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December 2, 2011

**Delivered by Email and Courier**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27th Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: Guelph Hydro Electric Systems Inc. 2011 Cost of Service Electricity  
Distribution Rate Application –Board File No. EB-2011-0123**

We are counsel to Guelph Hydro Electric Systems Inc. (“Guelph Hydro”) in the above captioned matter.

A settlement conference was convened in respect of this proceeding on Tuesday, November 15, 2011. The conference continued into Wednesday, November 16, 2011. We are pleased to advise that the parties have achieved a complete settlement in this matter, leaving outstanding only those issues that the Board determined in Procedural Order No. 2 would not be eligible for settlement (Issues 6.1, 6.2 and 12.1, relating to Smart Meters and Guelph Hydro’s Green Energy Act Plan). In accordance with Procedural Orders Nos. 2 and 4, please find accompanying this letter a copy of the proposed Settlement Agreement. Each of the parties has reviewed and approved the Agreement, and the parties respectfully request that the Board approve the Settlement Agreement. The parties to this proceeding acknowledge with thanks the assistance of Mr. Haussmann and Board staff in this process.

Procedural Orders Nos. 2 and 4 set out certain additional steps in this proceeding. These included the filing of any settlement proposal; the commencement of the hearing on the issues identified above and any other unsettled issues on Monday, December 5, 2011, at 10 a.m.; and the filing of written submissions. With the complete settlement of all eligible issues, and subject to the Board’s approval of the Settlement Agreement, the hearing will be limited to the issues noted above.

As confirmed in the Settlement Agreement, as part of the settlement, the parties have considered the appropriate effective date for Guelph Hydro’s 2012 distribution rates and agree that the effective date of the new rates should be January 1, 2012. The parties agree further that in the event that the Board is not able to issue its final Rate Order in respect of Guelph Hydro’s rates in time for implementation as of January 1, 2012, then Guelph Hydro will be permitted to recover the distribution revenue requirement shortfall for any months in the 2012 Rate Year in respect of

which the new rates have not been implemented, by way of a rate rider. Guelph Hydro will provide a proposed rider in conjunction with its Draft Rate Order following the Board's Decision.

Should you have any questions or require further information, please do not hesitate to contact me.

**Yours very truly,**  
**BORDEN LADNER GERVAIS LLP**

*Original signed by James C. Sidlofsky*

James C. Sidlofsky  
JCS

cc:

Birgit Armstrong, Ontario Energy Board  
Ian Miles, Guelph Hydro Electric Systems Inc.  
Cristina Birceanu, Guelph Hydro Electric Systems Inc.

TOR01: 4789843: v2

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**EB-2011-0123**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B);

**AND IN THE MATTER OF** an Application by Guelph Hydro Electric Systems Inc. for an Order or Orders approving just and reasonable rates and other service charges for electricity distribution to be effective January 1, 2012.

**GUELPH HYDRO ELECTRIC SYSTEMS INC. PROPOSED SETTLEMENT  
AGREEMENT**

**Filed: December 2, 2011**

**INTRODUCTION:**

Guelph Hydro Electric Systems Inc. (“Guelph Hydro”) carries on the business of distributing electricity within the City of Guelph and the Village of Rockwood.

Guelph Hydro filed an application with the Ontario Energy Board (the “Board”) on June 30, 2011 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Guelph Hydro charges for electricity distribution, to be effective January 1, 2012. The Board has assigned the application File Number EB-2011-0123.

Three parties requested and were granted intervenor status: the Energy Probe Research Foundation (Energy Probe), the Vulnerable Energy Consumers’ Coalition (VECC), and the School Energy Coalition (SEC).

In Procedural Order No. 1, issued on August 5, 2011, the Board approved the intervenors in this proceeding, set dates for interrogatories and interrogatory responses and made its determination

regarding the cost eligibility of intervenors and issued a Draft Issues List for comment. Comments on the Draft Issues List were due August 18, 2011. No parties submitted comments.

On September 15, 2011, Guelph Hydro filed a letter stating that it would not be able to file its interrogatory responses in accordance with the deadline established in Procedural Order No. 1 due to the volume and complexity of the interrogatories received.

On September 20, 2011, the Board granted an extension until September 30, 2011. Guelph Hydro filed partial responses on September 30, 2011. Guelph Hydro filed the remainder of the interrogatory responses on October 11, 2011.

On October 12, 2011, the Board issued Procedural Order No. 2 and determined the next steps in this proceeding. The Procedural Order No. 2 included the Final Issues List.

In its Procedural Order No. 2, the Board considered it appropriate to deem issues pertaining to the Green Energy and Green Economy Act, 2009 (“GEA”) Plan ineligible for settlement. The Board has determined Issue 12.1 relating to Guelph Hydro’s Green Energy Act Plan, including the Smart Grid component of the plan, as contained in the Final Issues List, is not eligible for settlement. The Board also determined that Issues 6.1 and 6.2 are not eligible for settlement, as the issue of the smart meter deployment beyond minimum functionality relates to Smart Grid development.

In accordance with the Procedural Order No. 2, Guelph Hydro received a list of questions for Technical Conference by October 21, 2011, and responded partial in writing on October 26, 2011. The Technical Conference commenced on October 27, 2011.

As a result of the Technical Conference proceeding, Guelph Hydro responded to 32 undertakings between November 8 and November 14, 2011.

The evidence in this proceeding (referred to here as the “Evidence”) consists of the Application

including the updates to the Application, and Guelph Hydro's responses to the initial interrogatories, the questions provided to Guelph Hydro prior to and during the Technical Conference, and its responses to Undertakings given during the Technical Conference. The Appendices to this Settlement Agreement (the "Agreement") are also included in the Evidence. The Settlement Conference was duly convened in accordance with the Procedural Order No. 2, with Mr. Chris Haussmann as facilitator. The Settlement Conference commenced on November 15 and concluded on November 16, 2011.

Guelph Hydro and the following Intervenors participated in the Settlement Conference:

Energy Probe Research Foundation (Energy Probe)

School Energy Coalition (SEC)

Vulnerable Energy Consumers Coalition (VECC).

Guelph Hydro and the intervenors are collectively referred to below as the "Parties".

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Board's *Settlement Conference Guidelines* (the "Guidelines"). The Parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Agreement.

The role adopted by Board Staff in the Settlement Conference is set out in page 5 of the Guidelines. Although Board staff is not a party to this Agreement, as noted in the Guidelines, Board OEB staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

**A COMPLETE SETTLEMENT ON THE ISSUES ELIGIBLE FOR SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:**

The Parties are pleased to advise the Board that a complete settlement has been reached on the issues in the proceeding that are eligible for settlement. In accordance with the Board's Procedural Order No. 2, the remaining issues designated for Oral Hearing on December 5, 2011 are related to Issues 12.1 (Green Energy Act Plan), and to Issues 6.1 and 6.2 (Smart Meter Deployment). For convenience and in order to serve all Parties, Guelph Hydro has included in the Agreement its Capitalization Policy (please see Attachment 1 – Capitalization Policy).

This document comprises the Proposed Settlement Agreement to the Board, and it is presented jointly by Guelph Hydro and Energy Probe, SEC and VECC. It identifies the settled matters, and contains such references to the Evidence as is necessary to assist the Board in understanding the Agreement. The Parties confirm that the Evidence filed to date in respect of each settled issue, as supplemented in some instances by additional information recorded in this Agreement, supports the settlement of the matters identified in this Agreement. In addition, the Parties agree that the Evidence, supplemented where necessary by the additional information appended to this Agreement, contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Agreement in its entirety, then there is no Agreement unless the Parties agree that those portions of the Agreement that the Board does accept may continue as a valid settlement.

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the *Board's Rules of Practice and Procedure*.

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will, in any subsequent proceeding, take the position that the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2012 Test Year.

References to the Evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices and Attachments to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2011-0123. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendixes and Attachments in entering into this Agreement.

The Parties believe that the Agreement represents a balanced proposal that protects the interests of Guelph Hydro's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow Guelph Hydro to manage its assets so that the highest standards of performance levels are achieved and customers' expectations for the safe and reliable delivery of electricity at reasonable prices are met.

The Parties have agreed that the effective date of the rates resulting from this proposed agreement is January 1, 2012. In the event that the Board does not issue its Final Rate Order in time for Guelph Hydro to implement the rates resulting from this Agreement as of January 1, 2012, the Parties agree that Guelph Hydro may establish a rate rider that would allow it to recover that portion of the Revenue Deficiency that would have been recovered between

January 1, 2012 and the Board-Approved Effective Date.

## **ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:**

For the purpose of organizing this Agreement, the Parties have followed the approved Issues List.

The following Appendices accompany this Settlement Agreement:

- Appendix A – Summary of the Significant Items Adjusted as a result of this Agreement
- Appendix B – Updated Fixed Asset & Depreciation Expense Continuity Schedules
- Appendix C – Updated Cost of Power
- Appendix D – 2012 Test Year Updated Load Forecast
- Appendix E – 2012 Test Year Updated Other Revenue
- Appendix F – 2012 Test Year Updated OM&A Expense
- Appendix G – 2012 Test Year Updated PILs
- Appendix H – 2012 Test Year Updated Cost of Capital
- Appendix I – 2012 Test Year Updated Revenue Deficiency
- Appendix J – 2012 Test Year Updated Revenue to Cost Ratios
- Appendix K – Summary of Updated Customer Impacts
- Attachment 1 – Capitalization Policy
  - PP&E Deferral Account
  - CGAAP vs. IFRS Comparison of Burdenable Items
- Attachment 2 – Cost Allocation Sheets O1 and O2
- Attachment 3 – Revenue Requirement Work Form

## **UNSETTLED MATTERS:**

All matters that are eligible for settlement in this proceeding have been settled. The following issues are ineligible for settlement and will be the subject of an oral hearing scheduled to begin December 5, 2011.

### **6. Smart Meters**

6.1 Is the proposed inclusion of the smart meter costs in the 2012 revenue requirement appropriate?

6.2 Is the proposed disposition of the balances in variance accounts 1555 and 1556 appropriate?

### **12. Green Energy Act Plan**

12.1 Is Guelph Hydro's Green Energy Act Plan, including the Smart Grid component of the plan appropriate?

## **OVERVIEW OF THE SETTLED MATTERS:**

This Agreement will allow Guelph Hydro to continue to make the necessary investments in maintenance and operation expenditures as well as capital investments to maintain the safety and reliability of the electricity distribution service that it provides.

This Agreement will also allow Guelph Hydro to: maintain current capital investment levels in infrastructure to ensure a reliable distribution system; manage current and future staffing levels, skills and training to ensure regulatory compliance with Codes and Regulations; promote conservation programs including the Ministry of Energy directives as a condition of Guelph Hydro's distribution licence; and continue to provide the high level of customer service that Guelph Hydro's customers have come to expect.

The Parties agree that no rate classes face bill impacts in this proceeding that require mitigation efforts.

The revised Service Revenue Requirement for the 2012 Test Year is \$28,590,938 . This revenue requirement has been adjusted based on the updated cost of capital parameters (ROE and Deemed ST Debt rate) issued by the Board on November 10, 2012. The Long Term debt rate was agreed to be 5.264% based on the fact that Guelph Hydro's long term debt with an interest rate of 5.264% is held by external financial institutions (Senior Unsecured Debentures - maturity date Dec. 6, 2030). This represents a revenue deficiency, based on forecast 2012 revenue at current rates, of \$1,619,982 . The revised revenue deficiency of \$1,619,982 is (\$4,324,135) lower, or 72.75% lower than the revenue deficiency of \$5,944,117 set out in Guelph Hydro's pre-filed evidence. An amount of \$141,287 of the reduction is attributable to the updated cost of capital parameters. The changes are detailed in the table below.

	Original As per Application (A)	Settlement Submission (B)	Difference (C = B - A)
Service Revenue Requirement	\$32,703,106	\$28,590,938	(\$4,112,168)
Revenue Offset	\$2,050,989	\$2,207,000	\$156,011
Base Revenue Requirement	\$30,652,117	\$26,383,938	(\$4,268,179)
Revenue at Existing Rates	\$24,708,000	\$24,763,956	\$55,956
<b>Revenue Deficiency</b>	<b>\$5,944,117</b>	<b>\$1,619,982</b>	<b>(\$4,324,135)</b>

Through the settlement process, Guelph Hydro has agreed to certain adjustments from its original 2012 Application and subsequent updated Evidence. The changes are described in the following sections.

## 1. GENERAL

1.1 Has Guelph Hydro responded appropriately to all relevant Board directions from previous proceedings?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 3,4

Interrogatory responses VECC IRR # 1

For the purposes of settlement the Parties accept the evidence of the Applicant that there were no outstanding obligations or orders from previous Board decisions.

1.2 Are Guelph Hydro's economic and business planning assumptions for 2012 appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff TCQ #2

Interrogatory responses VECC TCQ#1, 2

For the purposes of settlement, the Parties accept Guelph Hydro's economic and business planning assumptions for 2012.

1.3 Is service quality, based on the Board specified performance assumptions for 2012 appropriate?

**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Guelph Hydro's Application – E2,T4,S8,p.1 to 9, and E2,T4,S5,App.C – Asset Management Plan

For the purposes of settlement, the Parties accept Guelph Hydro's evidence with respect to the acceptability of its service quality, based on the Board specified indicators.

1.4 Is the proposal to align the rate year with Guelph Hydro's fiscal year, and for rates effective January 1, 2012 appropriate?

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**Status:**                      **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Guelph Hydro's Application- E1/T1, S2, App. A – Alignment of Rate Year with Fiscal Year Analysis

For the purposes of settlement, the Parties have agreed that Guelph Hydro's proposal to align the rate year with its next fiscal year, which starts January 1, 2012, is appropriate. Further, the Parties agree that Guelph Hydro's 2012 rates should be effective January 1, 2012, and if it is not possible to implement the Board's decision in time for that date, any deficiency that arises between January 1, 2012 and the date of implementation should be collected by the Applicant using a rate rider over the remainder of the Test Year.

## 2. RATE BASE

2.1 Is the proposed rate base for the test year appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 5, 6, 7, TCQ # 5

Interrogatory responses Energy Probe IRR # 1, 3, 2,, TCQ # 16, JTC # 1.26

Interrogatory responses VECC IRR # 3, TCQ # 1

Interrogatory responses SEC TCQ # 3

For the purposes of settlement, the Parties have agreed that Guelph Hydro's Rate Base should be \$140,198,573 for the 2012 Test Year. A full calculation of this agreed Rate Base is set out later in this section in the table titled "Rate Base".

The agreed Rate Base includes the New MTS (Arlen MTS) expenditures as reflected in the evidence submitted during the Application proceedings. The revised Rate Base value reflects the following adjustments:

- The Parties agree to adjust the 2011 Bridge Year and the 2012 Test Year CAPEX by the HST-PST incremental ITC amount. To implement this adjustment, Guelph Hydro has reduced the 2011 Fixed Asset continuity schedule by \$260,320 and the 2012 Accumulated Depreciation by \$6,508, and 2012 Fixed Assets by \$226,700 and the 2012 Accumulated Depreciation by \$2,834.
- The Parties agree to update the Cost of Power (COP) with a weighted wholesale market price of \$31.38/MWh , RPP price of \$75.15/MWh, and Global Adjustment rate of \$40.08/MWh (please see the table below and the COP calculation detailed in Appendix C); it was also agreed to update the Load Forecast as responded to Energy Probe TCQ#14 and increase the forecast 2012 wholesale purchases by 5 MWh, including the impact of 2 MWh for the leap year.

- Agreed-upon adjustments to Guelph Hydro's proposed Rate Base are set out in the following table:

# **RATE BASE**

<b>Particulars</b>	<b>Initial Application</b>	<b>Adjustments</b>	<b>Settlement Agreement</b>
Gross Fixed Assets (average)	\$178,018,480	(\$373,670)	\$177,644,810
Accumulated Depreciation (average)	(\$63,313,009)	\$689,182	(\$62,623,827)
Net Fixed Assets (average)	\$114,705,471	\$315,512	\$115,020,983
Allowance for Working Capital	\$23,838,540	\$1,339,051	\$25,177,591
<b>Total Rate Base</b>	<b>\$138,544,011</b>	<b>\$1,654,562</b>	<b>\$140,198,573</b>

2.2 Is the working capital allowance for the test year appropriate?

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**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Energy Probe IRR # 4, 5, 6, 7, 8, TCQ # 1

Interrogatory responses VECC IRR # 4

For the purposes of settlement, the Parties agree to the following Working Capital Allowance calculated based on 15 % of the Controllable Expenses of \$14,326,000 and COP of 153,524,605

#### **ALLOWANCE FOR WORKING CAPITAL**

<b>Particulars</b>	<b>Initial Application</b>		<b>Adjustments</b>		<b>Settlement Agreement</b>
Controllable Expenses	\$15,611,241		(\$1,285,241)		\$14,326,000
Cost of Power	\$143,312,358		\$10,212,247		\$153,524,605
Working Capital Base	\$158,923,599		\$8,927,006		\$167,850,605
Working Capital Rate %	15.00%		0.00%		15.00%
Working Capital Allowance	\$23,838,540		\$1,339,051		\$25,177,591

### 2.3 Is the capital expenditure forecast for the test year appropriate?

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**Status: Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 8, 10, 11, 12, 13, 14, 9, TCQ # 6, 7

Interrogatory responses Energy Probe TCQ # 2, 17

Interrogatory responses SEC IRR # 6, 7, 8, 9, 10, TCQ # 4, 5

- For the purposes of settlement, the Parties agree to adjust the 2011 Bridge Year and the 2012 Test Year CAPEX by the HST-PST incremental ITC amount.
  - Guelph Hydro has reduced the 2011 Fixed Asset continuity schedule by \$260,320 and the Accumulated Depreciation by \$6,508, and 2012 Fixed Assets by \$226,700 and the 2012 Accumulated Depreciation by \$2,834.

As noted in Issue 2.4 below, the Parties have agreed that Guelph Hydro's capitalization policy under IFRS, as set out in Attachment 1 to this Settlement Agreement, is appropriate for the purposes of establishing Guelph Hydro's revenue requirement and rates for the 2012 Test Year; that Guelph Hydro will provide the information set out in Attachment 1- Appendix 2; and that Guelph Hydro may establish a variance account that would track any difference between (a) the amounts included in 2012 Test Year OM&A reflecting Guelph Hydro's policy on capitalization of overheads under IFRS, and (b) the amounts that may be eligible for inclusion in OM&A under a standardized approach that may be adopted by the Board in future, for disposition at a later date.

## 2.4 Is the capitalization policy and allocation procedure appropriate?

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**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses SEC IRR # 11

For the purpose of obtaining complete settlement of all issues, the Parties have agreed that Guelph Hydro's capitalization policy under IFRS, as set out in Attachment 1 to this Settlement Agreement, is appropriate for the purposes of establishing Guelph Hydro's revenue requirement and rates for the 2012 Test Year.

The Parties have also agreed that Guelph Hydro will provide information on the record of this proceeding in the form shown in Attachment 1 Appendix 2, indicating changes in Guelph Hydro's capitalization of various categories of expenses as between CGAAP and IFRS. The table is similar to that produced by Hydro Ottawa Limited in its response to Oral Hearing Undertaking No. L2.8 in its 2012 cost of service distribution rate application (EB-2011-0054). The Intervenor has requested this information in this proceeding, and intend to make the same request in other 2012 cost of service proceedings, with the intention of approaching the Board at a later date with a request that the Board develop a standardized approach to the capitalization of overheads. In order to ensure that Guelph Hydro and its customers are kept whole in the event that the Board adopts a standardized approach, the Parties have agreed that Guelph Hydro may establish a variance account that would track any difference between (a) the amounts included in 2012 Test Year OM&A reflecting Guelph Hydro's policy on capitalization of overheads under IFRS, and (b) the amounts that may be eligible for inclusion in OM&A under a standardized approach that may be adopted by the Board at a later date, for disposition at a later date.

With respect to depreciation, the Parties have agreed that for ratemaking purposes Guelph Hydro will use the "typical" useful lives developed by Kinectrics Inc. in the March 24, 2010 *Useful Life*

*of Assets* study included in the Application at Exhibit 4, Tab 2, Schedule 10, Appendix A.

### 3. LOAD FORECAST AND OPERATING REVENUE

3.1 Is the load forecast methodology including weather normalization appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 15, 16, TCQ # 8

Interrogatory responses Energy Probe IRR # 9, TCQ # 3, 14, 18

Interrogatory responses VECC IRR # 5, 6, 7, 8, 9, TCQ # 2, 3, 4, 5, 6, 7

For the purposes of settlement, the Parties agree that the Load Forecast version presented by Guelph Hydro in response to Energy Probe TCQ#14 is appropriate.

The results of Guelph Hydro's Load Forecast are as follows:

Predicted Purchases	
Year	GWh
2011	1,682
2012	1,698

Predicted sales	
Year	GWh
2011	1,660
2012	1,676

3.2 Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Energy Probe IRR # 10, 11, 12, 13, 14, 15 TCQ # 4 TCQ #14, JTC # 1.23

Interrogatory responses VECC IRR # 10

For the purposes of settlement, the Parties agree with Guelph Hydro's proposed customers/connections and load forecasts (both kWh and kW) for the 2012 test year as the result of the Load Forecast presented in Guelph Hydro's response to Energy Probe TCQ#14.

3.3 Is the impact of CDM appropriately reflected in the load forecast?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 17

Interrogatory responses Energy Probe IRR # 16, TCQ # 3

Interrogatory responses VECC IRR # 11, 12

For the purposes of settlement, the Parties agree that the CDM adjustments as presented in the Application are appropriate. The CDM adjustments are presented in the following table, for the Board's assistance:

<b>CDM Targets/Adjustments</b>	<b>2011</b>	<b>2012</b>
kW	1,671	3,342
kWh	7,953,000	15,906,000

3.4 Is the proposed forecast of test year throughput revenue appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses VECC IRR # 13, 14

For the purposes of settlement, the Parties agree on the following throughput revenue:

Service Revenue Requirement	\$28,590,938
Less: Revenue Offsets	\$2,207,000
Total Base Revenue Requirement	\$26,383,938

3.5 Is the test year forecast of other revenues appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 18, 19, 20, TCQ # 9, 10, JTC # 1.4, 1.5

Interrogatory responses Energy Probe IRR # 18, 17, TCQ # 5, 19, JTC # 1.20

Interrogatory responses VECC IRR # 15, 16, 17, TCQ # 8, 9, JTC 1.18

For the purposes of settlement, the Applicant agrees to increase the forecast of Other Distribution Revenue for 2012 test year to equal the 2010 Other Revenue amount of \$2,207,000.

## 4. OPERATING COSTS

4.1 Is the overall OM&A forecast for the test year appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 21, 22, 23, TCQ # 11, JTC # 1.17

Interrogatory responses Energy Probe IRR # 19, 20, 21, 22, 24, 26, 27, 23 and 25, TCQ # 6, 22, JTC # 1.21, 1.22

Interrogatory responses VECC IRR # 18, 20, 21, 19,

Interrogatory responses SEC IRR #12, 13, 14, 15, 16, 17, TCQ # 6, 7

For the purposes of settlement, the Parties agree that the 2012 OM&A for the test year should be \$14,326,000. The Parties accept the Applicant's assertion that it can safely and reliably operate the company based on the total OM&A budget proposed. The Parties have agreed that the adjustment will be based on an "envelope" approach, so that any determination of potential budget reductions to reflect the Board-approved 2012 OM&A will be at the discretion of Guelph Hydro. For the Board's information, though, Guelph Hydro is currently considering adjusting its OM&A budget for 2012 by reducing the administrative portion in the areas of communications (\$150,000), meter reading expenses (\$110,000), and other outside contracted services and professional fees (\$223,000).

As noted in Issue 2.3 above, the Parties have agreed that Guelph Hydro's capitalization policy under IFRS, as set out in Attachment 1 to this Settlement Agreement, is appropriate for the purposes of establishing Guelph Hydro's revenue requirement and rates for the 2012 Test Year; that Guelph Hydro will provide the information set out in Attachment 1 Appendix 2; and that Guelph Hydro may establish a variance account that would track any difference between (a) the amounts included in 2012 Test Year OM&A reflecting Guelph Hydro's policy on capitalization

of overheads under IFRS, and (b) the amounts that may be eligible for inclusion in OM&A under a standardized approach that may be adopted by the Board at a later date, for disposition at a later date.

