

IMBSI
OEB Report and
Evidence Package

1562 Deferred PILS
Determination & Disposition

for

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Dumfries Hydro Inc.

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Overview

Cambridge and North Dumfries Hydro Inc. (CNDHI) contracted with Ian McKenzie Business Services Inc. (IMBSI) to provide an independent 1562 Deferred PILS Determination evidence package to support the disposition of the 1562 Deferred PILS Regulatory Asset account, as part of the current Incentive Regulation Mechanism (IRM) rate application.

The evidence package conforms to the principles set out in the combined proceeding decision (EB-2008-0381). In addition, the evidence package meets the expectations of Board Staff which have been communicated through Board Staff interrogatories to other applicants and a letter sent to all LDCs dated September 13, 2011.

Application for Disposition

CNDHI is applying to disposition a debit (owing from customers) of \$306,922 as per the attached continuity schedule (see Appendix 1).

Principal to Dec. 31, 2010	Interest to Dec. 31, 2010	Estimated Interest (Jan 1 to Dec 31, 2011)	Estimated Interest (Jan 1 to Apr 30, 2012)	Disposition Total
\$76,207	\$229,221	\$1,121	\$373	\$306,922

CNDHI is applying for a 1562 Deferred PILS Disposition value as determined by this independent valuation. This disposition value differs from amounts previously reported to the OEB through RRR filings.

Allocation to Customer Classes

CNDHI filed a 2010 Cost of Service (CoS) rate application and is using the associated approved Distribution Revenue Requirement by customer class to allocate the 1562 Deferred PILS credit balance. A summary is provided below.

Rate Class	2010 Approved DRR	Allocation %	Allocated 1562 Disposition Value (including interest to Apr. 30, 2012)
Residential	\$ 11,665,282	50.48%	154,948.52
General Service < 50 kW	\$ 2,882,308	12.47%	38,285.35
General Service > 50 kW	\$ 5,883,815	25.46%	78,154.00
General Service > 50 kW (TOU)	\$ 1,540,158	6.67%	20,457.73
Large Use	\$ 694,163	3.00%	9,220.48
Street Lights	\$ 355,668	1.54%	4,724.29
Unmetered Loads	\$ 85,200	0.37%	1,131.70
Total	\$ 23,106,594	100.00%	306,922.07
Approved DRR (from 2010)	\$ 23,201,066		
Embedded Class	\$ 94,473	(was not a customer during 2002 to 2005 period where PILS receivable was created as a result we are not proposing to collect any rate riders from this class)	
Allocated DRR	\$ 23,106,593	(dollar difference due to rounding)	

Rate Riders

CNDHI is using the approved load profiles; from the 2010 CoS rate application to determine the 1562 recovery rate riders. CNDHI is applying to recover these costs over a one-year period. Please see rate rider calculations below.

Rate Class	Allocated 1562 Value	Recovery Period (years)	Annual Recovery Amount	2010 Approved Billing Determinant (kWh / kW)	Proposed Rate Rider
Residential	154,948.52	1	154,948.52	389,793,819	0.0004 per kWh
General Service < 50 kW	38,285.35	1	38,285.35	168,223,630	0.0002 per kWh
General Service > 50 kW	78,154.00	1	78,154.00	1,312,686	0.0595 per kW
General Service > 50 kW (TOU)	20,457.73	1	20,457.73	478,860	0.0427 per kW
Large Use	9,220.48	1	9,220.48	308,824	0.0299 per kW
Street Lights	4,724.29	1	4,724.29	24,144	0.1957 per kW
Unmetered Loads	1,131.70	1	1,131.70	1,855,931	0.0006 per kWh
Total	306,922.07	1	306,922.07		

Methodology

PILS Entitlement

The PILS entitlements utilized in the continuity schedule (Appendix 1) are based on approved PILS amounts included in approved distribution rates which are summarized in the table below.

