

James Sidlofsky
T 416-367-6277
F 416-361-2751
jsidlofsky@blg.com

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000
F 416.367.6749
blg.com



December 7, 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: EB-2011-0273
Grimsby Power Incorporated
Application to the Ontario Energy Board for Electricity Distribution
Rates and Charges as of January 1, 2012**

We are counsel to Grimsby Power Incorporated ("Grimsby Power") in the above-captioned matter.

A settlement conference was convened in respect of this proceeding on Wednesday, November 23, 2011. The conference continued into Thursday, November 24, 2011. We are pleased to advise that the parties have achieved a comprehensive partial settlement in this matter, leaving outstanding only matters related to Grimsby Power's proposed Operations, Maintenance & Administration expenses for the 2012 Test Year. Those matters will be the subject of the oral hearing scheduled for Monday, December 12, 2011.

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. Dominy and Board staff in this process.

As confirmed in the Settlement Agreement, as part of the settlement, the parties have considered the appropriate effective date for Grimsby Power'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 Grimsby Power's rates in time for implementation as of January 1, 2012, then Grimsby Power 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. Grimsby Power 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. S. Cheung, Ontario Energy Board Staff
G. Dominy
D. Curtiss, Grimsby Power
M. Domokos, Grimsby Power
J. Shepherd, counsel to SEC
M. Buonaguro, counsel to VECC
D. MacIntosh, Energy Probe
R. Aiken, Energy Probe

TOR01: 4794338: v1

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

AND IN THE MATTER OF an Application by Grimsby Power Incorporated to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2012.

**GRIMSBY POWER INCORPORATED SETTLEMENT
AGREEMENT**

Filed: December 7, 2011

INTRODUCTION:

Grimsby Power Incorporated ("Grimsby Power") owns and operates the electricity distribution system within its licensed service area of 67 square kilometers in the Town of Grimsby. Grimsby Power serves approximately 10,062 customers.

Grimsby Power filed an application (the "Application") with the Ontario Energy Board (the "Board") on August 16, 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 Grimsby Power charges for electricity distribution, to be effective January 1, 2012. The Board assigned File Number EB-2011-0273 to the Application. Three parties requested and were granted Intervenor status: Energy Probe Research Foundation ("Energy Probe"); the School Energy Coalition ("SEC"); and the Vulnerable Energy Consumers' Coalition ("VECC").

Procedural Order No. 1, issued September 21, 2011, scheduled dates for written interrogatories from Board Staff and Intervenor, and for Grimsby Power's responses. The Board issued Procedural Order No. 2 on October 27, 2011, modifying certain of those dates in order to provide additional time for the preparation of interrogatory responses. There is no Board-approved Issues List for this proceeding.

Procedural Order No. 1 set November 16, 2011 for the delivery of Technical Conference questions; November 18, 2011 for a Technical Conference; November 23 and 24, 2011 for a Settlement Conference; and December 5, 2011 for the filing of any Settlement Proposal. Any

unsettled issues would be addressed by way of an oral hearing commencing December 12, 2011 and continuing December 13, 2011 if necessary. By letter dated November 17, 2011, Grimsby Power advised that it would not be able to respond to the over 100 Technical Conference questions received during the evening of November 15th and the afternoon of November 16th, and requested that the Technical Conference be adjourned to November 23rd, the date scheduled for the commencement of the Settlement Conference, with the hearing, if necessary, rescheduled to a later date. The Board declined to change the Settlement Conference and hearing dates, determining instead by letter dated November 17, 2011 that it would cancel the Technical Conference and instead treat the exchange of written Technical Conference questions and responses as the Technical Conference.

The evidence in this proceeding (referred to here as the “Evidence”) consists of the Application, Grimsby Power’s responses to interrogatories and the questions provided to Grimsby Power prior to the Technical Conference; and its responses to Undertakings given during the Technical Conference. The Appendices to this Agreement also form part of the Evidence.

The Settlement Conference was duly convened in accordance with Procedural Order No. 1, with Mr. George Dominy as facilitator. The Settlement Conference concluded on November 24, 2011. Grimsby Power and the following Intervenors participated in the Settlement Conference:

- Energy Probe
- SEC
- VECC

Grimsby Power 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 staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

A PARTIAL SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a comprehensive partial settlement has been reached in the proceeding. This document comprises the Settlement Agreement (the "Agreement"), and it is presented to the Board jointly by Grimsby Power 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 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 to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2011-0273. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement.

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

The Parties have agreed that the effective date of the rates arising out of this proposed Agreement, and the Board's decision on OM&A, should be January 1, 2012.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

As noted above, there is no Board-approved Issues List for this proceeding. For the purposes of organizing this Agreement, the Parties have used the Issues List in the Oshawa PUC Networks Inc. proceeding (EB-2011-0073) as a guide. That Issues List addresses all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues relevant to determining Grimsby Power's 2011 distribution rates.

The following Appendices accompany this Settlement Agreement. The Parties note that because the unsettled matter in this proceeding relates to Grimsby Power's proposed Operations, Maintenance & Administration expenses for the 2012 Test Year, the number of Appendices is necessarily limited.

- Appendix A – Summary of the Significant Items Adjusted as a result of this Agreement (excludes OM&A)

- Appendix B – Updated Cost of Power
- Appendix C – 2012 Test Year Updated Load Forecast
- Appendix D – 2012 Test Year Updated Other Revenue
- Appendix E – 2012 Test Year Updated Cost of Capital
- Appendix F – 2012 Test Year Updated Revenue to Cost Ratios & Fixed Rates
- Appendix G – 2012 Test Year LRAM and SSM
- Appendix H – 2012 Proposed Deferred Variance Accounts Rate Riders
- Appendix I – Fixed Asset Continuity Schedules
- Appendix J – Revenue Requirement Work Form
- Appendix K – Capitalization of Overheads Table

UNSETTLED MATTERS:

There is one unsettled matter in this proceeding. Specifically, the matter of Grimsby Power's 2012 Test Year OM&A expenditures has not been settled and will be the subject of an oral hearing. The Board's determination of the OM&A budget included in revenue requirement is expected to have other impacts on revenue requirement, for example because a change in the OM&A budget will result in changes to working capital and rate base, and through those components changes to the cost of capital and PILs. All aspects of this Settlement Agreement are subject to the normal impacts that would arise on a change in OM&A. Similarly, as detailed under Issue 2.6, this Settlement Agreement leaves it open to the Intervenor to argue that Grimsby Power's rate base should be reduced as a result of historical overcapitalization in previous years.

OVERVIEW OF THE SETTLED MATTERS:

This Agreement will allow Grimsby Power to continue to make the necessary capital investments to maintain the safety and reliability of the electricity distribution service that it provides.

Because the matter of 2012 Test Year OM&A remains outstanding, the revised Base Revenue Requirement for the 2012 Test Year cannot be determined at this time. A Revenue Requirement Work Form, incorporating all of the changes agreed in this Agreement, but assuming for all purposes the OM&A as filed, is annexed as Appendix J. The assumption in that document of OM&A as filed is not intended by any of the Parties to be indicative of the appropriateness of that OM&A amount, or any of its components or impacts, but is instead a placeholder pending the Board's determination on that issue. Through the settlement process, Grimsby Power has agreed to certain adjustments from its original 2012 Application. The changes are described in the following sections. The following table sets out the matters that are the subject of complete settlement; incomplete settlement; and no settlement. The matters that are the subject of incomplete settlement are not in dispute; rather, they cannot be settled until the matters relating to OM&A are addressed and disposed by the Board.

Complete Settlement:	Incomplete Settlement:	No Settlement:
<ul style="list-style-type: none"> • 1.2, 1.4, 1.5 • 2.1, 2.2, 2.3, 2.4, 2.7, 2.8, 2.9, 2.10 • 3.1, 3.2, 3.3, 3.4, 3.5 • 4.3, 4.5, 4.6 • 5.1, 5.2, 5.3 • 7.1, 7.2 • 8.1, 8.2, 8.3 • 9.1, 9.2, 9.3, 9.4, 9.5 • 10.1 • 11.1 	<ul style="list-style-type: none"> • 1.1, 1.3 • 2.5, 2.6 • 6.1 • 8.4 	<ul style="list-style-type: none"> • 4.1, 4.2, 4.4,

1. GENERAL (Exhibit 1)

- 1.1 Are the Applicant's overall economic and business planning assumptions for the Test Year appropriate?

Status: **Incomplete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-33, E2-54, E2-A2.1-10, E3-9, E3-14, E8-A8.1	
	Interrogatories	Technical Conference Questions
Board Staff	4-b, 11-b, 13, 15-a, 52-b, 52-c, 55-b-i-b	10-c
Energy Probe	26-f	
School Energy Coalition	3	8
Vulnerable Energy Consumers Coalition	14-b, 27-a, 28-c, 29-a	

For the purpose of settlement, the Parties accept Grimsby Power's overall economic and business planning assumptions for the Test Year, except as they relate to OM&A expenses (see section 4, below), in respect of which there is no agreement.

- 1.2 Is service quality, based on the Board specified performance indicators, acceptable?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-15	
	Interrogatories	Technical Conference Questions
Board Staff	8	1
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purpose of settlement, the Parties accept Grimsby Power's evidence that, based on the Board specified performance indicators, Grimsby Power's service quality is acceptable.

1.3 Is the proposed revenue requirement appropriate?

Status: **Incomplete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-14, E1-29, E2-1, E3-1, E6-3, E8-1
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	Interrogatories	Technical Conference Questions
Board Staff	48-a, 48-b, 58-c, 58-e-i, 58e-ii, 58-e-iii, 59-a, 61-c, 62-a, 63-d	14-a
Energy Probe	2-a, 2-b, 8, 25-b, 26-e, 26-f	1-a, 15-b
School Energy Coalition	14, 19	9
Vulnerable Energy Consumers Coalition		1-a, 1-c-i, 6-e, 6-f

As noted in the introductory comments above, matters related to Grimsby Power's 2012 Test Year OM&A are not settled. Accordingly, the appropriateness of the 2012 Test Year revenue requirement will not be determined until the Board has made its determination on the proposed OM&A expenditures. The Parties have settled all other matters affecting Grimsby Power's revenue requirement, subject to implementation of all normal impacts arising out of the Board-approved OM&A budget.

1.4 What is the appropriate effective date for any new rates flowing from this Application? If that effective date is prior to the date new rates are actually implemented, what adjustments should be implemented to reflect the sufficiency or deficiency during the period from effective date to implementation date?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-2, E1-18
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	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purpose of settlement, the Parties accept that the appropriate effective date of the new rates flowing from this Application is January 1, 2012. The Parties accept that in the event that Grimsby Power's final rate order is not available in time for January 1st implementation, it would be appropriate to implement a rate rider over the remainder of the Test year that will enable Grimsby Power to recover or refund, as the case may be, the difference between its incremental Board-approved revenue, and its revenue at existing rates, for the month(s) in 2012 in which its new rates are not in effect. The Parties anticipate that they will have a better indication as to the month in which the new rates can be implemented at the time the Board issues its Decision on the outstanding matters.

