$ 5,260,303.84	\$ 181,271.00	\$ 5,350,939.34	30.00	3.3%	\$ 227,754.82	\$ 227,794.90	\$ 40.07	
18501	OH Transformers & Voltage Regulators	\$ 3,547,863.56		\$ 3,547,863.56	\$ 850,097.00	\$ 3,972,912.06	40.00	2.5%	\$ 112,239.37	\$ 112,230.60	\$ 8.77	
18502	Pad-Mounted Transformers	\$ 2,508,140.89		\$ 2,508,140.89	\$ -	\$ 2,508,140.89	35.00	2.9%	\$ 82,996.06	\$ 83,000.81	\$ 4.75	
1855	Secondary Cables (UG & OH)	\$ 2,490,838.15		\$ 2,490,838.15	\$ 334,880.00	\$ 2,658,268.15	40.00	2.5%	\$ 74,063.48	\$ 74,054.52	\$ 8.96	
1860	Residential Meters (Stranded)	\$ 914,164.13	\$ 914,164.13	\$ -	\$ -	\$ -	25.00	4.0%	\$ -	\$ -	\$ -	
1860	Wholesale/Internal Meters	\$ 329,356.63		\$ 329,356.63	\$ 110,036.58	\$ 384,374.92	25.00	4.0%	\$ 21,062.72	\$ 21,063.24	\$ 0.52	
1860	Other meters (CTs & PTs)	\$ 601,001.60		\$ 601,001.60	\$ 200,713.43	\$ 701,358.31	30.00	3.3%	\$ 29,808.82	\$ 29,812.46	\$ 3.65	
1860	Smart Meters	\$ 2,734,702.85		\$ 2,734,702.85	\$ -	\$ 2,734,702.85	8.51	11.8%	\$ 321,351.69	\$ 321,401.00	\$ 49.31	3
1905	General Plant Land	\$ 243,635.89		\$ 243,635.89	\$ -	\$ 243,635.89	-	0.0%	\$ -	\$ -	\$ -	
1901	Building - Service Centre	\$ 1,471,862.58		\$ 1,471,862.58	\$ -	\$ 1,471,862.58	14.47	6.9%	\$ 101,227.13	\$ 101,196.77	\$ 30.36	
1902	Building - Pond Street Storage	\$ 4,683.16		\$ 4,683.16	\$ -	\$ 4,683.16	25.00	4.0%	\$ 275.48	\$ 275.48	\$ -	
1910	Leasehold Improvements - Hunt St	\$ 2,313.94		\$ 2,313.94	\$ -	\$ 2,313.94	10.00	10.0%	\$ 653.66	\$ 653.98	\$ 0.32	
1915	Office Equipment	\$ 73,409.10		\$ 73,409.10	\$ 15,500.00	\$ 81,159.10	10.00	10.0%	\$ 16,349.48	\$ 13,789.65	\$ 2,559.83	4
1920	Computer Hardware	\$ 189,156.30		\$ 189,156.30	\$ 40,000.00	\$ 209,156.30	4.00	25.0%	\$ 71,886.68	\$ 93,720.48	\$ 21,833.80	5
1925	Computer Software	\$ 149,771.25		\$ 149,771.25	\$ 142,500.00	\$ 221,021.25	5.00	20.0%	\$ 54,528.20	\$ 47,211.48	\$ 7,316.72	6
1925-1	Computer Software - Smart Meters	\$ 287,612.28		\$ 287,612.28	\$ -	\$ 287,612.28	2.83	35.3%	\$ 101,629.78	\$ 101,593.49	\$ 36.29	7
1930	Vehicles - Bucket Trucks	\$ 832,326.64		\$ 832,326.64	\$ 40,000.00	\$ 852,326.64	15.00	6.7%	\$ 76,660.41	\$ 76,681.49	\$ 21.07	
1930	Vehicles - Other	\$ 83,780.54		\$ 83,780.54	\$ -	\$ 83,780.54	7.00	14.3%	\$ 21,761.18	\$ 21,769.77	\$ 8.59	
1935	Stores Equipment	\$ 14,447.41		\$ 14,447.41	\$ -	\$ 14,447.41	10.00	10.0%	\$ 3,991.00	\$ 3,107.49	\$ 883.51	8
19400	Tools & Garage Equipment	\$ 153,167.29		\$ 153,167.29	\$ 28,000.00	\$ 167,167.29	10.00	10.0%	\$ 33,237.48	\$ 28,790.01	\$ 4,457.47	9
19401	Recluser Shop Tools & Equipment	\$ 15,251.71		\$ 15,251.71	\$ -	\$ 15,251.71	10.00	10.0%	\$ 2,178.82	\$ 2,178.82	\$ -	
1945	Measurement & Testing Equipment	\$ 28,039.69		\$ 28,039.69	\$ -	\$ 28,039.69	5.00	20.0%	\$ 12,758.43	\$ 9,771.76	\$ 2,986.67	10
19550	Communication Equipment	\$ 46,739.18		\$ 46,739.18	\$ 53,000.00	\$ 73,239.18	5.00	20.0%	\$ 29,954.20	\$ 22,988.50	\$ 7,865.70	11
1980/19801	Scada	\$ 1,057,200.20		\$ 1,057,200.20	\$ 89,296.00	\$ 1,101,848.20	20.00	5.0%	\$ 65,647.90	\$ 65,632.20	\$ 15.70	
1960	Miscellaneous Equipment	\$ 265,335.04		\$ 265,335.04	\$ -	\$ 265,335.04	5.00	20.0%	\$ 99,730.65	\$ 88,879.36	\$ 10,851.29	12
2005	Property under Capital Assets	\$ 4,015.44		\$ 4,015.44	\$ -	\$ 4,015.44	10.00	10.0%	\$ 1,003.86	\$ 1,003.86	\$ -	
1995	Contributed Capital	\$ 7,403,021.20		\$ 7,403,021.20	\$ 652,000.00	\$ 7,729,021.20	various		\$ -	\$ 205,507.14	\$ -	
	Total	\$ 55,689,763.61	\$ 914,164.13	\$ 54,775,599.49	\$ 3,900,520.01	\$ 56,725,859.49			\$ 2,480,461.87	\$ 2,458,566.69	\$ 21,895.18	

Subtotal Depreciation Expense (Before Allocations) in Table 5.2 \$ 2,458,567.00
 DIFFERENCE \$ -

Notes to Explain Variances:

- 1 2012 depreciation for 2011 additions was calculated as 1/2 the depreciation amount in error
- 2 2012 depreciation for 2011 additions was calculated as 1/2 the depreciation amount in error
- 3 average remaining useful life used since smart meters have been purchased over several years - actual useful life is 15 years (for new additions)
- 4 2002 additions have become fully depreciated so no depreciation is taken in 2012
- 5 2012 depreciation calculation error
- 6 depreciation on 2011 additions was calculated as 0 in error, depreciation should have been \$ 5,400
- 7 average remaining useful life used since smart meter software has been purchased over several years - actual useful life is 5 years (for new additions)
- 8 2002 additions have become fully depreciated so no depreciation is taken in 2012
- 9 2002 additions have become fully depreciated so no depreciation is taken in 2012
- 10 2007 additions have become fully depreciated so no depreciation is taken in 2012
- 11 2007 additions have become fully depreciated so no depreciation is taken in 2012
- 12 2007 additions have become fully depreciated so no depreciation is taken in 2012

Interrogatory #25

**Ref: Exhibit 4, Tab 4, Schedule 2, Table 4.2 &
Exhibit 4, Tab 2, Schedule 7, Tables 2.36 & 2.36**

- a) For each of 2011 and 2012, please provide a table that shows the GAAP amortization period, the IFRS amortization period, the GAAP depreciation expense and the IFRS depreciation expense.**

Response:

Please see tables below.

ENERGY PROBE - #25 (a)
Depreciation and Amortization Expense

Year: 2011

Account	Description	CGAAP Amortization Period (New Additions)	CGAAP Depreciation Expense Per Continuity Schedule	MIFRS Amortization Period (New Additions)	MIFRS Depreciation Expense Per Continuity Schedule
1805	Land	-	0.00	-	0.00
1806	Land Rights	-	0.00	-	0.00
1808	Buildings	50	32,402.00	50	33,112.00
1810	Leasehold Improvements	-	0.00	-	0.00
1815	Transformer Station Equipment >50 kV	40	222,846.00	20 to 45	232,330.00
1820	Distribution Station Equipment <50 kV	30	89,114.00	20	161,059.00
1825	Storage Battery Equipment	-	0.00	-	0.00
1830	Poles, Towers & Fixtures	25	889,126.00	45	395,240.00
1835	Overhead Conductors & Devices	25	485,670.00	40 to 60	191,773.00
1840	Underground Conduit	25	147,224.00	50	60,211.00
1845	Underground Conductors & Devices	25	275,217.00	30	219,158.00
1850	Line Transformers	25	352,263.00	35 to 40	174,804.00
1855	Services (Overhead and Underground)	25	116,498.00	40	66,958.00
1860	Meters	25	159,775.00	25 to 30	97,707.00
1860	Meters (Smart Meters)	15	0.00	10	0.00
1905	Land	-	0.00	-	0.00
1906	Land Rights	-	0.00	-	0.00
1908	Buildings & Fixtures	50	34,232.00	25 to 50	101,372.00
1910	Leasehold Improvements	10	640.00	10	654.00
1915	Office Furniture & Equipment (10 Years)	10	14,517.00	10	15,568.00
1915	Office Furniture & Equipment (5 Years)	5	0.00	-	0.00
1920	Computer Equipment - Hardware (pre-2002)	10	0.00	-	0.00
1920	Computer Equip. - Hardware (2002 & forward)	5	66,552.00	4	63,095.00
1925	Computer Software	5	39,147.00	5	37,574.00
1925	Computer Software (Smart Meters)	5	0.00	5	0.00
1930	Transportation Equipment (Pooled - Pre 2006)	10	98,548.61	7	all included below
1930-1	Transportation Equipment - Passenger Cars	4	9,347.95	7	all included below
1930-2	Transportation Equipment - Light Trucks/Vans	5	26,900.21	7	all included below
1930-3	Transportation Equipment - Heavy Trucks	8	60,356.43	15	82,451.00
1930-4	Transportation Equipment - Trailers/Other	8	9,254.38	7	all included above
1935	Stores Equipment	10	4,006.22	10	3,990.00
1940	Tools, Shop & Garage Equipment	10	32,017.03	10	32,269.00
1945	Measurement & Testing Equipment	10	18,386.85	5	12,762.00
1950	Power Operated Equipment	-	-	-	0.00
1955	Communications Equipment	10	11,192.72	5	23,866.00
1955	Communication Equipment (Smart Meters)	-	-	-	0.00
1960	Miscellaneous Equipment	10	43,071.94	5	99,699.00
1975	Load Management Controls Utility Premises	-	-	-	0.00
1980	System Supervisor Equipment	15	85,142.74	20	58,081.00
1980	System Supervisor Equipment (Hardware/SW)	5	4,426.35	-	0.00
1985	Miscellaneous Fixed Assets	-	-	-	0.00
1995	Contributions & Grants	25	(356,167.67)	various	(193,817.00)
2005	Property Under Capital Lease	10	1,003.86	10	1,004.00
2055	Work In Progress	-	-	-	-
	Total		2,972,710.62		1,970,920.00