Year	Rate Model	References		PILS Entitlement Amount	Effective Start Date	Effective End Date	Monthly Amount	Comments
		PILS Model	Decision					
Q4 2001	Appendix 2	Appendix 3	Appendix 5	\$ 710,984.00	Oct. 1, 2001	Dec. 31, 2001	\$ 236,994.67	Q4 2001 Entitlement / 3 months
2002	Appendix 2	Appendix 4	Appendix 5	\$ 2,688,086.00	Jan. 1, 2002	Dec. 31, 2002	\$ 224,007.17	2002 Entitlement / 12 months
2003	Appendix 2	Appendices 3&4	Appendix 5	\$ 3,399,070.00	Jan. 1, 2003	Dec. 31, 2003	\$ 283,255.83	(Q4 2001 + 2002 Entitlements) / 12 months
2004	Appendix 2	Appendices 3&4	Appendix 5	\$ 3,399,070.00	Jan. 1, 2004	Mar. 31, 2004	\$ 283,255.83	(Q4 2001 + 2002 Entitlements) / 12 months
2004	Appendix 6	Appendix 7	Appendix 8	\$ 2,688,086.00	Apr. 1, 2004	Mar. 31, 2005	\$ 224,007.17	2004 Entitlement / 12 months
2005	Appendix 9	Appendix 10	Appendix 11	\$ 2,641,697.00	Apr. 1, 2005	Apr. 30, 2006	\$ 220,141.42	2005 Entitlement / 12 months

The referenced appendices in the table above reconcile the approved determination of PILS (from PILS Model) to the approved rates (from RAM models) to the rate orders (Decisions).

The monthly PILS entitlement calculations are explained in the comments section of the table above and reconcile to the entitlements used in the continuity schedule (Appendix 1).

PILS Recoveries

The PILS recoveries utilized in the continuity schedule (Appendix 1) are derived from billing determinants multiplied by approved PILS rate slivers, as per the methodology used by the applicants in the combined proceeding.

March 1, 2002 to March 31, 2004 (Appendix 32)

Variable Charge PILS recoveries are determined by multiplying monthly billing determinants (kWh / kW) by the combination of variable rate slivers found in Sheet 6 (Q4 2001 PILS) and Sheet 8 (2002 PILS) of Appendix 2.

Fixed Charge PILS recoveries are determined by multiplying the number of customers billed in the month by the combination of fixed rate slivers found in Sheet 6 (Q4 2001 PILS) and Sheet 8 (2002 PILS) of Appendix 2.

April 1, 2004 to February 28, 2005 (Appendix 33)

Variable Charge PILS recoveries are determined by multiplying monthly billing determinants (kWh / kW) by the variable rate slivers found in Sheet 7 of Appendix 6.

There were no Fixed Charge PILS recoveries in the 2004 rate year.

March 1, 2005 to April 31, 2006 (Appendix 34)

Variable Charge PILS recoveries are determined by multiplying monthly billing determinants (kWh / kW) by the variable rate slivers found in Sheet 4 of Appendix 9.

There were no Fixed Charge PILS recoveries in the 2005 rate year.

Unbilled Revenue

CNDHI utilizes bi-monthly billing for all Residential and the majority of General Service < 50 kW customers. All other classes are billed on a monthly basis.

The General Service < 50 kW class has customers billed both at monthly and bi-monthly cycles. Historically a migration towards monthly billing has occurred. For the 2002 to 2006 period, the majority of customers were billed bi-monthly. IMBSI has utilized bi-monthly unbilled adjustments (25%/75% split) for all customers in the General Service < 50 class for the PILS period (March 2002 to April 2006)

IMBSI has utilized a 25%/75% split for bi-monthly billed customers and a 50% / 50% split for monthly billed customers to allocate billing determinants over rate change months to reasonably estimate the appropriate PILS recoveries from the transition months billings at both old and new rates.

In addition, IMBSI has utilized the same unbilled estimation rules for the starting month (March 2002) and ending month (April 2006), again to reasonably estimate the PILS recoveries from customer consumptions.

The 25% / 75% unbilled split, for bi-monthly billed customers, is based on evenly distributed billing cycles over the 2 month billing cycle. Upon a rate change 25% of quantities billed in the rate change month relate to consumption at new rates and the month following a rate change contains 75% of consumption at new rates and for the third month onward 100% of the consumption relates to new rates. (e.g. March rate change 25% of March, 75% of April and 100% of May consumption apply to new rates.