- 1.5 Is the proposal to align the rate year with its next fiscal year, which starts January 1, 2012, appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-15, E1-16, E1-18
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	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purpose of settlement, the Parties accept that Grimsby Power's proposal to align the rate year with its next fiscal year, which starts January 1, 2012, is appropriate. Further, as noted above, the Parties agree that Grimsby Power's 2012 rates should be effective as of January 1, 2012.

2. RATE BASE (Exhibit 2)

- 2.1 Are the Applicant's asset planning assumptions (e.g. asset condition, economic conditions, etc.) appropriate?

Status: Complete Settlement

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-13, E2-20, E2-42, E2-45, E2-54, E2-A2.1, E2-A2.1-34	
	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purpose of settlement, the Parties accept Grimsby Power's asset planning assumptions. The Parties have agreed to certain reductions in 2011 Bridge Year and 2012 Test Year capital additions for rate making purposes, as discussed under Issue 2.3 below. As discussed below, the Parties are removing specific expenditures from 2011 and 2012 and making certain other adjustments to more accurately reflect actual and expected 2011 and 2012 additions.

- 2.2 Is the Applicant's capitalization and depreciation policy appropriate?

Status: Complete Settlement

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-9, E4-19, E4-30, E4-52, E4-A4.3	
	Interrogatories	Technical Conference Questions
Board Staff	58, 60, 58abde, 61b, 62ab	11abc, 12a, 14ab
Energy Probe		
School Energy Coalition		4, 9
Vulnerable Energy Consumers Coalition	12a,b, 5a	

For the purpose of settlement, the Parties accept Grimsby Power's capitalization policy .

For the purpose of settlement, the Parties agree that Grimsby Power will change the useful lives of assets to those represented by the Typical Useful Life as detailed in the study prepared by Kinectrics for the Board and released by the Board on July 8, 2010. Further details related to useful lives and depreciation are as noted in 4.3 below.

The Parties have agreed that Grimsby Power will provide information on the record of this proceeding in the form shown in Appendix K, indicating changes in Grimsby Power's capitalization of various categories of expenses as between CGAAP and IFRS. The table in Appendix K 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 insure that Grimsby Power and its customers are kept whole in the event that the Board adopts a standardized approach, the Parties have agreed that Grimsby Power may establish a variance account that would track any difference between (a) the amounts included in 2012 Test Year OM&A reflecting Grimsby Power'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.

2.3 Are the capital expenditures appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-40, E2-43, E2-44	
	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe	9abc	8abc
School Energy Coalition	7	
Vulnerable Energy Consumers Coalition		

For the purpose of settlement, the parties agree to a reduction of the 2011 Bridge Year capital expenditures in the amount of \$249,989, from \$1,440,053 as proposed in the Application, to \$1,190,064 for rate making purposes, based on CGAAP. This primarily reflects changes in the timing of the following two projects and a carryover of \$185,000 from 2010 projects:

- Grimsby Power's Enterprise Resource Planning ("ERP") project, discussed at Exhibit 2 – Page 44 and valued at \$220,000, will not be in service in 2011, but rather will be going into service in 2012; and
- Grimsby Power's Ridge Road East Rabbit to C237R project, discussed at Exhibit 2 – Page 43 and valued at \$214,989, will not be in service in 2011, but rather will be going into service in 2013; and
- Grimsby Power's Ridge Road West – Mountain to Woolverton project, discussed at Exhibit 2 – Page 40 was not completed in 2010. \$152,000 of this project was placed in service in 2011 along with some minor building projects which do not meet Grimsby Power Inc.'s materiality threshold for a total carryover value of \$185,000 in 2011.

The Parties accept, with these changes, the resulting forecast of 2011 capital expenditures.

The parties have also accepted an increase in 2012 Test Year capital expenditures in the amount of \$220,000, from \$1,317,649 as proposed in the Application, to \$1,537,649 for rate making purposes. This reflects the fact that the ERP project will be completed in 2012 rather than 2011 as had been anticipated in the Application. The parties accept the resulting forecast of 2012 Test Year capital expenditures.

2.4 Are the in-service dates accurate for projects closed prior to the Test Year and are they appropriate for proposed projects?

Status: Complete Settlement

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence: See Issue 2.3 above

For the purpose of settlement, the Parties accept that with the changes noted in the preceding paragraph (Issue 2.3), the in-service dates for projects closed prior to the Test Year are both accurate and appropriate for the projects proposed prior to the Test Year.

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

Status: **Incomplete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-1, E2-55, E9-30,
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	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

Grimsby Power's forecast of its working capital allowance for the 2012 Test Year is based on 15% applied to the agreed-upon forecast cost of power of \$17,978,475 and a value of controllable expenses yet to be determined by the Board. For the purposes of settlement, the Parties accept the use of 15% in calculating the working capital allowance for the 2012 Test Year. The Parties acknowledge that the working capital allowance will be recalculated in the same manner, based on the OM&A budget approved by the Board.

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

Status: **Incomplete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-1, E2-18, E4-59, E4-62,E7-7
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	Interrogatories	Technical Conference Questions
Board Staff	58-e-i, 61-c, 62-b	14-b,
Energy Probe		4, 15
School Energy Coalition		2
Vulnerable Energy Consumers Coalition		

As stated in Issue 4.1 no agreement has been reached with respect to OM&A. The Parties acknowledge that rate base will be recalculated, based on the OM&A budget approved by the Board. The following are the only adjustments to rate base that the Parties agree should be implemented based on the Board's review of OM&A:

- a) A change in OM&A would require a recalculation of the working capital allowance, and would therefore result in an adjustment in rate base: and
- b) In the event that one of the reasons for the increase in OM&A is Grimsby Power's decision in 2011 to change its policy on capitalization of overheads (this change in 2011 was not related to IFRS), the Intervenor's are at liberty to take the position that this constitutes overcapitalization in previous years, and therefore that 2011 opening rate base should be reduced by the same amount that capitalized overheads were increased in years prior to the Bridge Year. If that occurs, the Board would then be asked to determine the issue of the impact of that past change on opening rate base.

2.7 Is the accounting for smart meters in rate base appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-2, E2-36, E2-41, E2-45, E4-22, E9-10, E9-19	
	Interrogatories	Technical Conference Questions
Board Staff	3-a, 3-b, 4-a, 4-b, 5, 14, 15-a, 15-b, 15-c, 15-d, 39, 41-a, 41-b, 42-a, 42-b, 43-a, 43-b, 44-a, 44-b, 45-b, 46-a	6-a, 6-b, 7
Energy Probe	9-e, 17-a, 17-b	10-b, 19-a
School Energy Coalition		
Vulnerable Energy Consumers Coalition	16, 26-c, 28-c, 28-d	4-a, 4-b

For the purposes of settlement, the Parties accept Grimsby Power's accounting for smart meters in rate base.

2.8 Is the accounting for stranded meters appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-3, E9-10, E9-22, E9-32,
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	Interrogatories	Technical Conference Questions
Board Staff	40-a, 40-b, 41-b, 45-a, 45-b, 45-c, 48-b,	
Energy Probe	38-a, 38-b,	
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties accept Grimsby Power's accounting for stranded meters.

2.9 Is the basic Green Energy Plan appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-4, E1-15, E1-16, E4-31, E4-62
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	Interrogatories	Technical Conference Questions
Board Staff	22, 24, 25	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties accept the cost consequences flowing from Grimsby Power's basic Green Energy Act Plan for the test year.

2.10 Is the cost of power appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-2, E2-55-65	
	Interrogatories	Technical Conference Questions
Board Staff	53	
Energy Probe	7	6
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

Grimsby Power has updated the cost of power calculation at the rates published by the Board on October 17, 2011. The cost of power calculation is included as Appendix B. With this adjustment, the Parties accept the cost of power calculation for the purposes of settlement.

3. LOADS, CUSTOMERS - THROUGHPUT REVENUE (Exhibit 3)

3.1 Is the load forecast methodology including weather normalization appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-16, E1-21, E1-29, E1-35, E1-39, E2-4, E2-6, E2-45, E2-54, E2-61	
	Interrogatories	Technical Conference Questions
Board Staff	2-b, 9, 10-a, 10-b, 10-c, 10-d-i, 10-d-ii, 10-d-iii, 13	
Energy Probe	10-a, 10-b, 11	17-a, 17-b
School Energy Coalition		
Vulnerable Energy Consumers Coalition	13-a, 14-b	5-a

For the purposes of settlement, the Parties accept Grimsby Power's load forecast methodology, including weather normalization. While the value of the Test Year predicted purchases net of CDM was 190,071,518 kWh (190.1GWh) in the Application, the settlement amount for these predicted purchases was 193,600,000 kWh (193.6GWh), representing an increase of 3,528,482 kWh (3.5 GWh).

The resulting predicted billed consumption for the Test Year would therefore, increase from 181,732,931 kWh (181.7 GWh), as shown in the Application, to 185,106,615 kWh (185.1 GWh) – an increase of 3,373,684 kWh (3.4 GWh).

See Appendix C.

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

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence: Please refer to Issue 3.1 above.

For the purposes of settlement, the Parties accept Grimsby Power's customer/connection numbers for the 2012 Test Year. The accepted change in Grimsby Power's load forecast (in kWh) for the 2012 Test Year is discussed under Issue 3.1 above.

3.3 Is CDM appropriately reflected in the load forecast?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E3-2, E3-5, E3-10, E3-19, E3-25	
	Interrogatories	Technical Conference Questions
Board Staff	9, 10a, 10b	
Energy Probe		17a
School Energy Coalition		
Vulnerable Energy Consumers Coalition	12a, 12b, 13a, 14a, 14b	5a

For the purposes of settlement, the Parties agree to Grimsby Power's reduction in the load forecast for 2012 of 1.552 GWs which reflects the impact of CDM, subject to Grimsby Power's right and obligation to file an LRAM application so that any revenue deficiency or sufficiency resulting from the implementation of the CDM target may be recovered from, or repaid to, ratepayers, all in accordance with the Board's standard LRAM rules from time to time.

3.4 Are the revenues from the microFIT customers appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E3-2, E8-11, E9-15
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	Interrogatories	Technical Conference Questions
Board Staff	18-c-i, 22-b, 24, 48-b	2
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition	24-b	

For the purposes of settlement, the Parties accept the revenues from microFIT customers as forecasted by Grimsby Power.

3.5 Are the proposed revenue offsets appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E3-1, E3-3, E3-48, E8-1
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	Interrogatories	Technical Conference Questions
Board Staff	11a	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition	24-c, 25-a, 25-b	6-a, 6-b, 6-c, 6-d, 6-e, 6-f

The Grimsby Power forecast for other revenues is \$346,841. For the purposes of settlement the Parties accept this forecast

See Appendix D.

4. OPERATING COSTS (Exhibit 4)

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

Status: **No Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-33, E1-36, E4
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	Interrogatories	Technical Conference Questions
Board Staff	13-21, 43b, 55b, 58c, 60e	2, 12acd
Energy Probe	3, 4, 15, 16, 19, 20, 23, 26, 28	3, 13
School Energy Coalition	10	9
Vulnerable Energy Consumers Coalition	16, 18, 19, 20ab, 22	

Grimsby Power's forecast of OM&A (including property taxes) for the Test Year is \$2,477,989, based on CGAAP. No agreement was reached with respect to the settlement of this matter.