4.2 Are the methodologies used to allocate shared services and other costs appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff TCQ # 12

Interrogatory responses Energy Probe IRR # 28

Interrogatory responses SEC IRR #18, 20, 21, 22, 23, 24, TCQ # 8, IRR # 19, 25, 26,27

For the purposes of settlement, the Parties accept the methodology used by Guelph Hydro to allocate shared services and other costs.

4.3 Is the proposed level of depreciation/amortization expense for the test year appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 24, 25

Interrogatory responses Energy Probe IRR # 29, TCQ # 7, 8, 20, 21, IRR # 30, 31

Interrogatory responses SEC TCQ # 9, 10, JTC 1.27, IRR # 28, 29, 30

As noted above, for the purposes of settlement, the Parties have agreed to use the “typical” useful lives developed by Kinectrics Inc. in the March 24, 2010 *Useful Life of assets study* included in the Application at Exhibit 4, Tab 2, Schedule 10, Appendix A. The result is a reduction of 2012 depreciation by \$434,339. A revised Fixed Asset Continuity Schedule for each of 2010, 2011 and 2012 is annexed as Appendix B. This also causes an increase in the amount in the PP&E Deferral Account. This adjustment is set forth under Issue 11.1 below.

#### 4.4 Are the 2012 compensation costs and employee levels appropriate?

**Status:** Complete Settlement

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 26, 27, 28, 29, TCQ # 13, 14, JTC # 10

Interrogatory responses Energy Probe IRR # 32, TCQ # 9

Interrogatory responses VECC IRR # 22, 23, 24

Interrogatory responses SEC IRR # 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, TCQ # 11, 12, 13, 14, 15, 16, JTC # 1.28, IRR # 31, 36

- For the purposes of settlement, the Parties have agreed that the Post Retirement Actuarial Gain of \$2,292,251 is to be disposed of through a rate rider over the average remaining service life of the employees covered. In the most recent Actuarial Study (Exhibit 4, Tab 2, Schedule 7, Appendix A) that service life is estimated at 13 years. The calculation of the resulting rate rider is set forth below.

		2010 RRR number of customers and revenues					
Rate Class	Fixed Metric	Year end Customers or Connections	Allocator = Distribution Revenue Account (4080)	Revenues	Years of Disposition	Post Retirement Actuarial Gain (PRAG) Amount	PRAG Rate Riders
				%	13	-\$2,292,251.00	Metric \$/month
		A	B	C	Y	D= CxB	F=(D/A)x1/12/Y
Residential	Customer	46,001	\$13,197,037.00	55.50%		-\$1,272,294.00	-\$0.18
General Service Less Than 50 kW	Customer	3,647	\$2,947,049.00	12.39%		-\$284,117.77	-\$0.50
General Service 50 to 999 kW	Customer	557	\$3,420,598.19	14.39%		-\$329,771.49	-\$3.80
General Service 1,000 to 4,999 kW	Customer	41	\$3,073,360.81	12.93%		-\$296,295.19	-\$46.33
Large Use	Customer	4	\$978,521.01	4.12%		-\$94,336.81	-\$151.18
Unmetered Scattered Load	Connection	578	\$47,549.54	0.20%		-\$4,584.13	-\$0.05
Sentinel Lighting	Connection	25	\$4,356.87	0.02%		-\$420.04	-\$0.11
Street Lighting	Connection	13,035	\$108,202.75	0.46%		-\$10,431.56	-\$0.01
<b>Total</b>		<b>63,888</b>	<b>\$23,776,675.17</b>	<b>100.00%</b>		<b>-\$2,292,251.00</b>	

- The parties agree to increase benefits expense by \$87,250 reflecting the impact of OMERS contribution rate increases for members and employers for the years 2012 and 2013.

4.5 Is the test year forecast of property taxes appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 30, 31

Interrogatory responses Energy Probe IRR # 33, 34, TCQ # 1.10

Interrogatory responses SEC IRR # 46

Guelph Hydro has forecasted an amount of \$432,893 property taxes included in account 5665 – Miscellaneous Expenses (please see Guelph Hydro’s response Board Staff IRR#31) that will be payable in 2012 Test Year.

For the purposes of settlement, the Parties have accepted Guelph Hydro’s test year forecast of property taxes.

#### 4.6 Is the test year forecast of PILs appropriate?

---

**Status: Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 32, TCQ # 15, JTC # 1.2, IRR # 33

Interrogatory responses Energy Probe IRR # 36, 37, 38, 39, TCQ # 11, 21, IRR # 35

For the purpose of settlement, the parties accept Guelph Hydro's 2012 Test Year PILs forecast as set out in Appendix G to this Settlement Agreement. The adjusted PILs calculation incorporates the following adjustments:

- The Applicant agrees to reduce the 2012 PILs amount for federal and provincial apprenticeship; provincial co-op education and federal and provincial small business tax credits by \$75,000 and, \$53,750 respectively, and Guelph Hydro has implemented this change as follows:
  - Guelph Hydro has adjusted the 2012 PILs downwards by \$128,750. In order to reflect the change, the resulted tax rate is 9.52% (please see the Revenue requirement Work Form-Sheet "6.Tax\_PILs" – cell O39).
- The Parties agree to increase the CCA balances for the 2012 Test Year by \$748,000 to reflect the impact of using actual 2010 UCC ending balances vs. estimated 2010 UCC ending balances in the calculation of revenue requirement.

## 5. CAPITAL STRUCTURE AND COST OF CAPITAL

5.1 Is the proposed capital structure, rate of return on equity and short term debt rate appropriate?

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**Status:**                      **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:    Interrogatory responses Board Staff IRR # 34, 35

For the purposes of settlement, the Parties have agreed on the following capital structure, and cost of capital parameters:

<b>2012</b>		
<b>Description</b>	<b>Deemed Portion</b>	<b>Effective Rate</b>
Long-Term Debt	56.00%	5.26%
Short-term Debt	4.00%	2.08%
Return On Equity	40.00%	9.42%
<b>Weighted Debt Rate</b>		5.05%
<b>Regulated Rate of Return</b>		6.80%

The above rates are agreed based on (Exhibit 5, Tab 1, Schedule 3, Appendix A) for long term debt, and the Board's most up to date Cost of Capital Parameters updated for Cost of Service Applications effective January 1, 2012, issued by the Board on November 10, 2011, in respect of return on equity ("ROE") and the short term debt rate set by the Board. Accordingly, the Parties have accepted, for the purposes of settlement, a return on equity of 9.42% and a short term debt rate of 2.08% for ratemaking purposes.

5.2 Is the proposed long term debt rate appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 36

Interrogatory responses EP IRR # 40, TCQ # 12

Interrogatory responses SEC IRR # 47

See issue 5.1.6. SMART METERS

6.1 Is the proposed inclusion of the smart meter costs in the 2012 revenue requirement appropriate?

---

**Status:**    **No Settlement (left for the Oral Hearing according to OEB PO No.2)**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 37, 39, 40, 41, 42, 43, 44, 45, TCQ # 16

Interrogatory responses Energy Probe TCQ # 21

Interrogatory responses VECC IRR # 25, 26, TCQ # 10

Interrogatory responses SEC IRR # 48

According to the Board's Procedural Order No. 2, the issue is not eligible for settlement.

This issue is designated to an oral hearing that will commence on December 5, 2011.

The proposed 2012 revenue requirement related to smart meter costs is of \$1.61M, as Guelph Hydro presented as evidence and filled on November 23, 2011.

The Parties have assumed this amount as a placeholder in agreeing to all totals in this Agreement, with the understanding that any adjustments to this amount by the Board will either be captured in a variance account, or will be direct adjustments to the revenue requirement and other totals included in this Agreement.

6.2 Is the proposed disposition of the balances in variance accounts 1555 and 1556 appropriate?

---

**Status:**                    **No Settlement (left for the Oral Hearing according to OEB PO No.2)**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 46, TCQ # 17, 18, 19, JTC # 32

Interrogatory responses Energy Probe IRR # 41, TCQ # 13, JTC # 1.19

According to the Board's Procedural Order No. 2, the issue is not eligible for settlement. This issue is deferred to an oral hearing that will commence on December 5, 2011.

6.3 Is the proposal related to stranded meters appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff TCQ # 20

Interrogatory responses Energy Probe IRR # 42

For the purposes of settlement, the Parties accept the stranded meter cost recovery of \$2,061,500 as presented in the Application and the consequent updates.

## 7. COST ALLOCATION

### 7.1 Is Guelph Hydro's cost allocation appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 47, 48, 49, 50, 51, 52, 53, 54, 55, TCQ # 21, JTC # 3

Interrogatory responses Energy Probe IRR # 43

Interrogatory responses VECC IRR # 27, 28, 29, TCQ # 11, 12, 13, 14

For the purposes of settlement, the Parties accept Guelph Hydro's Cost Allocation (please see Attachment 2), as updated based on the OEB's new Cost Allocation model released August, 2011.

7.2 Are the proposed revenue to cost ratios for each class appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 56, TCQ # 22, JTC # 6

Interrogatory responses Energy Probe IRR # 44

Interrogatory responses VECC IRR # 30, TCQ # 15

For the purposes of settlement, the Parties have agreed on the following adjusted revenue to cost ratios:

### Cost Allocation Based Calculations

Rate Classification	Revenue to Cost Ratios Per C.A. Study	Rev Requirement by Rate Class @ 100% Rev Cost Ratio	Proposed Revenue to Cost Ratios	Board Target Low	Board Target High	Proposed Rev Requirement by Rate Class @ proposed revenue to cost ratios	Miscellaneous Revenue	2012 Serv Rev Requirement Excl Transformer Allowance and Miscellaneous Revenue	Proposed Proportion of Distribution Revenue @ 2012 proposed rates
Residential	97.86%	\$16,627,422	97.86%	85%	115%	\$16,272,421	\$1,449,059	\$14,823,363	56.18%
GS < 50 kW	136.62%	\$2,389,930	120.00%	80%	120%	\$2,867,916	\$198,430	\$2,669,487	10.12%
GS 50 to 999 kW	150.08%	\$3,131,268	120.00%	80%	120%	\$3,757,521	\$184,878	\$3,572,643	13.54%
GS > 1000 kW	57.57%	\$4,810,371	83.04%	80%	120%	\$3,994,686	\$280,799	\$3,713,887	14.08%
Large Use	111.58%	\$1,102,435	111.58%	85%	115%	\$1,230,051	\$46,249	\$1,183,802	4.49%
Sentinel Lights	104.04%	\$4,281	104.04%	80%	120%	\$4,454	\$375	\$4,079	0.02%
Street Lighting	56.32%	\$426,581	83.04%	70%	120%	\$354,211	\$37,748	\$316,463	1.20%
USL	111.18%	\$98,649	111.18%	80%	120%	\$109,676	\$9,461	\$100,215	0.38%
<b>TOTAL</b>		<b>\$28,590,938</b>				<b>\$28,590,938</b>	<b>\$2,207,000</b>	<b>\$26,383,938</b>	<b>100.00%</b>

## 8. RATE DESIGN

### 8.1 Are the fixed to variable splits for each class appropriate?

**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 57, 58, 59, 60, 61

Interrogatory responses VECC IRR # 31, 32

For the purposes of settlement, the Parties have agreed that the fixed to variable splits as corrected and presented by Guelph Hydro in its response to VECC IRR # 31a are appropriate.

**Fixed Charge Analysis**

Customer Class	Current Volumetric Charge Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2011 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment
Residential	44.66%	55.34%	100.00%	14.29	13.41	16.65
GS < 50 kW	80.64%	19.36%	100.00%	15.00	12.26	23.24
GS 50 to 999 kW	68.03%	31.97%	100.00%	167.22	230.69	123.88
GS > 1000 kW	86.11%	13.89%	100.00%	620.07	620.07	183.07
Large Use	96.08%	3.92%	100.00%	907.62	907.62	505.54
Sentinel Lights	47.27%	52.73%	100.00%	6.96	6.53	8.63
Street Lighting	80.24%	19.76%	100.00%	0.38	0.23	6.05
USL	59.25%	40.75%	100.00%	5.84	5.48	9.05

The Parties agreed to the following Fixed Monthly Charges:

## Summary

Customer Unit Cost per month - Avoided Cost

Customer Unit Cost per month - Directly Related

Customer Unit Cost per month - Minimum System with PLCC Adjustment

Fixed Charge per approved 2011 IRM

**Resulted from Fixed/Variable split at existing rates**

**Proposed Monthly 2012 Fixed Charges**

1	2	3	4	5	6	7	8
Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large Use	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
\$5.68	\$12.71	\$71.98	\$107.39	\$303.35	\$0.01	\$0.52	\$1.84
\$8.13	\$17.62	\$105.54	\$162.61	\$458.54	\$0.01	\$0.88	\$3.08
\$16.65	\$23.24	\$123.88	\$183.07	\$505.54	\$6.05	\$8.63	\$9.05
\$13.41	\$12.26	\$230.69	\$620.07	\$907.62	\$0.23	\$6.53	\$5.48
\$14.29	\$15.00	\$167.22	\$620.07	\$907.62	\$0.38	\$6.96	\$5.84
14.29	15.00	194.50	620.07	907.62	0.38	6.96	5.84

## 8.2 Are the proposed retail transmission service rates appropriate (RTSR)?

**Status:** Complete Settlement

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses VECC IRR # 33, 34, TCQ # 16

For the purposes of settlement, the Parties have agreed to eliminate the RTSR trend adjustments used by Guelph Hydro. The resulting proposed RTSRs are as follows:

Customer Class		Existing 2011 Rates	RTSR calculated with OEB Model	Adjustments calculated based on 2012 RTSR_Adjustm ent_workform OEB Model	2012 Proposed Rates
Residential		A	B	C=B/A-1	
Retail Transmission Rate - Network Service Rate	\$/kWh	\$0.0062	\$0.0064	3.23%	\$0.0064
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	\$0.0052	\$0.0053	1.92%	\$0.0053
General Service Less Than 50 kW					
Retail Transmission Rate - Network Service Rate	\$/kWh	\$0.0057	\$0.0059	3.51%	\$0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	\$0.0046	\$0.0047	2.17%	\$0.0047
General Service 50 to 999 kW					
Retail Transmission Rate - Network Service Rate	\$/kW	\$2.3557	\$2.4425	3.68%	\$2.4425
Retail Transmission Rate - Network Service Rate - Interval metered	\$/kW	\$2.4435	\$2.5335	3.68%	\$2.5335
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	\$1.9218	\$1.9624	2.11%	\$1.9624
Retail Transmission Rate - Line and Transformation Connection Service Rate- Interval Metered	\$/kW	\$1.9938	\$2.0359	2.11%	\$2.0359
General service 1,000 to 4,999 kW					
Retail Transmission Rate - Network Service Rate - Interval metered	\$/kW	\$2.4435	\$2.5335	3.68%	\$2.5335
Retail Transmission Rate - Line and Transformation Connection Service Rate- Interval Metered	\$/kW	\$1.9938	\$2.0359	2.11%	\$2.0359
Large Use					
Retail Transmission Rate - Network Service Rate	\$/kW	\$2.9508	\$3.0595	3.68%	\$3.0595
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	\$2.4076	\$2.4584	2.11%	\$2.4584
Unmetered Scattered Load					
Retail Transmission Rate - Network Service Rate	\$/kWh	\$0.0057	\$0.0059	3.51%	\$0.0059
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	\$0.0046	\$0.0047	2.17%	\$0.0047
Sentinel Lighting					
Retail Transmission Rate - Network Service Rate	\$/kW	\$1.8036	\$1.8700	3.68%	\$1.8700
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	\$1.4715	\$1.5026	2.11%	\$1.5026
Street Lighting					
Retail Transmission Rate - Network Service Rate	\$/kW	\$2.1701	\$2.2500	3.68%	\$2.2500
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	\$1.7705	\$1.8079	2.11%	\$1.8079

### 8.3 Are the proposed LV rates appropriate?

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**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Energy Probe IRR # 45

Interrogatory responses VECC IRR # 35

For the purposes of settlement, the Parties accept the proposed LV rates for GS 50 to 999 kW, Sentinel Lighting and Street Lighting classes. The remaining amount of \$20,241, shortfall revenue will be tracked in the account 1550 – Low Voltage variance.

Customer Class	Forecast 2012 kW	Low Voltage Rate Adders	2012 Low Voltage Revenue	Shortfall from \$36,400 LV cots
	kW	kW	\$	\$36,400
<b>GS 50 to 999 kW</b>	<b>1,041,992</b>	0.0152	15,838	
<b>Sentinel Lights</b>	<b>251</b>	0.0112	3	
<b>Street Lighting</b>	<b>27,447</b>	0.0135	371	
<b>TOTALS</b>	<b>1,069,689</b>		<b>\$16,212</b>	<b>\$20,188</b>

8.4 Are the proposed loss factors appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses VECC IRR # 36, 37

For the purposes of settlement, the Parties accept the Loss Factor of 1.0209 proposed by Guelph Hydro in its Application.

## 9. DEFERRAL AND VARIANCE ACCOUNTS

9.1 Are the account balances, cost allocation methodology and disposition period appropriate?

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**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 62, 63, 64, 65, 66, 67, 68, 69, 70, JTC # 1.7

Interrogatory responses Energy Probe IRR # 46, 47, 48, TCQ # 22

For the purposes of settlement, the Parties accept the account balances, cost allocation methodology and disposition periods proposed by the Applicant.

For the purposes of settlement, the Parties have agreed to the disposal of the post retirement actuarial gain as outlined in Section 4.4.

For the purposes of settlement the Parties have agreed to the disposal of the PP&E deferral account as outlined in Section 11.1.

9.2 Are the proposed rate riders to dispose of the account balances appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 71, 72, TCQ # 26

For the purposes of settlement, the Parties accept the proposed rate riders to dispose of the account balances .

<b>Rate Class &amp; Consumption per Month</b>	<b>Charge Unit</b>	<b>Proposed Rate Riders for Deferral and Variance</b>	<b>Proposed Rate Riders for Global Adjustment Sub- Account</b>
<b>Residential</b> 800 kWh	kWh	-\$0.0020	-\$0.0001
<b>General Service &lt; 50 kW</b> 2,000 kWh	kWh	-\$0.0014	-\$0.0001
<b>General Service 50 to 999 kW</b> 160 kW	kW	-\$0.4521	-\$0.3686
<b>General Service &gt;1000 kW</b> 2,200 kW	kW	-\$0.5195	-\$0.4403
<b>Large Use</b>	kW	-\$0.6221	-\$0.5319
<b>Unmetered Scattered Load</b> 550 kWh	kWh	-\$0.0027	-\$0.0010
<b>Street Lighting</b> 2,100 kW	kW	-\$2.7745	-\$0.0013
<b>Sentinel Lighting</b> 0.3 kW	kW	-\$0.9850	-\$0.0013

9.3 Are the proposed balances for Other Regulatory Assets – Sub-account Deferred IFRS Transition Costs appropriate?

---

**Status:**                    **Complete Settlement**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 73 (filed 2011/10/11)

Interrogatory responses Energy Probe IRR # 49

Interrogatory responses SEC IRR # 49, 50

For the purposes of settlement, the Parties accept the proposed balance \$455,814 for Other Regulatory Assets – Sub-account Deferred IFRS Transition Costs.

## 10. LOST REVENUE ADJUSTMENT MECHANISM

### 10.1 Is the proposal related to LRAM/SSM appropriate?

**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 74, 75

Interrogatory responses VEC IRR # 38, 39, 40, 41

For the purposes of settlement, the Parties accept the Applicant's proposal related to LRAM/SSM .

**2012 Test Year - LRAM and SSM Rate Rider**

Rate Class	Amounts (2007 to 2009)		Billing Units (2012)	Metrics	Rate Riders			Three Year Rate Rider	Four Year Rate Rider	Number of Years to Use (3 or 4)	Rate Rider to Use
	LRAM	SSM			LRAM	SSM	Total	Total	Total		Total
	\$	\$			\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)		\$/unit (kWh or kW)
Residential	\$444,361	\$23,362	378,871,008	kWh	0.0012	0.0001	0.0012	0.0004	0.0003		0.0003
GS < 50 kW	\$39,918		148,787,703	kWh	0.0003	0.0000	0.0003	0.00009	0.0001		0.0001
GS 50 to 999 kW	\$14,934	\$12,119	1,041,992	kW	0.0143	0.0116	0.0260	0.0087	0.0065		0.0065
GS 1000 to 4999 kW	\$17,164	\$7,639	1,015,196	kW	0.0169	0.0075	0.0244	0.0081	0.0061		0.0061
Large Use	\$16,624	\$2,864	490,512	kW	0.0339	0.0058	0.0397	0.0132	0.0099		0.0099
USL	\$42,512		2,229,301	kWh	0.0191	0.0000	0.0191	0.0064	0.0048		0.0048
<b>Total</b>	<b>\$575,514</b>	<b>\$45,984</b>									

## 11. MODIFIED INTERNATIONAL FINANCIAL REPORTING STANDARDS

11.1 Is the proposed revenue requirement determined using modified IFRS appropriate?

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**Status:** **Complete Settlement**

Supporting Parties: Guelph Hydro, Energy Probe, SEC, VECC

Evidence:

Interrogatory responses Board Staff IRR # 76, 78, 79, 80, 82, 83, TCQ # 23, 24, 25, 27, 28, 29, 30, 31, 32, JTC # 1.8, 1.9, 1.11, IRR # 77, 81

Interrogatory responses Energy Probe IRR # 50

Interrogatory responses VECC IRR # 42, 43, 44, 45

Interrogatory responses SEC IRR # 52, 53, 54, 55, TCQ # 17, 18, 19, 20, 21, 22, 23, 24, JTC # 1.29, 1.30, 1.31, IRR # 51

The Parties agree to a Service Revenue Requirement, based on IFRS, of \$28,590,938.

Service Revenue Requirement	\$28,590,938
Less: Revenue Offsets	\$2,207,000
Total Base Revenue Requirement	\$26,383,938

For the purposes of settlement, the Parties have agreed to the disposal of the post retirement actuarial gain as outlined in Section 4.4.

For the purposes of settlement, the Parties have agreed to the calculation and treatment of the PP&E deferral account amounting to \$1,940,000 (\$1,526,000 Deferral account + \$414,000 Return on rate base associated with deferred balance) in accordance with Board policy as presented in Appendix 1. The Applicant is proposing a four year amortization period of the Deferral account amounting to \$485,000 per year. The Applicant's revenue requirement will be

offset by the amortization of the Deferral account in 2012 and in the three subsequent years (2013-2015) for which the Applicant is under an Incentive Rate Mechanism Environment.

## 12. GREEN ENERGY ACT PLAN

12.1 Is Guelph Hydro's Green Energy Act Plan, including the Smart Grid component of the plan appropriate?

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**Status:**                    **No Settlement (left for Oral Hearing according OEB PO NO. 2)**

Supporting Parties:    Guelph Hydro, Energy Probe, SEC, VECC

Evidence: Interrogatory responses Board Staff IRR # 84, 85, 88, 90, 91, 92, 93, 94, TCQ # 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, JTC # 1.12, 1.14, 1.16, IRR # 86,87,89 (filed 2011/10/11)

Interrogatory responses Energy Probe IRR # 51

The GEA Plan issue no. 12.1 is not eligible for settlement.