The 50% / 50% unbilled split is based on evenly distributed billing cycles over the month. Billing cycles at the beginning of the month have little or no consumption at new rates, whereas billing cycles at the end of the month have the majority of the consumption at new rates. On average there is a 50% / 50% consumption split. CNDHI utilized monthly billing cycles.

SIMPILS True-Up Models

Overview

Included in Appendices 12 to 16 are SIMPILS True-Up Models for the years 2001 to 2005. The values from these models appear on the 1562 Deferred PILS continuity schedule set out in Appendix 1.

These models have been prepared in accordance with the principles established in EB-2008-0381 and utilize the following inputs:

- Approved PILS included in approved rates, see Appendices 3,4, 7 & 10
- Federal T2 Tax Returns, see Appendices 17, 20, 23, 26 & 29
- Provincial CT 23 Tax Returns, see Appendices 18, 21, 24, 27 & 30
- Notices of Assessment, see Appendices 19, 22, 25, 28 & 31

CNDHI did not incur any tax losses over the 2001 to 2005 period

The income tax rate used for true-up purposes is the actual legislated tax rate for the applicable year based on the regulatory taxable income used to determine PILS that were included in rates, not the rate used to set PILS included in rates or the actual income tax rate paid. As PILS included in rates were determined using the maximum tax rates for every year the maximum rates approved in EB-2008-0381 page 17 of the decision are utilized for true-up purposes.

The tax rates for gross-up purposes reflect a 1.12% surtax reduction.

IMBSI believes these are the proper rates to utilize, as they reflect the intent of the SIMPILS process to capture changes in legislated tax rates. The PILS included in rates were determined well in advance of the actual tax years using proxies for what the actual tax rates would be. Utilizing the actual tax rates that would be applicable to the same level of regulatory net income as used to set PILS in rates properly captures the changes in legislation. This captures the difference between the rates used to determine PILS included in rates and what the PILS would have been if they were set in the actual tax year with knowledge of any changes in tax rates.

The use of the legislated tax rate for the applicable year is also consistent with the principles established in the recent EB-2008-0381 decision. The SIMPILS models filed for all years by all applicants used the legislated current year tax rate for true-up purposes.

CNDHI included a regulatory asset deduction to taxable income in 2004. IMBSI has categorized this adjustment to taxable income in the TaxRec3 tab of the 2004 SIMPILS Model to ensure no true-up of these items. This is in accordance with the direction provided in the decisions relating to the recent combined proceeding (EB-2008-0381).

Similarly CNDHI had a regulatory deduction to taxable income in its amended 2005 tax return.

CNDHI did not incur any fees or charges related to borrowings.

Tax Assessments

Ministry of Finance Assessment notices are contained in Appendices 19, 22, 25, 28 & 31.

CNDHI confirms that all tax years from 2001 to 2005 are statute barred.

Tax Returns

The tax returns utilized for 2001 to 2005 are the latest returns filed with the Ministry of Finance.

The 2002 tax return included in the SIMPILS model was subsequently adjusted by an increase in CCA (decrease in taxable income) - see Appendix 22. This adjustment has no impact on the SIMPILS true-up as CCA is not a true-up item.

The 2005 tax return included in the SIMPILS model was subsequently adjusted for a variety of factors - see Appendix 31. These adjustments have no impact on the SIMPILS true-up determination.

Permanent Revenue Adjustment Re: Late Payment Revenue

The 2002 rate approval included a late payment permanent revenue adjustment of \$269,401 which was categorized as a regulatory adjustment increase to taxable income on the PILS determination model (Initial Estimate). Other LDCs had this late payment revenue included as part of Tab 3 (along with MARR) in the 2002 RAM.

The SIMPILS model automatically true-ups any regulatory adjustments to taxable income. This late payment revenue approval is a permanent approval not subject to true-up so the true-up in the 2002 to 2004 SIMPILS models (Appendices 13 to 15) has been eliminated.

Summary of True-UpsQ4 2001

There are no true-ups for 2001.

2002

There are no true-ups for 2002.

2003

There is a true-up credit of (\$115,730).