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

Status: **No Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence: See Exhibit 4 – 32

See Issue 4.1. .

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

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-55, E4-51	
	Interrogatories	Technical Conference Questions
Board Staff	57-a, 57-b, 57-d, 57-e, 58-b, 58-c, 59-d, 61-b, 61-c, 62-a, 62-b	11-a, 11-c, 12-a, 14-a
Energy Probe	4-a, 4-b, 4-e, 9-a, 9-e, 27	
School Energy Coalition	9, 15	3, 4
Vulnerable Energy Consumers Coalition	5-a	

As stated in 2.2 above, the Parties agree Grimsby Power will change the useful lives of assets to those represented by the Typical Useful Life as detailed in the study prepared by Kinectrics for the Board and released by the Board on July 8, 2010, and adjust depreciation for 2011 and 2012 accordingly. Grimsby Power has recalculated the depreciation/amortization expense. Appendix I to this Agreement contains updated Fixed Asset Continuity Tables and updated calculations of the PP&E Deferral Account to reflect this change. These depreciation/amortization expense calculations reflect the changes in Grimsby Power's capital expenditures discussed in section 2.3 above. Grimsby Power will also perform an objective study of the useful lives of its distribution assets using its own resources, or will retain a consultant to perform such a study, and agrees to file that study no later than with its next Cost of Service application.

4.4 Are the 2012 compensation costs and employee levels appropriate?

Status: **No Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E4-40
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	Interrogatories	Technical Conference Questions
Board Staff	19	
Energy Probe	25, 26	
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

See Issue 4.1.

4.5 Is the test year forecast of property taxes appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E4-34
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	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purpose of settlement, the Parties accept Grimsby Power's 2012 Test Year property tax forecast.

4.6 Is the test year forecast of PILs appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E4-6, E4-26, E4-46, E4-49, E4-59, E8-1, E9-11
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	Interrogatories	Technical Conference Questions
Board Staff	56-a-i, 56-a-ii, 56-a-iii, 56-a-iv, 56-a-v, 56-b, 56-c, 56-d, 56-e, 56-f, 56-g, 56-h, 56-i	10-c, 16-i, 16-ii, 16-iii, 16-iv, 17-b, 17-d-i, 17-d-ii, 17-d-iii
Energy Probe	29-f	
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

Grimsby Power's forecast of PILs was \$33,426, based on CGAAP. For the purposes of settlement, the Parties have accepted that:

- (a) the PILs will be recalculated when the OM&A issues are determined; and
- (b) certain adjustments have been made with respect to the following:
 - (i) Cooperative tax credit - \$3,000
 - (ii) Apprenticeship tax credit \$10,000
 - (iii) Reserves issue – Other Reserves Schedule 13 additions and reserves at the beginning of the year deductions resulted in a \$20,246 tax reduction.

For the purposes of settlement, the Parties accept, with these adjustments, the methodology used by Grimsby Power for calculating PILs, and the Parties acknowledge that the amount of PILs to be included in Grimsby Power's 2012 Test Year revenue requirement will be dependent on the Board's determination of the approved OM&A amount.

5. COST OF CAPITAL AND RATE OF RETURN (Exhibit 5)

5.1 Is the proposed capital structure appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-32, E5-1, E9-30,
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	Interrogatories	Technical Conference Questions
Board Staff	42-a	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties accept that Grimsby Power's proposed capital structure of 56% long term debt, 4% short term debt, and 40% equity is appropriate.

5.2 Is the cost of debt appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E5-6,
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	Interrogatories	Technical Conference Questions
Board Staff	29-a, 29-b, 29-c, 29-d, 30-a, 30-b, 30-c, 30-d, 30-e, 65-f	
Energy Probe		15-a, 15-b, 19-a, 19-b
School Energy Coalition		8
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties have accepted that Grimsby Power will use the 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 the long term debt rate and the short term debt rate set by the Board. With respect to long-term debt, Grimsby Power's long term debt consists of a promissory note payable to the

Town of Grimsby in the amount of \$5,782,746, issued January 1, 2004 at the rate of 7.25% (the “Grimsby Note”), together with a term loan payable to the Toronto-Dominion Bank in the amount of \$1,600,000 issued April 1, 2010 at the rate of prime + 0.5% (3.5%). The Parties have accepted that the rate to be applied to the Grimsby Note is the Board’s deemed long-term rate of 5.01% as set out in its most up to date Cost of Capital Parameters updated for Cost of Service Applications effective January 1, 2012, issued November 10, 2011. With respect to short term debt the parties agree that Grimsby Power accepts the Boards short term debt rate of 2.08%. This results in a weighted cost of debt of 4.53%. The Parties have accepted, for the purposes of settlement, the proposed cost of debt as calculated using the approach outlined herein.

See Appendix E.

5.3 Is the proposed return on equity appropriate?

Status: Complete Settlement

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-32, E5-1, E6-4
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	Interrogatories	Technical Conference Questions
Board Staff	42-a, 30-b	
Energy Probe		19-a, 19-b
School Energy Coalition	3	
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties have accepted that Grimsby Power will use the 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) set by the Board. Accordingly, the Parties have accepted, for the purposes of settlement, the return on equity of 9.42.

See Appendix E.

6. CALCULATION OF REVENUE DEFICIENCY OR SURPLUS (Exhibit 6)

6.1 Is the calculation of Revenue Deficiency accurate?

Status: **Incomplete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-14, E1-37, E6-1
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	Interrogatories	Technical Conference Questions
Board Staff	E58-e-i	
Energy Probe	26-c, 31-a, 31-b	
School Energy Coalition	4	
Vulnerable Energy Consumers Coalition		

While the Parties accept Grimsby Power's approach to calculating the revenue deficiency, the Parties acknowledge that the calculation of the revenue deficiency will be dependent on the Board's determination of the approved OM&A amount. Appendix J to this Agreement, which is a Revenue Requirement Work Form, calculates the Revenue Deficiency on the assumption that the OM&A is as-filed, but such assumption is a non-indicative placeholder pending the Board's decision on OM&A.

7. COST ALLOCATION (Exhibit 7)

7.1 Is the Applicant's cost allocation appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-29, E7-1, E8-2, E8-4
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	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		1-c, 16-a
School Energy Coalition	8-13	
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties have accepted Grimsby Power's proposed cost allocation, with the following exception:

As proposed in the Application, the revenue to cost ratio for the General Service > 50 kW is 79.4%. The Parties have agreed that Grimsby Power will move the revenue to cost ratio for that class up to 80%, being the bottom of the Board-approved range. Incremental revenue forecasted from that adjustment will be allocated to the Residential customer class, the effect of which will be to reduce the Residential revenue to cost ratio from 106.6% as proposed in the Application to 105.6%, in order to maintain revenue neutrality. The adjusted revenue to cost ratios are illustrated in the Appendix F.

7.2 Are the proposed revenue-to-cost ratios appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-29, E7-2, E8-1
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	Interrogatories	Technical Conference Questions
Board Staff		
Energy Probe		16-a
School Energy Coalition		
Vulnerable Energy Consumers Coalition		1-a

For the purposes of settlement, the Parties accept, with the adjustments referred to in paragraph 7.1, above, the revised proposed revenue-to-cost ratios.

8. RATE DESIGN (Exhibit 8)

8.1 Are the customer charges and the fixed-variable splits for each class appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E8-2, A8.2-3
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	Interrogatories	Technical Conference Questions
Board Staff	33	
Energy Probe	35-c	
School Energy Coalition	8-13	
Vulnerable Energy Consumers Coalition	30-a	

For the purposes of settlement, the Parties have accepted that the current fixed-variable splits will be maintained with the exception that where the maintenance of the fixed-variable split would move the monthly service charge (the “MSC”) to a level above the MSC ‘Ceiling’, then the MSC will be set at the previously approved rates; and where the maintenance of the fixed-variable split would move the MSC to a level below the MSC ‘Ceiling’, then the MSC will be moved to the proposed levels. With these adjustments, the Parties accept the customer charges and the fixed-variable splits for each class . Appendix F provides a summary of settlement MSC rates by rate class. The Parties acknowledge that the rates set forth in Appendix F will be adjusted based on the OM&A budget approved by the Board.

8.2 Are the proposed Retail Transmission Service Rates appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E8-5,	
	Interrogatories	Technical Conference Questions
Board Staff	48-b	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties accept Grimsby Power's proposed Retail Transmission Service Rates.

8.3 Are the proposed loss factors appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-11, E1-14, E2-62, E8-6, E8-15,	
	Interrogatories	Technical Conference Questions
Board Staff	36ab	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition	31a	

For the purposes of settlement, the Parties accept Grimsby Power's loss factors, as set out in the evidence referred to above.

8.4 Is the Applicant's proposed Tariff of Rates and Charges appropriate?

Status: **Incomplete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-2, E1-5, E8-4, A8.2-7, A-1
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	Interrogatories	Technical Conference Questions
Board Staff	2-a	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

As matters relating to OM&A are not settled, the Parties are not in a position to calculate fully Grimsby Power's proposed Tariff of Rates and Charges. The Parties acknowledge that a new Tariff of Rates and Charges will be prepared by Grimsby Power as part of the Draft Rate Order following the Board's Decision in this proceeding.

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

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

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E2-3, E2-7, E2-41, E2-45, E9-1, E9-3, E9-15, E9-19	
	Interrogatories	Technical Conference Questions
Board Staff	3-a, 3-b, 4-a, 4-b, 42, 44-a, 44-b, 45-a, 45-b, 45-c, 46-a, 47, 52-a, 52-b, 52-c, 53-a, 53-b, 53-c, 53-d, 53-d, 53-e, 53-f, 53-g, 57-a, 57-b	10-c
Energy Probe	1-c, 10-b, 37-a, 37-b, 37-c	
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties accept the account balances, cost allocation methodology and disposition period for the deferral and variance accounts as presented in the evidence cited above, adjusted for the matters discussed below:

- Smart Meters - the parties have agreed that Grimsby Power will calculate Smart Meter rate riders separately for each class based on the approach approved by the Board in its November 19, 2010 Decision in the 2010 PowerStream Smart Meter Application (EB-2010-0209).
- Global Adjustment – Account 1588. The Parties accept that the balance in this account as at December 31, 2010 will not be cleared at this time, and that the clearance of the account will be deferred until January 1, 2013.

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

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-5, E9-1	
	Interrogatories	Technical Conference Questions
Board Staff	4-b, 38-b-ii, 41-a, 41-b, 42-a, 45-a, 45-b, 45-c, 46, 52-b, 52-c, 61-d	7-l, 10-c
Energy Probe	37-a, 37-b, 37-c, 38-a, 38-b	
School Energy Coalition		
Vulnerable Energy Consumers Coalition	28-d	

For the purposes of settlement, the Parties accept the proposed rate riders to dispose of the account balances, with the adjustments discussed in section 9.1 above. The proposed smart meter disposition rider is set out in Appendix H.

LRAM/SSM (Exhibit 8)

9.3 Did Grimsby Power follow the Guidelines for Electricity Distributor Conservation and Demand Management issued on March 28, 2008?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E8-7, E8-A8.1	
	Interrogatories	Technical Conference Questions
Board Staff	37, 38, A4	
Energy Probe		
School Energy Coalition		
Vulnerable Energy Consumers Coalition		

For the purposes of settlement, the Parties accept that Grimsby Power has followed the Guidelines for Electricity Distributor Conservation and Demand Management issued on March 28, 2008.