Less: Fully Allocated Depreciation

Computer Hardware & Software	(105,699.00)	0.00
Transportation Equipment	(204,408.00)	(82,451.00)
Stores and Garage Tools/Equipment	(33,977.00)	(37,263.00)
Net Depreciation to Income Statement	2,628,626.62	1,851,206.00

ENERGY PROBE - #25 (a)
Depreciation and Amortization Expense

Year: 2012

Account	Description	CGAAP Amortization Period (New Additions)	CGAAP Depreciation Expense Per Continuity Schedule	MIFRS Amortization Period (New Additions)	MIFRS Depreciation Expense Per Continuity Schedule
1805	Land	-	0.00	-	0.00
1806	Land Rights	-	0.00	-	0.00
1808	Buildings	50	32,402.00	50	33,112.00
1810	Leasehold Improvements	-	0.00	-	0.00
1815	Transformer Station Equipment >50 kV	40	222,846.00	20 to 45	232,330.00
1820	Distribution Station Equipment <50 kV	30	94,948.00	20	167,198.00
1825	Storage Battery Equipment	-	0.00	-	0.00
1830	Poles, Towers & Fixtures	25	942,314.00	45	421,300.00
1835	Overhead Conductors & Devices	25	521,168.00	40 to 60	199,428.00
1840	Underground Conduit	25	153,624.00	50	63,015.00
1845	Underground Conductors & Devices	25	287,037.00	30	227,795.00
1850	Line Transformers	25	317,405.00	35 to 40	195,231.00
1855	Services (Overhead and Underground)	25	129,360.00	40	74,055.00
1860	Meters	25	168,175.00	25 to 30	50,876.00
1860	Meters (Smart Meters)	15	214,267.47	10	321,401.00
1905	Land	-	0.00	-	0.00
1906	Land Rights	-	0.00	-	0.00
1908	Buildings & Fixtures	50	34,332.00	25 to 50	101,472.00
1910	Leasehold Improvements	10	640.00	10	654.00
1915	Office Furniture & Equipment (10 Years)	10	13,490.00	10	13,790.00
1915	Office Furniture & Equipment (5 Years)	5	0.00	-	0.00
1920	Computer Equipment - Hardware (pre-2002)	10	0.00	-	0.00
1920	Computer Equip. - Hardware (2002 & forward)	5	73,552.00	4	93,720.00
1925	Computer Software	5	56,097.00	5	47,211.00
1925	Computer Software (Smart Meters)	5	83,499.58	5	101,593.00
1930	Transportation Equipment (Pooled - Pre 2006)	10	73,019.53	7	all included below
1930-1	Transportation Equipment - Passenger Cars	4	9,347.95	7	all included below
1930-2	Transportation Equipment - Light Trucks/Vans	5	27,373.18	7	all included below
1930-3	Transportation Equipment - Heavy Trucks	8	79,106.43	15	98,451.00
1930-4	Transportation Equipment - Trailers/Other	8	13,629.38	7	all included above
1935	Stores Equipment	10	3,223.27	10	3,107.00
1940	Tools, Shop & Garage Equipment	10	29,706.38	10	30,959.00
1945	Measurement & Testing Equipment	10	13,871.01	5	9,772.00
1950	Power Operated Equipment	-	-	-	0.00
1955	Communications Equipment	10	12,197.30	5	22,088.00
1955	Communication Equipment (Smart Meters)	-	-	-	0.00
1960	Miscellaneous Equipment	10	43,571.98	5	88,879.00
1975	Load Management Controls Utility Premises	-	-	-	-
1980	System Supervisor Equipment	15	96,642.74	20	65,632.00
1980	System Supervisor Equipment (Hardware/SW)	5	4,426.35	-	0.00
1985	Miscellaneous Fixed Assets	-	-	-	0.00
1995	Contributions & Grants	25	(386,434.47)	various	(205,507.00)
2005	Property Under Capital Lease	10	1,003.86	10	1,004.00
2055	Work In Progress	-	-	-	-
	Total		3,365,841.94		2,458,566.00

Less: Fully Allocated Depreciation

Computer Hardware & Software	(129,649.00)	0.00
Transportation Equipment	(202,476.00)	(98,451.00)
Stores & Garage Tools/Equipment	(30,884.00)	(32,592.00)
Net Depreciation to Income Statement	3,002,832.94	2,327,523.00

b) Please explain any anomalies that arise as part of the comparison above, including, but not limited to the following 2011 examples:

Response:

As a result of Norfolk reviewing Table 4.2 (Exh 4/Tab 4/Sched 2) in order to respond to this interrogatory, Norfolk discovered several errors in the original table relating to the GAAP Amortization Periods and the IFRS Amortization Periods for new additions. Norfolk has provided a revised version of Table 4.2 with all errors corrected.

TABLE 4.2 - REVISED

USoA/ Sub- Account	Description	GAAP Amortiz'n Period	2011 GAAP Amortization Expense (by G/L)	2012 GAAP Amortization Expense (by G/L)	IFRS Amortiz'n Period	2011 IFRS Amortization Expense (by Category)	2011 IFRS Amortization Expense by USoA	2012 IFRS Amortization Expense (by Category)	2012 IFRS Amortization Expense by USoA
1805	Land - Distribution Plant	NA	\$ -	\$ -	N/A	0	0	0	0
1806	Land Rights - Distribution Plant	NA	\$ -	\$ -	N/A	0	0	0	0
18082	Transformer Station Building	50	\$ 32,402	\$ 32,402	50	33,112	33,112	33,112	33,112
18150	Power Transformers	40			45	124,189		124,189	
18150	Station Switchgear	40			40	74,522		74,522	
18150	Station DC System	40	\$ 222,846	\$ 222,846	20	33,520	232,330	33,520	232,330
1820	Distribution Station Equipment	30	\$ 89,114	\$ 94,948	20	161,059	161,059	167,198	167,198
1830	POLES - Wood/Concrete	25	\$ 889,126	\$ 942,314	45	395,240	395,240	421,300	421,300
1835	OH Conductors & Devices - OH Line Switch	25			40	60,764		63,080	
1835	OH Conductors & Devices - OH Conductors - primary	25	\$ 485,670	\$ 521,168	60	131,009	191,773	136,348	199,428
1840	UG Conduit - Ducts	25	\$ 147,224	\$ 153,624	50	60,211	60,211	60,015	63,015
1845	UG Conductors & DevicesUG Primary Cables	25	\$ 275,217	\$ 287,037	30	219,158	219,158	227,795	227,795
1850 OH	OH Transformers & Voltage Regulators	25			40	91,803		112,231	
1850 UG	Pad-Mounted Transformers	25	\$ 352,263	\$ 317,405	35	83,001	174,804	83,001	195,231
1855	Services - Secondary Cables - Direct Buried/Other (incl OH)	25	\$ 116,498	\$ 129,360	40	66,958	66,958	74,055	74,055
1860	Residential Meters (Stranded Meters)	25			25	53,493		stranded - removed	
1860	Meters - Wholesale/Interval	25			25	18,420		stranded - removed	
1860	Other Meters, PTs & CTs	25	\$ 159,775	\$ 168,175	30	25,794	97,707	50,876	50,876
1860	Smart Meters	15	\$ -	\$ 214,267	10		N/A	321,401	321,401
1905	Land - General Plant	NA	\$ -	\$ -	N/A	0	0	0	0
1908	Service Centre Building	50-60			50	101,097		101,197	
1908	Other Buildings	50	\$ 34,232	\$ 34,332	25	275	101,372		101,472
1910	Lease Improvements - Hunt St	10	\$ 640	\$ 640	10	654	654	654	654
1915	Office Equipment	10	\$ 14,517	\$ 13,490	10	15,568	15,568	13,790	13,790
1920	Computer Hardware	5	\$ 66,552	\$ 73,552	4	63,095	63,095	93,720	93,720
1925	Smart Meter - software	5	\$ -	\$ 83,500	5	N/A	0	101,593	101,593
1925	Computer Software	5	\$ 39,147	\$ 56,097	5	37,574	37,574	47,211	47,211
1930	Transportation Equipment - Pooled (pre-2006)	10	\$ 98,549	\$ 73,020	N/A				
1930-1	Transportation Equipment - Passenger Vehicles	4	\$ 9,348	\$ 9,348	N/A				
1930-2	Transportation Equipment - Pickups & Vans	5	\$ 26,900	\$ 27,373	N/A				
1930-3	Transportation Equipment - Bucket Trucks	8	\$ 60,356	\$ 79,106	15	60,681		76,681	
1930-4	Transportation Equipment - Trailers	8	\$ 9,254	\$ 13,629	N/A				
1930	Transportation Equipment - Other Than Bucket Trucks (IFRS)	NA	\$ -	\$ -	7	21,770	82,451	21,770	98,451
1935	Stores Equipment	10	\$ 4,006	\$ 3,223	10	3,990	3,990	3,107	3,107
19400	Tools & Garage Equipment	10			10	30,090		28,780	
1940	Tools & Garage Equipment	10	\$ 32,017	\$ 29,707	10	2,179	32,269	2,179	30,959
1945	Measurement & Testing Equipment	10	\$ 18,387	\$ 13,871	5	12,762	12,762	9,772	9,772
1955	Communication Equipment	10	\$ 11,193	\$ 12,197	5	23,866	23,866	22,088	22,088
1960	Miscellaneous Equipment	10	\$ 43,072	\$ 43,572	5	99,699	99,699	88,879	88,879
1980, 19810	SCADA	15, 5	\$ 89,569	\$ 101,069	20	58,081	58,081	65,632	65,632
1995	Contributed Capital	25	-\$ 356,168	-\$ 386,434	25	(193,817)	(193,817)	(205,507)	(205,507)
2005	Property under Capital Lease	10	\$ 1,004	\$ 1,004	10	1,004	1,004	1,004	1,004
SUBTOTAL AMORTIZATION EXPENSE			\$ 2,972,711	\$ 3,365,842			1,970,919		2,458,566
LESS: FULLY ALLOCATED AMORTIZATION									
TRANSPORTATION EQUIPMENT							(82,451)		(98,451)
STORES & GARAGE TOOLS/EQUIPMENT							(37,263)		(32,592)
NET AMORTIZATION EXPENSE TO INCOME STATEMENT							1,851,204		2,327,523

- i) Account 1808 - The amortization period does not change, but there is an increase in the IFRS depreciation expense relative to the GAAP expense.**

Response:

Although the amortization period does not change, MIFRS amortization is slightly higher (\$710.38 or 0.05% of NBV) than CGAAP amortization due to the IFRS method of calculation of amortization based on the remaining useful life of assets already in the pool using the net book value vs. the CGAAP method which is calculated based upon gross cost. In theory the depreciation should be the same but since the mathematical calculation is done using different bases, the depreciation differs slightly. As seen, the difference is a relatively small percentage of NBV of the asset component.