This is caused by an income tax rate decrease from 38.62% to 36.62%

2004

There is a true-up credit of (\$208,272).

This is caused by three factors:

- A reduction in tax on regulatory net income.
 - The tax rate declines from 38.62% (including surtax), used to determine regulatory PILS included in rates, to the legislated tax rate of 36.12% (including surtax) resulting in a (\$143,549) credit.
- An increase in the amount of exempt capital for LCT tax determination purposes and a reduction in LCT tax rates resulting in a (\$148,352) credit.
- A true-up debit of \$83,629 due to the grossed up tax effect of incremental taxable income arising from Employee Future Benefit Expenses

2005

There is a true-up debit of \$22,507.

This is caused by a true up of Employee Future Benefit expenses.

Interest Improvement

Interest rates used for monthly interest improvement can be found in Appendix 1 (continuity schedule). The continuity schedule shows an annual interest rate of 7.25% for the period Q4 2001 to April 2006 (approved long-term debt rate). Interest rates used from May 2006 to September 2011 are based on the OEB prescribed interest rates. The Q4 2011 rate has been used to determine interest carrying charges up to April 30, 2012.

Interest carrying charges have been determined using month opening balances with no interest compounding as per OEB requirements.

Appendix 1

Monthly Continuity Schedule

Cambridge and North Dumfries Hydro Inc. 1562 Deferred PILS - Continuity Schedule

Year: **Q4 2001**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
October	\$ 236,994.67	\$ -		\$ 236,994.67	\$ 236,994.67	7.25%	\$ -	\$ -	\$ 236,994.67
November	\$ 236,994.67	\$ -		\$ 236,994.67	\$ 473,989.33	7.25%	\$ 1,431.84	\$ 1,431.84	\$ 475,421.18
December	\$ 236,994.67	\$ -		\$ 236,994.67	\$ 710,984.00	7.25%	\$ 2,863.69	\$ 4,295.53	\$ 715,279.53
Total	\$ 710,984.00	\$ -	\$ -	\$ 710,984.00			\$ 4,295.53		

Year: **2002**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 224,007.17	\$ -		\$ 224,007.17	\$ 934,991.17	7.25%	\$ 4,295.53	\$ 8,591.06	\$ 943,582.22
February	\$ 224,007.17	\$ -		\$ 224,007.17	\$ 1,158,998.33	7.25%	\$ 5,648.90	\$ 14,239.96	\$ 1,173,238.29
March	\$ 224,007.17	\$ 96,175.27		\$ 127,831.89	\$ 1,286,830.23	7.25%	\$ 7,002.28	\$ 21,242.24	\$ 1,308,072.47
April	\$ 224,007.17	\$ 227,128.07		\$ 3,120.90	\$ 1,283,709.33	7.25%	\$ 7,774.60	\$ 29,016.84	\$ 1,312,726.17
May	\$ 224,007.17	\$ 292,398.56		\$ 68,391.40	\$ 1,215,317.93	7.25%	\$ 7,755.74	\$ 36,772.59	\$ 1,252,090.51
June	\$ 224,007.17	\$ 228,767.95		\$ 4,760.78	\$ 1,210,557.14	7.25%	\$ 7,342.55	\$ 44,115.13	\$ 1,254,672.28
July	\$ 224,007.17	\$ 242,178.57	\$ -	\$ 18,171.41	\$ 1,192,385.74	7.25%	\$ 7,313.78	\$ 51,428.91	\$ 1,243,814.65
August	\$ 224,007.17	\$ 302,695.68		\$ 78,688.52	\$ 1,113,697.22	7.25%	\$ 7,204.00	\$ 58,632.91	\$ 1,172,330.13
September	\$ 224,007.17	\$ 305,073.62		\$ 81,066.46	\$ 1,032,630.76	7.25%	\$ 6,728.59	\$ 65,361.50	\$ 1,097,992.26
October	\$ 224,007.17	\$ 345,431.14		\$ 121,423.98	\$ 911,206.79	7.25%	\$ 6,238.81	\$ 71,600.31	\$ 982,807.10
November	\$ 224,007.17	\$ 266,793.33		\$ 42,786.16	\$ 868,420.63	7.25%	\$ 5,505.21	\$ 77,105.52	\$ 945,526.14
December	\$ 224,007.17	\$ 257,223.72		\$ 33,216.55	\$ 835,204.07	7.25%	\$ 5,246.71	\$ 82,352.23	\$ 917,556.30
Total	\$ 2,688,086.00	\$ 2,563,865.93	\$ -	\$ 124,220.07			\$ 78,056.70		