## APPENDIX A

### Appendix A

#### Summary of the Significant Items Adjusted as a Result of this Settlement Agreement

Summary Of Significant Items Adjusted			
	Original As per Application (A)	Settlement Submission (B)	Difference (C= B-A)
<b>Rate Base</b>			
Gross Fixed Assets (average)	\$178,018,480	\$177,644,810	(\$373,670)
Accumulated Depreciation (average)	(\$63,313,009)	(\$62,623,827)	\$689,182
<b>Allowance for Working Capital:</b>			
Controllable Expenses	\$15,611,241	\$14,326,000	(\$1,285,241)
Cost of Power	\$143,312,358	\$153,524,605	\$10,212,247
<b>Utility Income</b>			
Operating Revenues:			
Distribution Revenue at Current Rates	\$24,708,000	\$24,763,956	\$55,956
Distribution Revenue at Proposed Rates	\$30,652,117	\$26,383,971	(\$4,268,146)
<b>Other Revenue:</b>			
Specific Service Charges	\$416,655	\$572,666	\$156,011
<b>Operating Expenses:</b>			
OM+A Expenses	\$15,611,241	\$14,326,000	(\$1,285,241)
Depreciation/Amortization	\$6,831,714	\$4,659,567	(\$2,172,147)
Property taxes			
Other expenses			
<b>Taxes/PILs</b>			
Taxable Income:			
Adjustments required to arrive at taxable income	(\$3,255,915)	(\$4,586,542)	(\$1,330,627)
<b>Utility Income Taxes and Rates:</b>			
Income taxes (not grossed up)	\$538,936	\$66,273	(\$472,664)
Income taxes (grossed up)	\$730,761	\$73,246	(\$657,516)
Federal tax (%)	15.00%	5.44%	
Provincial tax (%)	11.25%	4.08%	
<b>Cost of Capital</b>			
Long-term debt Cost Rate (%)	5.26%	5.26%	
Short-term debt Cost Rate (%)	2.46%	2.08%	
Common Equity Cost Rate (%)	9.58%	9.42%	

## APPENDIX B

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2011

Table 8 Appendix 2-B  
Fixed Asset Continuity Schedule  
As of December 31, 2011

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
N/A	1805	Land	2,641,987			2,641,987	0			0	2,641,987
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	18,260,502	1,735,000		19,995,502	2,705,497	426,613		3,132,110	16,863,391
N/A	1810	Leasehold Improvements	0			0	0			0	0
	1815	Transformer Station Equipment - Normally Primary a	758,177	9,225,000		9,983,177	25,273	332,773		358,045	9,625,132
47	1820	Distribution Station Equipment - Normally Primary b	1,708,887			1,708,887	129,970	73,394		203,364	1,505,523
	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	22,276,501	1,322,234		23,598,735	8,001,755	512,411		8,514,166	15,084,569
47	1835	Overhead Conductors and Devices	17,880,210	1,224,591		19,104,801	6,709,061	411,330		7,120,391	11,984,409
47	1840	Underground Conduit	37,660,552	2,625,270		40,285,822	13,309,293	901,036		14,210,329	26,075,494
47	1845	Underground Conductors and Devices	35,823,198	2,595,379		38,418,577	12,199,463	861,506		13,060,969	25,357,609
47	1850	Line Transformers	18,187,753	1,033,848		19,221,601	7,194,113	402,358		7,596,471	11,625,130
47	1855	Services	7,183,493	269,265		7,452,758	2,593,145	171,443		2,764,588	4,688,170
47	1860	Meters	6,634,663	609,000		14,725,108	1,537,947	474,125		3,123,682	11,601,427
	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
	1910	Leasehold Improvements	0			0	0			0	0
	1915	Office Furniture and Equipment	1,221,843			1,221,843	750,797	45,425		796,222	425,621
45	1920	Computer Equipment - Hardware	2,502,577	420,000		3,549,349	1,737,566	362,335		2,099,901	1,449,448
	1925	Computer Software	0			1,114,457	0			0	1,114,457
10	1930	Transportation Equipment	2,881,072	450,000		3,331,072	1,349,158	338,917		1,688,075	1,642,996
	1935	Stores Equipment	96,338			96,338	96,338			96,338	0
8	1940	Tools, Shop and Garage Equipment	992,103	60,000		1,103,006	608,968	72,980		681,948	421,058
	1945	Measurement and Testing Equipment	14,872			14,872	14,872			14,872	0
	1950	Power Operated Equipment	0			0	0			0	0
	1955	Communication Equipment	0			0	0			0	0
50	1960	Miscellaneous Equipment	2,332,949	50,000		2,439,448	2,249,423	79,094		2,328,517	110,931
	1970	Load Management Controls - Customer Premises	314,982			314,982	314,982			314,982	(0)
	1975	Load Management Controls - Utility Premises	0			0	0			0	0
50	1980	System Supervisory Equipment	526,929	361,093		888,022	175,777	177,604		353,381	534,641
	1985	Sentinel Lighting Rentals	6,158			6,158	0			0	6,158
	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	(35,235,111)	(2,679,000)		(37,914,111)	(7,444,651)	(914,706)		(8,359,357)	(29,554,754)
	2005	Property Under Capital Leases	0			0	0			0	0
	2070	Other Utility Plant	771			771	424	51		476	295
<b>Total before Work in Process / Re-allocation of amortization</b>			<b>144,671,404</b>	<b>19,301,680</b>	<b>0</b>	<b>173,303,160</b>	<b>54,259,170</b>	<b>4,728,689</b>	<b>0</b>	<b>60,099,469</b>	<b>113,203,690</b>
95	2055	Work in Process	40,117			40,117	0				40,117
		Re-allocation of amortization						(332,817)			
<b>Total after Work in Process</b>			<b>144,711,521</b>	<b>19,301,680</b>	<b>0</b>	<b>173,343,277</b>	<b>54,259,170</b>	<b>4,395,872</b>	<b>0</b>	<b>60,099,469</b>	<b>113,243,807</b>

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2012

Table 9 Appendix 2-B  
Fixed Asset Continuity Schedule  
As of December 31, 2012  
Cost

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
N/A	1805	Land	2,641,987			2,641,987	0			0	2,641,987
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	19,995,502	83,000		20,078,502	3,132,110	427,443		3,559,553	16,518,948
N/A	1810	Leasehold Improvements	0			0	0			0	0
	1815	Transformer Station Equipment - Normally Primary above 50 kV	9,983,177			9,983,177	358,045	249,579		607,624	9,375,553
47	1820	Distribution Station Equipment - Normally Primary below 50 kV	1,708,887			1,708,887	203,364	59,153		262,517	1,446,370
	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	23,598,735	1,458,598		25,057,333	8,514,166	410,914		8,925,080	16,132,253
47	1835	Overhead Conductors and Devices	19,104,801	1,364,027		20,468,828	7,120,391	262,609		7,383,000	13,085,827
47	1840	Underground Conduit	40,285,822	2,439,416		42,725,238	14,210,329	935,306		15,145,635	27,579,604
47	1845	Underground Conductors and Devices	38,418,577	2,373,457		40,792,034	13,060,969	890,549		13,951,518	26,840,517
47	1850	Line Transformers	19,221,601	1,076,643		20,298,244	7,596,471	415,816		8,012,287	12,285,957
47	1855	Services	7,452,758	278,723		7,731,481	2,764,588	177,255		2,941,843	4,789,638
47	1860	Meters	14,725,108	625,000		15,350,108	3,123,682	750,635		3,874,317	11,475,792
	1865	Other Installations on Customer's Premises	0			0	0			0	0
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	0			0	0			0	0
	1910	Leasehold Improvements	0			0	0			0	0
	1915	Office Furniture and Equipment	1,221,843			1,221,843	796,222	45,425		841,647	380,196
45	1920	Computer Equipment - Hardware	3,549,349	500,000		4,049,349	2,099,901	615,049		2,714,950	1,334,399
	1925	Computer Software	1,114,457	0		1,114,457	0	99,154		99,154	1,015,303
10	1930	Transportation Equipment	3,331,072	485,000		3,816,072	1,688,075	346,433		2,034,508	1,781,563
	1935	Stores Equipment	96,338			96,338	96,338			96,338	0
8	1940	Tools, Shop and Garage Equipment	1,103,006	65,000		1,168,006	681,948	76,799		758,747	409,259
	1945	Measurement and Testing Equipment	14,872			14,872	14,872			14,872	0
	1950	Power Operated Equipment	0			0	0			0	0
	1955	Communication Equipment	0	0		0	0	0		0	0
50	1960	Miscellaneous Equipment	2,439,448	159,436		2,598,884	2,328,517	23,216		2,351,733	247,151
	1970	Load Management Controls - Customer Premises	314,982			314,982	314,982			314,982	(0)
	1975	Load Management Controls - Utility Premises	0			0	0			0	0
50	1980	System Supervisory Equipment	888,022	200,000		1,088,022	353,381	208,348		561,729	526,293
	1985	Sentinel Lighting Rentals	6,158			6,158	0			0	6,158
	1990	Other Tangible Property	0			0	0			0	0
47	1995	Contributions and Grants	(37,914,111)	(2,425,000)		(40,339,111)	(8,359,357)	(945,019)		(9,304,376)	(31,034,735)
	2005	Property Under Capital Leases	0			0	0			0	0
	2070	Other Utility Plant	771			771	476	51		527	244
		<b>Total before Work in Process</b>	<b>173,303,160</b>	<b>8,683,300</b>	<b>0</b>	<b>181,986,460</b>	<b>60,099,469</b>	<b>5,048,715</b>	<b>0</b>	<b>65,148,184</b>	<b>116,838,275</b>
95	2055	Work in Process	40,117			40,117					40,117
		Re-allocation of amortization					0	(423,232)			
		<b>Total after Work in Process</b>	<b>173,343,277</b>	<b>8,683,300</b>	<b>0</b>	<b>182,026,577</b>	<b>60,099,469</b>	<b>4,625,483</b>	<b>0</b>	<b>65,148,184</b>	<b>116,878,392</b>

## APPENDIX C

<u>Electricity - Commodity</u>	2012 Forecasted Metered kWhs	2012 Proposed Loss Factor	Test year			Global Adjustm ent	%		RPP and Non-RPP Cost of Power		Total Cost Of Power
Class per Load Forecast			Kwhs adjusted by DLF	RPP Prices	HOEP		RPP	Non-RPP	RPP \$	Non-RPP \$	
Residential	378,871,008	1.0209	386,781,856	0.07515	0.03138	\$0.04008	86.96%	13.04%	\$25,276,706	\$3,603,858	\$28,880,563
GS<50kW	148,787,703	1.0209	151,894,399	0.07515	0.03138	\$0.04008	85.03%	14.97%	\$9,706,179	\$1,624,785	\$11,330,965
GS 50kW to 999kW	399,661,950	1.0209	408,006,914	0.07515	0.03138	\$0.04008	0.00%	100.00%	\$0	\$29,156,174	\$29,156,174
GS 1000kW to 4999kW	465,120,498	1.0209	474,832,240	0.07515	0.03138	\$0.04008	0.00%	100.00%	\$0	\$33,931,512	\$33,931,512
Large Use	271,481,475	1.0209	277,150,023	0.07515	0.03138	\$0.04008	0.00%	100.00%	\$0	\$19,805,141	\$19,805,141
Unmetered Scattered Load	2,229,301	1.0209	2,275,849	0.07515	0.03138	\$0.04008	0.00%	100.00%	\$0	\$162,632	\$162,632
Sentinel Lighting	88,740	1.0209	90,593	0.07515	0.03138	\$0.04008	99.62%	0.38%	\$6,782	\$24	\$6,807
Street Lighting	9,777,748	1.0209	9,981,908	0.07515	0.03138	\$0.04008	2.80%	97.20%	\$21,004	\$693,334	\$714,339
<b>TOTAL</b>	<b>1,676,018,424</b>		<b>1,711,013,782</b>						<b>\$35,010,671</b>	<b>\$88,977,460</b>	<b>\$123,988,132</b>

<b><u>Transmission - Network</u></b>		<b>Volume</b>	<b>Test Year</b>		
<b>Class per Load Forecast</b>		<b>Metric</b>			
Residential		kWh	386,781,856	\$0.0064	\$2,475,404
GS<50kW		kWh	151,894,399	\$0.0059	\$896,177
GS 50kW to 999kW		kW	1,041,992	\$2.5335	\$2,639,886
GS 1000kW to 4999kW		kW	1,015,196	\$2.5335	\$2,571,999
Large Use		kW	490,512	\$3.0595	\$1,500,721
Unmetered Scattered Load		kWh	2,275,849	\$0.0059	\$13,428
Sentinel Lighting		kW	251	\$1.8700	\$469
Street Lighting		kW	27,447	\$2.2500	\$61,755
<b>TOTAL</b>					<b>\$10,159,839</b>

<b><u>Transmission - Connection</u></b>		<b>Volume</b>	<b>Test Year</b>		
<b>Class per Load Forecast</b>		<b>Metric</b>			
Residential		kWh	386,781,856	\$0.0053	\$2,049,944
GS<50kW		kWh	151,894,399	\$0.0047	\$713,904
GS 50kW to 999kW		kW	1,041,992	\$2.0359	\$2,121,391
GS 1000kW to 4999kW		kW	1,015,196	\$2.0359	\$2,066,837
Large Use		kW	490,512	\$2.4584	\$1,205,875
Unmetered Scattered Load		kWh	2,275,849	\$0.0047	\$10,696
Sentinel Lighting		kW	251	\$1.5026	\$377
Street Lighting		kW	27,447	\$1.8079	\$49,621
<b>TOTAL</b>					<b>\$8,218,645</b>

<u>Wholesale Market Service</u>			Test Year		
Class per Load Forecast			Test Year		
Residential		kWh	386,781,856	\$0.0052	\$2,011,266
GS<50kW		kWh	151,894,399	\$0.0052	\$789,851
GS 50kW to 999kW		kWh	408,006,914	\$0.0052	\$2,121,636
GS 1000kW to 4999kW		kWh	474,832,240	\$0.0052	\$2,469,128
Large Use		kWh	277,150,023	\$0.0052	\$1,441,180
Unmetered Scattered Load		kWh	2,275,849	\$0.0052	\$11,834
Sentinel Lighting		kWh	90,593	\$0.0052	\$471
Street Lighting		kWh	9,981,908	\$0.0052	\$51,906
<b>TOTAL</b>			<b>1,711,013,782</b>		<b>\$8,897,272</b>

<u>Rural Rate Assistance</u>			Test Year		
Class per Load Forecast			Test Year		
Residential		kWh	386,781,856	\$0.0013	\$502,816
GS<50kW		kWh	151,894,399	\$0.0013	\$197,463
GS 50kW to 999kW		kWh	408,006,914	\$0.0013	\$530,409
GS 1000kW to 4999kW		kWh	474,832,240	\$0.0013	\$617,282
Large Use		kWh	277,150,023	\$0.0013	\$360,295
Unmetered Scattered Load		kWh	2,275,849	\$0.0013	\$2,959
Sentinel Lighting		kWh	90,593	\$0.0013	\$118
Street Lighting		kWh	9,981,908	\$0.0013	\$12,976
<b>TOTAL</b>			<b>1,711,013,782</b>		<b>\$2,224,318</b>

Test Year	
4705-Power Purchased	\$123,988,132
4708-Charges-WMS	\$8,897,272
4714-Charges-NW	\$10,159,839
4716-Charges-CN	\$8,218,645
4730-Rural Rate Assistance	\$2,224,318
4750-Low Voltage	\$36,400
<b>TOTAL</b>	<b>153,524,605</b>

monthly average  
12,793,717

## APPENDIX D

### Appendix - D

#### 2012 updated Customer Class Load Forecast

Description	Original as Per Application	As Per Settlement	Change
	A	B	B-A
2012 Billed kWh			
By Class			
<b>Residential</b>			
Customers	47,848	47,848	0
kWh	377,742,193	378,871,008	1,128,815
<b>GS &lt; 50 kW</b>			
Customers	3,788	3,788	0
kWh	148,344,402	148,787,703	443,301
<b>GS 50 to 999 kW</b>			
Customers	569	569	0
kWh	398,859,229	399,661,950	802,721
kW	1,039,899	1,041,992	2,093
<b>GS1000 to 4999 kW</b>			
Customers	44	44	0
kWh	464,907,759	465,120,498	212,740
kW	1,014,732	1,015,196	464
<b>Large User</b>			
Customers	4	4	0
kWh	271,062,702	271,481,475	418,773
kW	489,755	490,512	757
<b>Streetlights</b>			
Customers	13,609	13,609	0
kWh	9,777,748	9,777,748	0
kW	27,447	27,447	0
<b>Sentinel Lights</b>			
Customers	26	26	0
kWh	88,740	88,740	0
kW	251	251	0
<b>Unmetered Scattered Load</b>			
Customers	583	583	0
kWh	2,229,301	2,229,301	0
<b>Total of Above</b>			
Customers	66,470	66,470	0
kWh	1,673,012,075	1,676,018,424	3,006,349
kW from applicable classes	2,572,083	2,575,397	3,314
<b>2012 Revenues at Existing Rates</b>			
Revenues at Existing Rates	\$24,708,000	\$24,763,956	55,956

## APPENDIX E

### Appendix E

#### 2012 Test Year Updated Other Revenue

#### Change in Other Revenue

USoA	Description	2012 As Filed	2012 As Per Settlement Agreement	Change
4080	4080 - Distribution Services Revenue SSS Administration Charge			-
4082	4082 - RS Rev	8,250	8,250	-
4084	4084 - Serv Tx Requests	7,600	7,600	-
4210	4210 - Rent from Electric Property	390,358	390,358	-
4220	4220 - Other Electric Revenues			-
4225	4225-Late Payment Charges	127,572	127,572	-
4235	4235 - Miscellaneous Service Revenues (Note 1)	264,893	420,903	156,010
4355	4355-Gain on Disposition of Utility and Other Property	79,811	79,811	-
4375	4375-Revenues from Non-Utility Operations	1,540,560	1,540,560	-
4380	4380-Expenses of Non-Utility Operations	(601,752)	(601,752)	-
4390	4390-Miscellaneous Non-Operating Income	135,912	135,912	-
4405	4405-Interest and Dividend Income	97,786	97,786	-
<b>Other Distribution Revenue Before Adjustments</b>		<b>2,050,990</b>	<b>2,207,000</b>	<b>156,010</b>
<i>Adjustments - Less:</i>				
4355	4355-Gain on Disposition of Utility and Other Property			-
4375	OPA Programs Incentive Revenue			-
<b>Other Revenue with Offsets</b>		<b>2,050,990</b>	<b>2,207,000</b>	<b>156,010</b>

<b>Other Distribution Revenue</b>			
Late Payment Charges	127,572	127,572	-
Specific Service Charges	15,850	15,850	-
Interest Income	97,786	97,786	-
Other Revenue (Note1)	1,809,782	1,965,792	156,010
<b>Total</b>	<b>2,050,990</b>	<b>2,207,000</b>	<b>156,010</b>

Note 1 Adjustment made to bring total of Other Revenue to 2010 levels as per Settlement Conference agreement.

## APPENDIX F

### Appendix F

#### 2012 Test Year Updated OM&A

#### Change in Operations, Maintenance & Administration

Description	As per Application	As per Settlement Agreement	Change	Notes
Operations	3,815,492	3,815,492	-	
Maintenance	1,850,075	1,850,075	-	
Billing & Collecting	2,684,296	2,574,296	(110,000)	2
Community Relations	458,735	458,735	-	
Administration & General Expense	5,913,766	5,627,402	(286,364)	1
OM&A Adjustment Difference		-	-	
<b>Total OM&amp;A</b>	<b>14,722,364</b>	<b>14,326,000</b>	<b>(396,364)</b>	

#### Notes:

##### 1. Decrease in Administration & General Expense due to:

Reduction in communications budget	\$	(150,000)
Reduction in other outside contracted services and professional fees		(223,614)
Increase in OMERS expense due to contribution rate increases announced for 2012 and 2013.		87,250
	<u>\$</u>	<u>(286,364)</u>

## APPENDIX G

### Appendix G

2012 Test Year Updated PILs  
Schedule 8 CCA 2011 Bridge Year

Class	Class Description	UCC Bridge Year Opening Balance	Additions	Disposals	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 feb 22/05	61,371,840	1,735,000		63,106,840	867,500	62,239,340	4%	2,489,573.60	60,617,266
2	Distribution System - pre 1988	10,186,614			10,186,614	-	10,186,614	6%	611,197	9,575,417
8	General Office/Stores Equipment	9,523,531	167,402		9,690,933	83,701	9,607,232	20%	1,921,446	7,769,487
10	Computer Hardware/Vehicles	1,268,412	450,000		1,718,412	225,000	1,493,412	30%	448,024	1,270,388
1b	Building - Non-Residential	176,464			176,464	-	176,464	6%	10,588	165,876
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	79,214			79,214		79,214	8%	6,337	72,877
42	Fibre Optic Cable	372			372		372	12%	45	327
45	Computer & Systems Hardware Acq'd Post	44,892			44,892	-	44,892	45%	20,201	24,691
50	Computer & Systems Hardware Acq'd Post	65,862	2,572,322		2,638,184	1,286,161	1,352,023	55%	743,613	1,894,571
47	Distribution System Post	26,286,685	16,267,104		42,553,789	8,133,552	34,420,237	8%	2,753,619	39,800,170
SUB-TOTAL-UCC		109,003,886	21,191,828	-	130,195,714	10,595,914	119,599,800		9,004,643	121,191,071

Schedule 8 CCA 2012 Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals	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 feb 22/05	60,617,266	83,000		60,700,266	41,500	60,658,766	4%	2,426,351	58,273,916
2	Distribution System - pre 1988	9,575,417			9,575,417	-	9,575,417	6%	574,525	9,000,892
8	General Office/Stores Equipment	7,769,487	65,000		7,834,487	32,500	7,801,987	20%	1,560,397	6,274,089
10	Computer Hardware/Vehicles	1,270,388	485,000		1,755,388	242,500	1,512,888	30%	453,867	1,301,522
1b	Building - Non-Residential	165,876			165,876	-	165,876	6%	9,953	155,924
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	72,877			72,877	-	72,877	8%	5,830	67,047
42	Fibre Optic Cable	327			327		327	12%	39	288
45	Computer & Systems Hardware Acq'd Post	24,691			24,691		24,691	45%	11,111	13,580
50	Computer & Systems Hardware Acq'd Post	1,894,571	859,436		2,754,007	429,718	2,324,289	55%	1,278,359	1,475,648
47	Distribution System Post	39,800,170	7,417,564		47,217,734	3,708,782	43,508,952	8%	3,451,656.16	43,766,078
SUB-TOTAL-UCC		121,191,071	8,910,000	-	130,101,071	4,455,000	125,646,071		9,772,088	120,328,983

Taxable Income Test Year

Determination of Tax Adjustments to Accounting Income for 2012

Line Item	T2S1 Line #	Total for Legal Entity	No-distribution Eliminations	Utility Amount
<b>Additions:</b>				
Interest and penalties	103			
Amortization of tangible assets	104	5,048,715		5,048,715
Amortization of intangible assets	106			
Recapture of capital cost allowance from Schedule 8	107			
Gain on sale of eligible capital property from Schedule 10	108			
Income or loss for tax purposes- joint ventures or partnerships	109			
Loss in equity of subsidiaries and affiliates	110			
Loss on disposal of assets	111			
Charitable donations	112			
Taxable capital gains	113			
Political donations	114			
Deferred and prepaid expenses	116			
Scientific research expenditures deducted on financial statements	118			
Capitalized interest	119			
Non-deductible club dues and fees	120			
Non-deductible meals and entertainment expense	121			
Non-deductible automobile expenses	122			
Non-deductible life insurance premiums	123			
Non-deductible company pension plans	124			
Tax reserves end of year	125			
Reserves from financial statements- balance at end of year	126	7,472,938		7,472,938
Soft costs on construction and renovation of buildings	127			
Book loss on joint ventures or partnerships	205			
Capital items expensed	206			
Debt issue expense	208			
Development expenses claimed in current year	212			
Financing fees deducted in books	216			
Gain on settlement of debt	220			
non-deductible advertising	226			
Non-deductible interest	227			
Non-deductible legal and accounting fees	228			
Recapture of SR&ED expenditures	231			
Share issue expense	235			
Write down of capital property	236			
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			
Interest Expense on Capital Leases	290			
realized income from Deferred Credit Accounts	291			
Pensions	292			
Non-deductible penalties	293			
Debt Financing Expenses for Book Purposes	294			
Other Additions (Apprenticeship Tax Credits)	295			
<b>Total Additions:</b>		12,521,653	0	12,521,653
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401			
Dividends not taxable under section 83	402			
Capital cost allowance from Schedule 8	403	9,772,088		9,772,088
Terminal loss from Schedule 8	404			
Cumulative eligible deduction from Schedule 10	405	212,654		212,654
Allowable business investment loss	406			
Deferred and prepaid expenses	409			
Scientific research expenses claimed in year	411			
Tax reserves beginning of year	413			
Reserves from financial statements - balance at beginning of year	414	7,123,453		7,123,453
Contributions to deferred plans	416			
Book Income of joint venture or partnership	305			
Equity in income from subsidiary or affiliates	306			
Interest capitalized for accounting deducted for tax	390			
Capital Lease Payments	391			
Non-taxable imputed income on deferral and variance accounts	392			
Financing Fees for Tax Under S.20(1)€	393			
Other Deductions	394			
<b>Total Deductions:</b>		17,108,195		17,108,195
Charitable donations from Schedule 2	311			
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			
Non-capital losses of preceding taxation years from Schedule 7-1	331			
Net-capital losses of preceding taxation years from Schedule 7-1	332			
Limited partnership losses of preceding taxation years from Schedule 4	335			
<b>Total Adjustments:</b>		0	0	0
<b>Tax Adjustments to Accounting Income</b>		<b>(4,586,542)</b>	<b>0</b>	<b>(4,586,542)</b>