9.4 Are the input assumptions used by Grimsby Power appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence: Refer to Issue 9.3 above

For the purposes of settlement, the Parties accept the input assumptions used by Grimsby Power.

9.5 Is the period for disposition of the LRAM/SSM amounts reasonable and appropriate?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence: Refer to Issue 9.3 above

For the purposes of settlement, the Parties accept the amounts and period for disposition of the LRAM/SSM amounts. Based on the changes to the load forecast agreed to in Issue 3.1 the LRAM rate riders will change. These are shown in Appendix G.

10. Modified International Financial Reporting Standards

- 10.1 Does Grimsby Power meet the Board's requirements for modified IFRS applications as set out in Report of the Board Transition to International Financial Reporting Standards, July 28, 2009 [EB-2008-0408], the Addendum to Report of the Board, June 13, 2011 [EB-2008-0408] and related documents?

Status: **Complete Settlement**

Supporting Parties: Grimsby Power, Energy Probe, SEC, VECC

Evidence:

Grimsby Power Inc. Application Exhibits	E1-21, E2-1, E2-9-12, E2-19-20, E2-22, E2-47, E2-49, E2-56-60, E2-A2.1-34, E4-3, E4-6-10, E4-17-18, E4-30, E4-52-53, E4-58, E4-A4.3, E5-5, E6-3-4, E9-7, E9-14-15
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	Interrogatories	Technical Conference Questions
Board Staff	57, 58, 59, 60, 61, 62, 63	11, 12, 13, 14, 15
Energy Probe	3, 8, 23, 26, 28	3, 4, 7
School Energy Coalition	5, 11, 14, 15, 16, 18	9, 10
Vulnerable Energy Consumers Coalition	2, 5	4

For the purposes of settlement, the Parties accept that Grimsby Power meets the Board's requirements for modified IFRS applications as set out in Report of the Board Transition to International Financial Reporting Standards, July 28, 2009 [EB-2008-0408], the Addendum to Report of the Board, June 13, 2011 [EB-2008-0408] and related documents.

As discussed under section 4.3, above, the level of depreciation/amortization expense for the 2011 Bridge Year and the 2012 Test Year have been re-calculated to reflect the use of the "typical useful lives" set out in the study prepared by Kinectrics for the Board and released by the Board on July 8, 2010. The revised Fixed Asset Continuity Tables for 2011 and 2012 incorporating this change are annexed to this Agreement as Appendix I.

With respect to the capitalization of overheads, see Issue 2.2.

With regard to Grimsby Power's PP&E Account, which tracks the amounts, including associated depreciation, attributable to the difference between CGAAP and IFRS

calculations of net fixed assets as at the end of 2011, the Parties accept for the purposes of settlement Grimsby Power's methodology for calculation of the amount to be booked in the PP&E account, subject to re-calculation which will be completed when OM&A expenses are determined. Appendix I to this Agreement sets out the full calculation of the PP&E Deferral Account consistent with the terms of this Agreement.

Appendix A – Summary of the Significant Items Adjusted as a result of this Agreement (excludes OM&A)

IR #	TC#	SC#	Board Staff	Exhibit	Initial Value	Corrected Value	Change to GL/SubAcct	Description
3b			X	9	\$ 1,350,686	\$ 1,307,178	1555	Net book value of smart meters in Table 9.11
11b			X	3	\$ 3,000	\$ 10,100	4405	For 2011 and 2012 interest should be the higher value.
14a			X	4	\$ 172,730	\$ 132,730	5310	2010 Meter reading expense was higher due to a double accounting entry.
15d			X	4	\$ 56,671	\$ -	53104001	No MDMR fees.
15d			X	4	\$ 3,917	\$ -	53104002	No MDMR fees.
21			X	4	\$ 123,000	\$ 124,100		OMER's premium for 2012 has been recalculated based on new information. Impact is not material and no changes to the model will be made.
30e			X	5	\$ 505,849	\$ 520,282		2011 Interest Cost
30e			X	5	\$ 494,049	\$ 513,049		2012 Interest Cost
55			X	9	\$ 42,682	\$ 66,982	1830	Equivalent PST Savings
55			X	9	\$ 18,012	\$ 29,252	5085	Equivalent PST Savings
55			X	9	\$ 9,362	\$ 15,946	1592	HST Saving Account
	VECC 6				\$ 98,600	\$ 211,600	4375	For 2011 and 2012 the Non-Utility Revenue should be higher value.
	VECC 6				\$ 98,600	\$ 208,000	4380	For 2011 and 2012 the Non-Utility Expense should be higher value.
	BS 10 c		X	9	\$ 1,125,389	\$ -	1588	No claim for the Global Adjustment
		2.3			\$ 1,440,053	\$ 1,040,064	1925/1830	Change in 2011 Bridge Year capital expenditures
		2.3			\$ 1,282,540	\$ 1,537,649	1925	Change in 2012 Test Year capital expenditures
		3.1			190,071,518	193,600,000	4006-4055	Change predicted kwhrs purchased
					\$ 13,559,196	\$14,316,251	4705	Update Power Purchased amount by using Oct 17, 2011 RPP Price Report
		4.3			\$ 1,025,789	\$ 588,256	5705	Change in depreciation expense based on TUL values for 2011
		4.3			\$ 708,897	\$ 768,901	5705	Change in depreciation expense based on TUL values for 2012
		4.7			-	\$ 3,000	6110	Co-op Tax Credit
		4.7			-	\$ 10,000	6110	Apprentice Tax Credit
		4.7			\$ 62,299	\$ 37,558	6110	Reserves calculation
		5.2			7.25%	5.01%	6005	Change in interest percentage paid on promissory note
		5.3			9.58%	9.42%	4080	Percentage ROE - Cost of Capital Parameters - November 10, 2011 OEB direction
		5.2			5.97%	4.53%	6005	Percentage Deemed LT Debt Rate - Cost of Capital Parameters - November 10, 2011 OEB direction
		5.3			2.46%	2.08%	6035	Percentage Deemed ST Debt Rate - Cost of Capital Parameters - November 10, 2011 OEB direction
		7.1			79.40%	80.70%	4080	Revenue to Cost Ratio for GS>50
		7.1			106.60%	105.60%	4080	Revenue to Cost Ratio for Residential
		8.1			\$ 0.66	\$ 1.82	4080	The MSC for Street Light
		8.1			\$ 12.78	\$ 18.36	4080	The MSC for USL
		9.1			\$ 4.85	\$ 4.92	1555	Smart Meter Rate Rider for Residential
		9.1			\$ 4.85	\$ 4.88	1555	Smart Meter Rate Rider for GS<50
		9.1			\$ 4.85	\$ 5.46	1555	Smart Meter Rate Rider for GS>50

Appendix B – Updated Cost of Power

<u>2012 Load Foreacst</u>	kWh	kW	2010 %RPP
Residential	94,590,900		86%
General Service < 50 kW	18,707,282		80%
General Service 50 to 4,999 kW	69,874,994	191,455	6%
Street Lighting	1,578,145	4,403	0%
Unmetered Scattered Load	355,293		100%
TOTAL	185,106,615	195,858	

<u>Electricity - Commodity RPP</u>	2012 Forecasted	2012 Loss	2012		
Class per Load Forecast RPP	Metered kWhs	Factor			
Residential	81,593,874	1.0526	85,885,712	\$0.07515	\$6,454,311
General Service < 50 kW	14,982,519	1.0526	15,770,600	\$0.07515	\$1,185,161
General Service 50 to 4,999 kW	4,187,905	1.0526	4,408,189	\$0.07515	\$331,275
Street Lighting	0	1.0526	0	\$0.07515	\$0
Unmetered Scattered Load	354,218	1.0526	372,850	\$0.07515	\$28,020
TOTAL	101,118,516		106,437,350		\$7,998,767

<u>Electricity - Commodity Non-RPP</u>	2012 Forecasted	2012 Loss	2012		
Class per Load Forecast	Metered kWhs	Factor			
Residential	12,997,026	1.0526	13,680,669	\$0.07146	\$977,621
General Service < 50 kW	3,724,763	1.0526	3,920,685	\$0.07146	\$280,172
General Service 50 to 4,999 kW	65,687,090	1.0526	69,142,230	\$0.07146	\$4,940,904
Street Lighting	1,578,145	1.0526	1,661,156	\$0.07146	\$118,706
Unmetered Scattered Load	1,076	1.0526	1,132	\$0.07146	\$81
TOTAL	83,988,099		88,405,873		\$6,317,484

<u>Transmission - Network</u>		Volume	2012		
Class per Load Forecast		Metric			
Residential		kWh	99,566,381	\$0.0066	\$661,014
General Service < 50 kW		kWh	19,691,285	\$0.0061	\$119,650
General Service 50 to 4,999 kW		kW	191,455	\$2.4546	\$469,946
Street Lighting		kW	4,403	\$1.8512	\$8,151
Unmetered Scattered Load		kWh	373,982	\$0.0061	\$2,272
TOTAL					\$1,261,033

<u>Transmission - Connection</u>		Volume	2012		
Class per Load Forecast		Metric			
Residential		kWh	99,566,381	\$0.0054	\$537,056
General Service < 50 kW		kWh	19,691,285	\$0.0047	\$93,208
General Service 50 to 4,999 kW		kW	191,455	\$1.9125	\$366,165
Street Lighting		kW	4,403	\$1.4785	\$6,510
Unmetered Scattered Load		kWh	373,982	\$0.0047	\$1,770
TOTAL					\$1,004,710

<u>Wholesale Market Service</u>			2012		
Class per Load Forecast					
Residential		kWh	99,566,381	\$0.0052	\$517,745
General Service < 50 kW		kWh	19,691,285	\$0.0052	\$102,395
General Service 50 to 4,999 kW		kWh	73,550,419	\$0.0052	\$382,462
Street Lighting		kWh	1,661,156	\$0.0052	\$8,638
Unmetered Scattered Load		kWh	373,982	\$0.0052	\$1,945
TOTAL			194,843,223		\$1,013,185

<i>Rural Rate Assistance</i>			2012		
Class per Load Forecast					
Residential		kWh	99,566,381	\$0.0013	\$129,436
General Service < 50 kW		kWh	19,691,285	\$0.0013	\$25,599
General Service 50 to 4,999 kW		kWh	73,550,419	\$0.0013	\$95,616
Street Lighting		kWh	1,661,156	\$0.0013	\$2,160
Unmetered Scattered Load		kWh	373,982	\$0.0013	\$486
TOTAL			194,843,223		\$253,296

2012	
4705-Power Purchased	\$14,316,251
4708-Charges-WMS	\$1,013,185
4714-Charges-NW	\$1,261,033
4716-Charges-CN	\$1,004,710
4730-Rural Rate Assistance	\$253,296
4750-Low Voltage	\$130,000
TOTAL	17,978,475