Year: **2003**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 283,255.83	\$ 297,703.48		\$ 14,447.65	\$ 820,756.43	7.25%	\$ 5,046.02	\$ 87,398.25	\$ 908,154.68
February	\$ 283,255.83	\$ 349,849.46		\$ 66,593.63	\$ 754,162.79	7.25%	\$ 4,958.74	\$ 92,356.99	\$ 846,519.78
March	\$ 283,255.83	\$ 312,866.68		\$ 29,610.85	\$ 724,551.95	7.25%	\$ 4,556.40	\$ 96,913.39	\$ 821,465.33
April	\$ 283,255.83	\$ 300,780.78		\$ 17,524.94	\$ 707,027.00	7.25%	\$ 4,377.50	\$ 101,290.89	\$ 808,317.89
May	\$ 283,255.83	\$ 278,734.84		\$ 4,520.99	\$ 711,547.99	7.25%	\$ 4,271.62	\$ 105,562.51	\$ 817,110.50
June	\$ 283,255.83	\$ 267,035.00		\$ 16,220.83	\$ 727,768.82	7.25%	\$ 4,298.94	\$ 109,861.45	\$ 837,630.27
July	\$ 283,255.83	\$ 286,248.94	\$ -	\$ 2,993.11	\$ 724,775.72	7.25%	\$ 4,396.94	\$ 114,258.38	\$ 839,034.10
August	\$ 283,255.83	\$ 274,067.78		\$ 9,188.06	\$ 733,963.77	7.25%	\$ 4,378.85	\$ 118,637.24	\$ 852,601.01
September	\$ 283,255.83	\$ 302,847.78		\$ 19,591.95	\$ 714,371.82	7.25%	\$ 4,434.36	\$ 123,071.60	\$ 837,443.42
October	\$ 283,255.83	\$ 319,001.46		\$ 35,745.63	\$ 678,626.19	7.25%	\$ 4,316.00	\$ 127,387.60	\$ 806,013.79
November	\$ 283,255.83	\$ 278,055.14		\$ 5,200.69	\$ 683,826.88	7.25%	\$ 4,100.03	\$ 131,487.63	\$ 815,314.51
December	\$ 283,255.83	\$ 299,133.14		\$ 15,877.31	\$ 667,949.58	7.25%	\$ 4,131.45	\$ 135,619.08	\$ 803,568.66
Total	\$ 3,399,070.00	\$ 3,566,324.49	\$ -	\$ 167,254.49			\$ 53,266.86		

Year: **2004**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 224,007.17	\$ 313,583.10		\$ 89,575.93	\$ 578,373.65	7.25%	\$ 4,035.53	\$ 139,654.61	\$ 718,028.26
February	\$ 224,007.17	\$ 301,076.00		\$ 77,068.83	\$ 501,304.82	7.25%	\$ 3,494.34	\$ 143,148.95	\$ 644,453.77
March	\$ 224,007.17	\$ 318,849.78		\$ 94,842.61	\$ 406,462.20	7.25%	\$ 3,028.72	\$ 146,177.67	\$ 552,639.87
April	\$ 224,007.17	\$ 260,015.23		\$ 36,008.07	\$ 370,454.14	7.25%	\$ 2,455.71	\$ 148,633.38	\$ 519,087.52
May	\$ 224,007.17	\$ 211,474.22		\$ 12,532.95	\$ 382,987.09	7.25%	\$ 2,238.16	\$ 150,871.54	\$ 533,858.63
June	\$ 224,007.17	\$ 196,419.81		\$ 27,587.35	\$ 410,574.44	7.25%	\$ 2,313.88	\$ 153,185.42	\$ 563,759.86
July	\$ 224,007.17	\$ 201,975.40	\$ 115,730.00	\$ 93,698.23	\$ 316,876.21	7.25%	\$ 2,480.55	\$ 155,665.97	\$ 472,542.19
August	\$ 224,007.17	\$ 204,675.78		\$ 19,331.39	\$ 336,207.60	7.25%	\$ 1,914.46	\$ 157,580.43	\$ 493,788.03
September	\$ 224,007.17	\$ 219,417.91		\$ 4,589.26	\$ 340,796.86	7.25%	\$ 2,031.25	\$ 159,611.69	\$ 500,408.55
October	\$ 224,007.17	\$ 191,563.58		\$ 32,443.58	\$ 373,240.44	7.25%	\$ 2,058.98	\$ 161,670.67	\$ 534,911.11
November	\$ 224,007.17	\$ 191,120.79		\$ 32,886.37	\$ 406,126.82	7.25%	\$ 2,254.99	\$ 163,925.66	\$ 570,052.48
December	\$ 224,007.17	\$ 196,633.01		\$ 27,374.16	\$ 433,500.98	7.25%	\$ 2,453.68	\$ 166,379.35	\$ 599,880.33
Total	\$ 2,688,086.00	\$ 2,806,804.60	\$ 115,730.00	\$ 234,448.60			\$ 30,760.26		