### PILs, Tax Provision

				Wires Only	
Regulatory Taxable Income				696,140	A
Ontario Income Taxes					
Income Tax Payable	Ontario Income Tax				
Combined Tax Rate and PILs	Effective Ontario Tax Rate				
	Federal Tax Rate				
	Combined Tax Rate				
			Effective Tax Rate	28.0149%	B
Total Income Taxes			A x B	195,023	C
	Reduction due to Fed/Ontario Small Business Threshold			53,750	
	Miscellaneous Tax Credits(Apprentice, Co-op)			75,000	
Total Reductions				128,750	D
Corporate PILs/ Income Tax Provision for Test Year				66,273	C-D
Corporate PILs/ Income Tax Provision Gross Up				73,246	

## APPENDIX H

### Appendix H 2012 Test Year Updated Cost of Capital

#### Debt & Capital Cost Structure

Weighted Debt Cost									
Description	Debt Holder	Affiliated with LDC?	Date of Issuance	Principal	Term (Years)	Rate%		Year Applied to	Interest Cost
Promissory note	City of Guelph	Y	June 4, 2008	\$30,000,000	0	6.10%	0.00%	2008	\$1,830,000
Promissory note	Guelph Hydro Inc.(GHI)	Y	April 30, 2002	\$12,558,000	0	6.10%	0.00%	2008	\$766,038
Promissory note	City of Guelph	Y	June 4, 2008	\$30,000,000	0	6.10%	0.00%	2009	\$1,830,000
Promissory note	Guelph Hydro Inc.(GHI)	Y	April 30, 2002	\$12,558,000	0	6.10%	0.00%	2009	\$766,038
Promissory note	City of Guelph	Y	June 4, 2008	\$30,000,000	0	6.10%	0.00%	2010	\$1,830,000
Promissory note	Guelph Hydro Inc.(GHI)	Y	April 30, 2002	\$12,558,000	0	6.10%	0.00%	2010	\$766,038
Senior Unsecured Debentures, Series A		N	December 6, 2010	\$65,000,000	0	5.264%	0.00%	2011	\$3,421,600
Senior Unsecured Debentures, Series A		N	December 6, 2010	\$65,000,000	0	5.264%	0.00%	2012	\$3,421,600

2008 Total Long Term Debt	42,558,000	Total Interest Cost for 2008	2,596,038
		Weighted Debt Cost Rate for 2008	6.10%
2009 Total Long Term Debt	42,558,000	Total Interest Cost for 2009	2,596,038
		Weighted Debt Cost Rate for 2009	6.10%
2010 Total Long Term Debt	42,558,000	Total Interest Cost for 2010	2,596,038
		Weighted Debt Cost Rate for 2010	6.10%
2011 Total Long Term Debt	65,000,000	Total Interest Cost for 2011	3,421,600
		Weighted Debt Cost Rate for 2011	5.26%
2012 Total Long Term Debt	65,000,000	Total Interest Cost for 2012	3,421,600
		Weighted Debt Cost Rate for 2011	5.264%

### APPENDIX H- 2012 Test Year Updated Cost of Capital – cont.

Particulars	Capitalization Ratio		Cost Rate	Return
	<b>Initial Application</b>			
	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long-term Debt	56.00%	\$77,584,646	5.26%	\$4,084,056
Short-term Debt	4.00%	\$5,541,760	2.46%	\$136,327
<b>Total Debt</b>	<b>60.00%</b>	<b>\$83,126,407</b>	<b>5.08%</b>	<b>\$4,220,383</b>
<b>Equity</b>				
Common Equity	40.00%	\$55,417,604	9.58%	\$5,309,007
Preferred Shares	0.00%	\$ -	0.00%	\$ -
<b>Total Equity</b>	<b>40.00%</b>	<b>\$55,417,604</b>	<b>9.58%</b>	<b>\$5,309,007</b>
<b>Total</b>	<b>100.00%</b>	<b>\$138,544,011</b>	<b>6.88%</b>	<b>\$9,529,390</b>

### Updated Cost of Capital

	(%)	(\$)	(%)	(\$)
<b>Debt</b>				
Long-term Debt	56.00%	\$78,511,201	5.26%	\$4,132,830
Short-term Debt	4.00%	\$5,607,943	2.08%	\$116,645
<b>Total Debt</b>	<b>60.00%</b>	<b>\$84,119,144</b>	<b>5.05%</b>	<b>\$4,249,475</b>
<b>Equity</b>				
Common Equity	40.00%	\$56,079,429	9.42%	\$5,282,682
Preferred Shares	0.00%	\$ -	0.00%	\$ -
<b>Total Equity</b>	<b>40.00%</b>	<b>\$56,079,429</b>	<b>9.42%</b>	<b>\$5,282,682</b>
<b>Total</b>	<b>100.00%</b>	<b>\$140,198,573</b>	<b>6.80%</b>	<b>\$9,532,157</b>

## APPENDIX I

### 2012 TEST YEAR UPDATED REVENUE DEFICIENCY

Particulars	Initial Application		Settlement Agreement	
	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$5,944,117		\$1,620,014
Distribution Revenue	\$24,708,000	\$24,708,000	\$24,763,956	\$24,763,957
Other Operating Revenue	\$2,050,989	\$2,050,989	\$2,207,000	\$2,207,000
Offsets - net				
<b>Total Revenue</b>	<b>\$26,758,989</b>	<b>\$32,703,106</b>	<b>\$26,970,956</b>	<b>\$28,590,971</b>
Operating Expenses	\$22,442,955	\$22,442,955	\$18,985,567	\$18,985,567
Deemed Interest Expense	\$4,220,383	\$4,220,383	\$4,249,475	\$4,249,475
<b>Total Cost and Expenses</b>	<b>\$26,663,338</b>	<b>\$26,663,338</b>	<b>\$23,235,042</b>	<b>\$23,235,042</b>
<b>Utility Income Before Income Taxes</b>	<b>\$95,651</b>	<b>\$6,039,768</b>	<b>\$3,735,914</b>	<b>\$5,355,929</b>
Tax Adjustments to Accounting Income per 2009 PILs	(\$3,255,915)	(\$3,255,915)	(\$4,586,542)	(\$4,586,542)
<b>Taxable Income</b>	<b>(\$3,160,265)</b>	<b>\$2,783,852</b>	<b>(\$850,628)</b>	<b>\$769,387</b>
Income Tax Rate	26.25%	26.25%	9.52%	9.52%
	(\$829,569)	\$730,761	(\$80,980)	\$73,246
<b>Income Tax on Taxable Income</b>				
<b>Income Tax Credits</b>	\$ -	\$ -	\$ -	\$ -
<b>Utility Net Income</b>	<b>\$925,220</b>	<b>\$5,309,007</b>	<b>\$3,816,894</b>	<b>\$5,282,683</b>
<b>Utility Rate Base</b>	<b>\$138,544,011</b>	<b>\$138,544,011</b>	<b>\$140,198,573</b>	<b>\$140,198,573</b>
Deemed Equity Portion of Rate Base	\$55,417,604	\$55,417,604	\$56,079,429	\$56,079,429
Income/(Equity Portion of Rate Base)	1.67%	9.58%	6.81%	9.42%
Target Return - Equity on Rate Base	9.58%	9.58%	9.42%	9.42%
Deficiency/Sufficiency in Return on Equity	-7.91%	0.00%	-2.61%	0.00%
Indicated Rate of Return	3.71%	6.88%	5.75%	6.80%
Requested Rate of Return on Rate Base	6.88%	6.88%	6.80%	6.80%
Deficiency/Sufficiency in Rate of Return	-3.16%	0.00%	-1.05%	0.00%
Target Return on Equity	\$5,309,007	\$5,309,007	\$5,282,682	\$5,282,682
Revenue Deficiency/(Sufficiency)	\$4,383,786	\$ -	\$1,465,789	\$1
<b>Gross Revenue</b>	<b>\$5,944,117</b>	<b>(1)</b>	<b>\$1,620,014</b>	<b>(1)</b>
<b>Deficiency/(Sufficiency)</b>				

## APPENDIX J

### 2012 TEST YEAR UPDATED REVENUE TO COST RATIOS

#### Appendix J

##### 2012 Test Year Updated Revenue to Cost Ratios

Rate Classification	Distribution Revenue @ Existing Rate % (per Application)	Distribution Revenue @ Existing Rate % (per Settlement)	Fixed Distribution Revenue (per Application)	Fixed Distribution Revenue (per Settlement)	Variable Distribution Revenue (per Application)	Variable Distribution Revenue (per Settlement)	Transformer Allowance (per Application)	Transformer Allowance (per Settlement)	Gross Serv Rev Requirement Excl Transformer Allowance (per Application)	Gross Serv Rev Requirement Excl Transformer Allowance (per Settlement)	LV Wheeling Charges (per Application)	LV Wheeling Charges (per Settlement)	Total (per Application)	Total (per settlement)	Revenue to Cost Ratios Per C.A. Study (per Application)	Revenue to Cost Ratios Per C.A. Study (per New updated CA and Settlement)	Revenue to Cost Ratios (per Application)	Revenue to Cost Ratios (per settlement)
Customer Class	56.19%	56.18%	\$9,489,547	\$8,203,411	\$7,620,043	\$6,619,952			\$17,109,590	\$14,823,363	\$14,957	\$14,950	\$17,124,547	\$14,838,312	100.62%	97.86%	100.00%	97
Residential	11.60%	11.62%	\$500,241	\$681,806	\$2,073,299	\$1,987,680			\$2,573,539	\$3,066,644	\$5,209	\$5,206	\$2,578,748	\$3,071,851	135.54%	136.62%	100.00%	120
GS < 50 kW	17.11%	17.11%	\$1,119,595	\$1,328,554	\$2,041,332	\$2,244,090	\$220,988	\$220,998	\$3,160,927	\$4,514,662	\$15,782	\$15,794	\$3,397,697	\$4,751,454	161.36%	150.08%	100.00%	120
GS 50 to 999 kW	9.45%	9.43%	\$680,128	\$324,459	\$4,213,106	\$3,389,428			\$4,893,234	\$2,488,671	\$0	\$0	\$4,893,234	\$2,488,671	61.66%	57.57%	100.00%	83
GS > 1000 kW	4.49%	4.49%	\$99,972	\$43,566	\$2,443,491	\$1,140,236			\$2,543,464	\$1,183,802	\$0	\$0	\$2,543,464	\$1,183,802	56.92%	111.58%	100.00%	111
Large Use	0.015%	0.015%	\$2,182	\$2,151	\$1,957	\$1,928			\$4,139	\$4,079	\$3	\$3	\$4,142	\$4,082	118.72%	104.04%	100.00%	104
Sentinel Lights	0.77%	0.77%	\$53,354	\$62,538	\$216,635	\$253,925			\$269,989	\$202,502	\$370	\$369	\$270,359	\$202,871	113.94%	56.32%	100.00%	83
Street Lighting	0.38%	0.38%	\$39,622	\$40,836	\$57,613	\$59,378			\$97,235	\$100,215	\$78	\$78	\$97,313	\$100,293	88.02%	111.18%	100.00%	111
TOTAL	100.00%	100.00%	\$11,984,641	\$10,687,321	\$18,667,476	\$15,696,617	\$220,988	\$220,998	\$30,652,117	\$26,383,938	\$36,400	\$36,400	\$30,909,505	\$26,641,336				

## **APPENDIX K**

### **2012 TARIFF OF RATES AND CHARGES**

Schedule of Proposed Rates & Charges (2012) - Settlement		
Monthly Rates and Charges		
Residential	Metrics	Rate
Service Charge	\$/month	14.29
Smart Meter Disposition Rate Rider - effective until December 31, 2012	\$/month	(0.12)
Stranded Meter Cost Recovery Rate Rider - effective until December 31, 2015	\$/month	0.73
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(0.18)
PILs Recovery Rate Rider - effective until December 31, 2015	\$/month	0.45
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	0.22
Distribution Volumetric Rate	\$/kWh	0.0174
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kWh	(0.0001)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kWh	(0.0020)
LRAM/SSM Recovery- effective until December 31, 2015	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0064
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0053
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$/month	0.2500

	Metrics	Rate
<b>General Service less than 50 kW</b>		
Service Charge	\$/month	15.00
Smart Meter Disposition Rate Rider - effective until December 31, 2012	\$/month	(0.25)
Stranded Meter Cost Recovery Rate Rider - effective until December 31, 2015	\$/month	0.73
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(0.50)
PILs Recovery Rate Rider - effective until December 31, 2015	\$/month	1.26
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	0.57
Distribution Volumetric Rate	\$/kWh	0.0134
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kWh	(0.0001)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kWh	(0.0014)
LRAM/SSM Recovery- effective until December 31, 2015	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$/month	0.25

	Metrics	Rate
<b>General Service 50 to 999 kW</b>		
Service Charge	\$/month	167.22
Smart Meter Disposition Rate Rider - effective until December 31, 2012	\$/month	(0.90)
Stranded Meter Cost Recovery Rate Rider - effective until December 31, 2015	\$/month	0.73
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(3.80)
PILs Recovery Rate Rider - effective until December 31, 2015	\$/month	9.58
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	4.21
Distribution Volumetric Rate	\$/kW	2.5446
Low Voltage Rate Adder - effective until December 31, 2015	\$/kW	0.0152
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kW	(0.3686)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kW	(0.4521)
LRAM/SSM Recovery- effective until December 31, 2015	\$/kW	0.0065
Retail Transmission Rate – Network Service Rate	\$/kW	2.4425
Retail Transmission Rate – Network Service Rate - Interval Metered	\$/kW	2.5335
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9624
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.0359
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

<b>General Service 1000 to 4999 kW</b>	<b>Metrics</b>	<b>Rate</b>
Service Charge	\$/month	620.07
Smart Meter Disposition Rate Rider - effective until December 31, 2012	\$/month	(1.07)
Stranded Meter Cost Recovery Rate Rider - effective until December 31, 2015	\$/month	0.73
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(46.33)
PILs Recovery Rate Rider - effective until December 31, 2015	\$/month	116.92
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	53.31
Distribution Volumetric Rate	\$/kW	3.3388
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kW	(0.4403)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kW	(0.5195)
LRAM/SSM Recovery- effective until December 31, 2015	\$/kW	0.0061
Retail Transmission Rate – Network Service Rate -Interval Metered	\$/kW	2.5335
Retail Transmission Rate – Line and Transformation Connection Service Rate -Interval Metered	\$/kW	2.0359
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.2500

<b>Large Use</b>	<b>Metrics</b>	<b>Rate</b>
Service Charge	\$/month	907.62
Smart Meter Disposition Rate Rider - effective until December 31, 2012	\$/month	(3.06)
Stranded Meter Cost Recovery Rate Rider - effective until December 31, 2015	\$/month	0.73
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(151.18)
PILs Recovery Rate Rider - effective until December 31, 2015	\$/month	381.57
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	181.11
Distribution Volumetric Rate	\$/kW	2.3247
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kW	(0.5319)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kW	(0.6221)
LRAM/SSM Recovery- effective until December 31, 2015	\$/kW	0.0099
Retail Transmission Rate – Network Service Rate -Interval Metered	\$/kW	3.0595
Retail Transmission Rate – Line and Transformation Connection Service Rate -Interval Metered	\$/kW	2.4584
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

<b>Unmetered Scattered Load</b>		
Service Charge (per connection)	\$/month	5.84
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(0.05)
PILs Recovery Rate Rider - effective until December 31, 2015	\$/month	0.13
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	0.06
Distribution Volumetric Rate	\$/kWh	0.0266
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kWh	(0.0010)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kWh	(0.0027)
LRAM/SSM Recovery- effective until December 31, 2015	\$/kWh	0.0048
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

<b>Sentinel Lighting</b>		
Service Charge (per connection)	\$/month	6.96
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(0.11)
PILs Recovery Rate Rider - effective until December 31, 2012	\$/month	0.27
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	0.11
Distribution Volumetric Rate	\$/kW	7.6916
Low Voltage Rate Adder - effective until December 31, 2015	\$/kW	0.0112
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kW	(0.0013)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kW	(0.9850)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8700
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5026
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

<b>Street Lighting</b>		
Service Charge (per connection)	\$/month	0.38
Post Retirement actuarial Gain Disposition Rate Rider - effective until December 31, 2024	\$/month	(0.01)
PILs Recovery Rate Rider - effective until December 31, 2012	\$/month	0.01
GEA Plan - Renewable Connection- Funding Rate Adder - effective until December 31, 2012	\$/month	0.10
GEA Plan - Smart Grid - Funding Rate Adder - effective until December 31, 2012	\$/month	0.83
Rate Rider for Recovery of Late Payment Litigation Costs - effective until April 30, 2012	\$/month	0.01
Distribution Volumetric Rate	\$/kW	9.2517
Low Voltage Rate Adder - effective until December 31, 2015	\$/kW	0.0135
Rate Rider for Global Adjustment Sub-Account Disposition- effective until December 31, 2012	\$/kW	(0.3328)
Rate Rider for Deferral/Variance Account- effective until December 31, 2012	\$/kW	(2.7745)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2500
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8079
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

<b>microFIT Generator</b>		
Service Charge	\$	5.25
<b>Specific Service Charges</b>		
<b>Customer Administration</b>		
Arrears certificate	\$	15.00
Returned cheque charge (plus bank charges)	\$	8.55
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	8.75
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	10.00
<b>Non-Payment of Account</b>		0.00
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	9.00
Disconnect/Reconnect at meter - during regular hours	\$	20.00
Disconnect/Reconnect at meter - after regular hours	\$	50.00
Disconnect/Reconnect at pole - during regular hours	\$	50.00
Disconnect/Reconnect at pole - after regular hours	\$	95.00
<b>Other</b>		0.00
Service call - customer-owned equipment	\$	17.50
Service Call - Customer-owned Equipment - After Regular Hours	\$	95.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
		0.00
		0.00
<b>Allowances</b>		0.00
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.72)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)
		0.00
		0.00
<b>Retail Service Charges (if applicable)</b>		0.00
<b>Retail Service Charges (if applicable)</b>		0.00
Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity		0.00
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
<b>Service Transaction Requests (STR)</b>		0.00
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		0.00
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00
		0.00
		0.00
<b>Loss Factor</b>		0.00
Total Loss factor - Secondary Metered Customer <5,000 kW		1.0209
Total Loss factor - Secondary Metered Customer > 5,000 kW		1.0160
Total Loss factor - Primary Metered Customer < 5,000 kW		1.0107
Total Loss factor - Primary Metered Customer > 5,000 kW		1.0059

## **SUMMARY OF UPDATED CUSTOMER BILL IMPACTS**

(these Bill Impacts for Residential and GS< 50 kW contain all proposed rate adders, including 1562 PILs Disposition Rate Rider, and PP&E Disposition Rate Rider which could not be included in the OEB Revenue Requirement Work Form Sheet 10A and 10B because the model did not permit adding additional lines)

## BILL IMPACTS - RESIDENTIAL

Consumption **800** kWh

Charge description	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$13.4100	1	\$ 13.41	\$14.2900	1	\$14.2900	\$0.88	6.56%
Smart Meter Rate Adder	monthly	\$1.1700	1	\$ 1.17	\$0.0000	1	\$0.0000	(\$1.17)	-100.00%
Smart Meter Disposition Rate Rider	monthly	\$0.0000	1	\$ -	(\$0.1165)	1	(\$0.1165)	(\$0.12)	
Stranded Meter Cost Recovery Rate Rider	monthly	\$0.0000	1	\$ -	\$0.7333	1	\$0.7333	\$0.73	
PRAGD Rate Rider	monthly	\$0.0000	1	\$ -	(\$0.1773)	1	(\$0.1773)	(\$0.18)	
PILs Recovery Rate Rider	monthly	\$0.0000	1	\$ -	\$0.4475	1	\$0.4475	\$0.45	
GEA Plan - Renewable Connection - Funding Rate Adder	monthly	\$0.0000	1	\$ -	\$0.1041	1	\$0.1041	\$0.10	
GEA Plan - Smart Grid - Funding Rate Adder	monthly	\$0.0000	1	\$ -	\$0.8305	1	\$0.8305		
Recovery of Late Payment Penalty Litigation Costs	monthly	\$0.2200	1	\$ 0.22	\$0.2200	1	\$0.2200	\$0.00	0.00%
Distribution Volumetric Rate	per kWh	\$0.0164	800	\$ 13.12	\$0.0174	800	\$13.9200	\$0.80	6.10%
Global Adjustment Sub-Account Disposition for non-RPP Customers	per kWh	\$0.0006	800	\$ 0.48	(\$0.0001)	800	(\$0.1002)	(\$0.58)	-120.88%
Deferral/Variance Account Disposition Rate Rider	per kWh	(\$0.0015)	800	\$ -1.20	(\$0.0020)	800	(\$1.5850)	(\$0.39)	32.08%
Incremental Capital Module Adder	per kWh	\$0.0008	800	\$ 0.64	\$0.0000	800	\$0.0000	(\$0.64)	-100.00%
Tax Change Rate Rider	per kWh	(\$0.0005)	800	\$ -0.40	\$0.0000	800	\$0.0000	\$0.40	-100.00%
LRAM & SSM Rate Rider	per kWh	\$0.0000	800	\$ -	\$0.0003	800	\$0.2400	\$0.24	
Low Voltage Rate Adder	per kWh	\$0.0001	800	\$ 0.08	\$0.0000	800	\$0.0000	(\$0.08)	-100.00%
<b>Sub-Total A - Distribution</b>				<b>\$ 27.52</b>			<b>\$ 28.57</b>	<b>\$ 1.05</b>	<b>3.80%</b>
RTSR - Network	per kWh	\$0.0062	832.32	\$ 5.16	\$ 0.0064	816.72	\$ 5.23	\$ 0.07	1.29%
RTSR - Line and Transformation Connection	per kWh	\$0.0052	832.32	\$ 4.33	\$ 0.0053	816.72	\$ 4.33	\$ 0.00	0.01%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 37.01</b>			<b>\$ 38.12</b>	<b>\$ 1.11</b>	<b>3.01%</b>
Wholesale Market Service Charge (WMSC)	per kWh	\$0.0052	832.32	\$ 4.33	\$ 0.0052	816.72	\$ 4.25	(\$0.08)	-1.87%
Rural and Remote Rate Protection (RRRP)	per kWh	\$0.0013	832.32	\$ 1.08	\$ 0.0013	816.72	\$ 1.06	(\$0.02)	-1.87%
Special Purpose Charge		\$0.0000	832.32	\$ -	\$ -	816.72	\$ -	\$0.00	
Standard Supply Service Charge	monthly	\$0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$0.00	0.00%
Debt Retirement Charge (DRC)	per kWh	\$0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$0.00	0.00%
Energy	per kWh	\$0.0752	832.32	\$ 62.55	\$ 0.0752	816.72	\$ 61.38	(\$1.17)	-1.87%
<b>Total Bill (before Taxes)</b>				<b>\$ 110.82</b>			<b>\$ 110.66</b>	<b>(\$0.16)</b>	<b>-0.14%</b>
HST		13%		\$ 14.41	13%		\$ 14.39	(\$0.02)	-0.14%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 125.22</b>			<b>\$ 125.04</b>	<b>(\$0.18)</b>	<b>-0.14%</b>
<b>Ontario Clean Energy Benefit (OCEB)</b>		-10%		<b>-\$ 12.52</b>	-10%		<b>-\$ 12.50</b>	<b>\$0.02</b>	<b>-0.16%</b>
<b>Total Bill (including OCEB)</b>				<b>\$ 112.70</b>			<b>\$ 112.54</b>	<b>(\$0.16)</b>	<b>-0.14%</b>
<b>Loss Factor (%)</b>	<b>Note 1</b>	<b>4.04%</b>			<b>2.09%</b>				