Appendix C – 2012 Test Year Updated Load Forecast

		Grimsby Power Application	Settlement	Difference (\$)	Difference (%)
2012 Predicted Purchases - kWh		190,071,518	193,600,000	3,528,482	1.86%
2012 Predicted Consumption - kWh		181,732,931	185,106,614	3,373,683	1.86%
Loss Factor		1.0459	1.0459		
2012 Predicted Consumption by Rate Class	Nbr Customers				
Residential - kWh	9,703	92,606,843	94,590,900	1,984,057	2.14%
GS < 50 - kWh	683	18,314,894	18,707,282	392,388	2.14%
GS > 50 - kW	100	188,723	191,455	2,732	1.45%
- kWh		68,877,755	69,874,994	997,239	1.45%
Streetlights - kW	2,548	4,403	4,403	-	0.00%
- kWh		1,578,145	1,578,145	-	0.00%
Unmetered Scattered Load	80	355,293	355,293	-	0.00%
Total Consumption - kWh		181,732,930	185,106,614	3,373,684	1.86%
kW Demand		193,126	195,858	2,732	1.41%
Total Customers	13,114				

Appendix D – 2012 Test Year Updated Other Revenue

USoA #	USoA Description	2012 Test
4235	Specific Service Charges	\$ 55,000
4225	Late Payment Charges	\$ 55,000
4080	SSS Admin Fees	\$ 26,750
4082	Retail Services Revenues	\$ 25,591
4084	STR Revenues	\$ 800
4210	Rent from Electric Property	\$ 65,000
4325	Revenues from Merchandise, Jobbing, Etc	\$ 100,000
4355	Gain on Disposition of Utility & Other Property	
4375	Revenues from Non-Utility & Other Property	\$ 211,600
4380	Expenses of Non-Utility Operations	-\$ 208,000
4390	Miscellaneous Non-Operating Income	\$ 5,000
4405	Interest and Dividend Income	\$ 10,100
	Specific Service Charges	\$ 55,000
	Late Payment Charges	\$ 55,000
	Other Operating Revenues	\$ 118,141
	Other Income or Deductions	\$ 118,700
	Total	\$ 346,841

Appendix E – 2012 Test Year Updated Cost of Capital

2012		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	4.53%
Short-Term Debt	4.00%	2.08%
Return On Equity	40.00%	9.42%
Weighted Debt Rate		4.37%
Regulated Rate of Return		6.39%

Appendix F – 2012 Test Year Updated Revenue to Cost Ratios and Fixed Rates

Class	Application Proposed Revenue-1	Application Allocated Cost	Rates as Originally Proposed	Settlement Revenue-2	Settlement Allocated Cost	New Rev/Cost Ratio	Fixed Rates - Settlement
Residential	3,377,804.88	3,168,556.45	106.60%	3,263,178.91	3,088,935.06	105.6%	15.11
GS < 50 kW	517,957.36	504,994.32	102.57%	499,939.90	486,612.05	102.7%	25.56
GS >50	582,316.04	733,131.55	79.43%	561,878.74	695,962.46	80.7%	165.08
Street Lighting	79,297.53	149,436.36	53.06%	87,244.58	142,034.83	61.4%	1.82
USL	22,157.70	23,414.83	94.63%	24,388.45	23,086.18	105.6%	18.36
TOTAL	4,579,533.51	4,579,533.51		4,436,630.58	4,436,630.58	100.000%	

Appendix G – 2012 Test Year LRAM and SSM

[illegible]

Appendix H – 2012 Proposed Smart Meter Rate Riders

Rate Class	Proposed 2012 DVA	Proposed 2012 Smart Meter Rate Rider	Proposed 2012 Stranded Meter Rate Rider
Residential	(0.0055)	1.70	3.18
GS < 50 KW	(0.0058)	2.28	3.18
GS > 50 KW	(2.5414)		3.18
Small Scattered Load	(0.0041)		
Street Lighting	(2.3701)		

Appendix I – Fixed Asset Continuity Schedules

Fixed Asset Continuity Schedule

2011 MIFRS - Typical Life															
			Cost					Accumulated Depreciation							
CCA Class	OEB	Description	2010 Closing Balance	Capital Contribution Allocation	2011 Opening Balance	Additions	Additions Contributed Capital	Closing Balance	2010 Closing Balance	Capital Contribution Allocation	2011 Opening Balance	Additions	Additions Contributed Capital	Closing Balance	Net Book Value
N/A	1805	Land	\$ -		\$ -			\$ -			\$ -	\$ -		\$ -	\$ -
47	1808	Buildings	\$ -		\$ -			\$ -			\$ -	\$ -		\$ -	\$ -
13	1810	Leasehold Improvements	\$ -		\$ -			\$ -			\$ -	\$ -		\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -		\$ -			\$ -			\$ -	\$ -		\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 143,555		\$ 143,555			\$ 143,555	\$ 143,555		\$ 143,555	\$ -		\$ 143,555	\$ -
47	1825	Storage Battery Equipment	\$ -		\$ -			\$ -			\$ -	\$ -		\$ -	\$ -
47	1830	Poles, Towers & Fixtures	\$ 7,472,266	\$ 134,848	\$ 7,337,418	\$ 443,959	\$ 33,315	\$ 7,748,062	\$ 4,318,324	\$ 32,660	\$ 4,285,665	\$ 101,491	\$ 3,223	\$ 4,383,933	\$ 3,364,129
47	1835	Overhead Conductors & Devices	\$ 2,115,766	\$ 91,407	\$ 2,024,359	\$ 192,187	\$ 17,655	\$ 2,198,891	\$ 444,451	\$ 22,138	\$ 422,312	\$ 33,964	\$ 8,362	\$ 447,915	\$ 1,750,976
47	1840	Underground Conduit	\$ 5,110,882	\$ 796,425	\$ 4,314,458	\$ 15,000	\$ 24,180	\$ 4,305,278	\$ 2,822,893	\$ 192,890	\$ 2,630,002	\$ 59,904	\$ 10,821	\$ 2,679,086	\$ 1,626,192
47	1845	Underground Conductors & Devices	\$ 1,803,450	\$ 755,741	\$ 1,047,708	\$ 118,186	\$ 15,045	\$ 1,150,849	\$ 379,539	\$ 183,037	\$ 196,502	\$ 61,389	\$ 9,208	\$ 248,683	\$ 902,167
47	1850	OH Line Transformers	\$ 5,310,162	\$ 134,096	\$ 5,176,066	\$ 178,081	\$ 1,290	\$ 5,352,857	\$ 3,132,934	\$ 32,478	\$ 3,100,457	\$ 82,972	\$ 23,992	\$ 3,159,437	\$ 2,193,420
47	1850	UG Line Transformers	\$ 2,109,146	\$ 1,432,787	\$ 676,359	\$ 89,946	\$ 14,640	\$ 751,665	\$ 451,336	\$ 347,014	\$ 104,322	\$ 50,347	\$ 1,849	\$ 152,820	\$ 598,845
47	1855	Services Overhead	\$ 152,165	\$ 17,713	\$ 134,452	\$ 12,261	\$ 22,995	\$ 123,718	\$ 30,283	\$ 4,290	\$ 25,993	\$ 4,794	\$ 125	\$ 30,663	\$ 93,056
47	1855	Services Underground	\$ 1,753,216	\$ 1,453,755	\$ 299,460	\$ 19,881	\$ 17,505	\$ 301,836	\$ 366,862	\$ 352,093	\$ 14,769	\$ 47,180	\$ 419	\$ 61,530	\$ 240,306
47	1860	Meters (Stranded)	\$ 1,738		\$ 1,738	\$ -	\$ 210	\$ 1,528	\$ 8,873	\$ -	\$ 8,873	\$ 771	\$ 9	\$ 9,635	\$ 8,106
47	1860	Meters (Industrial/Commercial)	\$ 277,751	\$ 160,420	\$ 117,331	\$ 3,803	\$ 2,175	\$ 118,959	\$ 44,052	\$ 38,853	\$ 5,199	\$ 9,118	\$ 345	\$ 13,973	\$ 104,987
	1860	Meters (CT's & PT's)	\$ 109,463		\$ 109,463	\$ -	\$ 990	\$ 108,473	\$ 15,360	\$ -	\$ 15,360	\$ 2,644	\$ 25	\$ 17,979	\$ 90,493
47	1860	Meters (Smart Meters)	\$ -		\$ -	\$ -		\$ 1,499,556			\$ 15,360	\$ -		\$ 1,499,556	\$ 1,499,556
N/A	1905	Land	\$ 111,556		\$ 111,556	\$ -		\$ 111,556			\$ -			\$ -	\$ 111,556
CEC	1906	Land Rights	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
47	1908	Buildings & Fixtures	\$ 622,852		\$ 622,852	\$ -		\$ 622,852	\$ 311,426		\$ 311,426	\$ 9,160		\$ 320,586	\$ 302,266
47	1908	Buildings & Fixtures	\$ 56,223		\$ 56,223	\$ -		\$ 56,223	\$ 26,852		\$ 26,852	\$ 3,181		\$ 30,032	\$ 26,191
47	1908	Buildings & Fixtures	\$ 76,605		\$ 76,605	\$ 72,500		\$ 149,105	\$ 5,516		\$ 5,516	\$ 7,332		\$ 12,848	\$ 136,257
13	1910	Leasehold Improvements	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 137,239		\$ 137,239	\$ -		\$ 137,239	\$ 112,165		\$ 112,165	\$ 5,136		\$ 117,300	\$ 19,938
8	1915	Office Furniture & Equipment (5 years)	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
45	1920	Computer Equipment - Hardware	\$ 129,178		\$ 129,178	\$ 11,500		\$ 140,678	\$ 98,650		\$ 98,650	\$ 16,818		\$ 115,468	\$ 25,210
12	1925	Computer Software	\$ 467,221		\$ 467,221	\$ 2,500		\$ 469,721	\$ 269,059		\$ 269,059	\$ 128,029		\$ 397,088	\$ 72,634
10	1930	Transportation Equipment	\$ 745,593		\$ 745,593	\$ 30,000		\$ 775,593	\$ 722,130		\$ 722,130	\$ 3,893		\$ 726,023	\$ 49,571
8	1935	Stores Equipment	\$ 47,086		\$ 47,086	\$ -		\$ 47,086	\$ 47,086		\$ 47,086	\$ -		\$ 47,086	\$ -
8	1940	Tools, Shop & Garage Equipment	\$ 156,678		\$ 156,678	\$ -		\$ 156,678	\$ 99,425		\$ 99,425	\$ 12,522		\$ 111,947	\$ 44,732
8	1945	Measurement & Testing Equipment	\$ 70,448		\$ 70,448	\$ 5,000		\$ 75,448	\$ 55,176		\$ 55,176	\$ 5,989		\$ 61,165	\$ 14,283
8	1950	Power Operated Equipment	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
8	1955	Communications Equipment	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)	\$ -		\$ -	\$ -		\$ 10,669							\$ 10,669
8	1960	Miscellaneous Equipment	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
47	1975	Load Management Controls Utility Premises	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
47	1980	System Supervisor Equipment	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
47	1985	Miscellaneous Fixed Assets	\$ -		\$ -	\$ -		\$ -			\$ -			\$ -	\$ -
47	1995	Contributions & Grants	\$ 4,977,193	\$ 4,977,193	\$ -	\$ -		\$ -	\$ 1,205,453	\$ 1,205,453	\$ -	\$ -		\$ -	\$ -
WIP	2055	Construction Work in Progress	\$ 4,740		\$ 4,740	\$ 4,740		\$ -			\$ -	\$ -		\$ -	\$ -
			\$ -		\$ -	\$ -		\$ -			\$ -	\$ -		\$ -	\$ -
		Total	\$ 24,007,789	\$ -	\$ 24,007,789	\$ 1,190,064	\$ 150,000	\$ 26,558,078	\$ 12,700,493	\$ -	\$ 12,700,493	\$ 646,633	\$ 58,377	\$ 13,288,750	\$ 13,269,329