Cambridge and North Dumfries Hydro Inc. 1562 Deferred PILS - Continuity Schedule

Year: 2005

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 224,007.17	\$ 214,590.01		\$ 9,417.15	\$ 442,918.14	7.25%	\$ 2,619.07	\$ 168,998.42	\$ 611,916.55
February	\$ 224,007.17	\$ 230,803.83		-\$ 6,796.66	\$ 436,121.47	7.25%	\$ 2,675.96	\$ 171,674.38	\$ 607,795.85
March	\$ 220,141.42	\$ 222,805.56		-\$ 2,664.14	\$ 433,457.33	7.25%	\$ 2,634.90	\$ 174,309.28	\$ 607,766.61
April	\$ 220,141.42	\$ 247,324.79		-\$ 27,183.37	\$ 406,273.96	7.25%	\$ 2,618.80	\$ 176,928.08	\$ 583,202.04
May	\$ 220,141.42	\$ 197,929.57		\$ 22,211.84	\$ 428,485.80	7.25%	\$ 2,454.57	\$ 179,382.66	\$ 607,868.46
June	\$ 220,141.42	\$ 228,733.02		-\$ 8,591.60	\$ 419,894.20	7.25%	\$ 2,588.77	\$ 181,971.42	\$ 601,865.62
July	\$ 220,141.42	\$ 216,506.51	-\$ 208,272.00	\$ 204,637.10	\$ 215,257.10	7.25%	\$ 2,536.86	\$ 184,508.29	\$ 399,765.39
August	\$ 220,141.42	\$ 309,136.26		-\$ 88,994.84	\$ 126,262.26	7.25%	\$ 1,300.51	\$ 185,808.80	\$ 312,071.05
September	\$ 220,141.42	\$ 253,987.21		-\$ 33,845.79	\$ 92,416.46	7.25%	\$ 762.83	\$ 186,571.63	\$ 278,988.10
October	\$ 220,141.42	\$ 236,523.52		-\$ 16,382.10	\$ 76,034.36	7.25%	\$ 558.35	\$ 187,129.98	\$ 263,164.34
November	\$ 220,141.42	\$ 207,775.92		\$ 12,365.50	\$ 88,399.86	7.25%	\$ 459.37	\$ 187,589.36	\$ 275,989.22
December	\$ 220,141.42	\$ 177,288.61		\$ 42,852.80	\$ 131,252.66	7.25%	\$ 534.08	\$ 188,123.44	\$ 319,376.10
Total	\$ 2,649,428.50	\$ 2,743,404.82	-\$ 208,272.00	-\$ 302,248.32			\$ 21,744.09		