- ii) Account 1815 - The amortization period declines from 40 to 20 years under IFRS but the depreciation expense only increases from \$223,000 to \$232,000.**

Response:

Account 1815 – the amortization period declines from 40 years to 20 years under IFRS but the depreciation expense only increases from \$223,000 to \$232,000 due to this asset category being split into several different components under MIFRS. Please refer to revised Table 4.2 provided above for detail on the components and their useful lives for Account 1815. The Power Transformers component of this asset category is the largest (61.3% of NBV) and has an amortization period extended from 40 years under CGAAP to 45 years under MIFRS leads to higher amortization under MIFRS, but only slightly. Likewise, the Switchgear (representing 32.3% of NBV) component useful life did not change. The component of 1815 that changed from 40 years to 20 years was the smallest component of the 1815 category, which means this does not have a large affect on amortization expense change between CGAAP and MIFRS.

- iii) Account 1820 - The amortization period declines from 30 to 20 years under IFRS but the depreciation expense increases from \$89,000 to \$161,000.**

Response:

Account 1820 – the amortization period declines from 30 years to 20 years under IFRS but the depreciation expense increases from \$89,000 to \$161,000 due to the use of net book value of assets to calculate depreciation under IFRS compared to using gross cost under Canadian GAAP. The impact of this difference in calculation is higher since these assets are relatively new (majority of NBV is less than 5 years old).

iv) Account 1908 - While there is no change to the amortization period, the GAAP depreciation expense of \$34,000 increases to \$101,000.

Response:

Account 1908 – while there is no change to the amortization period, the GAAP depreciation expense of \$34,000 increases to \$101,000 due to an error in the original Table 4.2. The GAAP amortization period should read 50 years and the MIFRS useful life is correctly stated at 60 years and correctly calculated (please see revised Table 4.2 provided on the previous page).

v) Account 1920 - The amortization period declines from 10 years to 4 under IFRS, but the IFRS depreciation amount is less than GAAP expense in 2011.

Response:

Account 1920 – the amortization period declines from 10 years to 4 years under IFRS, but the IFRS depreciation amount is less than GAAP expense in 2011 due to an error in Table 4.2. The current GAAP amortization period should read 5 years and the MIFRS useful life is correctly stated at 4 years and correctly calculated (please refer to the revised Table 4.2 provided on the previous page).

vi) Account 1995 - While there is no change to the amortization period, the GAAP depreciation expense of (\$356,000) changes to (\$194,000).

Response:

Account 1995 – while there is no change to the amortization period, the GAAP depreciation expense of (\$356,000) changes to (\$194,000) due to the requirement to amortize capital contributions over the life of the related assets. Norfolk Power estimated the allocation of capital contributions to the related assets and amortized the balances accordingly. Norfolk selected a reasonable method to allocate the contributed capital to the related assets based on the USoA accounts to which capital contributions applies and to amortize the NBV of the contributed capital account based on that split. A summary for 2011 & 2012 is shown below:

NBV (2010) 2001-2010		TOTAL	% Total	2011 Amortization	2012 Amortization
Poles	1830	\$ 16,004,425.90	47%	(82,716)	(86,091)
OH Conductors - primary	1835	\$ 7,931,376.52	23%	(29,723)	(32,232)
UG Primary Cables	1845	\$ 5,441,574.84	16%	(44,092)	(47,160)
Secondary Cables	1855	\$ 2,825,698.15	8%	(16,198)	(17,393)
Wholesale/Interval	1860	\$ 371,568.95	1%	(3,913)	(4,196)
Other meters, PTs & CTs	1860	\$ 678,048.68	2%	(5,662)	(6,091)
Residential (stranded)	1860	\$ 1,093,249.56	3%	(11,514)	(12,344)
			100%		
Total		\$ 34,345,942.59		(193,817)	(205,507)
Contributed Capital		-\$ 7,703,681.20			

Because the amortization period for capital contributions was previously the same as the assets to which the contributions related (25 years under CGAAP), when the amortization periods for each category changed under MIFRS, a method had to be developed to amortize the capital contributions in the same manner.

Interrogatory #26

Ref: Exhibit 4, Tab 3, Schedule 1, Table 3.2

- a) Please confirm that Norfolk has only 1 position eligible for Ontario apprenticeship training tax credit.**

Response:

Norfolk has one current employee eligible for the Ontario apprenticeship training tax credit and has planned for an additional apprentice in 2012 which will also be eligible. Norfolk will correct the tax model to reflect two eligible positions for the Ontario apprenticeship training tax credit.

- b) Does Norfolk have any positions eligible for the Ontario Co-Operative Education Tax Credit?**

Response:

Norfolk does not have any positions eligible for the Ontario Co-Operative Education tax credit.

- c) Does Norfolk have any positions eligible for the federal training tax credit?**

Response:

Norfolk does not have any positions eligible for the federal training tax credit.

- d) Did Norfolk have any federal apprenticeship job creation, Ontario co-operative education or Ontario apprenticeship training tax credits in 2010? If yes, please identify the number of eligible positions for each of the tax credits.**

Response:

Norfolk had one (1) Ontario apprenticeship training tax credit in 2010 (please refer to Exhibit 4/Appendix D – Federal & Ontario Tax Return 2010), and had no federal apprenticeship job creation or Ontario cooperative education tax credits.

REVISED TABLE 4.6 – 2012 CCA Continuity Schedule (MIFRS)

CCA Continuity Schedule (2012)													
Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	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	24,424,343	0	0	24,424,343	0	0	24,424,343	0	24,424,343	4%	976,974	23,447,369
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	892,289	0	0	892,289	96,500	0	988,789	48,250	940,539	20%	188,108	800,681
10	Computer Hardware/ Vehicles	551,241	0	0	551,241	40,000	0	591,241	20,000	571,241	30%	171,372	419,868
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	13,500	0	0	13,500	142,500	0	156,000	71,250	84,750	100%	84,750	71,250
3		2,550,011	0	0	2,550,011	0	0	2,550,011	0	2,550,011	5%	127,501	2,422,510
13.3	Lease # 3	0	0	0	0	0	0	0	0	0		0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0		0	0
14	Franchise	0	0	0	0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 22/09 Other Than Bldgs	0	0	0	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	8,920	0	0	8,920	0	0	8,920	0	8,920	45%	4,014	4,906
50	Computers & Systems Hardware acq'd post Mar 19/07	33,093	0	0	33,093	40,000	0	73,093	20,000	53,093	55%	29,201	43,892
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	25,114,288	0	0	25,114,288	3,581,520	0	28,695,808	1,790,760	26,905,048	8%	2,152,404	26,543,404
	SUB-TOTAL - UCC	53,587,685	0	0	53,587,685	3,900,520	0	57,488,205	1,950,260	55,537,945		3,734,324	53,753,882
						-533,477	0						
CEC	Goodwill	0	0	0	0								
CEC	Land Rights	0	0	0	0								
CEC	FMV Bump-up	0	0	0	0								
	SUB-TOTAL - CEC	0	0	0	0								

The total impact on CCA for 2012 is as follows:

Change Computer Hardware Additions from CCA Class 10 (30%) to CCA Class 50 (55%)

	Original Submission	Revised	Difference
CCA ~ Class 10 - 2011	146,460	141,960	(4,500)
CCA ~ Class 50 - 2011	13,864	22,114	8,250
Total CCA Difference - 2011	160,324	164,074	3,750
CCA ~ Class 10 - 2012	185,022	171,372	(13,650)
CCA ~ Class 50 - 2012	6,239	29,201	22,962
Total CCA Difference - 2012	191,261	200,573	9,312

Interrogatory #28

Ref: Exhibit 4, Tab 4, Schedule 3, Table 4.8

- a) Please confirm that the 2012 tax rate of 23.20% used includes a federal rate of 15.0% and a provincial rate of 8.20%.**

Response:

Norfolk confirms that the 2012 tax rate of 23.20% used includes a federal rate of 15% and a provincial rate of 8.2%.

- b) Please confirm that the provincial tax rate of 8.20% reflects a rate on the first \$500,000 of taxable income of 4.5% and a rate of 11.25% on taxable income in excess of \$500,000.**

Response:

Norfolk confirms that the provincial tax rate of 8.20% reflects a rate on the first \$500,000 of taxable income of 4.5% and a rate of 11.25% on taxable income in excess of \$500,000.

- c) Is Norfolk aware that the federal tax rate on the first \$500,000 of taxable income is 11.0%, with no claw back?**

Response:

It is our understanding that Norfolk's taxable capital is too large (in excess of \$15 million) to allow it to get the 11% federal rate on the first \$500,000 of taxable income. In other words, there is full claw back.

Please see below.

Small business deduction	
Canadian-controlled private corporations (CCPCs) throughout the tax year	
Income from active business carried on in Canada from Schedule 7	400 1,105,562 A
Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page 7, minus 1/(0.38 - X**) times the amount on line 636*** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax	405 _____ B
Calculation of the business limit:	
For all CCPCs, calculate the amount at line 4 below.	
400,000 × $\frac{\text{Number of days in the tax year before 2009}}{\text{Number of days in the tax year}}$ =	_____ 1
500,000 × $\frac{\text{Number of days in the tax year after 2008}}{\text{Number of days in the tax year}}$ =	$\frac{500,000}{\text{Number of days in the tax year}}$ 2
Add amounts at lines 1 and 2	<u>500,000</u> 4
Business limit (see notes 1 and 2 below)	410 500,000 C
Notes: 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410. 2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.	
Business limit reduction:	
Amount C 500,000 × $\frac{415 \text{ **** } 98,440}{11,250}$ D =	4,375,119 E
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425 _____ F
Small business deduction	
Amount A, B, C, or F, whichever is the least _____ 0 × 17% =	430 <u>0</u> G
Enter amount G on line 1 on page 7.	
* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4. ** General rate reduction percentage for the tax year. It has to be pro-rated. *** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4. **** Large corporations • If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the prior year minus \$10,000,000) × 0.225%. • If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the current year minus \$10,000,000) × 0.225%. • For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.	

- d) Please calculate the taxes shown in Table 4.8, including the effective tax rate of using a federal small business tax rate of 11.0% on the first \$500,000 of taxable income and 15.0% on taxable income in excess of \$500,000.**

Response:

Norfolk feels that the requested calculation is not applicable since the 11.0% tax rate is not available. Please see response c) above.

- e) What is the impact on the income taxes for 2012 of the change requested in part (d)?**

Response:

Norfolk states that there would be no change since the 11.0% rate is not available.

Interrogatory #29

Ref: Exhibit 5, Tab 1, Schedule 1

- a) **Is the weighted average rate of 4.39% referenced on page 2 as the current indicative Infrastructure Ontario rate for a 25 year loan based on a serial or amortizer loan?**

Response:

The indicative rate of 4.39% is based on an amortizer loan.

- b) **What is the current Infrastructure Ontario rate for a 25 year loan for a serial and for an amortizer loan?**

Response:

The indicative lending rates for a 25 year loan from Infrastructure Ontario, as of November 14, 2011 are:

Serial	3.84%
Amortizer	3.94%

Interrogatory #30

Ref: Exhibit 5, Tab 1, Schedule 2, Tables 1.1 & 1.3

a) Please explain why Norfolk has included the new debt forecast for 2012 for the full year in the calculation of the average rate even though it is not forecast to be issued until June 30, 2012?