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation

Stores Equipment

Net Depreciation \$ 3,771,740

\$ 646,633

Fixed Asset Continuity Schedule

2012 MIFRS - Typical life

CCA Class	OEB	Description	2012 Opening Balance	Additions	Additions Contributed Capital	Closing Balance
N/A	1805	Land	\$ -			\$ -
47	1808	Buildings	\$ -			\$ -
13	1810	Leasehold Improvements	\$ -			\$ -
47	1815	Transformer Station Equipment >50 kV	\$ -			\$ -
47	1820	Distribution Station Equipment <50 kV	\$ 143,555			\$ 143,555
47	1825	Storage Battery Equipment	\$ -			\$ -
47	1830	Poles, Towers & Fixtures	\$ 7,748,062	\$ 215,161	\$ 33,315	\$ 7,929,908
47	1835	Overhead Conductors & Devices	\$ 2,198,891	\$ 242,816	\$ 17,655	\$ 2,424,052
47	1840	Underground Conduit	\$ 4,305,278	\$ -	\$ 24,180	\$ 4,281,098
47	1845	Underground Conductors & Devices	\$ 1,150,849	\$ 148,446	\$ 15,045	\$ 1,284,250
47	1850	OH Line Transformers	\$ 5,352,857	\$ 184,446	\$ 1,290	\$ 5,536,013
47	1850	UG Line Transformers	\$ 751,665	\$ -	\$ 14,640	\$ 737,025
47	1855	Services Overhead	\$ 123,718	\$ 14,770	\$ 22,995	\$ 115,493
47	1855	Services Underground	\$ 301,836	\$ 28,901	\$ 17,505	\$ 313,232
47	1860	Meters (Stranded)	\$ 1,528	\$ 13,910	\$ 210	\$ 15,228
47	1860	Meters (Industrial/Commercial)	\$ 118,959	\$ -	\$ 2,175	\$ 116,784
47	1860	Meters (Other CTs & PTs)	\$ 108,473	\$ -	\$ 990	\$ 107,483
47	1860	Meters (Smart Meters)	\$ 1,499,556	\$ 19,529		\$ 1,519,085
N/A	1905	Land	\$ 111,556	\$ -		\$ 111,556
CEC	1906	Land Rights	\$ -	\$ -		\$ -
47	1908	Buildings	\$ 622,852	\$ -		\$ 622,852
47	1908	Paving/Fencing	\$ 56,223	\$ -		\$ 56,223
47	1908	Other Fixtures	\$ 149,105	\$ 82,570		\$ 231,675
13	1910	Leasehold Improvements	\$ -	\$ -		\$ -
8	1915	Office Furniture & Equipment (10 years)	\$ 137,239	\$ -		\$ 137,239
8	1915	Office Furniture & Equipment (5 years)	\$ -	\$ -		\$ -
45	1920	Computer Equipment - Hardware	\$ 140,678	\$ 17,850		\$ 158,528
12	1925	Computer Software	\$ 469,721	\$ 244,950		\$ 714,671
10	1930	Transportation Equipment	\$ 775,593	\$ 299,000		\$ 1,074,593
8	1935	Stores Equipment	\$ 47,086	\$ -		\$ 47,086
8	1940	Tools, Shop & Garage Equipment	\$ 156,678	\$ 1,600		\$ 158,278
8	1945	Measurement & Testing Equipment	\$ 75,448	\$ -		\$ 75,448
8	1950	Power Operated Equipment	\$ -	\$ -		\$ -
8	1955	Communications Equipment	\$ -	\$ 23,700		\$ 23,700
8	1955	Communication Equipment (Smart Meters)	\$ 10,669			\$ 10,669
8	1960	Miscellaneous Equipment	\$ -			\$ -
47	1975	Load Management Controls Utility Premise	\$ -			\$ -
47	1980	System Supervisor Equipment	\$ -			\$ -
47	1985	Miscellaneous Fixed Assets	\$ -			\$ -
47	1995	Contributions & Grants	\$ -			\$ -
	2005	Property under Capital Lease	\$ -			\$ -
						\$ -
		Total	\$ 26,558,078	\$ 1,537,649	\$ 150,000	\$ 27,945,727

10	Transportation
8	Stores Equipment

Accumulated Depreciation				
2011 Closing Balance	Additions	Additions Contributed Capital	Closing Balance	Net Book Value
\$ -	\$ -		\$ -	\$ -
\$ -	\$ -		\$ -	\$ -
\$ -	\$ -		\$ -	\$ -
\$ -	\$ -		\$ -	\$ -
-\$ 143,555	\$ -		-\$ 143,555	\$ -
\$ -	\$ -		\$ -	\$ -
-\$ 4,383,933	\$ 106,272	\$ 3,963	-\$ 4,486,242	\$ 3,443,666
-\$ 447,915	\$ 38,786	\$ 8,651	-\$ 478,049	\$ 1,946,002
-\$ 2,679,086	\$ 59,904	\$ 11,173	-\$ 2,727,817	\$ 1,553,281
-\$ 248,683	\$ 66,535	\$ 9,710	-\$ 305,507	\$ 978,743
-\$ 3,159,437	\$ 86,171	\$ 24,567	-\$ 3,221,041	\$ 2,314,972
-\$ 152,820	\$ 53,205	\$ 2,287	-\$ 203,738	\$ 533,287
-\$ 30,663	\$ 5,269	\$ 161	-\$ 35,770	\$ 79,723
-\$ 61,530	\$ 48,134	\$ 837	-\$ 108,827	\$ 204,405
-\$ 9,635	\$ 771	\$ 18	-\$ 10,388	\$ 4,840
-\$ 13,973	\$ 9,582	\$ 429	-\$ 23,126	\$ 93,659
-\$ 17,979	\$ 2,644	\$ 50	-\$ 20,573	\$ 86,909
\$ -	-\$ 100,621		-\$ 100,621	\$ 1,418,464
\$ -			\$ -	\$ 111,556
\$ -			\$ -	\$ -
-\$ 320,586	-\$ 9,160		-\$ 329,745	\$ 293,107
-\$ 30,032	\$ 3,181		-\$ 33,213	\$ 23,011
-\$ 12,848	\$ 11,461		-\$ 24,309	\$ 207,366
\$ -			\$ -	\$ -
-\$ 117,300	-\$ 4,067		-\$ 121,367	\$ 15,871
\$ -			\$ -	\$ -
-\$ 115,468	-\$ 19,600		-\$ 135,068	\$ 23,460
-\$ 397,088	\$ 98,881		-\$ 495,969	\$ 218,702
-\$ 726,023	\$ 23,826		-\$ 749,849	\$ 324,745
-\$ 47,086			-\$ 47,086	\$ -
-\$ 111,947	\$ 10,634		-\$ 122,581	\$ 35,698
-\$ 61,165	\$ 4,114		-\$ 65,279	\$ 10,169
\$ -			\$ -	\$ -
\$ -	-\$ 3,950		-\$ 3,950	\$ 19,750
\$ -	-\$ 2,134		-\$ 2,134	\$ 8,535
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
\$ -			\$ -	\$ -
-\$ 13,288,750	\$ 768,901	\$ 61,844	-\$ 13,995,806	\$ 13,949,921

Less: Fully Allocated Depreciation
PP&E Adjustment \$ 76,798
Communication
Net Depreciation \$ 692,103

**Deferral Account PP&E Componets of Rate Base
Rebasing in 2012 based on MIFRS**

	2009	2010	2011	2012	2013	2014	2015
Basis of Rates	IRM	IRM	IRM	Rebase MIFRS			
Forecast vs Actual Used in Rebasing Year	Actual	Actual	Forecast	Forecast			
PP&E Values under CGAAP							
Opening net PP&E	10,928,875	11,405,281	11,307,296				
Additions	1,062,086	193,395	2,665,683				
Depreciation	585,680	291,380	954,694				
Closing net PP&E	11,405,281	11,307,296	13,018,285				
PP&E Values under CGAAP FOR 2009+10, MIFRS Tereafter							
Opening net PP&E	10,928,875	11,405,281	11,307,296				
Additions	1,062,086	193,395	2,550,289				
Depreciation	585,680	291,380	588,256				
Closing net PP&E	11,405,281	11,307,296	13,269,329				
Difference in Closing net PP&E, CGAAP vs MIFRS	-	-	(251,044)				
Deferral Account - Rebasing in 2012 under MIFRS							
Opening balance	-	-	-	(251,044)	(188,283)	(125,522)	(62,761)
Amount added in the year			(251,044)	NA	NA	NA	NA
Sub-total			(251,044)	(251,044)	(188,283)	(125,522)	(62,761)
Amount of amortization, included in depreciation expense				62,761	62,761	62,761	62,761
Closing balance in deferral account				(188,283)	(125,522)	(62,761)	-
Deferral Amortization account Effect on the Revenue Requirement							
Amortization of deferred balance				(62,761)			
Return on rate base associated with deferred balance at WACC (6.39%)				(14,037)			
Amount included in Revenue Requirement on rebasing				(76,798)			

Appendix J – Revenue Requirement Work Form

Data Input Sheet

Grimsby Power Inc. Data Input ⁽¹⁾									
		Initial Application	Adjustments	Settlement Agreement	(6)	Adjustments		Per Board Decision	
1	<u>Rate Base</u>								
	Gross Fixed Assets (average)	\$27,576,881		\$ 27,251,903				\$27,251,903	
	Accumulated Depreciation (average)	(\$14,207,021)	(5) \$533,820	(\$13,673,201)				(\$13,673,201)	
	<u>Allowance for Working Capital:</u>								
	Controllable Expenses	\$2,623,797	\$18,012	\$ 2,641,809				\$2,641,809	
	Cost of Power	\$17,156,811	\$821,664	\$ 17,978,475				\$17,978,475	
	Working Capital Rate (%)	15.00%		15.00%				15.00%	
2	<u>Utility Income</u>								
	Operating Revenues:								
	Distribution Revenue at Current Rates	\$3,430,927	\$47,286	\$3,478,213					
	Distribution Revenue at Proposed Rates	\$4,243,703	(\$153,913)	\$4,089,790					
	<u>Other Revenue:</u>								
	Specific Service Charges	\$55,000	\$0	\$55,000					
	Late Payment Charges	\$55,000	\$0	\$55,000					
	Other Distribution Revenue	\$118,141	\$0	\$118,141					
	Other Income and Deductions	\$111,600	\$7,100	\$118,700					
	Total Revenue Offsets	\$339,741	(7) \$7,100	\$346,841					
	<u>Operating Expenses:</u>								
	OM+A Expenses	\$2,592,140	\$18,012	\$ 2,610,152				\$2,610,152	
	Depreciation/Amortization	\$709,099	(\$16,996)	\$ 692,103				\$692,103	
	Property taxes	\$27,540	\$ -	\$ 27,540				\$27,540	
	Other expenses	\$4,117	\$ -	4117.11				\$4,117	
3	<u>Taxes/PILs</u>								
	Taxable Income:								
	Adjustments required to arrive at taxable income	(\$286,400)	(3)	(\$339,567)					
	<u>Utility Income Taxes and Rates:</u>								
	Income taxes (not grossed up)	\$52,643		\$33,234					
	Income taxes (grossed up)	\$62,299		\$37,558					
	Federal tax (%)	11.00%		11.00%					
	Provincial tax (%)	4.50%		0.51%					
	Income Tax Credits	\$ -		\$ -					
4	<u>Capitalization/Cost of Capital</u>								
	<u>Capital Structure:</u>								
	Long-term debt Capitalization Ratio (%)	56.0%		56.0%					
	Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)				(2)
	Common Equity Capitalization Ratio (%)	40.0%		40.0%					
	Preferred Shares Capitalization Ratio (%)	0.0%		0.0%					
		100.0%		100.0%					
	<u>Cost of Capital</u>								
	Long-term debt Cost Rate (%)	5.97%		4.53%					
	Short-term debt Cost Rate (%)	2.46%		2.08%					
	Common Equity Cost Rate (%)	9.58%		9.42%					
	Preferred Shares Cost Rate (%)	0.00%		0.00%					