## BILL IMPACTS – GENERAL SERVICE < 50 kW

Consumption **2000** kWh

Charge description	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	monthly	\$12.2600	1	\$ 12.26	\$15.0000	1	\$15.00	\$2.74	22.35%
Smart Meter Rate Adder	monthly	\$1.1700	1	\$ 1.17		1	\$0.00	(\$1.17)	-100.00%
Smart Meter Disposition Rate Rider	monthly	\$0.0000	1	\$ -	(\$0.2463)	1	(\$0.25)	(\$0.25)	
Stranded Meter Cost Recovery Rate Rider	monthly	\$0.0000	1	\$ -	\$0.7333	1	\$0.73	\$0.73	
PRAGD Rate Rider	monthly	\$0.0000	1	\$ -	(\$0.4994)	1	(\$0.50)	(\$0.50)	
PILs Recovery Rate Rider	monthly	\$0.0000	1	\$ -	\$1.2604	1	\$1.26	\$1.26	
GEA -Renewable Connection- Funding Rate Adder	monthly	\$0.0000	1	\$ -	\$0.1041	1	\$0.10	\$0.10	
GEA -Smart Grid- Funding Rate Adder	monthly	\$0.0000	1	\$ -	\$0.8305	1	\$0.83		
Recovery of Late Payment Penalty Litigation Costs	monthly	\$0.5700	1	\$ 0.57	\$0.5700	1	\$0.57	\$0.00	0.00%
Distribution Volumetric Rate	per kWh	\$0.0156	2000	\$ 31.20	\$0.0134	2000	\$26.80	(\$4.40)	-14.10%
Global Adjustment Sub-Account Disposition for non-RPP Customers	per kWh	\$0.0006	2000	\$ 1.20	(\$0.0001)	2000	(\$0.29)	(\$1.49)	-123.98%
Deferral/Variance Account Disposition Rate Rider	per kWh	(\$0.0015)	2000	\$- 3.00	(\$0.0014)	2000	(\$2.73)	\$0.27	-8.92%
Incremental Capital Module Adder	per kWh	\$0.0004	2000	\$ 0.80		2000	\$0.00	(\$0.80)	-100.00%
Tax Change Rate Rider	per kWh	(\$0.0003)	2000	\$- 0.60		2000	\$0.00	\$0.60	-100.00%
LRAM & SSM Rate Rider	per kWh	\$0.0000	2000	\$ -	\$0.0001	2000	\$0.20	\$0.20	
Low Voltage Rate Adder	per kWh	\$0.0001	2000	\$ 0.20	\$0.0000	2000	\$0.00	(\$0.20)	-100.00%
Volumetric Rate Adder(s)		\$0.0000	2000	\$ -		2000	\$0.00	\$0.00	
Volumetric Rate Rider(s)		\$0.0000	2000	\$ -		2000	\$0.00	\$0.00	
<b>Sub-Total A - Distribution</b>				<b>\$ 43.80</b>			<b>\$41.73</b>	<b>(\$2.07)</b>	<b>-4.72%</b>
RTSR - Network	per kWh	\$ 0.0057	2080.8	\$ 11.86	\$ 0.0059	2041.8	\$12.05	\$0.19	1.57%
RTSR - Line and Transformation Connection	per kWh	\$ 0.0046	2080.8	\$ 9.57	\$ 0.0047	2041.8	\$9.60	\$0.02	0.26%
<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 65.23</b>			<b>\$63.38</b>	<b>(\$1.86)</b>	<b>-2.85%</b>
Wholesale Market Service Charge (WMS)	per kWh	\$ 0.0052	2080.8	\$ 10.82	\$ 0.0052	2041.8	\$10.62	(\$0.20)	-1.87%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2080.8	\$ 2.71	\$ 0.0013	2041.8	\$2.65	(\$0.05)	-1.87%
Special Purpose Charge		\$ -	2080.8	\$ -		2041.8	\$0.00	\$0.00	
Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$0.25	\$0.00	0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$14.00	\$0.00	0.00%
Energy	per kWh	\$ 0.0752	2080.8	\$ 156.37	\$ 0.0752	2041.8	\$153.44	(\$2.93)	-1.87%
<b>Total Bill (before Taxes)</b>				<b>\$ 249.38</b>			<b>\$244.34</b>	<b>(\$5.04)</b>	<b>-2.02%</b>
HST		13%		\$ 32.42	13%		\$31.76	(\$0.66)	-2.02%
<b>Total Bill (including Sub-total B)</b>				<b>\$ 281.80</b>			<b>\$276.10</b>	<b>(\$5.70)</b>	<b>-2.02%</b>
<b>Ontario Clean Energy Benefit (OCEB)</b>		-10%		<b>\$- 28.18</b>	-10%		<b>(\$27.61)</b>	<b>\$0.57</b>	<b>-2.02%</b>
<b>Total Bill (including OCEB)</b>				<b>\$ 253.62</b>			<b>\$248.49</b>	<b>(\$5.13)</b>	<b>-2.02%</b>

Note 1 4.04%

2.09%

## ATTACHMENT 1

### CAPITALIZATION POLICY

#### 1. PURPOSE

- 1.01 This Statement of Policy provides guidance for the recording of the costs related to the acquisition or construction of distribution system assets, equipment, building, and other tangible assets. The control objectives addressed by this policy are to ensure that fixed assets are complete, exist, and are accurately recorded.

#### 2. POLICY

- 2.01 All expenditures directly attributable to bringing an asset to the location and working condition for its intended use should be capitalized.

Examples of directly and “not directly” attributable costs are as follows:

Directly attributable:

- Employee costs and benefits incurred by employees working directly on construction or acquisition of asset
- Costs of site preparation
- Initial delivery and assembly
- Testing costs
- Professional fees

Not directly attributable:

- Administrative and other general overhead costs
- Feasibility studies
- Start-up or pre-opening costs

- Training costs
- Abnormal waste
- Costs incurred when construction is interrupted, unless certain criteria are met
- Cost of opening a new facility
- Relocation costs
- Costs incurred in using or redeploying an item

2.02 Costs attributed to administrative other, general overhead and training are prohibited from being capitalized.

The attaching listing provides a summary of all of the costs historically included in Guelph Hydro's burdenable (overhead) costs prior to the implementation to IFRS:

**Payroll and Operations**

- Administration  
Expense
- Indirect Labour
  - Line Crew
  - Maintenance
  - Metering
  - Customer Service
  - Inspect/Engineering
- Employee Benefits
- Small Tools
- Clothing

**Stores Burden**

- Administration  
Expense
- Building Maintenance
- Depreciation
- Salaries Management
- Salaries – Bargaining  
Unit
- Salaries – Temporary  
Staff
- Employee Benefits
- Equipment

- |  |                        |
|--|------------------------|
| • Building Maintenance                       | Maintenance            |
| • Insurance                                  | • Freight              |
| • Outside Services –<br>Subcontract          | • Insurance            |
| • Property Taxes                             | • Inventory Adjustment |
| • Supervisory Salaries –<br>Line Supervisors | • Licensing Fees       |
| • Supplies/Other                             | • Other                |
| • Vehicle Expenses                           | • Outside Services     |
|  | • Property Taxes       |
|  | • P.C. Expense         |
|  | • Supplies             |
|  | • Vehicles             |
|  | • Work Order Charges   |

#### **Fleet Burden**

- Administration  
    Expense
- Building and Operating  
    Costs
- Depreciation
- Employee Benefits
- Equipment  
    Maintenance
- Freight
- Fuel
- Insurance
- Licensing

#### **Engineering Burden**

- Administration Costs
- Employee Benefits
- Equipment  
    Maintenance
- Freight
- Memberships
- Mini Computer
- Other
- Outside Services
- P.C. Expense
- Salary - Bargaining  
    Unit

Included in the above listing are the following costs which are directly attributable to the construction of assets and therefore subject to capitalization.

- **Payroll and Operations Burden**– includes salaries, benefits, and other employment costs relating to supervisory staff, building maintenance, small tools, and supplies.
- **Engineering Burden** – includes salaries and benefits, office supplies, and information technology costs
- **Fleet Burden**– includes salaries and benefits, building operating costs, depreciation, fuel, maintenance and supplies

Included in the above listing are the following costs which have been removed since they are not directly attributable to the construction of assets:

- Non-productive time (training costs, safety meetings, adverse weather)
- Property taxes
- Supervisory salaries related to administrative functions
- Insurance
- Stores costs
- Information technology expenses
- Office equipment maintenance
- Freight
- Memberships
- Office supplies

2.03 Guelph Hydro uses a work order system to manage and record costs relating to the purchase and construction of property, plant, and equipment. The work order system is also used to track and record directly attributable expenses for capitalization such as labour costs, direct engineering, third party contractor costs, and vehicle costs. All employees who are directly involved in work order projects are required to record their time on timesheets, based on a series of time codes (regular, training, sick, vacation, etc.). This helps to ensure that only eligible costs are capitalized. Management in Engineering and Operations conduct

regular reviews of work orders and time sheets to ensure the Corporation's capitalization policy is applied consistently and accurately For non-time sheet staff i.e. Operations Supervisory staff and Engineering staff, estimates are made of the time directly attributable to costs eligible for capitalization. These estimates reviewed annually by Management in Engineering and Operations.

### **3. SCOPE**

- 3.01 This Statement of Policy applies to all employees engaged in the acquisition and recording of fixed assets.

### **4. RESPONSIBILITY**

The Manager of Accounting and Accounting Supervisor are responsible for the identification and proper recording of fixed assets. Employees engaged in the acquisition of fixed assets are responsible for ensuring that the costs of acquisition are complete, exists and are accurate. The employee responsible for acquisition of the fixed asset is responsible for determining the useful life of the item.

## Appendix 1

PP&E DEFERRAL ACCOUNT - Appendix 1					
<b>PP &amp; E Values under CGAAP</b>		Actual		Fcst	
		2009	2010		2011
Opening NBV, Jan 1		86,624	90,620		90,452
Add:	Current year additions, net of disposals	15,156	7,877		24,178
Less:	Contributions & Grants	(4,336)	(3,440)		(2,679)
	Current year depreciation	(8,121)	(8,724)		(9,823)
Add:	Current year amortization of Contributions & Grants	1,297	1,414		1,521
	Acc'd depreciation adjustment re disposals	0	434		0
	Acc'd depreciation adjustment re stranded meters	0	2,271		0
Closing NBV, Dec 31		90,620	90,452		103,649
<b>PP &amp; E Values under MIFRS</b>		Actual		Fcst	
		2009	2010		2011
Opening NBV, Jan 1		86,624	90,620		90,602
Add:	Current year additions, net of disposals	15,156	5,185		21,981
Less:	Contributions and Grants	(4,336)	(3,440)		(2,679)
	Current year depreciation	(8,121)	(5,316)		(5,644)
Add:	Current year amortization of Contributions & Grants	1,297	848		915
	Acc'd depreciation adjustment re disposals	0	434		0
	Acc'd depreciation adjustment re stranded meters	0	2,271		0
Closing NBV, Dec 31		90,620	90,602		105,175
Difference in Closing net PP&E (CGAAP v. MIFRS)		0	150		1,526
Accumulated Difference not considering the removal of Contributions & Grant activity		0	150		1,526
			1		
Deferral Account - Rebasing in 2012 under MIFRS					
Opening Balance		0 A			150
Amount added in the year		0	150		1,376
		0	150		1,526
Amount of amortization, included in depreciation expense					
Closing balance		0	150		1,526
		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Amortization of Deferral Amount		382	382	382	382
Return on Rate base at WACC - 2012 6.80%		104	104	104	104
Amount included on Rev Requirement on Rebasing		485	485	485	485

## **Appendix 2**

### **CGAAP vs. IFRS Comparison of Burdenable Items**

<b>Guelph Hydro</b>		
<b>Labour Burden Expenses</b>	<b>CGAAP</b>	<b>MIFRS</b>
<b>ADMINISTRATION</b>		
OTHER	Y	N
CONFERENCES AND SEMINARS	Y	N
LODGING	Y	N
MEALS	Y	N
MILEAGE ALLOWANCE	Y	N
BUILDING OPER. ALLOCATION	Y	N
<b>LINE CREW</b>		
REGULAR	Y	Y
OVERTIME	Y	Y
OTHER	Y	Y
VACATION PAY	Y	Y
STATUTORY HOLIDAYS	Y	Y
SICK TIME	Y	Y
TRAINING	Y	N
SAFETY MEETINGS	Y	N
ADVERSE WEATHER	Y	N
<b>MAINTENANCE</b>		
REGULAR	Y	Y
OVERTIME	Y	Y
OTHER	Y	Y
VACATION PAY	Y	Y
STATUTORY HOLIDAYS	Y	Y
SICK TIME	Y	Y
TRAINING	Y	N
SAFETY MEETINGS	Y	N
ADVERSE WEATHER	Y	N
<b>METERING</b>		
REGULAR	Y	Y
OVERTIME	Y	Y
OTHER	Y	Y
VACATION PAY	Y	Y
STATUTORY HOLIDAYS	Y	Y
SICK TIME	Y	Y
TRAINING	Y	N
SAFETY MEETINGS	Y	N
<b>INSPECTOR</b>		
REGULAR	Y	Y
OVERTIME	Y	Y
OTHER	Y	Y
VACATION PAY	Y	Y
STATUTORY HOLIDAY	Y	Y
SICK TIME	Y	Y
TRAINING	Y	N
SAFETY MEETINGS	Y	N
<b>BENEFITS</b>		
BENEFITS	Y	Y
TRAINING	Y	N
<b>INSURANCE</b>		
INSURANCE	Y	N
<b>PROPERTY TAXES</b>		
PROPERTY TAXES	Y	N
<b>OPERATIONS MANAGEMENT</b>		
REGULAR	Y	Note 1
OVERTIME	Y	Note 1
VACATION PAY	Y	Note 1
STATUTORY HOLIDAYS	Y	Note 1
SICK TIME	Y	Note 1
TRAINING	Y	Note 1
SAFETY MEETINGS	Y	Note 1
OTHER	Y	Note 1
VEHICLES	Y	Y

**NOTES:**

**Note 1** For Operations Management staff estimates are made of directly attributable capital costs based on each individual's time spent on capital projects.

**Y** Costs eligible to be capitalized under CGAAP and IFRS

**N** Costs not directly attributable to capital projects therefore not eligible to be capitalized under IFRS

<b>Guelph Hydro Stores Burden Expenses</b>	<b>CGAAP</b>	<b>MIFRS</b>
OTHER	Y	N
CONFERENCES AND SEMINARS	Y	N
MEALS	Y	N
MILEAGE ALLOWANCE	Y	N
BUILDING OPER. ALLOCATION	Y	N
DEPRECIATION	Y	N
<b>BENEFITS</b>		
BENEFITS	Y	N
TRAINING	Y	N
EQUIPMENT MAINTENANCE	Y	N
FREIGHT	Y	N
INSURANCE	Y	N
OTHER	Y	N
CABLE REEL	Y	N
UNIT PRICING	Y	N
LICENSING FEES	Y	N
OTHER	Y	N
OTHER	Y	N
SUB-CONTRACT	Y	N
PROPERTY TAXES	Y	N
OTHER	Y	N
SOFTWARE PURCHASES	Y	N
<b>SALARIES AND WAGES</b>		
<b>Bargaining Unit</b>		
REGULAR	Y	N
OVERTIME	Y	N
OTHER	Y	N
VACATION PAY	Y	N
STATUTORY HOLIDAYS	Y	N
SICK TIME	Y	N
TRAINING	Y	N
MEETINGS	Y	N
<b>Management</b>		
REGULAR	Y	N
OTHER	Y	N
VACATION PAY	Y	N
STATUTORY HOLIDAYS	Y	N
SICK TIME	Y	N
TRAINING	Y	N
<b>Temporary</b>		
REGULAR	Y	N
OTHER	Y	N
SMALL TOOLS	Y	N
VEHICLES	Y	N

**NOTES:**

**Y** Costs eligible to be capitalized under CGAAP and IFRS

**N** Costs not directly attributable to capital projects  
therefore not eligible to be capitalized under IFRS

<b>Guelph Hydro Fleet Burden Expenses</b>	<b>CGAAP</b>	<b>MIFRS</b>
<b>ADMINISTRATION</b>		
OTHER	Y	N
CONFERENCES AND SEMINARS	Y	N
LODGING	Y	N
MEALS	Y	N
BUILDING OPER. ALLOCATION	Y	N
DEPRECIATION	Y	Y
<b>BENEFITS</b>		
OTHER	Y	Y
EQUIPMENT MAINTENANCE	Y	N
TOOL REPAIR	Y	N
FREIGHT	Y	Y
FUEL	Y	Y
INSURANCE	Y	N
LICENSING FEES	Y	Y
OTHER	Y	Y
OUTSIDE SERVICES OTHER	Y	N
SMALL TOOL REPAIR	Y	N
SUB-CONTRACT	Y	Y
PROPERTY TAXES	Y	N
OTHER COMPUTER EXPENSES	Y	N
HARDWARE MAINTENANCE	Y	N
SOFTWARE PURCHASES	Y	N
<b>SALARIES AND WAGES</b>		
REGULAR	Y	Y
OVERTIME	Y	Y
OTHER	Y	Y
VACATION PAY	Y	Y
STATUTORY HOLIDAYS	Y	Y
SICK TIME	Y	Y
TRAINING	Y	N
MEETINGS	Y	N
OTHER - SUPPLIES	Y	Y
BUILDING	Y	Y
SMALL TOOLS	Y	Y
WORK ORDER CHARGES	Y	Y

**NOTES:**

- Y** Costs eligible to be capitalized under CGAAP and IFRS
- N** Costs not directly attributable to capital projects therefore not eligible to be capitalized under IFRS

Guelph Hydro Engineering Burden Expenses	CGAAP	MIFRS
<b>ADMINISTRATION</b>		
OTHER	Y	N
CONFERENCES AND SEMINARS	Y	N
LODGING	Y	N
MEALS	Y	N
MILEAGE ALLOWANCE	Y	N
<b>BENEFITS</b>		
OTHER	Y	Note 1
TRAINING	Y	N
OTHER	Y	N
PHOTOCOPIER	Y	N
FREIGHT	Y	N
OTHER	Y	N
G.I.S. DATABASE	Y	N
OTHER	Y	N
OUTSIDER SERVICES-OTHER	Y	N
ESA FEES	Y	N
OTHER	Y	N
HARDWARE MAINTENANCE	Y	N
PLOTTER/PRINTER EXPENSES	Y	N
SOFTWARE PURCHASES	Y	N
INTERNET	Y	N
SYSTEM OPTIMIZATION EXP	Y	N
<b>SALARIES AND WAGES</b>		
<b>Bargaining Unit</b>		
REGULAR	Y	Note 1
OVERTIME	Y	Note 1
OTHER	Y	Note 1
VACATION PAY	Y	Note 1
STATUTORY HOLIDAYS	Y	Note 1
SICK TIME	Y	Note 1
TRAINING	Y	N
MEETINGS	Y	Note 1
<b>Management</b>		
REGULAR	Y	Note 1
OVERTIME	Y	Note 1
OTHER	Y	Note 1
VACATION PAY	Y	Note 1
STATUTORY HOLIDAYS	Y	Note 1
SICK TIME	Y	Note 1
TRAINING	Y	N
SAFETY MEETINGS	Y	Note 1
<b>Temporary</b>		
REGULAR	Y	Note 1
OVERTIME	Y	Note 1
OTHER	Y	Note 1
VACATION PAY	Y	Note 1
STATUTORY HOLIDAYS	Y	Note 1
TRAINING	Y	N
SAFETY MEETINGS	Y	Note 1
SUPPLIES OTHER	Y	N
SMALL OFFICE EQUIPMENT	Y	N
SMALL TOOLS	Y	N
STATIONERY	Y	N
OFFICE	Y	N
COMPUTER	Y	N
TELEPHONE OTHER	Y	N
VEHICLES	Y	Y
WO CHARGES	Y	Y

**NOTES:**

**Note 1** For Engineering staff estimates are made of directly attributable capital costs based on each individual's time spent on capital projects.

**Y** Costs eligible to be capitalized under CGAAP and IFRS

**N** Costs not directly attributable to capital projects therefore not eligible to be capitalized under IFRS

**ATTACHMENT 2**  
**COST ALLOCATION SHEETS O1 AND**  
**O2**



## 2012 COST ALLOCATION

Guelph Hydro Electric Systems Inc.