Response:

Norfolk included the debt for the full year as well as full year's interest. However Norfolk notes it would have been more appropriate to use the actual interest over the average debt.

b) Does Norfolk still expect to complete the new financing by June 30, 2012?

Response:

Norfolk still expects to complete the new financing by June 3 2012.

c) Please recalculate the weighted debt cost rate for 2012 using the appropriate rate from Interrogatory #19, part (b), and including the principal and interest cost in 2012 for six months only.

Response:

Please see table below:

Description	Debt Holder	Affiliated with LDC	Date of Issuance	Term(Years)	Opening Principal	Ending Principal	Average Principal	Rate	Interest Cost
Debenture 09-01-2010-2	Infrastructure Ontario	No	September 1, 2010	25	\$ 5,447,874.47	\$ 5,319,754.11	\$ 5,383,814.29	4.73%	\$ 254,654.42
Debenture 09-01-2010-1	Infrastructure Ontario	No	September 1, 2010	15	\$ 2,145,855.17	\$ 1,934,128.85	\$ 2,039,992.01	3.72%	\$ 75,887.70
Bank Loan 758020T	TD Bank	No	September 20, 2007	25	\$ 1,791,000.00	\$ 1,734,000.00	\$ 1,762,500.00	6.17%	\$ 108,746.25
Bank Loan 682491T	TD Bank	No	September 20, 2004	15	\$ 9,200,000.00	\$ 8,929,000.00	\$ 9,064,500.00	7.00%	\$ 634,515.00
Bank Loan 682495T	TD Bank	No	September 20, 2004	25	\$ 2,505,000.00	\$ 2,243,000.00	\$ 2,374,000.00	6.02%	\$ 142,914.80
Debenture	Infrastructure Ontario	No	December 3, 2007	25	\$ 1,820,995.09	\$ 1,770,428.25	\$ 1,795,711.67	5.01%	\$ 89,965.15
New Debit	Infrastructure Ontario	No	June 30, 2012	25	\$ -	\$ 6,000,000.00	\$ 3,000,000.00	3.94%	\$ 118,200.00
Total					\$ 22,910,724.73	\$ 27,930,311.21	\$ 25,420,517.97		\$ 1,424,883.32
Weighted Debt Cost									5.61%

d) What is the impact on the deemed return on long-term debt shown in Table 1.1 for 2012 of using the rate calculated in part (c) above in place of the 5.51% used?

Response:

The deemed return on long-term debt shown in Table 1.1 of the application equalled \$1,840,844.

Based on the weighted cost of debt of 5.61% as calculated in part (c) above the deemed return on long-term debt equals \$1,874,080 ($\$33,406,052 \times 5.61\%$), for an increase of \$33,236.

Interrogatory #31

Ref: Exhibit 6, Tab 1, Schedule 1, Table 1.1

a) Please confirm that Table 1.1 is based on MIFRS.

Response:

Norfolk confirms that Table 1.1 is based on MIFRS.

b) Please provide a version of Table 1.1 that is based on CGAAP.

Response:

Table 1.1 based on CGAAP is provided below.

Description	2012 Test Existing Rates	2012 Test - Required Revenue
Revenue		
Revenue Deficiency		1,346,859
Distribution Revenue	11,031,355	11,031,355
Other Operating Revenue (Net)	477,289	477,289
Total Revenue	11,508,644	12,855,503
Costs and Expenses		
Administrative & General, Billing & Collecting	2,809,462	2,809,462
Operation & Maintenance	2,391,600	2,391,600
Depreciation & Amortization	2,926,650	2,926,650
Property Taxes	35,000	35,000
Capital Taxes	0	0
Deemed Interest	1,878,233	1,878,233
Total Costs and Expenses	10,040,945	10,040,945
Less OCT Included Above	0	0
Total Costs and Expenses Net of OCT	10,040,945	10,040,945
Utility Income Before Income Taxes	1,467,699	2,814,559
Income Taxes:		
Corporate Income Taxes	251,232	554,275
Total Income Taxes	251,232	554,275
Utility Net Income	1,216,467	2,260,283
Capital Tax Expense Calculation:		
Total Rate Base	58,984,431	58,984,431
Exemption	15,000,000	15,000,000
Deemed Taxable Capital	43,984,431	43,984,431
Ontario Capital Tax	0	0
Income Tax Expense Calculation:		
Accounting Income	1,467,699	2,814,559
Tax Adjustments to Accounting Income	-351,113	-351,113
Taxable Income	1,116,587	2,463,446
Income Tax Expense	251,232	554,275
Tax Rate Reflecting Tax Credits	22.50%	22.50%
Actual Return on Rate Base:		
Rate Base	58,984,431	58,984,431
Interest Expense	1,878,233	1,878,233
Net Income	1,216,467	2,260,283
Total Actual Return on Rate Base	3,094,700	4,138,516
Actual Return on Rate Base	5.25%	7.02%
Required Return on Rate Base:		
Rate Base	58,984,431	58,984,431
Return Rates:		
Return on Debt (Weighted)	5.31%	5.31%
Return on Equity	9.58%	9.58%
Deemed Interest Expense	1,878,233	1,878,233
Return On Equity	2,260,283	2,260,283
Total Return	4,138,516	4,138,516
Expected Return on Rate Base	7.02%	7.02%
Revenue Deficiency After Tax	1,043,816	0
Revenue Deficiency Before Tax	1,346,859	0

c) **Please provide the actual property taxes for 2008 through 2010, and the forecast for 2011. If actual 2011 property taxes are now known, please provide the amount.**

Response:

Norfolk's property taxes are provided below, which includes the actual amounts for 2011.

	2008 - Actual	2009 - Actual	2010 - Actual	2011 - Bridge
Municipal Property Taxes (Paid to Norfolk County)	\$66,634	\$63,628	\$64,611	\$65,009
PILS Property Taxes (Paid to Ontario Electricity Financial Corp)	\$1,211	\$2,321	\$1,653	\$2,490
Total Property Taxes Paid	\$67,844	\$65,949	\$66,264	\$67,499
Less: Amounts Reallocated to Other Accounts via Property Charges Allocation	(\$33,127)	(\$31,468)	(\$31,055)	(\$32,500)
Residual Amount in Account 6105 (Taxes Other Than Income Taxes)	\$34,717	\$34,481	\$35,209	\$35,000

Interrogatory #32

Ref: Exhibit 7, Tab 1

Has the cost allocation shown in Tab 1 of Exhibit 7 been done based on the MIFRS based rate base, OM&A, depreciation, return on capital and income taxes?

Response:

The cost allocation shown in Tab 1 of Exhibit 7 is based on MIFRS.

Interrogatory #33

Ref: Exhibit 8, Schedule 1

The evidence indicates that the OEB indicated that for the time being, it does not expect distributors to make changes to the MSC that result in a charge that is greater than the ceiling as defined in the Methodology for MSC.

- a) As shown in Table 8-5, Norfolk is proposing to move the residential MSC to a level that is above the corresponding ceilings shown in Table 8-4. Please explain.**
- b) Norfolk is proposing to increase the MSC for rate classes where the current charge is already in excess of the MSC (GS < 50, GS 50-4999, Embedded Distributor). Please explain.**
- c) Norfolk is proposing to decrease the MSC for the USL class. Please explain.**

Response:

a), b) and c)

As outlined in the evidence in Exhibit 8, Schedule 1, Page 3 of 13 Norfolk Power is proposing to maintain the fixed/variable rate split consistent with the following Board's Decisions on recent 2011 cost of service applications:

- Board Decision on April 4, 2011 for Hydro One Brampton (EB-2010-0132) p.38;
- Board Decision on May 25, 2011 for Kenora Hydro (EB-2010-0135) p.31;
- Board Decision on July 7, 2011 for Horizon Utilities, (EB-2010-0131), p.45

The movement in the MSC as outlined in parts a), b) and c) results from maintaining the fixed/variable split.

Interrogatory #34

Ref: Exhibit 8, Schedule 1

Please confirm that the reference to 2004 to 2008 on line 5 should read 2006 to 2010.

Response:

Norfolk confirms that line 5 should read '2006 to 2010'.

APPENDIX 1 – Energy Probe INTERROGATORIES

**2008 COS Fixed Asset Continuity
Schedules to Prove Half Year Rule
EP IR#4b)**

Norfolk Power Distribution Inc.

CONTINUITY STATEMENTS

CONTINUITY STATEMENTS

	2006 Actual			2007 Bridge			2008 Test		
	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value
1805-Land-Opening Balance	310,100	0	310,100	380,064	0	380,064	380,064	0	380,064
1805-Land-Additions	69,964	0	69,964						
1805-Land-Depreciation									
1805-Land-Adjustments									
1805-Land-Closing Balance	380,064	0	380,064	380,064	0	380,064	380,064	0	380,064
Average	345,082	0	345,082	380,064	0	380,064	380,064	0	380,064
1806-Land Rights-Opening Balance	300,911	0	300,911	300,911	0	300,911	301,911	-12,056	289,855
1806-Land Rights-Additions	0	0	0	1,000		1,000	1,000		1,000
1806-Land Rights-Depreciation		0	0		-12,056	-12,056		-12,096	-12,096
1806-Land Rights-Adjustments									
1806-Land Rights-Closing Balance	300,911	0	300,911	301,911	-12,056	289,855	302,911	-24,153	278,758
Average	300,911	0	300,911	301,411	-6,028	295,383	302,411	-18,105	284,306
1808-Buildings and Fixtures-Opening Balance	1,450,870	-29,017	1,421,853	1,450,870	-58,035	1,392,836	1,455,870	-87,102	1,368,768
1808-Buildings and Fixtures-Additions				5,000		5,000	74,200		74,200
1808-Buildings and Fixtures-Depreciation		-29,017	-29,017		-29,067	-29,067		-29,859	-29,859
1808-Buildings and Fixtures-Adjustments									
1808-Buildings and Fixtures-Closing Balance	1,450,870	-58,035	1,392,836	1,455,870	-87,102	1,368,768	1,530,070	-116,962	1,413,109
Average	1,450,870	-43,526	1,407,344	1,453,370	-72,569	1,380,802	1,492,970	-102,032	1,390,938
1815-Transformer Station Equipment-Opening Balance	2,796,567	-69,914	2,726,653	2,802,994	-139,989	2,663,005	2,997,994	-212,501	2,785,492
1815-Transformer Station Equipment-Additions	6,426	0	6,426	195,000		195,000	322,000		322,000
1815-Transformer Station Equipment-Depreciation		-70,075	-70,075		-72,512	-72,512		-78,975	-78,975
1815-Transformer Station Equipment-Adjustments									
1815-Transformer Station Equipment-Closing Balance	2,802,994	-139,989	2,663,005	2,997,994	-212,501	2,785,492	3,319,994	-291,476	3,028,517
Average	2,799,780	-104,952	2,694,829	2,900,494	-176,245	2,724,248	3,158,994	-251,989	2,907,005
1820-Distribution Station Equipment-Opening Balance	2,310,204	-1,315,957	994,247	2,388,347	-1,404,131	984,216	3,565,347	-1,503,260	2,062,087
1820-Distribution Station Equipment-Additions	78,143	0	78,143	1,177,000		1,177,000	811,500		811,500
1820-Distribution Station Equipment-Depreciation		-88,174	-88,174		-99,129	-99,129		-109,148	-109,148
1820-Distribution Station Equipment-Adjustments				0	0	0	-1,386,755	1,386,755	0
1820-Distribution Station Equipment-Closing Balance	2,388,347	-1,404,131	984,216	3,565,347	-1,503,260	2,062,087	2,990,092	-225,653	2,764,439
Average	2,349,275	-1,360,044	989,231	2,976,847	-1,453,695	1,523,151	3,277,719	-864,456	2,413,263

Norfolk Power Distribution Inc.