Rate Base

Grimsby Power 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)	\$27,576,881	(\$324,978)	\$27,251,903	\$ -		\$27,251,903	
2	Accumulated Depreciation (average)	(3)	(\$14,207,021)	\$533,820	(\$13,673,201)	\$ -		(\$13,673,201)	
3	Net Fixed Assets (average)	(3)	\$13,369,860	\$208,842	\$13,578,702	\$ -		\$13,578,702	
4	Allowance for Working Capital	(1)	\$2,967,091	\$125,951	\$3,093,043	\$ -		\$3,093,043	
5	Total Rate Base		\$16,336,952	\$334,793	\$16,671,745	\$ -		\$16,671,745	
Allowance for Working Capital - Derivation									
6	Controllable Expenses		\$2,623,797	\$18,012	\$2,641,809	\$ -		\$2,641,809	
7	Cost of Power		\$17,156,811	\$821,664	\$17,978,475	\$ -		\$17,978,475	
8	Working Capital Base		\$19,780,608	\$839,676	\$20,620,284	\$ -		\$20,620,284	
9	Working Capital Rate %	(2)	15.00%	0.00%	15.00%	0.00%		15.00%	
10	Working Capital Allowance		\$2,967,091	\$125,951	\$3,093,043	\$ -		\$3,093,043	

Utility Income

Grimsby Power Inc. Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$4,243,703	(\$153,913)	\$4,089,790	\$ -	\$4,089,790
2	Other Revenue (1)	\$339,741	\$7,100	\$346,841	\$ -	\$346,841
3	Total Operating Revenues	\$4,583,444	(\$146,813)	\$4,436,631	\$ -	\$4,436,631
	Operating Expenses:					
4	OM+A Expenses	\$2,592,140	\$18,012	\$2,610,152	\$ -	\$2,610,152
5	Depreciation/Amortization	\$709,099	(\$16,996)	\$692,103	\$ -	\$692,103
6	Property taxes	\$27,540	\$ -	\$27,540	\$ -	\$27,540
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$4,117	\$ -	\$4,117	\$ -	\$4,117
9	Subtotal (lines 4 to 8)	\$3,332,896	\$1,016	\$3,333,912	\$ -	\$3,333,912
10	Deemed Interest Expense	\$562,216	(\$125,248)	\$436,969	\$136,769	\$573,738
11	Total Expenses (lines 9 to 10)	\$3,895,113	(\$124,232)	\$3,770,881	\$136,769	\$3,907,650
12	Utility income before income taxes	\$688,331	(\$22,582)	\$665,750	(\$136,769)	\$528,981
13	Income taxes (grossed-up)	\$62,299	(\$24,741)	\$37,558	\$ -	\$37,558
14	Utility net income	\$626,032	\$2,159	\$628,191	(\$136,769)	\$491,422

Notes

Other Revenues/Revenue Offsets

(1)	Specific Service Charges	\$55,000	\$ -	\$55,000		\$55,000
	Late Payment Charges	\$55,000	\$ -	\$55,000		\$55,000
	Other Distribution Revenue	\$118,141	\$ -	\$118,141		\$118,141
	Other Income and Deductions	\$111,600	\$7,100	\$118,700		\$118,700
	Total Revenue Offsets	\$339,741	\$7,100	\$346,841	\$ -	\$346,841

Taxes PILs

Grimsby Power Inc. Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
	<u>Determination of Taxable Income</u>			
1	Utility net income before taxes	\$626,032	\$628,191	\$638,861
2	Adjustments required to arrive at taxable utility income	(\$286,400)	(\$339,567)	(\$286,400)
3	Taxable income	<u>\$339,632</u>	<u>\$288,625</u>	<u>\$352,462</u>
	<u>Calculation of Utility income Taxes</u>			
4	Income taxes	<u>\$52,643</u>	<u>\$33,234</u>	<u>\$33,234</u>
6	Total taxes	<u>\$52,643</u>	<u>\$33,234</u>	<u>\$33,234</u>
7	Gross-up of Income Taxes	<u>\$9,656</u>	<u>\$4,325</u>	<u>\$4,325</u>
8	Grossed-up Income Taxes	<u>\$62,299</u>	<u>\$37,558</u>	<u>\$37,558</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$62,299</u>	<u>\$37,558</u>	<u>\$37,558</u>
10	Other tax Credits	\$ -	\$ -	\$ -
	<u>Tax Rates</u>			
11	Federal tax (%)	11.00%	11.00%	11.00%
12	Provincial tax (%)	4.50%	0.51%	0.51%
13	Total tax rate (%)	<u>15.50%</u>	<u>11.51%</u>	<u>11.51%</u>

Cost of Capital

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$9,148,693	5.97%	\$546,141
2	Short-term Debt	4.00%	\$653,478	2.46%	\$16,076
3	Total Debt	60.00%	\$9,802,171	5.74%	\$562,216
	Equity				
4	Common Equity	40.00%	\$6,534,781	9.58%	\$626,032
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$6,534,781	9.58%	\$626,032
7	Total	100.00%	\$16,336,952	7.27%	\$1,188,248
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$9,336,177	4.53%	\$423,098
2	Short-term Debt	4.00%	\$666,870	2.08%	\$13,871
3	Total Debt	60.00%	\$10,003,047	4.37%	\$436,969
	Equity				
4	Common Equity	40.00%	\$6,668,698	9.42%	\$628,191
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$6,668,698	9.42%	\$628,191
7	Total	100.00%	\$16,671,745	6.39%	\$1,065,160
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$9,336,177	5.97%	\$557,333
9	Short-term Debt	4.00%	\$666,870	2.46%	\$16,405
10	Total Debt	60.00%	\$10,003,047	5.74%	\$573,738
	Equity				
11	Common Equity	40.00%	\$6,668,698	9.58%	\$638,861
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$6,668,698	9.58%	\$638,861
14	Total	100.00%	\$16,671,745	7.27%	\$1,212,599

Revenue Deficiency/Sufficiency

Revenue Deficiency/Sufficiency

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
Revenue Deficiency from Below		\$812,776		\$611,576		\$760,404
Distribution Revenue	\$3,430,927	\$3,430,927	\$3,478,213	\$3,478,213	\$3,478,213	\$3,329,386
Other Operating Revenue	\$339,741	\$339,741	\$346,841	\$346,841	\$346,841	\$346,841
Offsets - net						
Total Revenue	\$3,770,668	\$4,583,444	\$3,825,054	\$4,436,631	\$3,825,054	\$4,436,631
Operating Expenses	\$3,332,896	\$3,332,896	\$3,333,912	\$3,333,912	\$3,333,912	\$3,333,912
Deemed Interest Expense	\$562,216	\$562,216	\$436,969	\$436,969	\$573,738	\$573,738
Total Cost and Expenses	\$3,895,113	\$3,895,113	\$3,770,881	\$3,770,881	\$3,907,650	\$3,907,650
Utility Income Before Income Taxes	(\$124,444)	\$688,331	\$54,173	\$665,750	(\$82,596)	\$528,981
Tax Adjustments to Accounting						
Income per 2009 PILs						
Taxable Income	(\$286,400)	(\$286,400)	(\$339,567)	(\$339,567)	(\$339,567)	(\$339,567)
Income Tax Rate	15.50%	15.50%	11.51%	11.51%	11.51%	11.51%
Income Tax on Taxable Income	(\$63,681)	\$62,299	(\$32,862)	\$37,558	(\$48,610)	\$21,810
Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Net Income	(\$60,763)	\$626,032	\$87,035	\$628,191	(\$33,986)	\$491,422
Utility Rate Base	\$16,336,952	\$16,336,952	\$16,671,745	\$16,671,745	\$16,671,745	\$16,671,745
Deemed Equity Portion of Rate Base	\$6,534,781	\$6,534,781	\$6,668,698	\$6,668,698	\$6,668,698	\$6,668,698
Income/(Equity Portion of Rate Base)	-0.93%	9.58%	1.31%	9.42%	-0.51%	7.37%
Target Return - Equity on Rate Base	9.58%	9.58%	9.42%	9.42%	9.58%	9.58%
Deficiency/Sufficiency in Return on Equity	-10.51%	0.00%	-8.11%	0.00%	-10.09%	-2.21%
Indicated Rate of Return	3.07%	7.27%	3.14%	6.39%	3.24%	6.39%
Requested Rate of Return on Rate Base	7.27%	7.27%	6.39%	6.39%	7.27%	7.27%
Deficiency/Sufficiency in Rate of Return	-4.20%	0.00%	-3.25%	0.00%	-4.04%	-0.88%
Target Return on Equity	\$626,032	\$626,032	\$628,191	\$628,191	\$638,861	\$638,861
Revenue Deficiency/(Sufficiency)	\$686,795	\$0	\$541,156	\$0	\$672,847	(\$147,439)
Gross Revenue	\$812,776 (1)		\$611,576 (1)		\$760,404 (1)	
Deficiency/(Sufficiency)						

Revenue Requirement

Grimsby Power Inc. Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$2,592,140	\$2,610,152	\$2,610,152
2	Amortization/Depreciation	\$709,099	\$692,103	\$692,103
3	Property Taxes	\$27,540	\$27,540	\$27,540
5	Income Taxes (Grossed up)	\$62,299	\$37,558	\$37,558
6	Other Expenses	\$4,117	\$4,117	\$4,117
7	Return			
	Deemed Interest Expense	\$562,216	\$436,969	\$573,738
	Return on Deemed Equity	\$626,032	\$628,191	\$638,861
8	Service Revenue Requirement (before Revenues)	<u>\$4,583,444</u>	<u>\$4,436,631</u>	<u>\$4,584,069</u>
9	Revenue Offsets	\$339,741	\$346,841	\$ -
10	Base Revenue Requirement	<u>\$4,243,703</u>	<u>\$4,089,790</u>	<u>\$4,584,069</u>
11	Distribution revenue	\$4,243,703	\$4,089,790	\$4,089,790
12	Other revenue	\$339,741	\$346,841	\$346,841
13	Total revenue	<u>\$4,583,444</u>	<u>\$4,436,631</u>	<u>\$4,436,631</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>\$0 (1)</u>	<u>(\$147,439) (1)</u>

Bill Impacts – Residential

Grimsby Power Inc. Bill Impacts - Residential

☐ Application of New Loss Factor to all applicable items ☐ Application of new Loss Factor to Del

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 15.1100	1	\$ 15.11	\$ 15.1100	1	\$ 15.11	\$ -	0.00%
2 Smart Meter Rate Adder	monthly	\$ 1.9900	1	\$ 1.99		1	\$ -	-\$ 1.99	-100.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0086	800	\$ 6.88	\$ 0.0133	800	\$ 10.64	\$ 3.76	54.65%
6 Low Voltage Rate Adder	per kWh	\$ 0.0007	800	\$ 0.56	\$ 0.0007	800	\$ 0.56	\$ -	0.00%
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	\$ -	\$ 0.0005	800	\$ 0.40	\$ 0.40	
11 Deferral/Variance Account Disposition Rate Rider	monthly	\$ -	800	\$ -	-\$ 0.0055	800	-\$ 4.36	-\$ 4.36	
12 Stranded Meter Rate Rider	Monthly			\$ -	\$ 3.1800	1	\$ 3.18	\$ 3.18	
13 Smart Meter Disposition Rider	monthly			\$ -	\$ 1.7000	1	\$ 1.70	\$ 1.70	
14				\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 24.54			\$ 27.23	\$ 2.69	10.95%
17 RTSR - Network		\$ 0.0059	840.16	\$ 4.96	\$ 0.0066	842.08	\$ 5.56	\$ 0.60	12.12%
18 RTSR - Line and Transformation Connection		\$ 0.0049	840.16	\$ 4.12	\$ 0.0054	842.08	\$ 4.55	\$ 0.43	10.46%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 33.61			\$ 37.33	\$ 3.72	11.06%
20 Wholesale Market Service Charge (WMSC)		\$ 0.0065	840.16	\$ 5.46	\$ 0.0065	842.08	\$ 5.47	\$ 0.01	0.23%
21 Rural and Remote Rate Protection (RRRP)			840.16	\$ -		842.08	\$ -	\$ -	
22 Special Purpose Charge			840.16	\$ -		842.08	\$ -	\$ -	
23 Standard Supply Service Charge			1	\$ -		1	\$ -	\$ -	
24 Debt Retirement Charge (DRC)		\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25 Energy			840.16	\$ -		842.08	\$ -	\$ -	
26 Cost of Power Commodity (<600)		\$ 0.0680	600	\$ 40.80	\$ 0.0680	600	\$ 40.80	\$ -	0.00%
27 Cost of Power Commodity (>600)		\$ 0.0790	240.16	\$ 18.97	\$ 0.0790	242.08	\$ 19.12	\$ 0.15	0.80%
28 Total Bill (before Taxes)				\$ 104.45			\$ 108.33	\$ 3.88	3.72%
29 HST		13%		\$ 13.58	13%		\$ 14.08	\$ 0.50	3.72%
30 Total Bill (including Sub-total B)				\$ 118.03			\$ 122.41	\$ 4.38	3.71%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 11.80	-10%		-\$ 12.24	-\$ 0.44	3.73%
32 Total Bill (including OCEB)				\$ 106.23			\$ 110.17	\$ 3.94	3.71%
33 Loss Factor (%)	Note 1		5.02%			5.26%			

Bill Impacts – GS<50kW

Bill Impacts - General Service < 50 kW

Application of New Loss Factor to all applicable items Application of new Loss Factor to Delivery

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge		\$ 25.5600	1	\$ 25.56	\$ 25.5600	1	\$ 25.56	\$ -	0.00%
2 Smart Meter Rate Adder		\$ 1.9900	1	\$ 1.99		1	\$ -	-\$ 1.99	-100.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate		\$ 0.0100	2000	\$ 20.00	\$ 0.0137	2000	\$ 27.40	\$ 7.40	37.00%
6 Low Voltage Rate Adder		\$ 0.0006	2000	\$ 1.20	\$ 0.0006	2000	\$ 1.20	\$ -	0.00%
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		\$ -	2000	\$ -	\$ 0.0003	2000	\$ 0.60	\$ 0.60	
11 Deferral/Variance Account Disposition Rate Rider		\$ -	2000	\$ -	-\$ 0.0058	2000	-\$ 11.63	-\$ 11.63	
12 Stranded Meter Rate Rider	monthly			\$ -	\$ 3.1800	1	\$ 3.18	\$ 3.18	
13 Smart Meter Disposition Rider	monthly			\$ -	\$ 2.2800	1	\$ 2.28	\$ 2.28	
14				\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ 48.75			\$ 48.59	-\$ 0.16	-0.34%
17 RTSR - Network		\$ 0.0054	2100.4	\$ 11.34	\$ 0.0061	2105.2	\$ 12.84	\$ 1.50	13.22%
18 RTSR - Line and Transformation Connection		\$ 0.0043	2100.4	\$ 9.03	\$ 0.0047	2105.2	\$ 9.89	\$ 0.86	9.55%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 69.12			\$ 71.32	\$ 2.20	3.18%
20 Wholesale Market Service Charge (WMSC)		\$ 0.0065	2100.4	\$ 13.65	\$ 0.0065	2105.2	\$ 13.68	\$ 0.03	0.23%
21 Rural and Remote Rate Protection (RRRP)			2100.4	\$ -		2105.2	\$ -	\$ -	
22 Special Purpose Charge			2100.4	\$ -		2105.2	\$ -	\$ -	
23 Standard Supply Service Charge			1	\$ -		1	\$ -	\$ -	
24 Debt Retirement Charge (DRC)		\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25 Energy			2100.4	\$ -		2105.2	\$ -	\$ -	
26 Cost of Power Commodity (<600)		\$ 0.0680	600	\$ 40.80	\$ 0.0680	600	\$ 40.80	\$ -	0.00%
27 Cost of Power Commodity (>600)		\$ 0.0790	1500.4	\$ 118.53	\$ 0.0790	1505.2	\$ 118.91	\$ 0.38	0.32%
28 Total Bill (before Taxes)				\$ 256.11			\$ 258.72	\$ 2.61	1.02%
29 HST		13%		\$ 33.29	13%		\$ 33.63	\$ 0.34	1.02%
30 Total Bill (including Sub-total B)				\$ 289.40			\$ 292.35	\$ 2.95	1.02%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 28.94	-10%		-\$ 29.24	-\$ 0.30	1.04%
32 Total Bill (including OCEB)				\$ 260.46			\$ 263.11	\$ 2.65	1.02%
33 Loss Factor	(1)		5.02%			5.26%			

Appendix K – Capitalization of Overheads Table

Account	Engineering		Supervision		Supply Chain	
	CGAAP	MIFRS	CGAAP	MIFRS	CGAAP	MIFRS
Labour Regular Hourly	Y	N	N	N	Y	N
Labour Regular Salary	N	N				
Labour Overtime Hourly	N	N			N	N
Labour Overtime Salary	N	N				
Union Vacation	Y	Y			Y	Y
Union Statutory Holidays	Y	Y			Y	Y
Union Leave	Y	Y			Y	Y
Training Regular Hourly	N	N			Y	N
Training Regular Salary	N	N	N	N		
Training Overtime Hourly						
Inclement Weather Rglr Hourly						
Union Business	N	N			N	N
Vacancy Allowance						
Management Salaries	N	N	N	N		
Mgmt Supplementary Time						
Bonuses	N	N	N	N		
Management Vacation	N	N	N	N		
Management Statutory Holidays	N	N	N	N		
Management Leave	N	N	N	N		
Specialty Payments						
Management Training	N	N	N	N		
Temporary Services	N	N				
Employer Pension Contributions	Y	Y	Y	Y	Y	Y
Canada Pension	Y	Y	Y	Y	Y	Y
Employment Insurance	Y	Y	Y	Y	Y	Y
Workplace Safety and Insurance	Y	Y	Y	Y	Y	Y
Ontario Health Tax	Y	Y	Y	Y	Y	Y
Employee Health Plan	Y	Y	Y	Y	Y	Y
Uniforms & Safety Equipment	Y	Y				
Employee Purchase Programs						
Other Benefits	Y	Y				
Non-Stock Materials					Y	Y
Vehicles & Equipment	Y	N	Y	N	Y	N
Outside Services					Y	Y
Vehicles & Equipment Rentals						
Small Tools					N	N
Small Equipment Repairs					N	N
Freight & Transport	N	N			Y	Y
Waste Disposal					N	N
Office Supplies	N	N				
Office Equipment Rentals	N	N				
Office Equipment Maintenance	N	N				
Paper and Printing	N	N				

Account	Engineering		Supervision		Supply Chain	
	CGAAP	MIFRS	CGAAP	MIFRS	CGAAP	MIFRS
Postage and Meter Rentals	N	N				
Courier	N	N				
Travel Meals & Entertainment	N	N	N	N	N	N
Travel Transportation	N	N	N	N	N	N
Travel Lodging	N	N	N	N	N	N
Mileage Reimbursement	N	N	N	N	N	N
Vehicles	N	N	N	N	N	N
Travel Other	N	N	N	N	N	N
Training Meals & Entertainment	N	N	N	N	N	N
Training Refstrtn & Tuitions	N	N				
Training Transportation	N	N	N	N	N	N
Training Lodging	N	N	N	N	N	N
Training Mileage Reimbursement	N	N	N	N	N	N
Training Other	N	N	N	N	N	N
Interest Expense	N	N				
Unreconciled Credit Card Charges						
Foreign Exchange - Gain/Loss	N	N				
Consulting Services						
IT Licenses	N	N				
IT Maintenance Contracts	N	N				
Computer Equipment	Y	Y	Y	Y	Y	Y
Computer Software	Y	Y	Y	Y	Y	Y
Computer Supplies	N	N	N	N	N	N
Telephone - Land Based	N					
Telephone - Mobile	N	N	N	N		
Radio Leasing & Licences	N					
Communications Hardware						
Demonstrations & Promotions	N					
Hospitality Meals & Entertainment	N	N	N	N	N	N
Other Meals & Entertainment	N	N	N	N	N	N
Recruiting Other	N	N	N	N	N	N
Regulatory Memberships	N	N				
Professional Dues & Licenses	N	N	N	N		
Other Membership Fees	N	N	N	N	N	N
Subscriptions	N	N				
Easements & Licenses	N	N				
Central Registry						
Vehicle Licenses	Y	Y	Y	Y	Y	Y
Inventory Write Offs & Obsolescence	N	N				
Inventory Shortages & Overages	N	N				
Physical Inventory Count	Y	Y				
Average Cost Adjustment	N	N				
Cycle Counting Adjustment	Y	Y				
Rewards & Recognition	N	N	N	N	N	N
Miscellaneous & Transfers	N	N				