EB-2011-0123

Wednesday, August 31, 2011

**Sheet O1 Revenue to Cost Summary Worksheet - Update to v 1.2**

**Instructions:**

**Please see the first tab in this workbook for detailed instructions**

### Class Revenue, Cost Analysis, and Return on Rate Base

		Total	1 Residential	2 General Service Less than 50 kW	3 General Service 50 to 999 kW	5 General Service Greater 1,000 to 4,999 kW	6 Large User	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load	
Rate Base Assets	crev	Distribution Revenue at Existing Rates	\$24,763,956	\$13,913,205	\$2,878,351	\$4,237,461	\$2,335,866	\$1,111,116	\$190,068	\$3,829	\$94,061
	mi	Miscellaneous Revenue (mi)	\$2,207,000	\$1,449,059	\$198,430	\$184,878	\$280,799	\$46,249	\$37,748	\$375	\$9,461
	Miscellaneous Revenue Input equals Output										
	Total Revenue at Existing Rates		\$26,970,956	\$15,362,263	\$3,076,781	\$4,422,339	\$2,616,666	\$1,157,365	\$227,816	\$4,204	\$103,522
	Factor required to recover deficiency (1 + D)		1.0654								
	Distribution Revenue at Status Quo Rates		\$26,383,971	\$14,823,382	\$3,066,648	\$4,514,668	\$2,488,675	\$1,183,803	\$202,502	\$4,079	\$100,214
	Miscellaneous Revenue (mi)		\$2,207,000	\$1,449,059	\$198,430	\$184,878	\$280,799	\$46,249	\$37,748	\$375	\$9,461
	Total Revenue at Status Quo Rates		\$28,590,971	\$16,272,441	\$3,265,078	\$4,699,546	\$2,769,474	\$1,230,052	\$240,250	\$4,454	\$109,675
	Expenses										
di	Distribution Costs (di)	\$5,438,756	\$3,139,243	\$374,930	\$480,712	\$1,116,123	\$187,032	\$117,639	\$1,147	\$21,931	
cu	Customer Related Costs (cu)	\$3,098,684	\$2,279,478	\$358,163	\$389,391	\$45,486	\$11,700	\$56	\$179	\$24,432	
ad	General and Administration (ad)	\$5,788,560	\$3,667,906	\$496,533	\$590,479	\$791,848	\$136,457	\$80,000	\$899	\$24,440	
dep	Depreciation and Amortization (dep)	\$4,659,567	\$2,629,282	\$390,034	\$487,250	\$861,694	\$201,152	\$76,554	\$695	\$12,906	
INPUT	PILs (INPUT)	\$73,246	\$37,453	\$5,874	\$9,024	\$15,215	\$4,317	\$1,162	\$10	\$192	
INT	Interest	\$4,249,475	\$2,172,885	\$340,773	\$523,559	\$882,697	\$250,443	\$67,393	\$603	\$11,122	
Total Expenses		\$23,308,287	\$13,926,246	\$1,966,306	\$2,480,415	\$3,713,062	\$791,101	\$342,802	\$3,532	\$84,822	
Direct Allocation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
NI	Allocated Net Income (NI)	\$5,282,683	\$2,701,195	\$423,627	\$650,856	\$1,097,314	\$311,335	\$83,779	\$749	\$13,826	
Revenue Requirement (includes NI)		\$28,590,971	\$16,627,442	\$2,389,933	\$3,131,272	\$4,810,377	\$1,102,436	\$426,581	\$4,281	\$98,649	
\$0		Revenue Requirement Input equals Output									

		1	2	3	5	6	7	8	9	
Rate Base Assets	Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Load	
Rate Base Calculation										
Net Assets										
dp	Distribution Plant - Gross	\$202,037,782	\$109,284,113	\$15,403,096	\$21,325,071	\$42,002,869	\$9,691,395	\$3,686,218	\$33,051	\$611,970
gp	General Plant - Gross	\$14,784,263	\$7,810,192	\$1,135,422	\$1,643,775	\$3,109,057	\$785,806	\$255,485	\$2,288	\$42,238
accum dep	Accumulated Depreciation	(\$62,674,451)	(\$34,994,104)	(\$4,803,113)	(\$6,200,809)	(\$12,744,071)	(\$2,487,740)	(\$1,229,256)	(\$10,987)	(\$204,373)
co	Capital Contribution	(\$39,126,611)	(\$23,190,651)	(\$2,530,860)	(\$2,664,796)	(\$8,461,226)	(\$1,243,408)	(\$880,272)	(\$7,965)	(\$147,434)
Total Net Plant		\$115,020,983	\$58,909,550	\$9,204,545	\$14,103,241	\$23,906,629	\$6,746,054	\$1,832,175	\$16,388	\$302,402
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$153,524,605	\$34,704,882	\$13,629,071	\$36,609,349	\$42,605,403	\$24,867,916	\$895,649	\$8,129	\$204,206
	OM&A Expenses	\$14,326,000	\$9,086,626	\$1,229,626	\$1,460,582	\$1,953,456	\$335,189	\$197,694	\$2,224	\$60,603
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$167,850,605	\$43,791,508	\$14,858,696	\$38,069,930	\$44,558,860	\$25,203,106	\$1,093,344	\$10,353	\$264,808
Working Capital		\$25,177,591	\$6,568,726	\$2,228,804	\$5,710,490	\$6,683,829	\$3,780,466	\$164,002	\$1,553	\$39,721
Total Rate Base		\$140,198,574	\$65,478,276	\$11,433,349	\$19,813,731	\$30,590,458	\$10,526,520	\$1,996,177	\$17,941	\$342,123
Rate Base Input equals Output										
Equity Component of Rate Base		\$56,079,430	\$26,191,310	\$4,573,340	\$7,925,492	\$12,236,183	\$4,210,608	\$798,471	\$7,176	\$136,849
Net Income on Allocated Assets		\$5,282,683	\$2,346,194	\$1,298,772	\$2,219,131	(\$943,588)	\$438,951	(\$102,552)	\$922	\$24,853
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$5,282,683	\$2,346,194	\$1,298,772	\$2,219,131	(\$943,588)	\$438,951	(\$102,552)	\$922	\$24,853
RATIOS ANALYSIS										
REVENUE TO EXPENSES STATUS QUO%		100.00%	97.86%	136.62%	150.08%	57.57%	111.58%	56.32%	104.04%	111.18%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$1,620,015)	(\$1,265,179)	\$686,848	\$1,291,067	(\$2,193,711)	\$54,929	(\$198,765)	(\$77)	\$4,873
Deficiency Input equals Output										
STATUS QUO REVENUE MINUS ALLOCATED COSTS		\$0	(\$355,001)	\$875,145	\$1,568,275	(\$2,040,903)	\$127,616	(\$186,331)	\$173	\$11,026
RETURN ON EQUITY COMPONENT OF RATE BASE		9.42%	8.96%	28.40%	28.00%	-7.71%	10.42%	-12.84%	12.85%	18.16%



**2012 COST ALLOCATION**  
Guelph Hydro Electric Systems Inc.  
EB-2011-0123  
Wednesday, August 31, 2011

**Sheet O2 Monthly Fixed Charge Min. & Max. Worksheet - Update to v 1.2**

Output sheet showing minimum and maximum level for  
Monthly Fixed Charge

**Summary**

	1	2	3	5	6	7	8	9
	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
Customer Unit Cost per month - Avoided Cost	\$5.49	\$11.98	\$72.57	\$106.61	\$307.47	\$0.00	\$0.52	\$1.83
Customer Unit Cost per month - Directly Related	\$7.92	\$16.88	\$107.22	\$164.10	\$471.41	\$0.00	\$0.87	\$3.07
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$16.65	\$23.24	\$123.88	\$183.07	\$505.54	\$6.05	\$8.63	\$9.05
Existing Approved Fixed Charge	\$13.41	\$12.26	\$230.69	\$620.07	\$907.62	\$0.23	\$6.53	\$5.48

**Information to be Used to Allocate PILs, ROD,  
ROE and A&G**

		1	2	3	5	6	7	8	9
	Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
General Plant - Gross Assets	\$14,784,263	\$7,810,192	\$1,135,422	\$1,643,775	\$3,109,057	\$785,806	\$255,485	\$2,288	\$42,238
General Plant - Accumulated Depreciation	(\$9,128,598)	(\$4,822,432)	(\$701,071)	(\$1,014,955)	(\$1,919,699)	(\$485,199)	(\$157,750)	(\$1,413)	(\$26,080)
General Plant - Net Fixed Assets	\$5,655,665	\$2,987,760	\$434,351	\$628,820	\$1,189,358	\$300,607	\$97,735	\$875	\$16,158
General Plant - Depreciation	\$46,224	\$24,419	\$3,550	\$5,139	\$9,721	\$2,457	\$799	\$7	\$132
Total Net Fixed Assets Excluding General Plant	\$109,365,318	\$55,921,790	\$8,770,194	\$13,474,421	\$22,717,271	\$6,445,447	\$1,734,440	\$15,512	\$286,243
Total Administration and General Expense	\$5,788,560	\$3,667,906	\$496,533	\$590,479	\$791,848	\$136,457	\$80,000	\$899	\$24,440
Total O&M	\$8,537,440	\$5,418,720	\$733,093	\$870,103	\$1,161,608	\$198,733	\$117,695	\$1,325	\$36,163

## Scenario 1

### Accounts included in Avoided Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1 Residential	2 General Service Less than 50 kW	3 General Service 50 to 999 kW	5 General Service Greater 1,000 to 4,999 kW	6 Large User	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load	
<b>Distribution Plant</b>											
1860	Meters	\$15,037,608	\$11,132,106	\$2,313,411	\$1,428,484	\$129,493	\$34,114	\$0	\$0	\$0	CWMC
<b>Accumulated Amortization</b>											
	Accum. Amortization of Electric Utility Plant - Meters only	(\$3,876,105)	(\$2,869,419)	(\$596,307)	(\$368,207)	(\$33,378)	(\$8,793)	\$0	\$0	\$0	
	<b>Meter Net Fixed Assets</b>	<b>\$11,161,504</b>	<b>\$8,262,686</b>	<b>\$1,717,105</b>	<b>\$1,060,277</b>	<b>\$96,115</b>	<b>\$25,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Misc. Revenue</b>											
4082	Retail Services Revenues	(\$8,250)	(\$5,233)	(\$708)	(\$841)	(\$1,125)	(\$193)	(\$114)	(\$1)	(\$35)	CWNB
4084	Service Transaction Requests (STR) Revenues	(\$7,600)	(\$4,820)	(\$652)	(\$775)	(\$1,036)	(\$178)	(\$105)	(\$1)	(\$32)	CWNB
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
4220	Other Electric Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NFA
4225	Late Payment Charges	(\$127,572)	(\$91,852)	(\$30,617)	(\$5,103)	\$0	\$0	\$0	\$0	\$0	LPHA
	<b>Sub-total</b>	<b>(\$143,422)</b>	<b>(\$101,905)</b>	<b>(\$31,978)</b>	<b>(\$6,719)</b>	<b>(\$2,161)</b>	<b>(\$371)</b>	<b>(\$219)</b>	<b>(\$2)</b>	<b>(\$67)</b>	
<b>Operation-</b>											
5065	Meter Expense	\$358,313	\$265,253	\$55,123	\$34,038	\$3,086	\$813	\$0	\$0	\$0	CWMC
5070	Customer Premises - Operation Labour	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CCA
5075	Customer Premises - Materials and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CCA
	<b>Sub-total</b>	<b>\$358,313</b>	<b>\$265,253</b>	<b>\$55,123</b>	<b>\$34,038</b>	<b>\$3,086</b>	<b>\$813</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Maintenance-</b>											
5175	Maintenance of Meters	\$56,075	\$41,511	\$8,627	\$5,327	\$483	\$127	\$0	\$0	\$0	1860
<b>Billing and Collection</b>											
5310	Meter Reading Expense	\$294,040	\$198,417	\$15,708	\$52,593	\$20,727	\$6,595	\$0	\$0	\$0	CWMR
5315	Customer Billing	\$1,932,590	\$1,432,764	\$226,845	\$238,629	\$18,280	\$3,593	\$48	\$154	\$12,277	CWNB
5320	Collecting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
5325	Collecting- Cash Over and Short	\$50	\$37	\$6	\$6	\$0	\$0	\$0	\$0	\$0	CWNB
5330	Collection Charges	\$93,351	\$69,208	\$10,957	\$11,527	\$883	\$174	\$2	\$7	\$593	CWNB
	<b>Sub-total</b>	<b>\$2,320,031</b>	<b>\$1,700,426</b>	<b>\$253,516</b>	<b>\$302,754</b>	<b>\$39,890</b>	<b>\$10,362</b>	<b>\$50</b>	<b>\$162</b>	<b>\$12,870</b>	
	<b>Total Operation, Maintenance and Billing</b>	<b>\$2,734,419</b>	<b>\$2,007,191</b>	<b>\$317,266</b>	<b>\$342,119</b>	<b>\$43,459</b>	<b>\$11,302</b>	<b>\$50</b>	<b>\$162</b>	<b>\$12,870</b>	
<b>Amortization Expense - Meters</b>											
	Allocated PILs	\$750,635	\$555,683	\$115,479	\$71,306	\$6,464	\$1,703	\$0	\$0	\$0	
	Allocated Debt Return	\$7,105	\$5,253	\$1,096	\$678	\$61	\$16	\$0	\$0	\$0	
	Allocated Equity Return	\$412,191	\$304,770	\$63,571	\$39,361	\$3,549	\$940	\$0	\$0	\$0	
	Allocated Equity Return	\$512,410	\$378,871	\$79,028	\$48,931	\$4,412	\$1,169	\$0	\$0	\$0	
	<b>Total</b>	<b>\$4,273,337</b>	<b>\$3,149,863</b>	<b>\$544,461</b>	<b>\$495,677</b>	<b>\$55,783</b>	<b>\$14,759</b>	<b>(\$168)</b>	<b>\$159</b>	<b>\$12,803</b>	

## Scenario 2

Accounts included in Directly Related Customer Costs Plus General Administration Allocation

USoA Account #	Accounts	Total	1 Residential	2 General Service Less than 50 kW	3 General Service 50 to 999 kW	5 General Service Greater 1,000 to 4,999 kW	6 Large User	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load	
1860	<b>Distribution Plant</b>										
	Meters	\$15,037,608	\$11,132,106	\$2,313,411	\$1,428,484	\$129,493	\$34,114	\$0	\$0	\$0	CWMC
	<b>Accumulated Amortization</b>										
	Accum. Amortization of Electric Utility Plant - Meters only	(\$3,876,105)	(\$2,869,419)	(\$596,307)	(\$368,207)	(\$33,378)	(\$8,793)	\$0	\$0	\$0	
	<b>Meter Net Fixed Assets</b>	\$11,161,504	\$8,262,686	\$1,717,105	\$1,060,277	\$96,115	\$25,321	\$0	\$0	\$0	
	<b>Allocated General Plant Net Fixed Assets</b>	\$582,189	\$441,454	\$85,041	\$49,481	\$5,032	\$1,181	\$0	\$0	\$0	
	<b>Meter Net Fixed Assets Including General Plant</b>	\$11,743,693	\$8,704,141	\$1,802,146	\$1,109,758	\$101,147	\$26,501	\$0	\$0	\$0	
	<b>Misc Revenue</b>										
4082	Retail Services Revenues	(\$8,250)	(\$5,233)	(\$708)	(\$841)	(\$1,125)	(\$193)	(\$114)	(\$1)	(\$35)	CWNB
4084	Service Transaction Requests (STR) Revenues	(\$7,600)	(\$4,820)	(\$652)	(\$775)	(\$1,036)	(\$178)	(\$105)	(\$1)	(\$32)	CWNB
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
4220	Other Electric Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NFA
4225	Late Payment Charges	(\$127,572)	(\$91,852)	(\$30,617)	(\$5,103)	\$0	\$0	\$0	\$0	\$0	LPHA
	<b>Sub-total</b>	(\$143,422)	(\$101,905)	(\$31,978)	(\$6,719)	(\$2,161)	(\$371)	(\$219)	(\$2)	(\$67)	
	<b>Operation</b>										
5065	Meter Expense	\$358,313	\$265,253	\$55,123	\$34,038	\$3,086	\$813	\$0	\$0	\$0	CWMC
5070	Customer Premises - Operation Labour	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CCA
5075	Customer Premises - Materials and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CCA
	<b>Sub-total</b>	\$358,313	\$265,253	\$55,123	\$34,038	\$3,086	\$813	\$0	\$0	\$0	
	<b>Maintenance</b>										
5175	Maintenance of Meters	\$56,075	\$41,511	\$8,627	\$5,327	\$483	\$127	\$0	\$0	\$0	1860
	<b>Billing and Collection</b>										
5310	Meter Reading Expense	\$294,040	\$198,417	\$15,708	\$52,593	\$20,727	\$6,595	\$0	\$0	\$0	CWMB
5315	Customer Billing	\$1,932,590	\$1,432,764	\$226,845	\$238,629	\$18,280	\$3,593	\$48	\$154	\$12,277	CWNB
5320	Collecting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
5325	Collecting- Cash Over and Short	\$50	\$37	\$6	\$6	\$0	\$0	\$0	\$0	\$0	CWNB
5330	Collection Charges	\$93,351	\$69,208	\$10,957	\$11,527	\$883	\$174	\$2	\$7	\$593	CWNB
	<b>Sub-total</b>	\$2,320,031	\$1,700,426	\$253,516	\$302,754	\$39,890	\$10,362	\$50	\$162	\$12,870	
	<b>Total Operation, Maintenance and Billing</b>	\$2,734,419	\$2,007,191	\$317,266	\$342,119	\$43,459	\$11,302	\$50	\$162	\$12,870	
	<b>Amortization Expense - Meters</b>	\$750,635	\$555,683	\$115,479	\$71,306	\$6,464	\$1,703	\$0	\$0	\$0	
	<b>Amortization Expense - General Plant assigned to Meters</b>	\$4,758	\$3,608	\$695	\$404	\$41	\$10	\$0	\$0	\$0	
	<b>Admin and General</b>	\$1,851,946	\$1,358,658	\$214,888	\$232,172	\$29,625	\$7,760	\$34	\$110	\$8,698	
	<b>Allocated PILs</b>	\$7,475	\$5,534	\$1,150	\$710	\$64	\$17	\$0	\$0	\$0	
	<b>Allocated Debt Return</b>	\$433,689	\$321,053	\$66,719	\$41,198	\$3,735	\$984	\$0	\$0	\$0	
	<b>Allocated Equity Return</b>	\$539,135	\$399,113	\$82,941	\$51,215	\$4,643	\$1,223	\$0	\$0	\$0	
	<b>Total</b>	\$6,178,635	\$4,548,935	\$767,161	\$732,405	\$85,869	\$22,628	(\$134)	\$269	\$21,502	

### Scenario 3

Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	1 Residential	2 General Service Less than 50 kW	3 General Service 50 to 999 kW	5 General Service Greater 1,000 to 4,999 kW	6 Large User	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load	
<b>Distribution Plant</b>											
1565	Conservation and Demand Management Expenditures and Recoveries	\$51,396	\$32,621	\$4,413	\$5,238	\$6,993	\$1,196	\$709	\$8	\$218	CDMPP
1830	Poles, Towers and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#N/A
	Poles, Towers and Fixtures - Subtransmission Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	BCP
1830-3	Poles, Towers and Fixtures - Primary	\$5,613,207	\$4,773,629	\$377,896	\$56,790	\$4,350	\$399	\$339,424	\$2,570	\$58,149	PNCP
1830-5	Poles, Towers and Fixtures - Secondary	\$1,685,203	\$1,532,494	\$24,249	\$0	\$0	\$0	\$108,967	\$825	\$18,668	SNCP
1835	Overhead Conductors and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#N/A
	Overhead Conductors and Devices - Subtransmission Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	BCP
1835-3	Overhead Conductors and Devices - Primary	\$4,565,412	\$3,882,554	\$307,356	\$46,189	\$3,538	\$325	\$276,065	\$2,090	\$47,294	PNCP
1835-5	Overhead Conductors and Devices - Secondary	\$1,370,633	\$1,246,429	\$19,723	\$0	\$0	\$0	\$88,626	\$671	\$15,183	SNCP
1840	Underground Conduit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#N/A
1840-3	Underground Conduit - Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	BCP
1840-4	Underground Conduit - Primary	\$7,245,620	\$6,161,879	\$487,795	\$73,305	\$5,615	\$515	\$438,135	\$3,318	\$75,059	PNCP
1840-5	Underground Conduit - Secondary	\$5,206,039	\$4,734,281	\$74,913	\$0	\$0	\$0	\$336,627	\$2,549	\$57,669	SNCP
1845	Underground Conductors and Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#N/A
	Underground Conductors and Devices - Bulk Delivery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	BCP
1845-3	Underground Conductors and Devices - Primary	\$6,913,898	\$5,879,773	\$465,462	\$69,949	\$5,358	\$492	\$418,076	\$3,166	\$71,623	PNCP
	Underground Conductors and Devices - Secondary	\$4,967,693	\$4,517,534	\$71,483	\$0	\$0	\$0	\$321,215	\$2,432	\$55,029	SNCP
1850	Line Transformers	\$6,915,973	\$5,890,761	\$466,332	\$65,095	\$0	\$0	\$418,857	\$3,172	\$71,757	LTNCP
1855	Services	\$7,592,119	\$7,076,866	\$223,961	\$0	\$0	\$0	\$201,278	\$3,810	\$86,205	CWCS
1860	Meters	\$15,037,608	\$11,132,106	\$2,313,411	\$1,428,484	\$129,493	\$34,114	\$0	\$0	\$0	CWMC
1880	IFRS Placeholder Asset Account	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
<b>Sub-total</b>		<b>\$67,164,801</b>	<b>\$56,860,926</b>	<b>\$4,836,993</b>	<b>\$1,745,050</b>	<b>\$155,348</b>	<b>\$37,040</b>	<b>\$2,947,978</b>	<b>\$24,612</b>	<b>\$556,854</b>	
<b>Accumulated Amortization</b>											
Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters											
		(\$32,860,567)	(\$28,317,097)	(\$1,980,750)	(\$542,599)	(\$50,858)	(\$10,949)	(\$1,634,817)	(\$13,692)	(\$309,806)	
<b>Customer Related Net Fixed Assets</b>		<b>\$34,304,234</b>	<b>\$28,543,828</b>	<b>\$2,856,243</b>	<b>\$1,202,451</b>	<b>\$104,491</b>	<b>\$26,092</b>	<b>\$1,313,161</b>	<b>\$10,920</b>	<b>\$247,049</b>	
<b>Allocated General Plant Net Fixed Assets</b>		<b>\$1,817,843</b>	<b>\$1,525,025</b>	<b>\$141,458</b>	<b>\$56,116</b>	<b>\$5,471</b>	<b>\$1,217</b>	<b>\$73,996</b>	<b>\$616</b>	<b>\$13,946</b>	
<b>Customer Related NFA Including General Plant</b>		<b>\$36,122,077</b>	<b>\$30,068,853</b>	<b>\$2,997,701</b>	<b>\$1,258,567</b>	<b>\$109,961</b>	<b>\$27,309</b>	<b>\$1,387,157</b>	<b>\$11,536</b>	<b>\$260,994</b>	
<b>Misc Revenue</b>											
4082	Retail Services Revenues	(\$8,250)	(\$5,233)	(\$708)	(\$841)	(\$1,125)	(\$193)	(\$114)	(\$1)	(\$35)	CWNB
4084	Service Transaction Requests (STR) Revenues	(\$7,600)	(\$4,820)	(\$652)	(\$775)	(\$1,036)	(\$178)	(\$105)	(\$1)	(\$32)	CWNB
4090	Electric Services Incidental to Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
4220	Other Electric Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	NFA
4225	Late Payment Charges	(\$127,572)	(\$91,852)	(\$30,617)	(\$5,103)	\$0	\$0	\$0	\$0	\$0	LPFA
4235	Miscellaneous Service Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
<b>Sub-total</b>		<b>(\$143,422)</b>	<b>(\$101,905)</b>	<b>(\$31,978)</b>	<b>(\$6,719)</b>	<b>(\$2,161)</b>	<b>(\$371)</b>	<b>(\$219)</b>	<b>(\$2)</b>	<b>(\$67)</b>	