CONTINUITY STATEMENTS

	2006 Actual			2007 Bridge			2008 Test		
	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value
1830-Poles, Towers and Fixtures-Opening Balance	16,144,184	-3,322,877	12,821,307	16,915,729	-4,030,411	12,885,318	17,566,729	-4,720,060	12,846,669
1830-Poles, Towers and Fixtures-Additions	771,544		771,544	651,000		651,000	1,130,800		1,130,800
1830-Poles, Towers and Fixtures-Depreciation		-707,534	-707,534		-689,649	-689,649		-725,285	-725,285
1830-Poles, Towers and Fixtures-Adjustments									
1830-Poles, Towers and Fixtures-Closing Balance	16,915,729	-4,030,411	12,885,318	17,566,729	-4,720,060	12,846,669	18,697,529	-5,445,345	13,252,184
Average	16,529,957	-3,676,644	12,853,313	17,241,229	-4,375,236	12,865,993	18,132,129	-5,082,703	13,049,426
1835-Overhead Conductors and Devices-Opening Balance	7,653,531	-1,099,069	6,554,462	8,333,597	-1,432,413	6,901,184	9,187,597	-1,782,837	7,404,760
1835-Overhead Conductors and Devices-Additions	680,066		680,066	854,000		854,000	738,200		738,200
1835-Overhead Conductors and Devices-Depreciation		-333,344	-333,344		-350,424	-350,424		-382,268	-382,268
1835-Overhead Conductors and Devices-Adjustments									
1835-Overhead Conductors and Devices-Closing Balance	8,333,597	-1,432,413	6,901,184	9,187,597	-1,782,837	7,404,760	9,925,797	-2,165,105	7,760,692
Average	7,993,564	-1,265,741	6,727,823	8,760,597	-1,607,625	7,152,972	9,556,697	-1,973,971	7,582,726
1840-Underground Conduit-Opening Balance	2,782,979	-878,479	1,904,500	3,266,245	-991,737	2,274,509	3,546,245	-1,127,987	2,418,259
1840-Underground Conduit-Additions	483,266		483,266	280,000		280,000	282,000		282,000
1840-Underground Conduit-Depreciation		-113,258	-113,258		-136,250	-136,250		-147,490	-147,490
1840-Underground Conduit-Adjustments									
1840-Underground Conduit-Closing Balance	3,266,245	-991,737	2,274,509	3,546,245	-1,127,987	2,418,259	3,828,245	-1,275,476	2,552,769
Average	3,024,612	-935,108	2,089,504	3,406,245	-1,059,862	2,346,384	3,687,245	-1,201,732	2,485,514
1845-Underground Conductors and Devices-Opening Balance	5,693,353	-1,796,938	3,896,416	6,436,211	-2,006,189	4,430,022	6,867,211	-2,272,258	4,594,953
1845-Underground Conductors and Devices-Additions	742,857		742,857	431,000		431,000	600,000		600,000
1845-Underground Conductors and Devices-Depreciation		-209,251	-209,251		-266,068	-266,068		-286,688	-286,688
1845-Underground Conductors and Devices-Adjustments									
1845-Underground Conductors and Devices-Closing Balance	6,436,211	-2,006,189	4,430,022	6,867,211	-2,272,258	4,594,953	7,467,211	-2,558,946	4,908,265
Average	6,064,782	-1,901,563	4,163,219	6,651,711	-2,139,223	4,512,487	7,167,211	-2,415,602	4,751,609
1850-Line Transformers-Opening Balance	8,358,045	-4,254,291	4,103,754	9,035,687	-4,693,576	4,342,111	9,780,687	-5,069,903	4,710,783
1850-Line Transformers-Additions	677,642		677,642	745,000		745,000	876,000		876,000
1850-Line Transformers-Depreciation		-439,285	-439,285		-376,327	-376,327		-408,747	-408,747
1850-Line Transformers-Adjustments									
1850-Line Transformers-Closing Balance	9,035,687	-4,693,576	4,342,111	9,780,687	-5,069,903	4,710,783	10,656,687	-5,478,651	5,178,036
Average	8,696,866	-4,473,933	4,222,932	9,408,187	-4,881,739	4,526,447	10,218,687	-5,274,277	4,944,410
1855-Services-Opening Balance	1,068,365	-100,775	967,590	1,612,317	-165,267	1,447,050	1,923,317	-235,980	1,687,337
1855-Services-Additions	543,952	0	543,952	311,000		311,000	322,000		322,000
1855-Services-Depreciation		-64,493	-64,493		-70,713	-70,713		-83,373	-83,373
1855-Services-Adjustments									
1855-Services-Closing Balance	1,612,317	-165,267	1,447,050	1,923,317	-235,980	1,687,337	2,245,317	-319,353	1,925,964
Average	1,340,341	-133,021	1,207,320	1,767,817	-200,624	1,567,193	2,084,317	-277,666	1,806,651

Norfolk Power Distribution Inc.

CONTINUITY STATEMENTS

	2006 Actual			2007 Bridge			2008 Test		
	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value
1860-Meters-Opening Balance	3,260,983	-1,655,963	1,605,020	3,547,874	-1,788,658	1,759,217	4,007,074	-1,939,757	2,067,318
1860-Meters-Additions	286,892		286,892	459,200		459,200	4,577,400		4,577,400
1860-Meters-Depreciation		-132,695	-132,695		-151,099	-151,099		-251,831	-251,831
1860-Meters-Adjustments									
1860-Meters-Closing Balance	3,547,874	-1,788,658	1,759,217	4,007,074	-1,939,757	2,067,318	8,584,474	-2,191,588	6,392,887
Average	3,404,429	-1,722,310	1,682,118	3,777,474	-1,864,207	1,913,267	6,295,774	-2,065,672	4,230,102
1905-Land-Opening Balance	204,760	0	204,760	211,830	0	211,830	236,830	0	236,830
1905-Land-Additions	7,070	0	7,070	25,000		25,000	0		0
1905-Land-Depreciation		0	0		0	0		0	0
1905-Land-Adjustments									
1905-Land-Closing Balance	211,830	0	211,830	236,830	0	236,830	236,830	0	236,830
Average	208,295	0	208,295	224,330	0	224,330	236,830	0	236,830
1908-Building Fixtures-Opening Balance	1,905,555	-690,091	1,215,464	1,947,788	-717,033	1,230,755	2,100,788	-757,519	1,343,269
1908-Building Fixtures-Additions	42,233	0	42,233	153,000		153,000	108,400		108,400
1908-Building Fixtures-Depreciation		-26,942	-26,942		-40,486	-40,486		-43,100	-43,100
1908-Building Fixtures-Adjustments									
1908-Building Fixtures-Closing Balance	1,947,788	-717,033	1,230,755	2,100,788	-757,519	1,343,269	2,209,188	-800,619	1,408,569
Average	1,926,672	-703,562	1,223,109	2,024,288	-737,276	1,287,012	2,154,988	-779,069	1,375,919
1910-Leasehold Improvements-Opening Balance	4,197	-665	3,532	6,177	-1,304	4,873	6,177	-1,304	4,873
1910-Leasehold Improvements-Additions	1,980	0	1,980	0		0	5,000		5,000
1910-Leasehold Improvements-Depreciation		-640	-640			0			0
1910-Leasehold Improvements-Adjustments				0	0	0	0	0	0
1910-Leasehold Improvements-Closing Balance	6,177	-1,304	4,873	6,177	-1,304	4,873	11,177	-1,304	9,873
Average	5,187	-984	4,203	6,177	-1,304	4,873	8,677	-1,304	7,373
1915-Office Furniture and Equipment-Opening Balance	91,689	-28,549	63,140	111,706	-39,621	72,086	134,706	-51,941	82,765
1915-Office Furniture and Equipment-Additions	20,347		20,347	23,000		23,000	29,000		29,000
1915-Office Furniture and Equipment-Depreciation		-11,204	-11,204		-12,321	-12,321		-14,921	-14,921
1915-Office Furniture and Equipment-Adjustments	-330	132	-198						
1915-Office Furniture and Equipment-Closing Balance	111,706	-39,621	72,086	134,706	-51,941	82,765	163,706	-66,862	96,844
Average	101,698	-34,085	67,613	123,206	-45,781	77,425	149,206	-59,402	89,805
1920-Computer Equipment - Hardware-Opening Balance	963,081	-636,076	327,005	608,350	-337,687	270,663	670,110	-439,293	230,817
1920-Computer Equipment - Hardware-Additions	43,902		43,902	88,000		88,000	67,000		67,000
1920-Computer Equipment - Hardware-Depreciation		-100,163	-100,163		-127,846	-127,846		-129,693	-129,693
1920-Computer Equipment - Hardware-Adjustments	-398,632	398,552	-80	-26,240	26,240	0	-110,294	110,294	0
1920-Computer Equipment - Hardware-Closing Balance	608,350	-337,687	270,663	670,110	-439,293	230,817	626,816	-458,691	168,125
Average	785,716	-486,881	298,834	639,230	-388,490	250,740	648,463	-448,992	199,471

Norfolk Power Distribution Inc.