Year: 2006

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January	\$ 220,141.42	\$ 252,705.83		-\$ 32,564.41	\$ 98,688.25	7.25%	\$ 792.98	\$ 188,916.42	\$ 287,604.68
February	\$ 220,141.42	\$ 255,208.65		-\$ 35,067.23	\$ 63,621.02	7.25%	\$ 596.24	\$ 189,512.66	\$ 253,133.68
March	\$ 220,141.42	\$ 247,767.17		-\$ 27,625.75	\$ 35,995.27	7.25%	\$ 384.38	\$ 189,897.04	\$ 225,892.31
April	\$ 220,141.42	\$ 204,255.70		\$ 15,885.72	\$ 51,880.99	7.25%	\$ 217.47	\$ 190,114.51	\$ 241,995.50
May	\$ 220,141.42	\$ 145,465.96		-\$ 145,465.96	-\$ 93,584.98	4.14%	\$ 178.99	\$ 190,293.50	\$ 96,708.53
June	\$ 220,141.42	\$ 34,326.86		-\$ 34,326.86	-\$ 127,911.83	4.14%	\$ 322.87	\$ 189,970.63	\$ 62,058.80
July			\$ 22,507.00	\$ 22,507.00	-\$ 105,404.83	4.59%	\$ 489.26	\$ 189,481.37	\$ 84,076.54
August				\$ -	-\$ 105,404.83	4.59%	\$ 403.17	\$ 189,078.20	\$ 83,673.37
September				\$ -	-\$ 105,404.83	4.59%	\$ 403.17	\$ 188,675.02	\$ 83,270.19
October				\$ -	-\$ 105,404.83	4.59%	\$ 403.17	\$ 188,271.85	\$ 82,867.02
November				\$ -	-\$ 105,404.83	4.59%	\$ 403.17	\$ 187,868.68	\$ 82,463.85
December				\$ -	-\$ 105,404.83	4.59%	\$ 403.17	\$ 187,465.50	\$ 82,060.67
Total	\$ 880,565.67	\$ 1,139,730.16	\$ 22,507.00	-\$ 236,657.49			-\$ 657.93		

Note: CNDHI did not have any LCT included in approved PILS entitlement, therefore no adjustment to revenue required.

Year: 2007

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 187,062.33	\$ 81,657.50
February				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 186,659.16	\$ 81,254.33
March				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 186,255.98	\$ 80,851.15
April				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 185,852.81	\$ 80,447.98
May				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 185,449.64	\$ 80,044.81
June				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 185,046.46	\$ 79,641.63
July				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 184,643.29	\$ 79,238.46
August				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 184,240.12	\$ 78,835.29
September				\$ -	-\$ 105,404.83	4.59%	-\$ 403.17	\$ 183,836.94	\$ 78,432.11
October				\$ -	-\$ 105,404.83	5.14%	-\$ 451.48	\$ 183,385.46	\$ 77,980.63
November				\$ -	-\$ 105,404.83	5.14%	-\$ 451.48	\$ 182,933.97	\$ 77,529.14
December				\$ -	-\$ 105,404.83	5.14%	-\$ 451.48	\$ 182,482.49	\$ 77,077.66
Total	\$ -	\$ -	\$ -	\$ -	\$ -		-\$ 4,983.01		

Year: 2008

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
	Entitlement	PILS Revenue		Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January				\$ -	-\$ 105,404.83	5.14%	-\$ 451.48	\$ 182,031.01	\$ 76,626.18
February				\$ -	-\$ 105,404.83	5.14%	-\$ 451.48	\$ 181,579.52	\$ 76,174.69
March				\$ -	-\$ 105,404.83	5.14%	-\$ 451.48	\$ 181,128.04	\$ 75,723.21
April				\$ -	-\$ 105,404.83	4.08%	-\$ 358.38	\$ 180,769.66	\$ 75,364.83
May				\$ -	-\$ 105,404.83	4.08%	-\$ 358.38	\$ 180,411.29	\$ 75,006.46
June				\$ -	-\$ 105,404.83	4.08%	-\$ 358.38	\$ 180,052.91	\$ 74,648.08
July				\$ -	-\$ 105,404.83	3.35%	-\$ 294.26	\$ 179,758.65	\$ 74,353.82
August				\$ -	-\$ 105,404.83	3.35%	-\$ 294.26	\$ 179,464.40	\$ 74,059.57
September				\$ -	-\$ 105,404.83	3.35%	-\$ 294.26	\$ 179,170.14	\$ 73,765.31
October				\$ -	-\$ 105,404.83	3.35%	-\$ 294.26	\$ 178,875.89	\$ 73,471.06
November				\$ -	-\$ 105,404.83	3.35%	-\$ 294.26	\$ 178,581.63	\$ 73,176.80
December				\$ -	-\$ 105,404.83	3.35%	-\$ 294.26	\$ 178,287.38	\$ 72,882.55
Total	\$ -	\$ -	\$ -	\$ -	\$ -		-\$ 4,195.11		

Cambridge and North Dumfries Hydro Inc. 1562 Deferred PILS - Continuity Schedule

Year: 2009

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January				\$ -	-\$ 105,404.83	2.45%	-\$ 215.20	\$ 178,072.18	\$ 72,667.35
February				\$ -	-\$ 105,404.83	2.45%	-\$ 215.20	\$ 177,856.98	\$ 72,452.14
March				\$ -	-\$ 105,404.83	2.45%	-\$ 215.20	\$ 177,641.77	\$ 72,236.94
April				\$ -	-\$ 105,404.83	1.00%	-\$ 87.84	\$ 177,553.94	\$ 72,149.11
May				\$ -	-\$ 105,404.83	1.00%	-\$ 87.84	\$ 177,466.10	\$ 72,061.27
June				\$ -	-\$ 105,404.83	1.00%	-\$ 87.84	\$ 177,378.26	\$ 71,973.43
July				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,329.95	\$ 71,925.12
August				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,281.64	\$ 71,876.81
September				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,233.33	\$ 71,828.50
October				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,185.02	\$ 71,780.19
November				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,136.71	\$ 71,731.88
December				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,088.40	\$ 71,683.57
Total	\$ -	\$ -	\$ -	\$ -	\$ -		-\$ 1,198.98		

Year: 2010

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 177,040.09	\$ 71,635.26
February				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 176,991.78	\$ 71,586.95
March				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 176,943.47	\$ 71,538.64
April				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 176,895.16	\$ 71,490.33
May				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 176,846.85	\$ 71,442.02
June				\$ -	-\$ 105,404.83	0.55%	-\$ 48.31	\$ 176,798.53	\$ 71,393.70
July				\$ -	-\$ 105,404.83	0.89%	-\$ 78.18	\$ 176,720.36	\$ 71,315.53
August				\$ -	-\$ 105,404.83	0.89%	-\$ 78.18	\$ 176,642.18	\$ 71,237.35
September				\$ -	-\$ 105,404.83	0.89%	-\$ 78.18	\$ 176,564.01	\$ 71,159.18
October				\$ -	-\$ 105,404.83	1.20%	-\$ 105.40	\$ 176,458.60	\$ 71,053.77
November				\$ -	-\$ 105,404.83	1.20%	-\$ 105.40	\$ 176,353.20	\$ 70,948.37
December				\$ -	-\$ 105,404.83	1.20%	-\$ 105.40	\$ 176,247.79	\$ 70,842.96
Total	\$ -	\$ -	\$ -	\$ -	\$ -		-\$ 840.60		

Year: 2011

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 176,118.67	\$ 70,713.84
February				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,989.55	\$ 70,584.72
March				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,860.43	\$ 70,455.60
April				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,731.31	\$ 70,326.48
May				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,602.19	\$ 70,197.36
June				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,473.07	\$ 70,068.24
July				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,343.95	\$ 69,939.12
August				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,214.83	\$ 69,810.00
September				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 175,085.71	\$ 69,680.88
October				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,956.59	\$ 69,551.76
November				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,827.46	\$ 69,422.63
December				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,698.34	\$ 69,293.51
Total	\$ -	\$ -	\$ -	\$ -	\$ -		-\$ 1,549.45		

Year: 2012

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,569.22	\$ 69,164.39
February				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,440.10	\$ 69,035.27
March				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,310.98	\$ 68,906.15
April				\$ -	-\$ 105,404.83	1.47%	-\$ 129.12	\$ 174,181.86	\$ 68,777.03
Total	\$ -	\$ -	\$ -	\$ -	\$ -		-\$ 516.48		