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**Guelph Hydro Electric Systems Inc.**  
**Proposed Settlement Agreement**  
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<b>Operating and Maintenance</b>											
5005	Operation Supervision and Engineering	\$757,882	\$665,037	\$36,663	\$4,531	\$275	\$25	\$42,893	\$358	\$8,101	1815-1855
5010	Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1815-1855
5020	Overhead Distribution Lines and Feeders - Operation Labour	\$4,253	\$3,674	\$234	\$33	\$3	\$0	\$261	\$2	\$45	1830 & 1835
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$12,240	\$10,576	\$674	\$95	\$7	\$1	\$752	\$6	\$129	1830 & 1835
5035	Overhead Distribution Transformers- Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1850
5040	Underground Distribution Lines and Feeders - Operation Labour	\$89,205	\$78,061	\$4,031	\$525	\$40	\$4	\$5,550	\$42	\$951	1840 & 1845
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$2,603	\$2,277	\$118	\$15	\$1	\$0	\$162	\$1	\$28	1840 & 1845
5055	Underground Distribution Transformers - Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1850
5065	Meter Expense	\$358,313	\$265,253	\$55,123	\$34,038	\$3,086	\$813	\$0	\$0	\$0	CWMC
5070	Customer Premises - Operation Labour	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CCA
5075	Customer Premises - Materials and Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CCA
5085	Miscellaneous Distribution Expense	\$220,344	\$193,351	\$10,659	\$1,317	\$80	\$7	\$12,471	\$104	\$2,355	1815-1855
5090	Underground Distribution Lines and Feeders - Rental Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1840 & 1845
5095	Overhead Distribution Lines and Feeders - Rental Paid	\$2,700	\$2,333	\$149	\$21	\$2	\$0	\$166	\$1	\$28	1830 & 1835
5096	Other Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	O&M
5105	Maintenance Supervision and Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	1815-1855
5120	Maintenance of Poles, Towers and Fixtures	\$29,070	\$25,118	\$1,602	\$226	\$17	\$2	\$1,786	\$14	\$306	1830
5125	Maintenance of Overhead Conductors and Devices	\$138,795	\$119,925	\$7,648	\$1,080	\$83	\$8	\$8,527	\$65	\$1,461	1835
5130	Maintenance of Overhead Services	\$267,900	\$249,718	\$7,903	\$0	\$0	\$0	\$7,102	\$134	\$3,042	1855
5135	Overhead Distribution Lines and Feeders - Right of Way	\$44,400	\$38,363	\$2,446	\$345	\$26	\$2	\$2,728	\$21	\$467	1830 & 1835
5145	Maintenance of Underground Conduit	\$25,080	\$21,947	\$1,133	\$148	\$11	\$1	\$1,561	\$12	\$267	1840
5150	Maintenance of Underground Conductors and Devices	\$59,280	\$51,875	\$2,679	\$349	\$27	\$2	\$3,688	\$28	\$632	1845
5155	Maintenance of Underground Services	\$168,150	\$156,738	\$4,960	\$0	\$0	\$0	\$4,458	\$84	\$1,909	1855
5160	Maintenance of Line Transformers	\$126,420	\$107,680	\$8,524	\$1,190	\$0	\$0	\$7,656	\$58	\$1,312	1850
5175	Maintenance of Meters	\$56,075	\$41,511	\$8,627	\$5,327	\$483	\$127	\$0	\$0	\$0	1860
<b>Sub-total</b>		<b>\$2,362,709</b>	<b>\$2,033,438</b>	<b>\$153,174</b>	<b>\$49,241</b>	<b>\$4,140</b>	<b>\$993</b>	<b>\$99,762</b>	<b>\$930</b>	<b>\$21,033</b>	
<b>Billing and Collection</b>											
5305	Supervision	\$210,865	\$156,329	\$24,751	\$26,037	\$1,995	\$392	\$5	\$17	\$1,340	CWNB
5310	Meter Reading Expense	\$294,040	\$198,417	\$15,708	\$52,593	\$20,727	\$6,595	\$0	\$0	\$0	CWNR
5315	Customer Billing	\$1,932,590	\$1,432,764	\$226,845	\$238,629	\$18,280	\$3,593	\$48	\$154	\$12,277	CWNB
5320	Collecting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CWNB
5325	Collecting- Cash Over and Short	\$50	\$37	\$6	\$6	\$0	\$0	\$0	\$0	\$0	CWNB
5330	Collection Charges	\$93,351	\$69,208	\$10,957	\$11,527	\$883	\$174	\$2	\$7	\$593	CWNB
5335	Bad Debt Expense	\$150,000	\$113,437	\$15,747	\$20,815	\$0	\$0	\$0	\$0	\$0	BDHA
5340	Miscellaneous Customer Accounts Expenses	\$3,400	\$2,521	\$399	\$420	\$32	\$6	\$0	\$0	\$22	CWNB
<b>Sub-total</b>		<b>\$2,684,296</b>	<b>\$1,972,713</b>	<b>\$294,413</b>	<b>\$350,027</b>	<b>\$41,917</b>	<b>\$10,760</b>	<b>\$56</b>	<b>\$179</b>	<b>\$14,232</b>	
<b>Sub Total Operating, Maintenance and Billing</b>		<b>\$5,047,005</b>	<b>\$4,006,151</b>	<b>\$447,587</b>	<b>\$399,267</b>	<b>\$46,057</b>	<b>\$11,753</b>	<b>\$99,817</b>	<b>\$1,109</b>	<b>\$35,265</b>	
<b>Amortization Expense - Customer Related</b>		<b>\$1,857,323</b>	<b>\$1,520,418</b>	<b>\$169,335</b>	<b>\$80,946</b>	<b>\$11,469</b>	<b>\$2,530</b>	<b>\$60,479</b>	<b>\$513</b>	<b>\$11,633</b>	
<b>Amortization Expense - General Plant assigned to Meters</b>		<b>\$14,857</b>	<b>\$12,464</b>	<b>\$1,156</b>	<b>\$459</b>	<b>\$45</b>	<b>\$10</b>	<b>\$605</b>	<b>\$5</b>	<b>\$114</b>	
<b>Admin and General</b>		<b>\$3,417,755</b>	<b>\$2,711,745</b>	<b>\$303,156</b>	<b>\$270,955</b>	<b>\$31,396</b>	<b>\$8,070</b>	<b>\$67,848</b>	<b>\$752</b>	<b>\$23,833</b>	
<b>Allocated PILs</b>		<b>\$22,975</b>	<b>\$19,117</b>	<b>\$1,913</b>	<b>\$805</b>	<b>\$70</b>	<b>\$17</b>	<b>\$879</b>	<b>\$7</b>	<b>\$165</b>	
<b>Allocated Debt Return</b>		<b>\$1,332,918</b>	<b>\$1,109,093</b>	<b>\$110,982</b>	<b>\$46,722</b>	<b>\$4,060</b>	<b>\$1,014</b>	<b>\$51,024</b>	<b>\$424</b>	<b>\$9,599</b>	
<b>Allocated Equity Return</b>		<b>\$1,657,001</b>	<b>\$1,378,755</b>	<b>\$137,965</b>	<b>\$58,082</b>	<b>\$5,047</b>	<b>\$1,260</b>	<b>\$63,430</b>	<b>\$527</b>	<b>\$11,933</b>	
<b>PLCC Adjustment for Line Transformer</b>		<b>\$197,137</b>	<b>\$167,909</b>	<b>\$13,291</b>	<b>\$1,856</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,946</b>	<b>\$90</b>	<b>\$2,045</b>	
<b>PLCC Adjustment for Primary Costs</b>		<b>\$239,075</b>	<b>\$203,085</b>	<b>\$16,275</b>	<b>\$2,478</b>	<b>\$190</b>	<b>\$17</b>	<b>\$14,446</b>	<b>\$109</b>	<b>\$2,474</b>	
<b>PLCC Adjustment for Secondary Costs</b>		<b>\$873,019</b>	<b>\$723,016</b>	<b>\$54,356</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,552</b>	<b>\$466</b>	<b>\$24,629</b>	
<b>Total</b>		<b>\$11,897,181</b>	<b>\$9,561,827</b>	<b>\$1,056,194</b>	<b>\$846,184</b>	<b>\$95,793</b>	<b>\$24,266</b>	<b>\$246,920</b>	<b>\$2,669</b>	<b>\$63,327</b>	

Below: Grouping to avoid disclosure

## Scenario 1

Accounts included in Avoided Costs Plus General Administration Allocation

Accounts	Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
<b>Distribution Plant</b>									
CWMC	\$ 15,037,608	\$ 11,132,106	\$ 2,313,411	\$ 1,428,484	\$ 129,493	\$ 34,114	\$ -	\$ -	\$ -
<b>Accumulated Amortization</b>									
Accum. Amortization of Electric Utility Plant - Meters only	\$ (3,876,105)	\$ (2,869,419)	\$ (596,307)	\$ (368,207)	\$ (33,378)	\$ (8,793)	\$ -	\$ -	\$ -
<b>Meter Net Fixed Assets</b>	\$ 11,161,504	\$ 8,262,686	\$ 1,717,105	\$ 1,060,277	\$ 96,115	\$ 25,321	\$ -	\$ -	\$ -
<b>Misc Revenue</b>									
CWNB	\$ (15,850)	\$ (10,053)	\$ (1,360)	\$ (1,616)	\$ (2,161)	\$ (371)	\$ (219)	\$ (2)	\$ (67)
NFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LPHA	\$ (127,572)	\$ (91,852)	\$ (30,617)	\$ (5,103)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-total</b>	\$ (143,422)	\$ (101,905)	\$ (31,978)	\$ (6,719)	\$ (2,161)	\$ (371)	\$ (219)	\$ (2)	\$ (67)
<b>Operation</b>									
CWMC	\$ 358,313	\$ 265,253	\$ 55,123	\$ 34,038	\$ 3,086	\$ 813	\$ -	\$ -	\$ -
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-total</b>	\$ 358,313	\$ 265,253	\$ 55,123	\$ 34,038	\$ 3,086	\$ 813	\$ -	\$ -	\$ -
<b>Maintenance</b>									
1860	\$ 56,075	\$ 41,511	\$ 8,627	\$ 5,327	\$ 483	\$ 127	\$ -	\$ -	\$ -
<b>Billing and Collection</b>									
CWMR	\$ 294,040	\$ 198,417	\$ 15,708	\$ 52,593	\$ 20,727	\$ 6,595	\$ -	\$ -	\$ -
CWNB	\$ 2,025,991	\$ 1,502,009	\$ 237,808	\$ 250,162	\$ 19,163	\$ 3,767	\$ 50	\$ 162	\$ 12,870
<b>Sub-total</b>	\$ 2,320,031	\$ 1,700,426	\$ 253,516	\$ 302,754	\$ 39,890	\$ 10,362	\$ 50	\$ 162	\$ 12,870
<b>Total Operation, Maintenance and Billing</b>	\$ 2,734,419	\$ 2,007,191	\$ 317,266	\$ 342,119	\$ 43,459	\$ 11,302	\$ 50	\$ 162	\$ 12,870
<b>Amortization Expense - Meters</b>	\$ 750,635	\$ 555,683	\$ 115,479	\$ 71,306	\$ 6,464	\$ 1,703	\$ -	\$ -	\$ -
Allocated PILs	\$ 7,105	\$ 5,253	\$ 1,096	\$ 678	\$ 61	\$ 16	\$ -	\$ -	\$ -
Allocated Debt Return	\$ 412,191	\$ 304,770	\$ 63,571	\$ 39,361	\$ 3,549	\$ 940	\$ -	\$ -	\$ -
Allocated Equity Return	\$ 512,410	\$ 378,871	\$ 79,028	\$ 48,931	\$ 4,412	\$ 1,169	\$ -	\$ -	\$ -
<b>Total</b>	\$ 4,273,337	\$ 3,149,863	\$ 544,461	\$ 495,677	\$ 55,783	\$ 14,759	\$ (168)	\$ 159	\$ 12,803

## Scenario 2

*Accounts included in Directly Related Customer Costs Plus General Administration Allocation*

Accounts	Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
<b>Distribution Plant</b>									
CWMC	\$ 15,037,608	\$ 11,132,106	\$ 2,313,411	\$ 1,428,484	\$ 129,493	\$ 34,114	\$ -	\$ -	\$ -
<b>Accumulated Amortization</b>									
Accum. Amortization of Electric Utility Plant - Meters only	\$ (3,876,105)	\$ (2,869,419)	\$ (596,307)	\$ (368,207)	\$ (33,378)	\$ (8,793)	\$ -	\$ -	\$ -
<b>Meter Net Fixed Assets</b>	\$ 11,161,504	\$ 8,262,686	\$ 1,717,105	\$ 1,060,277	\$ 96,115	\$ 25,321	\$ -	\$ -	\$ -
<b>Allocated General Plant Net Fixed Assets</b>	\$ 582,189	\$ 441,454	\$ 85,041	\$ 49,481	\$ 5,032	\$ 1,181	\$ -	\$ -	\$ -
<b>Meter Net Fixed Assets Including General Plant</b>	\$ 11,743,693	\$ 8,704,141	\$ 1,802,146	\$ 1,109,758	\$ 101,147	\$ 26,501	\$ -	\$ -	\$ -
<b>Misc Revenue</b>									
CWNB	\$ (15,850)	\$ (10,053)	\$ (1,360)	\$ (1,616)	\$ (2,161)	\$ (371)	\$ (219)	\$ (2)	\$ (67)
NFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LPHA	\$ (127,572)	\$ (91,852)	\$ (30,617)	\$ (5,103)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-total</b>	\$ (143,422)	\$ (101,905)	\$ (31,978)	\$ (6,719)	\$ (2,161)	\$ (371)	\$ (219)	\$ (2)	\$ (67)
<b>Operation</b>									
CWMC	\$ 358,313	\$ 265,253	\$ 55,123	\$ 34,038	\$ 3,086	\$ 813	\$ -	\$ -	\$ -
CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub-total</b>	\$ 358,313	\$ 265,253	\$ 55,123	\$ 34,038	\$ 3,086	\$ 813	\$ -	\$ -	\$ -
<b>Maintenance</b>									
1860	\$ 56,075	\$ 41,511	\$ 8,627	\$ 5,327	\$ 483	\$ 127	\$ -	\$ -	\$ -
<b>Billing and Collection</b>									
CWMR	\$ 294,040	\$ 198,417	\$ 15,708	\$ 52,593	\$ 20,727	\$ 6,595	\$ -	\$ -	\$ -
CWNB	\$ 2,025,991	\$ 1,502,009	\$ 237,808	\$ 250,162	\$ 19,163	\$ 3,767	\$ 50	\$ 162	\$ 12,870
<b>Sub-total</b>	\$ 2,320,031	\$ 1,700,426	\$ 253,516	\$ 302,754	\$ 39,890	\$ 10,362	\$ 50	\$ 162	\$ 12,870
<b>Total Operation, Maintenance and Billing</b>	\$ 2,734,419	\$ 2,007,191	\$ 317,266	\$ 342,119	\$ 43,459	\$ 11,302	\$ 50	\$ 162	\$ 12,870
<b>Amortization Expense - Meters</b>	\$ 750,635	\$ 555,683	\$ 115,479	\$ 71,306	\$ 6,464	\$ 1,703	\$ -	\$ -	\$ -
<b>Amortization Expense - General Plant assigned to Meters</b>	\$ 4,758	\$ 3,608	\$ 695	\$ 404	\$ 41	\$ 10	\$ -	\$ -	\$ -
<b>Admin and General</b>	\$ 1,851,946	\$ 1,358,658	\$ 214,888	\$ 232,172	\$ 29,625	\$ 7,760	\$ 34	\$ 110	\$ 8,698
<b>Allocated PILs</b>	\$ 7,475	\$ 5,534	\$ 1,150	\$ 710	\$ 64	\$ 17	\$ -	\$ -	\$ -
<b>Allocated Debt Return</b>	\$ 433,689	\$ 321,053	\$ 66,719	\$ 41,198	\$ 3,735	\$ 984	\$ -	\$ -	\$ -
<b>Allocated Equity Return</b>	\$ 539,135	\$ 399,113	\$ 82,941	\$ 51,215	\$ 4,643	\$ 1,223	\$ -	\$ -	\$ -
<b>Total</b>	\$ 6,178,635	\$ 4,548,935	\$ 767,161	\$ 732,405	\$ 85,869	\$ 22,628	\$ (134)	\$ 269	\$ 21,502

### Scenario 3

#### Minimum System Customer Costs Adjusted for PLCC - High Limit Fixed Customer Charge

USoA Account #	Accounts	Total	Residential	General Service Less than 50 kW	General Service 50 to 999 kW	General Service Greater 1,000 to 4,999 kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Load
	<b>Distribution Plant</b>									
	CDMPP	\$ 51,396	\$ 32,621	\$ 4,413	\$ 5,238	\$ 6,993	\$ 1,196	\$ 709	\$ 8	\$ 218
	Poles, Towers and Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BCP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PNCP	\$ 24,338,137	\$ 20,697,834	\$ 1,638,508	\$ 246,232	\$ 18,862	\$ 1,730	\$ 1,471,700	\$ 11,144	\$ 252,125
	SNCP	\$ 13,229,568	\$ 12,030,738	\$ 190,368	\$ -	\$ -	\$ -	\$ 855,434	\$ 6,478	\$ 146,549
	Overhead Conductors and Devices	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	LTNCP	\$ 6,915,973	\$ 5,890,761	\$ 466,332	\$ 65,095	\$ -	\$ -	\$ 418,857	\$ 3,172	\$ 71,757
	CWCS	\$ 7,592,119	\$ 7,076,866	\$ 223,961	\$ -	\$ -	\$ -	\$ 201,278	\$ 3,810	\$ 86,205
	CWMC	\$ 15,037,608	\$ 11,132,106	\$ 2,313,411	\$ 1,428,484	\$ 129,493	\$ 34,114	\$ -	\$ -	\$ -
	<i>Sub-total</i>	<i>\$ 67,164,801</i>	<i>\$ 56,860,926</i>	<i>\$ 4,836,993</i>	<i>\$ 1,745,050</i>	<i>\$ 155,348</i>	<i>\$ 37,040</i>	<i>\$ 2,947,978</i>	<i>\$ 24,612</i>	<i>\$ 556,854</i>
	<b>Accumulated Amortization</b>									
	Accum. Amortization of Electric Utility Plant -Line Transformers, Services and Meters	\$ (32,860,567)	\$ (28,317,097)	\$ (1,980,750)	\$ (542,599)	\$ (50,858)	\$ (10,949)	\$ (1,634,817)	\$ (13,692)	\$ (309,806)
	<b>Customer Related Net Fixed Assets</b>	\$ 34,304,234	\$ 28,543,828	\$ 2,856,243	\$ 1,202,451	\$ 104,491	\$ 26,092	\$ 1,313,161	\$ 10,920	\$ 247,049
	<b>Allocated General Plant Net Fixed Assets</b>	\$ 1,817,843	\$ 1,525,025	\$ 141,458	\$ 56,116	\$ 5,471	\$ 1,217	\$ 73,996	\$ 616	\$ 13,946
	<b>Customer Related NFA Including General Plant</b>	\$ 36,122,077	\$ 30,068,853	\$ 2,997,701	\$ 1,258,567	\$ 109,961	\$ 27,309	\$ 1,387,157	\$ 11,536	\$ 260,994
	<b>Misc Revenue</b>									
	CWNB	\$ (15,850)	\$ (10,053)	\$ (1,360)	\$ (1,616)	\$ (2,161)	\$ (371)	\$ (219)	\$ (2)	\$ (67)
	NFA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	LPHA	\$ (127,572)	\$ (91,852)	\$ (30,617)	\$ (5,103)	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Sub-total</i>	<i>\$ (143,422)</i>	<i>\$ (101,905)</i>	<i>\$ (31,978)</i>	<i>\$ (6,719)</i>	<i>\$ (2,161)</i>	<i>\$ (371)</i>	<i>\$ (219)</i>	<i>\$ (2)</i>	<i>\$ (67)</i>
	<b>Operating and Maintenance</b>									
	1815-1855	\$ 978,227	\$ 858,388	\$ 47,322	\$ 5,848	\$ 354	\$ 33	\$ 55,363	\$ 462	\$ 10,456
	1830 & 1835	\$ 63,593	\$ 54,947	\$ 3,504	\$ 495	\$ 38	\$ 3	\$ 3,907	\$ 30	\$ 669
	1850	\$ 126,420	\$ 107,680	\$ 8,524	\$ 1,190	\$ -	\$ -	\$ 7,656	\$ 58	\$ 1,312
	1840 & 1845	\$ 91,808	\$ 80,339	\$ 4,149	\$ 540	\$ 41	\$ 4	\$ 5,712	\$ 43	\$ 979
	CWMC	\$ 358,313	\$ 265,253	\$ 55,123	\$ 34,038	\$ 3,086	\$ 813	\$ -	\$ -	\$ -
	CCA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	O&M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	1830	\$ 29,070	\$ 25,118	\$ 1,602	\$ 226	\$ 17	\$ 2	\$ 1,786	\$ 14	\$ 306
	1835	\$ 138,795	\$ 119,925	\$ 7,648	\$ 1,080	\$ 83	\$ 8	\$ 8,527	\$ 65	\$ 1,461
	1855	\$ 436,050	\$ 406,457	\$ 12,863	\$ -	\$ -	\$ -	\$ 11,560	\$ 219	\$ 4,951
	1840	\$ 25,080	\$ 21,947	\$ 1,133	\$ 148	\$ 11	\$ 1	\$ 1,561	\$ 12	\$ 267
	1845	\$ 59,280	\$ 51,875	\$ 2,679	\$ 349	\$ 27	\$ 2	\$ 3,688	\$ 28	\$ 632
	1860	\$ 56,075	\$ 41,511	\$ 8,627	\$ 5,327	\$ 483	\$ 127	\$ -	\$ -	\$ -
	<i>Sub-total</i>	<i>\$ 2,362,709</i>	<i>\$ 2,033,438</i>	<i>\$ 153,174</i>	<i>\$ 49,241</i>	<i>\$ 4,140</i>	<i>\$ 993</i>	<i>\$ 99,762</i>	<i>\$ 930</i>	<i>\$ 21,033</i>
	<b>Billing and Collection</b>									
	CWNB	\$ 2,240,256	\$ 1,660,858	\$ 262,958	\$ 276,618	\$ 21,190	\$ 4,165	\$ 56	\$ 179	\$ 14,232
	CWMR	\$ 294,040	\$ 198,417	\$ 15,708	\$ 52,593	\$ 20,727	\$ 6,595	\$ -	\$ -	\$ -
	BDHA	\$ 150,000	\$ 113,437	\$ 15,747	\$ 20,815	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Sub-total</i>	<i>\$ 2,684,296</i>	<i>\$ 1,972,713</i>	<i>\$ 294,413</i>	<i>\$ 350,027</i>	<i>\$ 41,917</i>	<i>\$ 10,760</i>	<i>\$ 56</i>	<i>\$ 179</i>	<i>\$ 14,232</i>
	<i>Sub Total Operating, Maintenance and Billing</i>	<i>\$ 5,047,005</i>	<i>\$ 4,006,151</i>	<i>\$ 447,587</i>	<i>\$ 399,267</i>	<i>\$ 46,057</i>	<i>\$ 11,753</i>	<i>\$ 99,817</i>	<i>\$ 1,109</i>	<i>\$ 35,265</i>
	<b>Amortization Expense - Customer Related</b>	\$ 1,857,323	\$ 1,520,418	\$ 169,335	\$ 80,946	\$ 11,469	\$ 2,530	\$ 60,479	\$ 513	\$ 11,633
	<b>Amortization Expense - General Plant assigned to Meters</b>	\$ 14,857	\$ 12,464	\$ 1,156	\$ 459	\$ 45	\$ 10	\$ 605	\$ 5	\$ 114
	<b>Admin and General</b>	\$ 3,417,755	\$ 2,711,745	\$ 303,156	\$ 270,955	\$ 31,396	\$ 8,070	\$ 67,848	\$ 752	\$ 23,833
	<b>Allocated PILs</b>	\$ 22,975	\$ 19,117	\$ 1,913	\$ 805	\$ 70	\$ 17	\$ 879	\$ 7	\$ 165
	<b>Allocated Debt Return</b>	\$ 1,332,918	\$ 1,109,093	\$ 110,982	\$ 46,722	\$ 4,060	\$ 1,014	\$ 51,024	\$ 424	\$ 9,599
	<b>Allocated Equity Return</b>	\$ 1,657,001	\$ 1,378,755	\$ 137,965	\$ 58,082	\$ 5,047	\$ 1,260	\$ 63,430	\$ 527	\$ 11,933
	<b>PLCC Adjustment for Line Transformer</b>	\$ 197,137	\$ 167,909	\$ 13,291	\$ 1,856	\$ -	\$ -	\$ 11,946	\$ 90	\$ 2,045
	<b>PLCC Adjustment for Primary Costs</b>	\$ 239,075	\$ 203,085	\$ 16,275	\$ 2,478	\$ 190	\$ 17	\$ 14,446	\$ 109	\$ 2,474
	<b>PLCC Adjustment for Secondary Costs</b>	\$ 873,019	\$ 723,016	\$ 54,356	\$ -	\$ -	\$ -	\$ 70,552	\$ 466	\$ 24,629
	<b>Total</b>	<b>\$ 11,897,181</b>	<b>\$ 9,561,827</b>	<b>\$ 1,056,194</b>	<b>\$ 846,184</b>	<b>\$ 95,793</b>	<b>\$ 24,266</b>	<b>\$ 246,920</b>	<b>\$ 2,669</b>	<b>\$ 63,327</b>

### ATTACHMENT 3

#### REVENUE REQUIREMENT WORK FORM

		Ontario Energy Board	
		REVENUE REQUIREMENT WORK FORM	
		Version 2.20	
<b>Choose Your Utility:</b> <input type="text" value="Guelph Hydro Electric Systems Inc."/> <input type="text" value="Haldimand County Hydro Inc."/> <input type="text" value="Halton Hills Hydro Inc."/>		<b>File Number:</b> <input type="text" value="EB-2011-0123"/>	<b>Rate Year:</b> <input type="text" value="2012"/>
		 Click here to print the entire workbook	

#### Application Contact Information

Name:

Title:

Phone Number:

Email Address:

#### Copyright

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<a href="#">1_Info</a>	<a href="#">7_Cost_of_Capital</a>
<a href="#">2_Table_of_Contents</a>	<a href="#">8_Rev_Def_Suff</a>
<a href="#">3_Data_Input_Sheet</a>	<a href="#">9_Rev_Reqt</a>
<a href="#">4_Rate_Base</a>	<a href="#">10A_Bill_Impacts - Residential</a>
<a href="#">5_Utility_Income</a>	<a href="#">10B_Bill_Impacts - GS_LT_50kW</a>
<a href="#">6_Taxes_PILs</a>	

**Notes:**

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**






**Ontario Energy Board**  
**REVENUE REQUIREMENT  
WORK FORM**  
  
Version 2.20

**Guelph Hydro Electric Systems Inc.**  
**Data Input <sup>(1)</sup>**

	Initial Application		Adjustments		Settlement Agreement	(6)	Adjustments		Per Board Decision
<b>1</b>	<b>Rate Base</b>								
	Gross Fixed Assets (average)				\$ 177,644,810				\$177,644,810
	Accumulated Depreciation (average)				(\$62,623,827)				(\$62,623,827)
	<b>Allowance for Working Capital:</b>								
	Controllable Expenses				\$ 14,326,000				\$14,326,000
	Cost of Power				\$ 153,524,605				\$153,524,605
	Working Capital Rate (%)				15.00%				15.00%
<b>2</b>	<b>Utility Income</b>								
	<b>Operating Revenues:</b>								
	Distribution Revenue at Current Rates				\$24,763,956				
	Distribution Revenue at Proposed Rates				\$26,383,971				
	<b>Other Revenue:</b>								
	Specific Service Charges				\$572,666				
	Late Payment Charges				\$127,572				
	Other Distribution Revenue				\$390,358				
	Other Income and Deductions				\$1,116,404				
	<b>Total Revenue Offsets</b>				<b>\$2,207,000</b>				
	<b>Operating Expenses:</b>								
	OM+A Expenses				\$ 14,326,000				\$14,326,000
	Depreciation/Amortization				\$ 4,659,567				\$4,659,567
	Property taxes				\$ -				\$0
	Other expenses				\$ 0				\$0

	Initial Application	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
<b>3</b>	<b>Taxes/PILs</b>					
Taxable Income:						
	(\$3,255,915)	(3)	(\$4,586,542)			
Adjustments required to arrive at taxable income						
<b>Utility Income Taxes and Rates:</b>						
Income taxes (not grossed up)	\$538,936		\$66,273			
Income taxes (grossed up)	\$730,761		\$73,246			
Federal tax (%)	15.00%		5.44%			
Provincial tax (%)	11.25%		4.08%			
Income Tax Credits						
<b>4</b>	<b>Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>						
Long-term debt Capitalization Ratio (%)	56.0%		56.0%		56.0%	
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)	4.0%	(2)
Common Equity Capitalization Ratio (%)	40.0%		40.0%		40.0%	
Preferred Shares Capitalization Ratio (%)	0.0%		0.0%		0.0%	
	100.0%		100.0%		100.0%	
<b>Cost of Capital</b>						
Long-term debt Cost Rate (%)	5.26%		5.26%		5.26%	
Short-term debt Cost Rate (%)	2.46%		2.08%		2.08%	
Common Equity Cost Rate (%)	9.58%		9.42%		9.42%	
Preferred Shares Cost Rate (%)	0.00%		0.00%		0.00%	

**Notes:**

- General** Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement



**Ontario Energy Board**

**REVENUE REQUIREMENT  
WORK FORM**

Version 2.20

**Guelph Hydro Electric Systems Inc.  
Rate Base and Working Capital**

Rate Base										
Line No.	Particulars		Initial Application		Adjustments		Settlement Agreement		Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$178,018,480		(\$373,670)		\$177,644,810		\$ -	\$177,644,810
2	Accumulated Depreciation (average)	(3)	(\$63,313,009)		\$689,182		(\$62,623,827)		\$ -	(\$62,623,827)
3	Net Fixed Assets (average)	(3)	\$114,705,471		\$315,512		\$115,020,983		\$ -	\$115,020,983
4	Allowance for Working Capital	(1)	\$23,838,540		\$1,339,051		\$25,177,591		\$ -	\$25,177,591
5	Total Rate Base		\$138,544,011		\$1,654,562		\$140,198,573		\$ -	\$140,198,573

Allowance for Working Capital - Derivation									
(1)									
6	Controllable Expenses		\$15,611,241				\$14,326,000		
7	Cost of Power		<u>\$143,312,358</u>		<u>(\$1,285,241)</u>		<u>\$153,524,605</u>		<u>\$ -</u>
8	Working Capital Base		\$158,923,599		\$8,927,006		\$167,850,605		\$ -
9	Working Capital Rate %	(2)	15.00%		0.00%		15.00%		0.00%
10	Working Capital Allowance		<u>\$23,838,540</u>		<u>\$1,339,051</u>		<u>\$25,177,591</u>		<u>\$ -</u>

Notes  
(2)  
(3)

Some Applicants may have a unique rate as a result of a lead-lag study.  
Average of opening and closing balances for the year.



Guelph Hydro Electric Systems Inc.  
Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
<b>Operating Revenues:</b>						
1	Distribution Revenue (at Proposed Rates)	\$30,652,117	(\$4,268,146)	\$26,383,971	\$ -	\$26,383,971
2	Other Revenue (1)	\$2,050,989	\$156,011	\$2,207,000	\$ -	\$2,207,000
3	Total Operating Revenues	\$32,703,106	(\$4,112,135)	\$28,590,971	\$ -	\$28,590,971
<b>Operating Expenses:</b>						
4	OM+A Expenses	\$15,611,241	(\$1,285,241)	\$14,326,000	\$ -	\$14,326,000
5	Depreciation/Amortization	\$6,831,714	(\$2,172,147)	\$4,659,567	\$ -	\$4,659,567
6	Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$22,442,955	(\$3,457,388)	\$18,985,567	\$ -	\$18,985,567
10	Deemed Interest Expense	\$4,220,383	\$29,092	\$4,249,475	\$ -	\$4,249,475
11	Total Expenses (lines 9 to 10)	\$26,663,338	(\$3,428,296)	\$23,235,042	\$ -	\$23,235,042
12	Utility income before income taxes	\$6,039,768	(\$683,839)	\$5,355,929	\$ -	\$5,355,929
13	Income taxes (grossed-up)	\$730,761	(\$657,516)	\$73,246	\$ -	\$73,246
14	Utility net income	\$5,309,007	(\$26,323)	\$5,282,683	\$ -	\$5,282,683
<b>Notes</b>						
<b>Other Revenues / Revenue Offsets</b>						
(1)	Specific Service Charges	\$416,655	\$156,011	\$572,666		\$572,666
	Late Payment Charges	\$127,572	\$ -	\$127,572		\$127,572
	Other Distribution Revenue	\$390,358	\$ -	\$390,358		\$390,358
	Other Income and Deductions	\$1,116,404	\$ -	\$1,116,404		\$1,116,404
	Total Revenue Offsets	\$2,050,989	\$156,011	\$2,207,000	\$ -	\$2,207,000





**Ontario Energy Board**  
**REVENUE REQUIREMENT  
WORK FORM**  
  
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**Guelph Hydro Electric Systems Inc.**  
**Taxes/PILs**

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<b>Determination of Taxable Income</b>				
1	Utility net income before taxes	\$5,309,007	\$5,282,682	\$5,282,682
2	Adjustments required to arrive at taxable utility income	(\$3,255,915)	(\$4,586,542)	(\$3,255,915)
3	Taxable income	<u>\$2,053,091</u>	<u>\$696,140</u>	<u>\$2,026,767</u>
<b>Calculation of Utility Income Taxes</b>				
4	Income taxes	<u>\$538,936</u>	<u>\$66,273</u>	<u>\$66,273</u>
6	Total taxes	<u>\$538,936</u>	<u>\$66,273</u>	<u>\$66,273</u>
7	Gross-up of Income Taxes	<u>\$191,825</u>	<u>\$6,973</u>	<u>\$6,973</u>
8	Grossed-up Income Taxes	<u>\$730,761</u>	<u>\$73,246</u>	<u>\$73,246</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$730,761</u>	<u>\$73,246</u>	<u>\$73,246</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<b>Tax Rates</b>				
11	Federal tax (%)	15.00%	5.44%	5.44%
12	Provincial tax (%)	11.25%	4.08%	4.08%
13	Total tax rate (%)	<u>26.25%</u>	<u>9.52%</u>	<u>9.52%</u>

**Notes**





**Ontario Energy Board**  
**REVENUE REQUIREMENT**  
**WORK FORM**  
  
**Version 2.20**

**Guelph Hydro Electric Systems Inc.**  
**Capitalization/Cost of Capital**

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$77,584,646	5.26%	\$4,084,056
2	Short-term Debt	4.00%	\$5,541,760	2.46%	\$136,327
3	<b>Total Debt</b>	60.00%	\$83,126,407	5.08%	\$4,220,383
	<b>Equity</b>				
4	Common Equity	40.00%	\$55,417,604	9.58%	\$5,309,007
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$55,417,604	9.58%	\$5,309,007
7	<b>Total</b>	100.00%	\$138,544,011	6.88%	\$9,529,390
		Settlement Agreement			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$78,511,201	5.26%	\$4,132,830
2	Short-term Debt	4.00%	\$5,607,943	2.08%	\$116,645
3	<b>Total Debt</b>	60.00%	\$84,119,144	5.05%	\$4,249,475
	<b>Equity</b>				
4	Common Equity	40.00%	\$56,079,429	9.42%	\$5,282,682
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$56,079,429	9.42%	\$5,282,682
7	<b>Total</b>	100.00%	\$140,198,573	6.80%	\$9,532,157

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$78,511,201	5.26%	\$4,132,830
9	Short-term Debt	4.00%	\$5,607,943	2.08%	\$116,645
10	<b>Total Debt</b>	<u>60.00%</u>	<u>\$84,119,144</u>	<u>5.05%</u>	<u>\$4,249,475</u>
	<b>Equity</b>				
11	Common Equity	40.00%	\$56,079,429	9.42%	\$5,282,682
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<u>40.00%</u>	<u>\$56,079,429</u>	<u>9.42%</u>	<u>\$5,282,682</u>
14	<b>Total</b>	<u>100.00%</u>	<u>\$140,198,573</u>	<u>6.80%</u>	<u>\$9,532,157</u>

**Notes**

(1)

4.0% unless an Applicant has proposed or been approved for another amount.




Guelph Hydro Electric Systems Inc.  
Revenue Deficiency/Sufficiency


Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$5,944,117		\$1,620,014		\$1,620,014
2	Distribution Revenue	\$24,708,000	\$24,708,000	\$24,763,956	\$24,763,957	\$24,763,956	\$24,763,957
3	Other Operating Revenue	\$2,050,989	\$2,050,989	\$2,207,000	\$2,207,000	\$2,207,000	\$2,207,000
	Offsets - net						
4	<b>Total Revenue</b>	<b>\$26,758,989</b>	<b>\$32,703,106</b>	<b>\$26,970,956</b>	<b>\$28,590,971</b>	<b>\$26,970,956</b>	<b>\$28,590,971</b>
5	Operating Expenses	\$22,442,955	\$22,442,955	\$18,985,567	\$18,985,567	\$18,985,567	\$18,985,567
6	Deemed Interest Expense	\$4,220,383	\$4,220,383	\$4,249,475	\$4,249,475	\$4,249,475	\$4,249,475
	<b>Total Cost and Expenses</b>	<b>\$26,663,338</b>	<b>\$26,663,338</b>	<b>\$23,235,042</b>	<b>\$23,235,042</b>	<b>\$23,235,042</b>	<b>\$23,235,042</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$95,651</b>	<b>\$6,039,768</b>	<b>\$3,735,914</b>	<b>\$5,355,929</b>	<b>\$3,735,914</b>	<b>\$5,355,929</b>
8		<b>(\$3,255,915)</b>	<b>(\$3,255,915)</b>	<b>(\$4,586,542)</b>	<b>(\$4,586,542)</b>	<b>(\$4,586,542)</b>	<b>(\$4,586,542)</b>
	Tax Adjustments to Accounting Income per 2009 PILs						
9	<b>Taxable Income</b>	<b>(\$3,160,265)</b>	<b>\$2,783,852</b>	<b>(\$850,628)</b>	<b>\$769,387</b>	<b>(\$850,628)</b>	<b>\$769,387</b>
10	Income Tax Rate	26.25%	26.25%	9.52%	9.52%	9.52%	9.52%
11		<b>(\$829,569)</b>	<b>\$730,761</b>	<b>(\$80,980)</b>	<b>\$73,246</b>	<b>(\$80,980)</b>	<b>\$73,246</b>
	<b>Income Tax on Taxable Income</b>						
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>\$925,220</b>	<b>\$5,309,007</b>	<b>\$3,816,894</b>	<b>\$5,282,683</b>	<b>\$3,816,894</b>	<b>\$5,282,683</b>

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
14	Utility Rate Base	\$138,544,011	\$138,544,011	\$140,198,573	\$140,198,573	\$140,198,573	\$140,198,573
	Deemed Equity Portion of Rate Base	\$55,417,604	\$55,417,604	\$56,079,429	\$56,079,429	\$56,079,429	\$56,079,429
15	Income/(Equity Portion of Rate Base)	1.67%	9.58%	6.81%	9.42%	6.81%	9.42%
16	Target Return - Equity on Rate Base	9.58%	9.58%	9.42%	9.42%	9.42%	9.42%
17	Deficiency/Sufficiency in Return on Equity	-7.91%	0.00%	-2.61%	0.00%	-2.61%	0.00%
18	Indicated Rate of Return	3.71%	6.88%	5.75%	6.80%	5.75%	6.80%
19	Requested Rate of Return on Rate Base	6.88%	6.88%	6.80%	6.80%	6.80%	6.80%
20	Deficiency/Sufficiency in Rate of Return	-3.16%	0.00%	-1.05%	0.00%	-1.05%	0.00%
21	Target Return on Equity	\$5,309,007	\$5,309,007	\$5,282,682	\$5,282,682	\$5,282,682	\$5,282,682
22	Revenue Deficiency/(Sufficiency)	\$4,383,786	\$ -	\$1,465,789	\$1	\$1,465,789	\$1
23	Gross Revenue Deficiency/(Sufficiency)	\$5,944,117 (1)		\$1,620,014 (1)		\$1,620,014 (1)	

Notes:  
(1)

Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)





**Ontario Energy Board**  
**REVENUE REQUIREMENT  
WORK FORM**  
**Version 2.20**

**Guelph Hydro Electric Systems Inc.**  
**Revenue Requirement**

Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	\$15,611,241		\$14,326,000		\$14,326,000	
2	Amortization/Depreciation	\$6,831,714		\$4,659,567		\$4,659,567	
3	Property Taxes	\$ -		\$ -		\$ -	
5	Income Taxes (Grossed up)	\$730,761		\$73,246		\$73,246	
6	Other Expenses	\$ -		\$ -		\$ -	
7	Return						
	Deemed Interest Expense	\$4,220,383		\$4,249,475		\$4,249,475	
	Return on Deemed Equity	\$5,309,007		\$5,282,682		\$5,282,682	
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$32,703,106</u>		<u>\$28,590,970</u>		<u>\$28,590,970</u>	
9	Revenue Offsets	\$2,050,989		\$2,207,000		\$ -	
10	<b>Base Revenue Requirement</b>	<u>\$30,652,117</u>		<u>\$26,383,970</u>		<u>\$28,590,970</u>	
11	Distribution revenue	\$30,652,117		\$26,383,971		\$26,383,971	
12	Other revenue	\$2,050,989		\$2,207,000		\$2,207,000	
13	<b>Total revenue</b>	<u>\$32,703,106</u>		<u>\$28,590,971</u>		<u>\$28,590,971</u>	
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$ -</u>	(1)	<u>\$1</u>	(1)	<u>\$1</u>	(1)
<b>Notes (1)</b>	Line 11 - Line 8						

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 13.4100	1	\$ 13.41	\$ 14.2900	1	\$ 14.29	\$ 0.88	6.56%
2 Smart Meter Rate Adder	monthly	\$ 1.1700	1	\$ 1.17		1	\$ -	-\$ 1.17	-100.00%
3 Service Charge Rate Adder(s)	monthly	\$ -	1	\$ -	\$ 0.1165	1	-\$ 0.12	-\$ 0.12	
4 Service Charge Rate Rider(s)	monthly	\$ -	1	\$ -	-\$ 0.1773	1	-\$ 0.18	-\$ 0.18	
5 Distribution Volumetric Rate	per kWh	\$ 0.0164	800	\$ 13.12	\$ 0.0174	800	\$ 13.92	\$ 0.80	6.10%
6 Low Voltage Rate Adder	per kWh	\$ 0.0001	800	\$ 0.08	\$ -	800	\$ -	-\$ 0.08	-100.00%
7 Volumetric Rate Adder(s)		\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
8 Volumetric Rate Rider(s)		\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
9 Smart Meter Disposition Rider	monthly	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
10 LRAM & SSM Rate Rider	per kWh	\$ -	800	\$ -	\$ 0.0003	800	\$ 0.24	\$ 0.24	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0015	800	-\$ 1.20	-\$ 0.0020	800	-\$ 1.59	-\$ 0.39	32.29%
12 Recovery of Late Payment Penalty	monthly	\$ 0.2200	1	\$ 0.22	\$ 0.2200	1	\$ 0.22	\$ -	0.00%
13 Incremental Capital Module Adder	per kWh	\$ 0.0008	800	\$ 0.64	\$ -	800	\$ -	-\$ 0.64	-100.00%
14 Tax Change Rate Rider	per kWh	-\$ 0.0005	800	-\$ 0.40	\$ -	800	\$ -	\$ 0.40	-100.00%
15 Global Adjustment Sub-Account D	per kWh	\$ 0.0006	800	\$ 0.48	-\$ 0.0001	800	-\$ 0.10	-\$ 0.58	-120.90%
16 Sub-Total A - Distribution				\$ 27.52			\$ 26.69	-\$ 0.83	-3.02%
17 RTSR - Network	per kWh	\$ 0.0062	832.32	\$ 5.16	\$ 0.0064	816.72	\$ 5.23	\$ 0.07	1.29%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0052	832.32	\$ 4.33	\$ 0.0053	816.72	\$ 4.33	\$ 0.00	0.01%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 37.01			\$ 36.24	-\$ 0.76	-2.07%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	832.32	\$ 4.33	\$ 0.0052	816.72	\$ 4.25	-\$ 0.08	-1.87%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	832.32	\$ 1.08	\$ 0.0013	816.72	\$ 1.06	-\$ 0.02	-1.87%
22 Special Purpose Charge		\$ -	832.32	\$ -	\$ -	816.72	\$ -	\$ -	
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25 Energy	per kWh	\$ 0.0752	832.32	\$ 62.55	\$ 0.0752	816.72	\$ 61.38	-\$ 1.17	-1.87%
26 Stranded Meter Cost Recovery Rate Adder	monthly	\$ -		\$ -	\$ 0.7333	1	\$ 0.73	\$ 0.73	
27 GEA Rate Adder (sum of Renewal)	monthly	\$ -		\$ -	\$ 0.9346	1	\$ 0.93	\$ 0.93	
28 Total Bill (before Taxes)				\$ 110.82			\$ 110.45	\$ 0.37	-0.33%
29 HST		13%		\$ 14.41	13%		\$ 14.36	-\$ 0.05	-0.33%
30 Total Bill (including Sub-total B)				\$ 125.22			\$ 124.81	-\$ 0.41	-0.33%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 12.52	-10%		-\$ 12.48	\$ 0.04	-0.32%
32 Total Bill (including OCEB)				\$ 112.70			\$ 112.33	-\$ 0.37	-0.33%
33 Loss Factor (%)	Note 1	4.04%			2.09%				

**Notes:**

(1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.

3. Smart Meter Disposition Rate Rider

4. Post Retirement Actuarial Gain (PRAG) Rate Rider

26. Stranded Meter Cost Recovery - should be considered under Sub-Total A- Distribution

27. GEA Rate Adder - should be considered under Sub-Total A - Distribution

Note: The Bill Impact does not include the 1562 PILs Disp Rate Rider because there are no more place holders for additional monthly rate riders

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 12.2600	1	\$ 12.26	\$ 14.2900	1	\$ 14.29	\$ 2.03	16.56%
2 Smart Meter Rate Adder	monthly	\$ 1.1700	1	\$ 1.17	\$ 0.1165	1	\$ 0.12	\$ 1.29	-109.96%
3 Service Charge Rate Adder(s)	monthly	\$ -	1	\$ -	\$ 0.2463	1	\$ 0.25	\$ 0.25	
4 Service Charge Rate Rider(s)	monthly	\$ -	1	\$ -	\$ 0.4994	1	\$ 0.50	\$ 0.50	
5 Distribution Volumetric Rate	per kWh	\$ 0.0156	2000	\$ 31.20	\$ 0.0134	2000	\$ 26.80	\$ 4.40	-14.10%
6 Low Voltage Rate Adder	per kWh	\$ 0.0001	2000	\$ 0.20	\$ -	2000	\$ -	\$ 0.20	-100.00%
7 Volumetric Rate Adder(s)		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
9 Smart Meter Disposition Rider		\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
10 LRAM & SSM Rider	per kWh	\$ -	2000	\$ -	\$ 0.0001	2000	\$ 0.20	\$ 0.20	
11 Deferral/Variance Account Disposition Rate Rider	per kWh	\$ 0.0015	2000	\$ 3.00	\$ 0.0014	2000	\$ 2.74	\$ 0.26	-8.81%
12 Recovery of Late Payment Penalty	monthly	\$ 0.5700	1	\$ 0.57	\$ 0.5700	1	\$ 0.57	\$ -	0.00%
13 Incremental Capital Module Adder	per kWh	\$ 0.0004	2000	\$ 0.80	\$ -	2000	\$ -	\$ 0.80	-100.00%
14 Tax Change Rate Rider	per kWh	\$ 0.0003	2000	\$ 0.60	\$ -	2000	\$ -	\$ 0.60	-100.00%
15 Global Adjustment Sub-Account D	per kWh	\$ 0.0006	2000	\$ 1.20	\$ 0.0001	2000	\$ 0.29	\$ 1.49	-124.00%
16 Sub-Total A - Distribution				\$ 43.80			\$ 37.97	\$ 5.83	-13.30%
17 RTSR - Network	per kWh	\$ 0.0057	2080.8	\$ 11.86	\$ 0.0059	2041.8	\$ 12.05	\$ 0.19	1.57%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0046	2080.8	\$ 9.57	\$ 0.0047	2041.8	\$ 9.60	\$ 0.02	0.26%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 65.23			\$ 59.62	\$ 5.61	-8.61%
20 Wholesale Market Service Charge (WMS)	per kWh	\$ 0.0052	2080.8	\$ 10.82	\$ 0.0052	2041.8	\$ 10.62	\$ 0.20	-1.87%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2080.8	\$ 2.71	\$ 0.0013	2041.8	\$ 2.65	\$ 0.05	-1.87%
22 Special Purpose Charge		\$ -	2080.8	\$ -	\$ -	2041.8	\$ -	\$ -	
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25 Energy	per kWh	\$ 0.0752	2080.8	\$ 156.37	\$ 0.0752	2041.8	\$ 153.44	\$ 2.93	-1.87%
26 Stranded Meter Cost Recovery Rate	monthly	\$ -		\$ -	\$ 0.7333	1	\$ 0.73	\$ 0.73	
27 GEA Rate Adder		\$ -		\$ -	\$ 1.9107	1	\$ 1.91	\$ 1.91	
28 Total Bill (before Taxes)				\$ 249.38			\$ 243.22	\$ 6.16	-2.47%
29 HST		13%		\$ 32.42	13%		\$ 31.62	\$ 0.80	-2.47%
30 Total Bill (including Sub-total B)				\$ 281.80			\$ 274.84	\$ 6.96	-2.47%
31 Ontario Clean Energy Benefit (OCEB)		-10%		\$ 28.18	-10%		\$ 27.48	\$ 0.70	-2.48%
32 Total Bill (including OCEB)				\$ 253.62			\$ 247.36	\$ 6.26	-2.47%
33 Loss Factor (1)			4.04%				2.09%		

Notes:

(1): See Note (1) from Sheet 10A. Bill Impacts - Residential

3. Smart Meter Disposition Rate Rider  
4. Post Retirement Actuarial Gain (PRAG) Rate Rider  
26. Stranded Meter Cost Recovery - should be considered under Sub-Total A- Distribution  
27. GEA Rate Adder - should be considered under Sub-Total A - Distribution

Note: The Bill Impact does not include the 1562 PILs Disp Rate Rider because there are no more place holders for additional monthly rate riders