CONTINUITY STATEMENTS

	2006 Actual			2007 Bridge			2008 Test		
	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value
1925-Computer Software-Opening Balance	147,109	-87,006	60,102	198,446	-76,936	121,510	241,909	-77,435	164,474
1925-Computer Software-Additions	113,536		113,536	87,000		87,000	129,000		129,000
1925-Computer Software-Depreciation		-52,129	-52,129		-44,035	-44,035		-59,857	-59,857
1925-Computer Software-Adjustments	-62,199	62,199	0	-43,537	43,537	0	-14,253	14,253	0
1925-Computer Software-Closing Balance	198,446	-76,936	121,510	241,909	-77,435	164,474	356,656	-123,039	233,618
Average	172,777	-81,971	90,806	220,177	-77,186	142,992	299,283	-100,237	199,046
Total									
1930-Transportation Equipment-Opening Balance	954,221	-288,355	665,866	1,300,157	-389,084	911,074	1,395,157	-557,541	837,616
1930-Transportation Equipment-Additions	345,936		345,936	95,000		95,000	95,000		95,000
1930-Transportation Equipment-Depreciation		-100,728	-100,728		-168,457	-168,457		-180,332	-180,332
1930-Transportation Equipment-Adjustments									
1930-Transportation Equipment-Closing Balance	1,300,157	-389,084	911,074	1,395,157	-557,541	837,616	1,490,157	-737,873	752,284
Average	1,127,189	-338,720	788,470	1,347,657	-473,312	874,345	1,442,657	-647,707	794,950
1935-Stores Equipment-Opening Balance	106,372	-87,442	18,929	35,068	-9,817	25,250	39,068	-13,524	25,544
1935-Stores Equipment-Additions	9,828	0	9,828	4,000		4,000	5,000		5,000
1935-Stores Equipment-Depreciation		-3,507	-3,507		-3,707	-3,707		-4,157	-4,157
1935-Stores Equipment-Adjustments	-81,132	81,132	0	0	0	0	0	0	0
1935-Stores Equipment-Closing Balance	35,068	-9,817	25,250	39,068	-13,524	25,544	44,068	-17,681	26,387
Average	70,720	-48,630	22,090	37,068	-11,671	25,397	41,568	-15,603	25,965
1940-Tools, Shop and Garage Equipment-Opening Balance	161,713	-45,591	116,122	212,866	-66,877	145,989	245,866	-89,814	156,052
1940-Tools, Shop and Garage Equipment-Additions	51,154		51,154	33,000		33,000	32,000		32,000
1940-Tools, Shop and Garage Equipment-Depreciation		-21,287	-21,287		-22,937	-22,937		-26,187	-26,187
1940-Tools, Shop and Garage Equipment-Adjustments									
1940-Tools, Shop and Garage Equipment-Closing Balance	212,866	-66,877	145,989	245,866	-89,814	156,052	277,866	-116,001	161,866
Average	187,289	-56,234	131,055	229,366	-78,346	151,020	261,866	-102,907	158,959
1945-Measurement and Testing Equipment-Opening Balance	136,179	-30,256	105,922	145,541	-44,810	100,731	167,541	-60,465	107,077
1945-Measurement and Testing Equipment-Additions	9,363		9,363	22,000		22,000	25,500		25,500
1945-Measurement and Testing Equipment-Depreciation		-14,554	-14,554		-15,654	-15,654		-18,029	-18,029
1945-Measurement and Testing Equipment-Adjustments									
1945-Measurement and Testing Equipment-Closing Balance	145,541	-44,810	100,731	167,541	-60,465	107,077	193,041	-78,494	114,548
Average	140,860	-37,533	103,327	156,541	-52,638	103,904	180,291	-69,479	110,812
1955-Communication Equipment-Opening Balance	47,704	-14,333	33,371	54,931	-19,826	35,105	83,931	-33,712	50,219
1955-Communication Equipment-Additions	7,228		7,228	29,000		29,000	29,000		29,000
1955-Communication Equipment-Depreciation		-5,493	-5,493		-13,886	-13,886		-19,686	-19,686
1955-Communication Equipment-Adjustments									
1955-Communication Equipment-Closing Balance	54,931	-19,826	35,105	83,931	-33,712	50,219	112,931	-53,399	59,533
Average	51,318	-17,080	34,238	69,431	-26,769	42,662	98,431	-43,556	54,876

Norfolk Power Distribution Inc.

CONTINUITY STATEMENTS

	2006 Actual			2007 Bridge			2008 Test		
	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value	Gross Asset Value	Accumulated Depreciation	Net Book Value
1960-Miscellaneous Equipment-Opening Balance	56,514	-7,307	49,208	82,327	-15,539	66,788	114,327	-25,372	88,955
1960-Miscellaneous Equipment-Additions	25,813		25,813	32,000		32,000	37,500		37,500
1960-Miscellaneous Equipment-Depreciation		-8,233	-8,233		-9,833	-9,833		-13,308	-13,308
1960-Miscellaneous Equipment-Adjustments									
1960-Miscellaneous Equipment-Closing Balance	82,327	-15,539	66,788	114,327	-25,372	88,955	151,827	-38,680	113,147
Average	69,421	-11,423	57,998	98,327	-20,456	77,871	133,077	-32,026	101,051
1970-Load Management Controls-Opening Balance	4,322	0	4,322	12,276	0	12,276	88,276	-5,028	83,249
1970-Load Management Controls-Additions	7,954	0	7,954	76,000		76,000	0		0
1970-Load Management Controls-Depreciation		0	0		-5,028	-5,028		-8,828	-8,828
1970-Load Management Controls-Adjustments									
1970-Load Management Controls-Closing Balance	12,276	0	12,276	88,276	-5,028	83,249	88,276	-13,855	74,421
Average	8,299	0	8,299	50,276	-2,514	47,763	88,276	-9,441	78,835
1980-System Supervisory Equipment-Opening Balance	589,392	-103,365	486,027	612,052	-144,168	467,884	656,052	-186,459	469,592
1980-System Supervisory Equipment-Additions	22,660	0	22,660	44,000		44,000	92,100		92,100
1980-System Supervisory Equipment-Depreciation		-40,803	-40,803		-42,291	-42,291		-46,830	-46,830
1980-System Supervisory Equipment-Adjustments									
1980-System Supervisory Equipment-Closing Balance	612,052	-144,168	467,884	656,052	-186,459	469,592	748,152	-233,289	514,862
Average	600,722	-123,766	476,955	634,052	-165,314	468,738	702,102	-209,874	492,227
1995-Contributions and Grants - Credit-Opening Balance	-4,910,417	551,843	-4,358,574	-5,796,930	783,720	-5,013,210	-5,996,930	1,019,598	-4,977,333
1995-Contributions and Grants - Credit-Additions	-886,513		-886,513	-200,000		-200,000	-200,000		-200,000
1995-Contributions and Grants - Credit-Depreciation		231,877	231,877		235,877	235,877		243,877	243,877
1995-Contributions and Grants - Credit-Adjustments									
1995-Contributions and Grants - Credit-Closing Balance	-5,796,930	783,720	-5,013,210	-5,996,930	1,019,598	-4,977,333	-6,196,930	1,263,475	-4,933,456
Average	-5,353,674	667,782	-4,685,892	-5,896,930	901,659	-4,995,271	-6,096,930	1,141,536	-4,955,394
2005-Property Under Capital Leases-Opening Balance	10,039	-1,004	9,035	10,039	-2,008	8,031	10,039	-2,008	8,031
2005-Property Under Capital Leases-Additions	0	0	0	0		0	0		0
2005-Property Under Capital Leases-Depreciation		-1,004	-1,004		0	0		0	0
2005-Property Under Capital Leases-Adjustments									
2005-Property Under Capital Leases-Closing Balance	10,039	-2,008	8,031	10,039	-2,008	8,031	10,039	-2,008	8,031
Average	10,039	-1,506	8,533	10,039	-2,008	8,031	10,039	-2,008	8,031
Total Opening Balance	52,602,521	-15,991,478	36,611,044	56,223,471	-17,791,397	38,432,074	61,773,894	-20,245,519	41,528,376
Total Additions	4,163,243	0	4,163,243	5,620,200	0	5,620,200	10,189,600	0	10,189,600
Total Depreciation	0	-2,341,935	-2,341,935	0	-2,523,899	-2,523,899	0	-2,836,810	-2,836,810
Total Adjustments	-542,293	542,015	-278	-69,777	69,777	0	-1,511,301	1,511,301	0
Total Closing Balance	56,223,471	-17,791,397	38,432,074	61,773,894	-20,245,519	41,528,376	70,452,193	-21,571,028	48,881,165
Average	54,412,996	-16,891,437	37,521,559	58,998,683	-19,018,458	39,980,225	66,113,044	-20,908,273	45,204,771

APPENDIX 2 – Energy Probe INTERROGATORIES

**Amortization Calculations to Prove
Half Year Rule used in 2008 COS
EP IR#4b)**

Energy Probe IR #4(b)

**Appendix 2-M
Depreciation and Amortization Expense**

Year: **2007**

Account	Description	Opening Balance	Less Fully Depreciated ¹	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense	Depreciation Expense Per F.A. Continuity Schedule in 2008 COS Application	Variance	Note to Explain Variance
		(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) + 1/2 x (d) ²	(f)	(g) = 1 / (f)	(h) = (e) / (f)			
1805	Land	\$ 380,064.00		\$ 380,064.00	\$ -	\$ 380,064.00	-				\$ -	
1806	Land Rights	\$ 300,911.00		\$ 300,911.00	\$ 1,000.00	\$ 301,411.00	25.00	4.0%	\$ 12,056.44	\$ 12,056.00	\$ -0.44	
1808	Buildings	\$ 1,450,870.00		\$ 1,450,870.00	\$ 5,000.00	\$ 1,453,370.00	50.00	2.0%	\$ 29,067.40	\$ 29,067.00	\$ -0.40	
1810	Leasehold Improvements	\$ -		\$ -	\$ -	\$ -	-			\$ -	\$ -	
1815	Transformer Station Equipment >50 kV	\$ 2,802,994.00		\$ 2,802,994.00	\$ 195,000.00	\$ 2,900,494.00	40.00	2.5%	\$ 72,512.35	\$ 72,512.00	\$ -0.35	
1820	Distribution Station Equipment <50 kV	\$ 2,388,347.00		\$ 2,388,347.00	\$ 1,177,000.00	\$ 2,976,847.00	30.00	3.3%	\$ 99,228.23	\$ 99,129.00	\$ -99.23	1
1825	Storage Battery Equipment	\$ -		\$ -	\$ -	\$ -	-			\$ -	\$ -	
1830	Poles, Towers & Fixtures	\$ 16,915,729.00		\$ 16,915,729.00	\$ 651,000.00	\$ 17,241,229.00	25.00	4.0%	\$ 689,649.16	\$ 689,649.00	\$ -0.16	
1835	Overhead Conductors & Devices	\$ 8,333,597.00		\$ 8,333,597.00	\$ 854,000.00	\$ 8,760,597.00	25.00	4.0%	\$ 350,423.88	\$ 350,424.00	\$ 0.12	
1840	Underground Conduit	\$ 3,266,245.00		\$ 3,266,245.00	\$ 280,000.00	\$ 3,406,245.00	25.00	4.0%	\$ 136,249.80	\$ 136,250.00	\$ 0.20	
1845	Underground Conductors & Devices	\$ 6,436,211.00		\$ 6,436,211.00	\$ 431,000.00	\$ 6,651,711.00	25.00	4.0%	\$ 266,068.44	\$ 266,068.00	\$ -0.44	
1850	Line Transformers	\$ 9,035,687.00		\$ 9,035,687.00	\$ 745,000.00	\$ 9,408,187.00	25.00	4.0%	\$ 376,327.48	\$ 376,327.00	\$ -0.48	
1855	Services (Overhead and Underground)	\$ 1,612,317.00		\$ 1,612,317.00	\$ 311,000.00	\$ 1,767,817.00	25.00	4.0%	\$ 70,712.68	\$ 70,713.00	\$ 0.32	
1860	Meters	\$ 3,547,874.00		\$ 3,547,874.00	\$ 459,200.00	\$ 3,777,474.00	25.00	4.0%	\$ 151,098.96	\$ 151,099.00	\$ 0.04	
1860	Meters (Smart Meters)	\$ -		\$ -	\$ -	\$ -	15.00	6.7%	\$ -	\$ -	\$ -	
1905	Land	\$ 211,830.00		\$ 211,830.00	\$ 25,000.00	\$ 224,330.00	-					
1906	Land Rights	\$ -		\$ -	\$ -	\$ -	-					
1908	Buildings & Fixtures	\$ 1,947,788.00		\$ 1,947,788.00	\$ 153,000.00	\$ 2,024,288.00	50.00	2.0%	\$ 40,485.76	\$ 40,486.00	\$ 0.24	
1910	Leasehold Improvements	\$ 6,177.00		\$ 6,177.00	\$ -	\$ 6,177.00	10.00	10.0%	\$ 617.70	\$ -	\$ 617.70	2
1915	Office Furniture & Equipment (10 Years)	\$ 111,706.00		\$ 111,706.00	\$ 23,000.00	\$ 123,206.00	10.00	10.0%	\$ 12,320.60	\$ 12,321.00	\$ 0.40	
1915	Office Furniture & Equipment (5 Years)	\$ -		\$ -	\$ -	\$ -	5.00	20.0%	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware (pre-2002)	\$ -		\$ -	\$ -	\$ -	10.00	10.0%	\$ -	\$ -	\$ -	
1920	Computer Equip. - Hardware (2002 & forward)	\$ 608,350.00	\$ 26,240.00	\$ 582,110.00	\$ 88,000.00	\$ 626,110.00	5.00	20.0%	\$ 125,222.00	\$ 127,846.00	\$ 2,624.00	3
1925	Computer Software	\$ 198,446.00	\$ 43,537.00	\$ 154,909.00	\$ 87,000.00	\$ 198,409.00	5.00	20.0%	\$ 39,681.80	\$ 44,035.00	\$ 4,353.20	4
1925	Computer Software (Smart Meters)	\$ -		\$ -	\$ -	\$ -	5.00	20.0%	\$ -	\$ -	\$ -	
1930	Transportation Equipment (Pooled - Pre 2006)	\$ 959,621.07		\$ 959,621.07	\$ -	\$ 959,621.07	10.00	10.0%	\$ 95,962.11	\$ 111,554.00	\$ 15,591.89	5
1930-1	Transportation Equipment - Passenger Cars	\$ 16,866.11		\$ 16,866.11	\$ -	\$ 16,866.11	4.00	25.0%	\$ 4,216.53	\$ 4,217.00	\$ 0.47	
1930-2	Transportation Equipment - Light Trucks/Vans	\$ 36,372.34		\$ 36,372.34	\$ 95,000.00	\$ 83,872.34	5.00	20.0%	\$ 16,774.47	\$ 16,774.00	\$ -0.47	
1930-3	Transportation Equipment - Heavy Trucks	\$ 287,297.48		\$ 287,297.48	\$ -	\$ 287,297.48	8.00	12.5%	\$ 35,912.19	\$ 35,912.00	\$ -0.18	
1930-4	Transportation Equipment - Trailers/Other	\$ -		\$ -	\$ -	\$ -	8.00	12.5%	\$ -	\$ -	\$ -	
1935	Stores Equipment	\$ 35,068.00		\$ 35,068.00	\$ 4,000.00	\$ 37,068.00	10.00	10.0%	\$ 3,706.80	\$ 3,707.00	\$ 0.20	
1940	Tools, Shop & Garage Equipment	\$ 212,866.00		\$ 212,866.00	\$ 33,000.00	\$ 229,366.00	10.00	10.0%	\$ 22,936.60	\$ 22,937.00	\$ 0.40	
1945	Measurement & Testing Equipment	\$ 145,541.00		\$ 145,541.00	\$ 22,000.00	\$ 156,541.00	10.00	10.0%	\$ 15,654.10	\$ 15,654.00	\$ -0.10	
1950	Power Operated Equipment	\$ -		\$ -	\$ -	\$ -	-					
1955	Communications Equipment	\$ 54,931.00		\$ 54,931.00	\$ 29,000.00	\$ 69,431.00	5.00	20.0%	\$ 13,886.20	\$ 13,886.00	\$ -0.20	
1955	Communication Equipment (Smart Meters)	\$ -		\$ -	\$ -	\$ -	-					
1960	Miscellaneous Equipment	\$ 82,327.00		\$ 82,327.00	\$ 32,000.00	\$ 98,327.00	10.00	10.0%	\$ 9,832.70	\$ 9,833.00	\$ 0.30	
1975	Load Management Controls Utility Premises	\$ 12,276.00		\$ 12,276.00	\$ 76,000.00	\$ 50,276.00	10.00	10.0%	\$ 5,027.60	\$ 5,028.00	\$ 0.40	
1980	System Supervisor Equipment	\$ 612,052.00		\$ 612,052.00	\$ 44,000.00	\$ 634,052.00	15.00	6.7%	\$ 42,270.13	\$ 42,291.00	\$ 20.87	
1980	System Supervisor Equipment (Hardware/SW)	\$ -		\$ -	\$ -	\$ -	5.00	20.0%	\$ -	\$ -	\$ -	
1985	Miscellaneous Fixed Assets	\$ -		\$ -	\$ -	\$ -	-					
1995	Contributions & Grants	\$ 5,796,930.00		\$ 5,796,930.00	\$ 200,000.00	\$ 5,896,930.00	25.00	4.0%	\$ 235,877.20	\$ 235,877.00	\$ 0.20	
2005	Property Under Capital Lease	\$ 10,039.00		\$ 10,039.00	\$ -	\$ 10,039.00	10.00	10.0%	\$ 1,003.90	\$ -	\$ 1,003.90	6
2055	Work In Progress	\$ -		\$ -	\$ -	\$ -	-					
Total		\$ 56,223,470.00	\$ 69,777.00	\$ 56,153,693.00	\$ 5,620,200.00	\$ 58,963,793.00			\$ 2,503,028.80	\$ 2,523,898.00	\$ 20,868.80	

(i) (j) (k) (l)

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs),

- (i) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2007 Bridge Gross Asset Value Opening Balance
- (j) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2007 Adjustments (Write-Offs of Fully-Depreciated Assets)
- (k) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2007 Bridge Total Additions for 2007
- (l) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2007 Bridge Total Depreciation for 2007

Notes to Explain Variances:

- 1 Distribution Station Equipment - NPDI's spreadsheet was using a 35-year amortization period instead of the OEB-prescribed 30-year period
- 2 Error in Continuity Statement spreadsheet did not calculate amortization expense for this item
- 3 Error in Continuity Statement spreadsheet did not remove fully depreciated assets before calculating amortization expense for this item
- 4 Error in Continuity Statement spreadsheet did not remove fully depreciated assets before calculating amortization expense for this item
- 5 Total for 1930 and all sub-accounts = \$1,300,157; Total depreciation expense for 1930 and all sub-accounts \$168,457 - error in calculating depreciation expense on pooled assets
- 6 Error in Continuity Statement spreadsheet did not calculate amortization expense for this item

Energy Probe IR #4(b)

**Appendix 2-M
Depreciation and Amortization Expense**

Year: **2008**

Account	Description	Opening Balance	Less Fully Depreciated ¹	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	Depreciation Expense	Depreciation Expense Per F.A. Continuity Schedule in 2008 COS Application	Variance	Note to Explain Variance
		(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) + 1/2 x (d) ²	(f)	(g) = 1 / (f)	(h) = (e) / (f)			
1805	Land	\$ 380,064.00	\$ -	\$ 380,064.00	\$ -	\$ 380,064.00	-			\$ -	\$ -	
1806	Land Rights	\$ 301,911.00	\$ -	\$ 301,911.00	\$ 1,000.00	\$ 302,411.00	25.00	4.0%	\$ 12,096.44	\$ 12,096.00	\$ 0.44	
1808	Buildings	\$ 1,455,870.00	\$ -	\$ 1,455,870.00	\$ 74,200.00	\$ 1,492,970.00	50.00	2.0%	\$ 29,859.40	\$ 29,859.00	\$ 0.40	
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	-					
1815	Transformer Station Equipment >50 kV	\$ 2,997,994.00	\$ -	\$ 2,997,994.00	\$ 202,000.00	\$ 3,098,994.00	40.00	2.5%	\$ 77,474.85	\$ 77,475.00	\$ 0.15	
1820	Distribution Station Equipment <50 kV	\$ 3,565,347.00	\$ 1,386,755.00	\$ 2,178,592.00	\$ 811,500.00	\$ 2,584,342.00	30.00	3.3%	\$ 86,144.73	\$ 109,148.00	\$ 23,003.27	1
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-					
1830	Poles, Towers & Fixtures	\$ 17,566,729.00	\$ -	\$ 17,566,729.00	\$ 1,130,800.00	\$ 18,132,129.00	25.00	4.0%	\$ 725,285.16	\$ 725,285.00	\$ 0.16	
1835	Overhead Conductors & Devices	\$ 9,187,597.00	\$ -	\$ 9,187,597.00	\$ 738,200.00	\$ 9,556,697.00	25.00	4.0%	\$ 382,267.88	\$ 382,268.00	\$ 0.12	
1840	Underground Conduit	\$ 3,546,245.00	\$ -	\$ 3,546,245.00	\$ 282,000.00	\$ 3,687,245.00	25.00	4.0%	\$ 147,489.80	\$ 147,490.00	\$ 0.20	
1845	Underground Conductors & Devices	\$ 6,867,211.00	\$ -	\$ 6,867,211.00	\$ 600,000.00	\$ 7,167,211.00	25.00	4.0%	\$ 286,688.44	\$ 286,688.00	\$ 0.44	
1850	Line Transformers	\$ 9,780,687.00	\$ -	\$ 9,780,687.00	\$ 876,000.00	\$ 10,218,687.00	25.00	4.0%	\$ 408,747.48	\$ 408,747.00	\$ 0.48	
1855	Services (Overhead and Underground)	\$ 1,923,317.00	\$ -	\$ 1,923,317.00	\$ 322,000.00	\$ 2,084,317.00	25.00	4.0%	\$ 83,372.68	\$ 83,373.00	\$ 0.32	
1860	Meters	\$ 4,007,074.00	\$ -	\$ 4,007,074.00	\$ 516,400.00	\$ 4,265,274.00	25.00	4.0%	\$ 170,610.96	\$ 170,611.00	\$ 0.04	
1860	Meters (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	15.00	6.7%	\$ -	\$ -	\$ -	
1905	Land	\$ 236,830.00	\$ -	\$ 236,830.00	\$ -	\$ 236,830.00	-					
1906	Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	-					
1908	Buildings & Fixtures	\$ 2,100,788.00	\$ -	\$ 2,100,788.00	\$ 108,400.00	\$ 2,154,988.00	50.00	2.0%	\$ 43,099.76	\$ 43,100.00	\$ 0.24	
1910	Leasehold Improvements	\$ 6,177.00	\$ -	\$ 6,177.00	\$ 5,000.00	\$ 8,677.00	10.00	10.0%	\$ 867.70	\$ -	\$ 867.70	2
1915	Office Furniture & Equipment (10 Years)	\$ 134,706.00	\$ -	\$ 134,706.00	\$ 29,000.00	\$ 149,206.00	10.00	10.0%	\$ 14,920.60	\$ 14,921.00	\$ 0.40	
1915	Office Furniture & Equipment (5 Years)	\$ -	\$ -	\$ -	\$ -	\$ -	5.00	20.0%	\$ -	\$ -	\$ -	
1920	Computer Equipment - Hardware (pre-2002)	\$ -	\$ -	\$ -	\$ -	\$ -	10.00	10.0%	\$ -	\$ -	\$ -	
1920	Computer Equip. - Hardware (2002 & forward)	\$ 670,110.00	\$ 110,294.00	\$ 559,816.00	\$ 67,000.00	\$ 593,316.00	5.00	20.0%	\$ 118,663.20	\$ 129,693.00	\$ 11,029.80	3
1925	Computer Software	\$ 241,909.00	\$ 14,253.00	\$ 227,656.00	\$ 129,000.00	\$ 292,156.00	5.00	20.0%	\$ 58,431.20	\$ 59,857.00	\$ 1,425.80	4
1925	Computer Software (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	5.00	20.0%	\$ -	\$ -	\$ -	
1930	Transportation Equipment (Pooled - Pre 2006)	\$ 959,621.07	\$ -	\$ 959,621.07	\$ -	\$ 959,621.07	10.00	10.0%	\$ 95,962.11	\$ 104,429.00	\$ 8,466.89	5
1930-1	Transportation Equipment - Passenger Cars	\$ 16,866.11	\$ -	\$ 16,866.11	\$ -	\$ 16,866.11	4.00	25.0%	\$ 4,216.53	\$ 4,217.00	\$ 0.47	
1930-2	Transportation Equipment - Light Trucks/Vans	\$ 131,372.34	\$ -	\$ 131,372.34	\$ 95,000.00	\$ 178,872.34	5.00	20.0%	\$ 35,774.47	\$ 35,774.00	\$ 0.47	
1930-3	Transportation Equipment - Heavy Trucks	\$ 287,297.48	\$ -	\$ 287,297.48	\$ -	\$ 287,297.48	8.00	12.5%	\$ 35,912.19	\$ 35,912.00	\$ 0.18	
1930-4	Transportation Equipment - Trailers/Other	\$ -	\$ -	\$ -	\$ -	\$ -	8.00	12.5%	\$ -	\$ -	\$ -	
1935	Stores Equipment	\$ 39,068.00	\$ -	\$ 39,068.00	\$ 5,000.00	\$ 41,568.00	10.00	10.0%	\$ 4,156.80	\$ 4,157.00	\$ 0.20	
1940	Tools, Shop & Garage Equipment	\$ 245,866.00	\$ -	\$ 245,866.00	\$ 32,000.00	\$ 261,866.00	10.00	10.0%	\$ 26,186.60	\$ 26,187.00	\$ 0.40	
1945	Measurement & Testing Equipment	\$ 167,541.00	\$ -	\$ 167,541.00	\$ 25,500.00	\$ 180,291.00	10.00	10.0%	\$ 18,029.10	\$ 18,029.00	\$ 0.10	
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-					
1955	Communications Equipment	\$ 83,931.00	\$ -	\$ 83,931.00	\$ 29,000.00	\$ 98,431.00	5.00	20.0%	\$ 19,686.20	\$ 19,686.00	\$ 0.20	
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	-					
1960	Miscellaneous Equipment	\$ 114,327.00	\$ -	\$ 114,327.00	\$ 37,500.00	\$ 133,077.00	10.00	10.0%	\$ 13,307.70	\$ 13,308.00	\$ 0.30	
1975	Load Management Controls Utility Premises	\$ 88,276.00	\$ -	\$ 88,276.00	\$ -	\$ 88,276.00	10.00	10.0%	\$ 8,827.60	\$ 8,828.00	\$ 0.40	
1980	System Supervisor Equipment	\$ 656,052.00	\$ -	\$ 656,052.00	\$ 92,100.00	\$ 702,102.00	15.00	6.7%	\$ 46,806.80	\$ 46,830.00	\$ 23.20	
1980	System Supervisor Equipment (Hardware/SW)	\$ -	\$ -	\$ -	\$ -	\$ -	5.00	20.0%	\$ -	\$ -	\$ -	
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	-					
1995	Contributions & Grants	\$ 5,996,930.00	\$ -	\$ 5,996,930.00	\$ 200,000.00	\$ 6,096,930.00	25.00	4.0%	\$ 243,877.20	\$ 243,877.00	\$ 0.20	
2005	Property Under Capital Lease	\$ 10,039.00	\$ -	\$ 10,039.00	\$ -	\$ 10,039.00	10.00	10.0%	\$ 1,003.90	\$ -	\$ 1,003.90	6
2055	Work In Progress	\$ -	\$ -	\$ -	\$ -	\$ -	-					
Total		\$ 61,773,893.00	\$ 1,511,302.00	\$ 60,262,591.00	\$ 6,008,600.00	\$ 63,266,891.00			\$ 2,712,013.07	\$ 2,754,091.00	\$ 42,077.93	

Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation

- (i) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2008 Bridge Gross Asset Value Opening Balance
- (j) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2008 Adjustments (Write-Offs of Fully-Depreciated Assets)
- (k) Matches 2008 COS Application F.A. Cont. Sched. (Exh 2/Tab 2/Schedule 1/Page 5) for 2008 Test Total Additions for 2008 - LESS \$4,061K for Smrt Mtrs & \$120K for Transformer Deposit Disallowed as per Board Decision dated May 26, 2008 and stated in Norfolk's Draft Rate Order Submission for the 2008 COS submitted July 15, 2008 (and subsequently approved by the Board in its August 22, 2008 Decision)
- (l) Matches 2008 COS Application F.A. Continuity Schedule (Exh 2/Tab 2/Schedule 1/Page 5) for 2008 Bridge Total Depreciation for 2008 and also matches the amount stated in Norfolk's Draft Rate Order Submission for the 2008 COS submitted July 15, 2008 (which was subsequently approved by the Board in its August 22, 2008 decision)

Notes to Explain Variances:

- 1 Distribution Station Equipment - NPDI's spreadsheet was using a 35-year amortization period instead of the OEB-prescribed 30-year period
- 2 Error in Continuity Statement spreadsheet did not calculate amortization expense for this item
- 3 Error in Continuity Statement spreadsheet did not remove fully depreciated assets before calculating amortization expense for this item
- 4 Error in Continuity Statement spreadsheet did not remove fully depreciated assets before calculating amortization expense for this item
- 5 Total for 1930 and all sub-accounts = \$1,395,157; Total depreciation expense for 1930 and all sub-accounts \$180,332 - error in calculating depreciation expense on pooled assets
- 6 Error in Continuity Statement spreadsheet did not calculate amortization expense for this item

APPENDIX 3 – Energy Probe INTERROGATORIES

**Norfolk Revised Submission Draft
Rate Order 2008-07-15
EP IR#4b)**

**Reply Submission - Draft Rate Order
Norfolk Power Distribution Inc.
2008 Electricity Distribution Rates
EB-2007-0753
Page 4 of 36**

\$371,652	\$252,864
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Note 1:
Hydro One's 2008 EDR Application: EB-2007-0681; Exhibit G1/Tab 4/Schedule 4/Page 2 of 4

Current shared LVDS = \$2.12/kW, which is consistent with the rate Hydro One charges Norfolk Power for LV services

Proposed LVDS = \$1.24/kW. Therefore, revised Hydro One LV charges are:
\$286,172 X \$1.24/\$2.12 = \$167,384

3. Smart Meters

Norfolk Power's smart meter initiative as per the Board's decision, excludes capital expenditures of \$4,061,000 and a smart meter adder of \$1.00/month per metered customer. Table 1.0 provides the details of the rate base and Table 1.1 shows the proposed monthly fixed rates including the rate adder.

<i>Table 1.0</i>	As per 2008 EDR Application	As per Board's Decision	
Opening Balance, Net Fixed Assets	\$41,528,376	\$41,528,376	
Additions	10,189,600	6,008,600	NB 1
Depreciation	(2,836,810)	(2,754,090)	NB 2
Closing Balance, Net Fixed Assets	\$48,881,166	\$44,782,886	
Average Net Fixed Assets	\$45,204,771	\$43,155,631	
Allowance for Working Capital	5,294,835	4,996,170	NB 3
Rate Base	\$50,499,606	\$48,151,801	

Note 1: See response to Rate Base - Capital Expenditures

Note 2: \$2,836,810 - \$2,754,090 = \$82,720, comprised of:

*Smart Meter [(\$4,061,000 X 1/2) / 4.0%	\$81,220
Transformer [(\$120,000 X 1/2) / 2.5%	1,500
	\$82,720

*Please note that for the purposes of the application, smart meters were included in the regular meter category, which assumes a 25-year amortization period.

Note 3: Controllable OM&A	\$4,339,137
***Power Supply Expense	28,968,663

APPENDIX 4 – Energy Probe INTERROGATORIES

Special Purpose Charge EP IR#21a)

Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



VIA EMAIL AND WEB POSTING

April 23, 2010

TO: Licensed Electricity Distributors

RE: Variance Account for “Special Purpose Charge” Assessment under Section 26.1 of the *Ontario Energy Board Act, 1998* for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs

Under cover of a letter dated April 9, 2010, the Board issued your invoice setting out the amount that you are being assessed on account of the special purpose charge (the “SPC”) referred to in sections 26.1 and 26.2 of the *Ontario Energy Board Act, 1998* (the “Act”).

As indicated in the Board’s letter, section 8 of Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs) (the “SPC Regulation”) contemplates that each licensed electricity distributor will record in a variance account any differences between: (a) the amount remitted to the Minister of Finance for the distributor’s SPC assessment; and (b) the amounts recovered from customers on account of the assessment.

For that purpose, the Board has now authorized Account 1521, Special Purpose Charge Assessment Variance Account. Any difference between the amount remitted to the Minister of Finance for your SPC assessment and the amount that you recover from customers must be recorded in “Sub-account 2010 SPC Assessment Variance” of Account 1521. Account 5681, Special Purpose Charge Expense, should be used to record the amount of your SPC assessment, and Account 4324, Special Purpose Charge Recovery, should be used to record amounts collected from customers on account of that assessment.

Carrying charges shall apply to the monthly opening debit or credit balances in “Sub-account 2010 SPC Assessment Variance” and shall be recorded in “Sub-account 2010 SPC Assessment Carrying Charges” of Account 1521. Any carrying charges shall be calculated using simple interest, at the Board’s prescribed interest rates.

The balance in Account 1521 should be reported quarterly, at the same time as filings are due in relation to the balances in other deferral and variance accounts under section 2.1.1 of the Board’s Electricity Reporting and Record Keeping Requirements.

In accordance with section 8 of the SPC Regulation, you are required to apply to the Board no later than April 15, 2012 for an order authorizing you to clear any debit or credit balance in “Sub-account 2010 SPC Variance”. The Board expects that requests for disposition of the balance in “Sub-account 2010 SPC Variance” and “Sub-account 2010 SPC Assessment Carrying Charges” will be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

In accordance with section 9 of the SPC Regulation, recovery of your SPC assessment is to be spread over a one-year period, starting from the date on which you begin billing to recover your assessment. The request for disposition of the balance in “Sub-account 2010 SPC Variance” and “Sub-account 2010 SPC Assessment Carrying Charges” should be made after that one-year period has come to an end, and all bills that include amounts on account of that assessment have come due for payment.

Any questions regarding the above should be directed to the Market Operations Hotline at 416-440-7604 or by e-mail at market.operations@oeb.gov.on.ca. The Board’s toll free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary