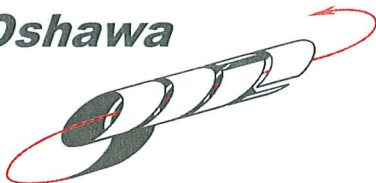


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

December 13, 2011

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario
M4P 1E4

**Re: Oshawa PUC Networks Inc. (ED-2002-0560)
2012 Cost of Service Rate Application
(EB-2011-0073)
Draft Rate Order)**

Dear Ms. Walli:

Please find accompanying this letter a copy of Oshawa PUC Networks Inc.'s Draft Rate Order, Draft Tariff of Rates and Charges and supporting calculations.

An electronic copy of this document and an Excel version of the Revenue Requirement Work Form ("RRWF") have been filed through the Board's RESS web portal. Two hard copies of the Draft Rate Order will be forwarded to the OEB office by courier.

Yours truly,

Phil Martin
VP, Finance & Regulatory Compliance
Phone: (905) 723-4626 ext 5250
Email: pmartin@opuc.on.ca

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

AND IN THE MATTER OF an Application by Oshawa PUC Networks Inc. 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.

DRAFT RATE ORDER
OSHAWA PUC NETWORKS INC.

Filed: December 13, 2011

BACKGROUND

Oshawa PUC Networks Inc. (“OPUCN”) owns and operates the electrical distribution system in the City of Oshawa, which serves approximately 53,300 customers. OPUCN’s licensed service area is 149 square kilometres, consisting of 78 square kilometres of rural service area and 71 kilometres of urban service area.

OPUCN filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on June 1, 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 OPUCN charges for distributing electricity, to be effective January 1, 2012. The Board assigned File Number EB-2011-0073 to the Application. The following four parties requested and were granted Intervenor status: Energy Probe Research Foundation (“Energy Probe”); the School Energy Coalition (“SEC”); the Vulnerable Energy Consumers' Coalition (“VECC”); and the Association of Major Power Consumers in Ontario (“AMPCO”).

The Board issued Procedural Order No. 5 on October 6, 2011 which set October 21, 2011 for a Technical Conference; a Settlement Conference for November 2 and 3, 2011; and November 15

and 17, 2011 for filing and presenting to the Board, respectively, any Settlement Proposal. The Settlement Conference concluded on November 3, 2011 with no settlement. However, by letter dated November 16, 2011, OPUCN and the Intervenor requested that the Board reconvene the Settlement Conference on November 21, 2011. By Procedural Order No.8, the Board ordered that the Settlement Conference be reconvened, and that any Settlement Proposal arising out of the Settlement Conference be filed by November 30, 2011.

The Settlement Conference was duly convened in accordance with Procedural Order Nos. 5 and 8, with Mr. Chris Haussmann as facilitator. The Settlement Conference concluded on November 21, 2011. OPUCN and the following Intervenor participants (“Participating Intervenor”) in the Settlement Conference:

- Energy Probe
- SEC
- VECC

AMPCO was granted Intervenor status by the Board but did not participate in the Settlement Conference. OPUCN and the Participating Intervenor are collectively referred to below as the “Parties”.

On December 2, 2011, the Parties filed a Proposed Settlement Agreement (the “Settlement Proposal”) with the Board that reflected a comprehensive settlement of this proceeding.

On December 6, 2011, the Board held a hearing to provide the Board and Parties with an opportunity to fully examine the Settlement Proposal. Upon completion of its examination, the Board accepted the Settlement Proposal. The Board believed that the clarification provided through this Settlement Proposal review hearing was useful in providing contextual clarity to the Settlement Proposal.

IMPLEMENTATION OF RATES

The Board agreed that rates will be effective January 1st, 2012, consistent with the Settlement Proposal and further stated that, as a precaution, in the event that final rates are not in place by January 1st, the Board declares the existing rates be interim as of January 1st, 2012. The Board ordered OPUCN to prepare a draft Rate Order that reflects the results of the Settlement Agreement.

In its draft Rate Order, the Board expects OPUCN to file detailed supporting material, including all relevant calculations showing the impact of the implementation of the Settlement Agreement on this proposed revenue requirement, the allocation of the proposed revenue requirement to the classes, and the determination of the final rates, including bill impacts.

Supporting documentation shall include but not be limited to the filing of: a completed version of the Revenue Requirement Work Form Excel spreadsheet; draft Accounting Orders for the establishment of the requested deferral and variance accounts; and detailed calculations of any revisions to the rate riders or rate adders reflecting the Settlement Agreement.

A Rate Order will be issued after the steps set out below are completed:

- OPUCN shall file with the Board and shall also forward to the Participating Intervenors a draft Rate Order attaching a proposed tariff of rates and charges and other filings reflecting the Board's findings in its Decision and Order, dated December 6, 2011, within seven calendar days.
- Participating Intervenors and Board Staff shall file any comments on the draft Rate Order with the Board, and forward to OPUCN within seven calendar days of the date that OPUCN files the draft Rate Order.
- OPUCN shall file with the Board and forward to Participating Intervenors and Board Staff responses to any comments on its draft Rate Order within seven business days of the date that the Participating Intervenors and Board Staff shall file their comments.

Detailed supporting material, including relevant calculations showing the impacts of the Settlement Agreement on OPUCN's: proposed Revenue Requirement; allocation of the proposed

Revenue Requirement to its customer classes; and determination of its final rates, including bill impacts, are provided in the commentary and Appendices which follow.

The following Appendices are provided to support the draft Rate Order:

Appendix A	Tariff of Rates and Charges
Appendix B	Summary of Monthly Bill Impacts
Appendix C	Summary of the Significant Items Adjusted as a Result of the Settlement Agreement
Appendix D	Revenue Requirement Work Form
Appendix E	Summary of Updated Revenue to Cost Allocations
Appendix F	Summary of Updated Fixed/Variable Ratios
Appendix G	Deferral and Variance Account Rate Riders
Appendix H	Smart Meter Rate Riders by Customer Class
Appendix I	Capitalization Policy and Costs Under IFRS
Appendix J	PP&E Deferral Account
Appendix K	Asymmetrical Capital Additions Variance Account
Appendix L	Depreciation Study Deferral or Variance Account
Appendix M	Post Employment Costs Deferral Account

Appendix A

Tariff of Rates and Charges

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units, duplexes or triplexes. Basic connection is defined as 100 amp 12/240 volt overhead service. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	8.25
Rate Rider for Recovery of Smart Meter Costs – effective until December 31, 2015	\$	0.0978
Rate Rider for Recovery of Stranded Meter Costs – effective until December 31, 2015	\$	0.5657
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.17
Distribution Volumetric Rate	\$/kWh	0.0117
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0031)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kWh	0.0004
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until April 30, 2012	\$/kWh	0.0003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until December 31, 2012	\$/kWh	0.0002
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0056

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	8.16
Rate Rider for Recovery of Smart Meter Costs – effective until December 31, 2015	\$	0.4304
Rate Rider for Recovery of Stranded Meter Costs – effective until December 31, 2015	\$	2.4908
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.56
Distribution Volumetric Rate	\$/kWh	0.0165
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0031)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kWh	0.0003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until April 30, 2012	\$/kWh	0.0008
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until December 31, 2012	\$/kWh	0.0008
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW.

Note that for statistical purposes the following sub-classifications apply:

General Service 50 to 200 kW

General Service over 200 kW

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	42.02
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	6.24
Distribution Volumetric Rate	\$/kW	3.6141
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.1564
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.3094)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kW	0.0094
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until April 30, 2012	\$/kW	0.0173
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until December 31, 2012	\$/kW	0.0086
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0497)
Retail Transmission Rate – Network Service Rate	\$/kW	2.1851
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8370
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.8007
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3336

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

GENERAL SERVICE 1,000 to 4,999 kW FORMERLY REFERRED TO AS INTERMEDIATE OR TIME OF USE SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,000 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 1,000 to 5,000 kW non-interval metered

General Service 1,000 to 5,000 kW interval metered.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1,190.07
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	6.51
Distribution Volumetric Rate	\$/kW	2.5254
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.3060
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.5723)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kW	(0.0228)
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0416)
Rate Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.8007
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3336

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	8,057.37
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	315.05
Distribution Volumetric Rate	\$/kW	2.0002
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.1329
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.2405)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kW	(0.0235)
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.0441)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.9841
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.5463

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	3.25
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.17
Distribution Volumetric Rate	\$/kWh	0.0133
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kWh	(0.0029)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kWh	0.0002
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until April 30, 2012	\$/kWh	0.0058
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery – effective until December 31, 2012	\$/kWh	0.0042
Rate Rider for Tax Change – effective until April 30, 2012	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.22
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kW	6.0512
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.0750
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.3028)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kW	0.2498
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.4609)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1566

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or Ministry of Transportation. This lighting will be controlled by photo cells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	1.14
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.03
Distribution Volumetric Rate	\$/kW	17.6374
Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kW	1.0751
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	\$/kW	(1.2845)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2015	\$/kW	0.3910
Rate Rider for Tax Change – effective until April 30, 2012	\$/kW	(0.2943)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4816
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1200

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date January 1, 2012

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$ 5.25
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Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Credit reference Letter	\$	15.00
Credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00

Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date January 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0430
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0384
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

Appendix B

Summary of Monthly Bill Impacts

RESIDENTIAL

Consumption	2011 BILL			2012 BILL			IMPACT		
800 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge			8.45			8.25	(0.20)	(2.37%)	7.63%
Distribution (kWh)	800	0.0120	9.60	800	0.0117	9.36	(0.24)	(2.50%)	8.65%
Low Voltage Rider (kWh)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.10	(0.90)	(90.22%)	0.09%
LRAM & SSM Rider (kWh)	800	0.0003	0.24	800	0.0002	0.16	(0.08)	(33.33%)	0.15%
Stranded Meter Rider (\$/Month)						0.57	0.57	0.00%	0.52%
Late Payment (\$/month)			0.17			0.00	(0.17)	(100.00%)	0.00%
Deferral & Variance Acct (kWh)	800	(0.0004)	(0.32)	800	0.0004	0.34	0.66	207.38%	0.32%
Distribution Sub-Total			19.14			18.78	(0.36)	(1.90%)	17.36%
Retail Transmission (kWh)	839	0.0122	10.24	834	0.0122	10.18	(0.06)	(0.54%)	9.41%
Delivery Sub-Total			29.38			28.96	-0.42	(1.43%)	26.77%
Other Charges (kWh)	839	0.0122	10.24	834	0.0122	10.18	(0.06)	(0.54%)	9.41%
Cost of Power Commodity (kWh) Tier 1	600	0.0650	39.00	600	0.0650	39.00	0.00	0.00%	36.06%
Cost of Power Commodity (kWh) Tier 2	239	0.0750	17.92	234	0.0750	17.58	(0.34)	(1.90%)	16.26%
SPC (kWh)	839	0.0000	0.00	834	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			96.53			95.72	-0.82	(0.84%)	88.50%
HST		13.00%	12.55		13.00%	12.44	(0.11)	(0.84%)	11.50%
Total Bill			109.08			108.16	-0.92	(0.84%)	100.00%

RESIDENTIAL

Consumption	2011 BILL			2012 BILL			IMPACT		
833 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge			8.45			8.25	(0.20)	(2.37%)	7.33%
Distribution (kWh)	833	0.0120	10.00	833	0.0117	9.75	(0.25)	(2.50%)	8.66%
Low Voltage Rider (kWh)	833	0.0000	0.00	833	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.10	(0.90)	(90.22%)	0.09%
LRAM & SSM Rider (kWh)	833	0.0003	0.25	833	0.0002	0.17	(0.08)	(33.33%)	0.15%
Stranded Meter Rider (\$/Month)						0.57	0.57	0.00%	0.50%
Late Payment (\$/month)			0.17			0.00	(0.17)	(100.00%)	0.00%
Deferral & Variance Acct (kWh)	833	(0.0004)	(0.33)	833	0.0004	0.36	0.69	207.38%	0.32%
Distribution Sub-Total			19.53			19.18	(0.35)	(1.79%)	17.05%
Retail Transmission (kWh)	874	0.0122	10.66	869	0.0122	10.60	(0.06)	(0.54%)	9.42%
Delivery Sub-Total			30.19			29.78	-0.41	(1.35%)	26.48%
Other Charges (kWh)	874	0.0122	10.66	869	0.0122	10.60	(0.06)	(0.54%)	9.42%
Cost of Power Commodity (kWh) Tier 1	600	0.0650	39.00	600	0.0650	39.00	0.00	0.00%	34.67%
Cost of Power Commodity (kWh) Tier 2	274	0.0750	20.52	269	0.0750	20.16	(0.35)	(1.73%)	17.92%
SPC (kWh)	874	0.0000	0.00	869	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			100.37			99.55	-0.82	(0.82%)	88.50%
HST		13.00%	13.05		13.00%	12.94	(0.11)	(0.82%)	11.50%
Total Bill			113.41			112.49	-0.93	(0.82%)	100.00%

GENERAL SERVICE < 50 kW

Consumption	2011 BILL			2012 BILL			IMPACT		
2,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge			8.39			8.16	(0.23)	(2.74%)	2.96%
Distribution (kWh)	2,000	0.0170	34.00	2,000	0.0165	33.00	(1.00)	(2.94%)	11.98%
Low Voltage Rider (kWh)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.43	(0.57)	(56.96%)	0.16%
LRAM & SSM Rider (kWh)	2,000	0.0008	1.60	2,000	0.0008	1.60	0.00	0.00%	0.58%
Stranded Meter Rider (\$/Month)						2.49	2.49	0.00%	0.90%
Late Payment (\$/month)			0.56			0.00	(0.56)	(100.00%)	0.00%
Deferral & Variance Acct (kWh)	2,000	(0.0004)	(0.80)	2,000	0.0003	0.60	1.40	174.96%	0.22%
Distribution Sub-Total			44.75			46.28	1.53	3.43%	16.80%
Retail Transmisssion (kWh)	2,097	0.0111	23.28	2,086	0.0111	23.16	(0.13)	(0.54%)	8.40%
Delivery Sub-Total			68.03			69.44	1.41	2.07%	25.20%
Other Charges (kWh)	2,097	0.0122	25.59	2,086	0.0122	25.45	(0.14)	(0.54%)	9.24%
Cost of Power Commodity (kWh) Tier 1	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	17.69%
Cost of Power Commodity (kWh) Tier 2	1,347	0.0750	101.06	1,336	0.0750	100.20	(0.85)	(0.84%)	36.37%
SPC (kWh)	2,097	0.0000	0.00	2,086	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			243.42			243.84	\$0.42	0.17%	88.50%
HST		13.00%	31.64		13.00%	31.70	0.05	0.17%	11.50%
Total Bill			275.07			275.54	\$0.47	0.17%	100.00%

GENERAL SERVICE < 50 kW

Consumption	2011 BILL			2012 BILL			IMPACT		
2,800 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Monthly Service Charge			8.39			8.16	(0.23)	(2.74%)	2.12%
Distribution (kWh)	2,800	0.0170	47.60	2,800	0.0165	46.20	(1.40)	(2.94%)	12.03%
Low Voltage Rider (kWh)	2,800	0.0000	0.00	2,800	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.43	(0.57)	(56.96%)	0.11%
LRAM & SSM Rider (kWh)	2,800	0.0008	2.24	2,800	0.0008	2.24	0.00	0.00%	0.81%
Stranded Meter Rider (\$/Month)						2.49	2.49	0.00%	0.90%
Late Payment (\$/month)			0.56			0.00	(0.56)	(100.00%)	0.00%
Deferral & Variance Acct (kWh)	2,800	(0.0004)	(1.12)	2,800	0.0003	0.84	1.96	174.96%	0.30%
Distribution Sub-Total			58.67			60.36	1.69	2.89%	15.71%
Retail Transmisssion (kWh)	2,936	0.0111	32.59	2,920	0.0111	32.42	(0.18)	(0.54%)	8.44%
Delivery Sub-Total			91.26			92.78	1.52	1.66%	24.15%
Other Charges (kWh)	2,936	0.0122	35.82	2,920	0.0122	35.63	(0.19)	(0.54%)	9.28%
Cost of Power Commodity (kWh) Tier 1	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	12.69%
Cost of Power Commodity (kWh) Tier 2	2,186	0.0750	163.98	2,170	0.0750	162.79	(1.19)	(0.73%)	42.38%
SPC (kWh)	2,936	0.0000	0.00	2,920	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			339.81			339.94	\$0.13	0.04%	88.50%
HST		13.00%	44.18		13.00%	44.19	0.02	0.04%	11.50%
Total Bill			383.99			384.14	\$0.15	0.04%	100.00%

GENERAL SERVICE 50 to 999 kW (I1 & I4)

Consumption	2011 BILL			2012 BILL			IMPACT		
140,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
480 kW									
Monthly Service Charge			43.06			42.02	(1.04)	(2.42%)	0.25%
Distribution (kW)	480	3.7014	1,776.67	480	3.6141	1,734.77	(41.90)	(2.36%)	10.24%
Low Voltage Rider (kW)	480	0	0.00	480	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.00	(1.00)	(100.00%)	0.00%
LRAM & SSM Rider (kW)	480	0.0173	8.30	480	0.0086	4.13	(4.18)	(50.29%)	0.02%
Smart Meter Entity (\$/Month)						0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			6.24			0.00	(6.24)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	480	(0.1530)	(73.44)	480	0.0094	4.52	77.96	106.15%	0.03%
Distribution Sub-Total			1,761.84			1,785.43	23.59	1.34%	10.54%
Retail Transmission (kW)	480	4.0221	1,930.61	480	4.0221	1,930.61	0.00	0.00%	11.40%
Delivery Sub-Total			3,692.45			3,716.04	23.59	0.64%	21.94%
Other Charges (kWh)	146,818	0.0122	1,791.18	146,024	0.0122	1,781.50	(9.68)	(0.54%)	10.52%
Cost of Power Commodity (kWh)	146,818	0.0650	9,543.17	146,024	0.0650	9,491.58	(51.59)	(0.54%)	56.04%
SPC (kWh)	146,818	0.0000	0.00	146,024	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			15,026.80			14,989.12	-37.68	(0.25%)	88.50%
HST		13.00%	1,953.48		13.00%	1,948.59	(4.90)	(0.25%)	11.50%
Total Bill			16,980.28			16,937.71	-42.58	(0.25%)	100.00%

GENERAL SERVICE 50 to 999 kW (I1 & I4)

Consumption	2011 BILL			2012 BILL			IMPACT		
57,941 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
142 kW									
Monthly Service Charge			43.06			42.02	(1.04)	(2.42%)	0.64%
Distribution (kW)	142	3.7014	525.60	142	3.6141	513.20	(12.40)	(2.36%)	7.84%
Low Voltage Rider (kW)	142	0	0.00	142	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.00	(1.00)	(100.00%)	0.00%
LRAM & SSM Rider (kW)	142	0.0173	2.46	142	0.0086	1.22	(1.24)	(50.29%)	0.01%
Smart Meter Entity (\$/Month)						0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			6.24			0.00	(6.24)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	142	(0.1530)	(21.73)	142	0.0094	1.34	23.06	106.15%	0.01%
Distribution Sub-Total			556.63			557.78	1.15	0.21%	8.49%
Retail Transmission (kW)	142	4.0221	571.14	142	4.0221	571.14	0.00	0.00%	8.72%
Delivery Sub-Total			1,127.77			1,128.92	1.15	0.10%	17.24%
Other Charges (kWh)	60,762	0.0122	741.30	60,434	0.0122	737.29	(4.01)	(0.54%)	11.26%
Cost of Power Commodity (kWh)	60,762	0.0650	3,949.55	60,434	0.0650	3,928.20	(21.35)	(0.54%)	59.99%
SPC (kWh)	60,762	0.0000	0.00	60,434	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			5,818.63			5,794.42	-24.21	(0.42%)	88.50%
HST		13.00%	756.42		13.00%	753.27	(3.15)	(0.42%)	11.50%
Total Bill			6,575.05			6,547.69	-27.36	(0.42%)	100.00%

GENERAL SERVICE 1,000 to 4,999 kW (I2)

Consumption	2011 BILL			2012 BILL			IMPACT		
1,100,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
3,000 kW									
Monthly Service Charge			1,190.07			1,190.07	0.00	0.00%	0.93%
Distribution (kW)	3,000	2.6016	7,804.80	3,000	2.5254	7,576.20	(228.60)	(2.93%)	5.95%
Low Voltage Rider (kW)	3,000	0	0.00	3,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.00	(1.00)	(100.00%)	0.00%
LRAM & SSM Rider (kW)	3,000	0.0000	0.00	3,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Entity (\$/Month)						0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			6.51			0.00	(6.51)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	3,000	(0.2663)	(798.90)	3,000	(0.0228)	(68.50)	730.40	91.43%	(0.05%)
Distribution Sub-Total			8,203.48			8,697.77	494.3	6.03%	6.83%
Retail Transmission (kW)	3,000	5.1343	15,402.90	3,000	5.1343	15,402.90	0.00	0.00%	12.10%
Delivery Sub-Total			23,606.38			24,100.67	494.3	2.09%	18.93%
Other Charges (kWh)	1,153,570	0.0122	14,073.55	1,147,334	0.0122	13,997.48	(76.08)	(0.54%)	10.99%
Cost of Power Commodity (kWh)	1,153,570	0.0650	74,982.05	1,147,334	0.0650	74,576.72	(405.33)	(0.54%)	58.57%
SPC (kWh)	1,153,570	0.0000	0.00	1,147,334	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			112,662.0			112,674.9	12.89	0.01%	88.50%
HST		13.00%	14,646.06		13.00%	14,647.73	1.68	0.01%	11.50%
Total Bill			127,308.0			127,322.6	14.56	0.01%	100.00%

GENERAL SERVICE 1,000 to 4,999 kW (I2)

Consumption	2011 BILL			2012 BILL			IMPACT		
673,193 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
1,626 kW									
Monthly Service Charge			1,190.07			1,190.07	0.00	0.00%	1.55%
Distribution (kW)	1,626	2.6016	4,230.20	1,626	2.5254	4,106.30	(123.90)	(2.93%)	5.36%
Low Voltage Rider (kW)	1,626	0	0.00	1,626	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.00	(1.00)	(100.00%)	0.00%
LRAM & SSM Rider (kW)	1,626	0.0000	0.00	1,626	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Entity (\$/Month)						0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			6.51			0.00	(6.51)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	1,626	(0.2663)	(433.00)	1,626	(0.0228)	(37.13)	395.88	91.43%	(0.05%)
Distribution Sub-Total			4,994.77			5,259.24	264.47	5.29%	6.86%
Retail Transmission (kW)	1,626	5.1343	8,348.37	1,626	5.1343	8,348.37	0.00	0.00%	10.89%
Delivery Sub-Total			13,343.15			13,607.61	264.47	1.98%	17.76%
Other Charges (kWh)	705,977	0.0122	8,612.93	702,161	0.0122	8,566.37	(46.56)	(0.54%)	11.18%
Cost of Power Commodity (kWh)	705,977	0.0650	45,888.54	702,161	0.0650	45,640.48	(248.06)	(0.54%)	59.56%
SPC (kWh)	705,977	0.0000	0.00	702,161	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			67,844.6			67,814.5	-30.15	(0.04%)	88.50%
HST		13.00%	8,819.80		13.00%	8,815.88	(3.92)	(0.04%)	11.50%
Total Bill			76,664.4			76,630.3	-34.07	(0.04%)	100.00%

LARGE USER (> 5000 kW)									
Consumption	2011 BILL			2012 BILL			IMPACT		
2,800,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
5,800 kW									
Monthly Service Charge			8,057.37			8,057.37	0.00	0.00%	2.63%
Distribution (kW)	5,800	2.1714	12,594.12	5,800	2.0002	11,601.16	(992.96)	(7.88%)	3.79%
Low Voltage Rider (kW)	5,800	0	0.00	5,800	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.00	(1.00)	(100.00%)	0.00%
LRAM & SSM Rider (kW)	5,800	0.0000	0.00	5,800	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Entity (\$/Month)						0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			315.05			0.00	(315.05)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	5,800	(0.1076)	-624.08	5,800	(0.0235)	(136.44)	487.64	78.14%	(0.04%)
Distribution Sub-Total			20,343			19,522	-821	(4.04%)	6.38%
Retail Transmission (kW)	5,800	5.5304	32,076.32	5,800	5.5304	32,076.32	0.00	0.00%	10.48%
Delivery Sub-Total			52,420			51,598	-821	(1.57%)	16.86%
Other Charges (kWh)	2,840,600	0.0122	34,655.32	2,840,600	0.0122	34,655.32	0.00	0.00%	11.32%
Cost of Power Commodity (kWh)	2,840,600	0.0650	184,639.00	2,840,600	0.0650	184,639.00	0.00	0.00%	60.32%
SPC (kWh)	2,840,600	0.0000	0.00	2,840,600	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			271,714			270,893	-821	(0.30%)	88.50%
HST		13.00%	35,322.83		13.00%	35,216.05	(106.78)	(0.30%)	11.50%
Total Bill			307,037			306,109	-928	(0.30%)	100.00%

LARGE USER (> 5000 kW)									
Consumption	2011 BILL			2012 BILL			IMPACT		
13,000,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
25,000 kW									
Monthly Service Charge			8,057.37			8,057.37	0.00	0.00%	0.59%
Distribution (kW)	25,000	2.1714	54,285.00	25,000	2.0002	50,005.00	(4,280.00)	(7.88%)	3.65%
Low Voltage Rider (kW)	25,000	0	0.00	25,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Rider (per month)			1.00			0.00	(1.00)	(100.00%)	0.00%
LRAM & SSM Rider (kW)	25,000	0.0000	0.00	25,000	0.0000	0.00	0.00	0.00%	0.00%
Smart Meter Entity (\$/Month)						0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			315.05			0.00	(315.05)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	25,000	(0.1076)	-2,690.00	25,000	(0.0235)	(588.10)	2,101.90	78.14%	(0.04%)
Distribution Sub-Total			59,968			57,474	-2,494	(4.16%)	4.19%
Retail Transmission (kW)	25,000	5.5304	138,260.00	25,000	5.5304	138,260.00	0.00	0.00%	10.08%
Delivery Sub-Total			198,228			195,734	-2,494	(1.26%)	14.27%
Other Charges (kWh)	13,188,500	0.0122	160,899.70	13,188,500	0.0122	160,899.70	0.00	0.00%	11.73%
Cost of Power Commodity (kWh)	13,188,500	0.0650	857,252.50	13,188,500	0.0650	857,252.50	0.00	0.00%	62.50%
SPC (kWh)	13,188,500	0.0000	0.00	13,188,500	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			1,216,381			1,213,886	-2,494	(0.21%)	88.50%
HST		13.00%	158,129.48		13.00%	157,805.24	(324.24)	(0.21%)	11.50%
Total Bill			1,374,510			1,371,692	-2,818	(0.21%)	100.00%

Street Lighting

Billing Determinants									
1 Connections									
72 kWh									
0.2 kW	2011 BILL			2012 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	1	1.1400	1.14	1	1.1417	1.14	0.00	0.15%	9.18%
Distribution (kW)	0.2	17.6117	3.31	0.2	17.6374	3.31	0.00	0.15%	26.66%
Low Voltage Rider (kW)	0.2	0	0.00	0.2	0.0000	0.00	0.00	0.00%	0.00%
LRAM & SSM Rider (kW)	0.2		0.00	0.2	0.0000	0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			0.03			0.00	(0.03)	(100.00%)	0.00%
Deferral & Variance Acct (kW)	0	(0.2094)	-0.04	0	0.3910	0.07	0.11	286.75%	0.59%
Distribution Sub-Total			4.44			4.53	0.09	1.98%	36.43%
Retail Transmisssion (kW)	0.2	3.6016	0.68	0.2	3.6016	0.68	0.00	0.00%	5.44%
Delivery Sub-Total			5.12			5.21	0.09	1.72%	41.87%
Other Charges (kWh)	76	0.0122	0.92	75	0.0122	0.92	(0.00)	(0.54%)	7.37%
Cost of Power Commodity (kWh)	76	0.0650	4.91	75	0.0650	4.88	(0.03)	(0.54%)	39.26%
SPC (kWh)	76	0.0000	0.00	75	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			10.95			11.00	0.06	0.51%	88.50%
HST		13.00%	1.42		13.00%	1.43	0.01	0.51%	11.50%
Total Bill			12.37			12.44	0.06	0.51%	100.00%

Unmetered Scattered

Consumption									
777 kWh									
777 kWh	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			3.33			3.25	(0.08)	(2.41%)	3.23%
Distribution (kWh)	777	0.0136	10.57	777	0.0133	10.33	(0.23)	(2.21%)	10.26%
Low Voltage Rider (kWh)	777	0.0000	0.00	777	0.0000	0.00	0.00	0.00%	0.00%
LRAM & SSM Rider (kWh)	777	0.0058	4.51	777	0.0042	3.26	(1.24)	(27.59%)	3.24%
Late Payment (\$/month)			0.17			0.00	(0.17)	(100.00%)	0.00%
Deferral & Variance Acct (kWh)	777	(0.0002)	(0.16)	777	0.0002	0.13	0.28	182.28%	0.13%
Distribution Sub-Total			18.42			16.98	(1.44)	(7.84%)	16.85%
Retail Transmisssion (kWh)	815	0.0111	9.04	810	0.0111	9.00	(0.05)	(0.54%)	8.93%
Delivery Sub-Total			27.46			25.97	-1.49	(5.44%)	25.78%
Other Charges (kWh)	815	0.0122	9.94	810	0.0122	9.89	(0.05)	(0.54%)	9.82%
Cost of Power Commodity (kWh) Tier 1	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	48.40%
Cost of Power Commodity (kWh) Tier 2	65	0.0750	4.86	60	0.0750	4.53	(0.33)	(6.79%)	4.50%
SPC (kWh)	815	0.0000	0.00	810	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			91.02			89.14	-1.88	(2.07%)	88.50%
HST		13.00%	11.83		13.00%	11.59	(0.24)	(2.06%)	11.50%
Total Bill			102.85			100.73	-2.13	(2.07%)	100.00%

Sentinel Lighting

Billing Determinants									
1 Connections									
180 kWh									
0.5 kW									
	2011 BILL			2012 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	1	4.2200	4.22	1	4.2200	4.22	0.00	0.00%	15.76%
Distribution (kW)	1	9.0876	4.54	1	6.0512	3.03	(1.52)	(33.41%)	11.30%
Low Voltage Rider (kW)	1	0	0.00	1	0.0000	0.00	0.00	0.00%	0.00%
LRAM & SSM Rider (kW)	1		0.00	1	0.0000	0.00	0.00	0.00%	0.00%
Late Payment (\$/month)			0.00			0.00	0.00	0.00%	0.00%
Deferral & Variance Acct (kW)	1	(0.2278)	-0.11	1	0.2498	0.12	0.24	209.67%	0.47%
Distribution Sub-Total			8.65			7.37	(1.28)	(14.79%)	27.53%
Retail Transmisssion (kW)	1	3.6638	1.83	1	3.6638	1.83	0.00	0.00%	6.84%
Delivery Sub-Total			10.48			9.20	-1.28	(12.21%)	34.37%
Other Charges (kWh)	189	0.0122	2.30	188	0.0122	2.29	(0.01)	(0.54%)	8.55%
Cost of Power Commodity (kWh)	189	0.0650	12.27	188	0.0650	12.20	(0.07)	(0.54%)	45.57%
SPC (kWh)	189	0.0000	0.00	188	0.0000	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			25.05			23.70	-1.36	(5.42%)	88.50%
HST		13.00%	3.26		13.00%	3.08	(0.18)	(5.42%)	11.50%
Total Bill			28.31			26.78	-1.53	(5.42%)	100.00%

Appendix C

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

The Table below lists the adjustments applied to the Application as originally filed and the results of the Settlement Agreement:

Summary of Significant Items Adjusted												C\$000's
Item & Reference	Regulated Return on Capital	Regulated Return of Return	Rate Base		Amortization		PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency / (Sufficiency)	
			Rate Base	Working Capital	Working Capital Allowance	Amortization - Total						
Initial Submission May 2011	\$5,616	6.85%	\$81,990	\$106,048	\$15,907	\$5,262	\$1,240	\$11,682	\$23,949	\$22,215	\$4,051	
Increase / (Decrease)	(\$159)	0.0%	(\$2,327)	\$1,248	\$187	\$127	(\$44)	\$505	\$429	\$557	\$353	
Status after Technical Conference	\$5,457	6.85%	\$79,663	\$107,296	\$16,094	\$5,389	\$1,195	\$12,187	\$24,378	\$22,772	\$4,403	
Correction for excel error in 2011 Fixed Assets re 2011 additions (Smart Meters & Stranded Meters)	(\$91)	0.00%	(\$1,329)	\$0	\$0	\$0	(\$18)	\$0	(\$109)	(\$109)	(\$109)	
Load Forecast - increase to 1,114 GWh's (Billed)	\$26	0.00%	\$385	\$2,566	\$385	\$0	\$5	\$0	\$32	\$32	(\$301)	
OM&A - reduction from \$11,682k to \$10,425k (excludes any MIFRS impacts)	(\$13)	0.00%	(\$189)	(\$1,257)	(\$189)	\$0	(\$3)	(\$1,257)	(\$1,273)	(\$1,273)	(\$1,273)	
Capex - reduction in 2011 capex to \$9.5m from \$10.74m. 2012 remains at \$11.1m	(\$82)	0.00%	(\$1,204)	\$0	\$0	(\$35)	\$5	\$0	(\$112)	(\$112)	(\$112)	
Depreciation - adopted "Typical" asset lives per Kinectrics study	\$275	0.00%	\$4,011	\$0	\$0	(\$2,581)	(\$861)	\$0	(\$3,168)	(\$3,384)	(\$3,384)	
PILS - inclusion of Federal small business credit	\$0	0.00%	\$0	\$0	\$0	\$0	(\$19)	\$0	(\$19)	(\$19)	(\$19)	
Cost of Capital - Updated for new 2012 rates	(\$157)	-0.19%	\$0	\$0	\$0	\$0	(\$18)	\$0	(\$176)	(\$176)	(\$176)	
Cost Allocation - Adjusted to follow generally accepted approach	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate Design - Revised Fixed/Variable splits in line with generally accepted practice	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Smart Meters - Updated using new OEB model, separated Stranded Meter recovery rider	\$0	0.00%	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	(\$0)	
IFRS - Updated Capitalization Policy for greater consistency with other LDC's	(\$85)	0.00%	(\$1,282)	\$989	\$148	\$208	\$96	\$989	\$1,208	\$1,274	\$1,274	
IFRS - Revised O/H Allocations Up by \$588k (to \$1,100k)	\$51	0.00%	\$762	(\$588)	(\$88)	(\$124)	(\$57)	(\$588)	(\$718)	(\$755)	(\$755)	
Increase / (Decrease) from Tech Conference	(\$77)	-0.19%	\$1,155	\$1,709	\$256	(\$2,531)	(\$870)	(\$856)	(\$4,335)	(\$4,521)	(\$4,854)	
Total Increase / (Decrease) vs Initial Filing	(\$237)	-0.19%	(\$1,172)	\$2,957	\$444	(\$2,404)	(\$914)	(\$351)	(\$3,906)	(\$3,964)	(\$4,501)	
Settlement Proposal	\$5,380	6.66%	\$80,817	\$109,005	\$16,351	\$2,858	\$325	\$11,331	\$20,043	\$18,251	(\$451)	

The Table below lists the adjustments resulting from the transition to IFRS and other adjustment separately:

Summary of Significant Items Adjusted

C\$000's

Item & Reference	Regulated Return on Capital	Regulated Return of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
Initial Submission May 2011 CGAAP	\$5,616	6.85%	\$81,990	\$106,048	\$15,907	\$5,262	\$1,240	\$11,682	\$23,949	\$22,215	\$4,051
PILS Correction - Ont Small Bus Credit & CCA Adjs [Board Staff IR 44, TCQ 9]	\$0	0.00%	\$0	\$0	\$0	\$0	(\$61)	\$0	(\$61)	(\$61)	(\$61)
PILS Correction - App Tax Credits [Energy Probe IR 56, TCQ exhibit KT 1.4, Board Staff IR 63/64]	\$0	0.00%	\$0	\$0	\$0	\$0	(\$6)	\$0	(\$6)	(\$6)	(\$6)
Stranded Meters Written Off [Board Decisions in EB-2010-0132 & EB-2010-0135]	(\$112)	0.00%	(\$1,632)	\$0	\$0	(\$184)	(\$83)	\$0	(\$379)	(\$379)	(\$379)
Load Forecast - CDM Savings Adjusted [VECC IR 14, Energy Probe TCQ 12]	\$8	0.00%	\$0	\$742	\$111	\$0	\$2	\$0	\$0	\$0	(\$204)
Correction for excel error in 2011 Fixed Assets re 2011 additions (Smart Meters & Stranded Meters)	(\$91)	0.00%	(\$1,329)	\$0	\$0	\$0	(\$18)	\$0	(\$109)	(\$109)	(\$109)
Load Forecast - reduction to 1,114 GWh's (Billed)	\$26	0.00%	\$385	\$2,566	\$385	\$0	\$5	\$0	\$32	\$32	(\$301)
OM&A - reduction from \$11,682k to \$10,425k (excludes any MIFRS impacts)	(\$13)	0.00%	(\$189)	(\$1,257)	(\$189)	\$0	(\$3)	(\$1,257)	(\$1,273)	(\$1,273)	(\$1,273)
Capex - reduction in 2011 capex to \$9.5m from \$10.74m. 2012 remains at \$11.1m	(\$82)	0.00%	(\$1,204)	\$0	\$0	(\$35)	\$5	\$0	(\$112)	(\$112)	(\$112)
PILS - inclusion of Federal small business credit	\$0	0.00%	\$0	\$0	\$0	\$0	(\$19)	\$0	(\$19)	(\$19)	(\$19)
Cost of Capital - Updated for new 2012 rates	(\$157)	-0.19%	\$0	\$0	\$0	\$0	(\$18)	\$0	(\$176)	(\$176)	(\$176)
Cost Allocation - Adjusted to follow generally accepted approach	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Design - Revised Fixed/Variable splits in line with generally accepted practice	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Meters - Updated using new OEB model, separated Stranded Meter recovery rider	\$0	0.00%	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	(\$0)
Other	(\$48)	0.00%	\$44	(\$0)	(\$0)	(\$0)	(\$20)	(\$0)	(\$58)	\$70	\$70
Increase / (Decrease)	(\$470)	-0.19%	(\$3,925)	\$2,051	\$308	(\$218)	(\$215)	(\$1,257)	(\$2,160)	(\$2,031)	(\$2,569)
Settlement Proposal - CGAAP	\$5,147	6.66%	\$78,065	\$108,099	\$16,215	\$5,043	\$1,025	\$10,425	\$21,789	\$20,184	\$1,482
MIFRS - Capitalization Policy Change	(\$170)	0.00%	(\$1,259)	\$906	\$136	(\$65)	\$119	\$906	\$1,251	\$1,280	\$1,280
Depreciation - adopted "Typical" asset lives per Kinectrics study	\$403	0.00%	\$4,011	\$0	\$0	(\$2,120)	(\$819)	\$0	(\$2,997)	(\$3,213)	(\$3,213)
Increase / (Decrease)	\$233	0.00%	\$2,752	\$906	\$136	(\$2,186)	(\$699)	\$906	(\$1,746)	(\$1,933)	(\$1,933)
Settlement Proposal	\$5,380	6.66%	\$80,817	\$109,005	\$16,351	\$2,858	\$325	\$11,331	\$20,043	\$18,251	(\$451)

Appendix D

Revenue Requirement Work Form



REVENUE REQUIREMENT WORK FORM

Name of LDC: Oshawa PUC Networks (1)
File Number: EB-2011-0073
Rate Year: 2012
Version: 2.1

Table of Content

<u>Sheet</u>	<u>Name</u>
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

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



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Data Input (1)									
	Initial Application	Adjustments	Settlement Agreement (7)	Adjustments	Per Board Decision				
1 Rate Base									
Gross Fixed Assets (average)	\$156,702,913	(\$87,564,417)	\$ 69,138,496		\$69,138,496				
Accumulated Depreciation (average)	(\$90,620,265) (5)	\$85,948,498	\$- 4,671,767		(\$4,671,767)				
Allowance for Working Capital:									
Controllable Expenses	\$11,831,430	(\$351,211)	\$ 11,480,219		\$11,480,219				
Cost of Power	\$94,216,678	\$3,308,107	\$ 97,524,785		\$97,524,785				
Working Capital Rate (%)	15.00%		15.00%		15.00%				
2 Utility Income									
Operating Revenues:									
Distribution Revenue at Current Rates	\$18,164,634	\$537,161	\$18,701,794						
Distribution Revenue at Proposed Rates	\$22,215,355	(\$3,964,270)	\$18,251,085						
Other Revenue:									
Specific Service Charges	\$882,080	\$58,206	\$940,286						
Late Payment Charges	\$279,117	\$0	\$279,117						
Other Distribution Revenue	\$136,963	\$0	\$136,963						
Other Income and Deductions	\$435,691	\$0	\$435,691						
Operating Expenses:									
OM+A Expenses	\$11,682,080	(\$351,211)	\$ 11,330,870		\$11,330,870				
Depreciation/Amortization	\$5,261,598	(\$2,403,904)	\$ 2,857,694		\$2,857,694				
Property taxes	\$149,350	\$ -	\$ 149,350		\$149,350				
Capital taxes									
Other expenses									
3 Taxes/PILs									
Taxable Income:									
Adjustments required to arrive at taxable income	\$455,587 (3)		(\$1,756,692)						
Utility Income Taxes and Rates:									
Income taxes (not grossed up)	\$922,017		\$259,774						
Income taxes (grossed up)	\$1,239,766		\$325,371						
Capital Taxes									
Federal tax (%)	14.38% (6)		11.53% (6)						(6)
Provincial tax (%)	11.25%		8.63%						
Income Tax Credits									
4 Capitalization/Cost of Capital									
Capital Structure:									
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 (%)									
	100.0%		100.0%						
Cost of Capital									
Long-term debt Cost Rate (%)	5.21%		5.01%		5.01%				
Short-term debt Cost Rate (%)	2.46%		2.08%		2.08%				
Common Equity Cost Rate (%)	9.58%		9.42%		9.42%				
Preferred Shares Cost Rate (%)									

Notes:

through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Not applicable as of July 1, 2010



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Rate Base						
Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$156,702,913	(\$87,564,417)	\$69,138,496	\$ -	\$69,138,496
2	Accumulated Depreciation (average) (3)	(\$90,620,265)	\$85,948,498	(\$4,671,767)	\$ -	(\$4,671,767)
3	Net Fixed Assets (average) (3)	\$66,082,647	(\$1,615,919)	\$64,466,729	\$ -	\$64,466,729
4	Allowance for Working Capital (1)	\$15,907,216	\$443,534	\$16,350,751	\$ -	\$16,350,751
5	Total Rate Base	\$81,989,864	(\$1,172,384)	\$80,817,479	\$ -	\$80,817,479
(1) Allowance for Working Capital - Derivation						
6	Controllable Expenses	\$11,831,430	(\$351,211)	\$11,480,219	\$ -	\$11,480,219
7	Cost of Power	\$94,216,678	\$3,308,107	\$97,524,785	\$ -	\$97,524,785
8	Working Capital Base	\$106,048,108	\$2,956,897	\$109,005,005	\$ -	\$109,005,005
9	Working Capital Rate % (2)	15.00%	0.00%	15.00%	0.00%	15.00%
10	Working Capital Allowance	\$15,907,216	\$443,534	\$16,350,751	\$ -	\$16,350,751

Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-007
Rate Year: 2012

Utility income						
Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$22,215,355	(\$3,964,270)	\$18,251,085	\$ -	\$18,251,085
2	Other Revenue (1)	\$1,733,852	(\$3,525,909)	\$1,792,057	\$ -	\$1,792,057
3	Total Operating Revenues	\$23,949,206	(\$7,490,179)	\$20,043,143	\$ -	\$20,043,143
Operating Expenses:						
4	OM+A Expenses	\$11,682,080	(\$351,211)	\$11,330,870	\$ -	\$11,330,870
5	Depreciation/Amortization	\$5,261,598	(\$2,403,904)	\$2,857,694	\$ -	\$2,857,694
6	Property taxes	\$149,350	\$ -	\$149,350	\$ -	\$149,350
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$17,093,028	(\$2,755,115)	\$14,337,913	\$ -	\$14,337,913
10	Deemed Interest Expense	\$2,474,561	(\$139,905)	\$2,334,655	\$ -	\$2,334,655
11	Total Expenses (lines 9 to 10)	\$19,567,589	(\$2,895,020)	\$16,672,568	\$ -	\$16,672,568
12	Utility income before income taxes	\$4,381,618	(\$4,595,159)	\$3,370,574	\$ -	\$3,370,574
13	Income taxes (grossed-up)	\$1,239,766	(\$914,395)	\$325,371	(\$0)	\$325,371
14	Utility net income	\$3,141,852	(\$3,680,764)	\$3,045,203	\$0	\$3,045,203

Notes

(1)	Other Revenues / Revenue Offsets					
	Specific Service Charges	\$882,080	\$58,206	\$940,286		\$940,286
	Late Payment Charges	\$279,117	\$ -	\$279,117		\$279,117
	Other Distribution Revenue	\$136,963	\$ -	\$136,963		\$136,963
	Other Income and Deductions	\$435,691	\$0	\$435,691		\$435,691
	Total Revenue Offsets	\$1,733,852	\$58,206	\$1,792,057	\$ -	\$1,792,057



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Taxes/PILs					
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision	
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$3,141,852	\$3,045,203	\$3,045,203	
2	Adjustments required to arrive at taxable utility income	\$455,587	(\$1,756,692)	\$455,587	
3	Taxable income	<u>\$3,597,438</u>	<u>\$1,288,510</u>	<u>\$3,500,789</u>	
<u>Calculation of Utility Income Taxes</u>					
4	Income taxes	\$922,017	\$259,774	\$259,774	
5	Capital taxes	\$ - (1)	\$ - (1)	\$ - (1)	
6	Total taxes	<u>\$922,017</u>	<u>\$259,774</u>	<u>\$259,774</u>	
7	Gross-up of Income Taxes	<u>\$317,750</u>	<u>\$65,598</u>	<u>\$65,598</u>	
8	Grossed-up Income Taxes	<u>\$1,239,766</u>	<u>\$325,371</u>	<u>\$325,371</u>	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$1,239,766</u>	<u>\$325,371</u>	<u>\$325,371</u>	
10	Other tax Credits	\$ -	\$ -	\$ -	
<u>Tax Rates</u>					
11	Federal tax (%)	14.38%	11.53%	11.53%	
12	Provincial tax (%)	11.25%	8.63%	8.63%	
13	Total tax rate (%)	<u>25.63%</u>	<u>20.16%</u>	<u>20.16%</u>	

Notes

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)



REVENUE REQUIREMENT WORK FORM

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Version: 2.1

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
Initial Application						
		(%)	(\$)	(%)		(\$)
Debt						
1	Long-term Debt	56.00%	\$45,914,324	5.21%		\$2,393,882
2	Short-term Debt	4.00%	\$3,279,595	2.46%		\$80,678
3	Total Debt	60.00%	\$49,193,918	5.03%		\$2,474,561
Equity						
4	Common Equity	40.00%	\$32,795,945	9.58%		\$3,141,852
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$32,795,945	9.58%		\$3,141,852
7	Total	100.00%	\$81,989,864	6.85%		\$5,616,412

Settlement Agreement						
		(%)	(\$)	(%)		(\$)
Debt						
1	Long-term Debt	56.00%	\$45,257,788	5.01%		\$2,267,415
2	Short-term Debt	4.00%	\$3,232,699	2.08%		\$67,240
3	Total Debt	60.00%	\$48,490,488	4.81%		\$2,334,655
Equity						
4	Common Equity	40.00%	\$32,326,992	9.42%		\$3,045,203
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$32,326,992	9.42%		\$3,045,203
7	Total	100.00%	\$80,817,479	6.66%		\$5,379,858

Per Board Decision						
		(%)	(\$)	(%)		(\$)
Debt						
8	Long-term Debt	56.00%	\$45,257,788	5.01%		\$2,267,415
9	Short-term Debt	4.00%	\$3,232,699	2.08%		\$67,240
10	Total Debt	60.00%	\$48,490,488	4.81%		\$2,334,655
Equity						
11	Common Equity	40.00%	\$32,326,992	9.42%		\$3,045,203
12	Preferred Shares	0.00%	\$ -	0.00%		\$ -
13	Total Equity	40.00%	\$32,326,992	9.42%		\$3,045,203
14	Total	100.00%	\$80,817,479	6.66%		\$5,379,858



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Revenue Sufficiency/Deficiency							
Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$4,050,721		(\$450,709)		(\$450,709)
2	Distribution Revenue	\$18,164,634	\$18,164,634	\$18,701,794	\$18,701,794	\$18,701,794	\$18,701,794
3	Other Operating Revenue	\$1,733,852	\$1,733,852	\$1,792,057	\$1,792,057	\$1,792,057	\$1,792,057
	Offsets - net						
4	Total Revenue	\$19,898,485	\$23,949,206	\$20,493,852	\$20,043,143	\$20,493,852	\$20,043,143
5	Operating Expenses	\$17,093,028	\$17,093,028	\$14,337,913	\$14,337,913	\$14,337,913	\$14,337,913
6	Deemed Interest Expense	\$2,474,561	\$2,474,561	\$2,334,655	\$2,334,655	\$2,334,655	\$2,334,655
	Total Cost and Expenses	\$19,567,589	\$19,567,589	\$16,672,568	\$16,672,568	\$16,672,568	\$16,672,568
7	Utility Income Before Income Taxes	\$330,897	\$4,381,618	\$3,821,283	\$3,370,574	\$3,821,283	\$3,370,574
8	Tax Adjustments to Accounting Income per 2009 PILs	\$455,587	\$455,587	(\$1,756,692)	(\$1,756,692)	(\$1,756,692)	(\$1,756,692)
9	Taxable Income	\$786,484	\$4,837,205	\$2,064,591	\$1,613,882	\$2,064,591	\$1,613,882
10	Income Tax Rate	25.63%	25.63%	20.16%	20.16%	20.16%	20.16%
11	Income Tax on Taxable Income	\$201,574	\$1,239,766	\$416,238	\$325,371	\$416,238	\$325,371
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$129,323	\$3,141,852	\$3,405,045	\$3,045,203	\$3,405,045	\$3,045,203
14	Utility Rate Base	\$81,989,864	\$81,989,864	\$80,817,479	\$80,817,479	\$80,817,479	\$80,817,479
	Deemed Equity Portion of Rate Base	\$32,795,945	\$32,795,945	\$32,326,992	\$32,326,992	\$32,326,992	\$32,326,992
15	Income/Equity Rate Base (%)	0.39%	9.58%	10.53%	9.42%	10.53%	9.42%
16	Target Return - Equity on Rate Base	9.58%	9.58%	9.42%	9.42%	9.42%	9.42%
17	Sufficiency/Deficiency in Return on Equity	-9.19%	0.00%	1.11%	0.00%	1.11%	0.00%
18	Indicated Rate of Return	3.18%	6.85%	7.10%	6.66%	7.10%	6.66%
19	Requested Rate of Return on Rate Base	6.85%	6.85%	6.66%	6.66%	6.66%	6.66%
20	Sufficiency/Deficiency in Rate of Return	-3.67%	0.00%	0.45%	0.00%	0.45%	0.00%
21	Target Return on Equity	\$3,141,852	\$3,141,852	\$3,045,203	\$3,045,203	\$3,045,203	\$3,045,203
22	Revenue Deficiency/(Sufficiency)	\$3,012,529	(\$0)	(\$359,843)	\$ -	(\$359,843)	\$ -
23	Gross Revenue Deficiency/(Sufficiency)	\$4,050,721 (1)		(\$450,709) (1)		(\$450,709) (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Version: 2.1

Name of LDC: Oshawa PUC Networks
File Number: EB-2011-0073
Rate Year: 2012

Revenue Requirement					
Line No.	Particulars	Application	Settlement Agreement	Per Board Decision	
1	OM&A Expenses	\$11,682,080	\$11,330,870	\$11,330,870	
2	Amortization/Depreciation	\$5,261,598	\$2,857,694	\$2,857,694	
3	Property Taxes	\$149,350	\$149,350	\$149,350	
4	Capital Taxes	\$ -	\$ -	\$ -	
5	Income Taxes (Grossed up)	\$1,239,766	\$325,371	\$325,371	
6	Other Expenses	\$ -			
7	Return				
	Deemed Interest Expense	\$2,474,561	\$2,334,655	\$2,334,655	
	Return on Deemed Equity	\$3,141,852	\$3,045,203	\$3,045,203	
8	Distribution Revenue Requirement before Revenues	\$23,949,206	\$20,043,143	\$20,043,143	
9	Distribution revenue	\$22,215,355	\$18,251,085	\$18,251,085	
10	Other revenue	\$1,733,852	\$1,792,057	\$1,792,057	
11	Total revenue	\$23,949,206	\$20,043,143	\$20,043,143	
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$0) (1)	\$ - (1)	\$ - (1)	

Notes

(1) Line 11 - Line 8

Appendix E

Summary of Updated Revenue to Cost Allocations

Cost Allocation Based Calculations

Class	Revenue Requirement - 2012 Cost Allocation Model - Line 35 from O1 in CA	2012 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2012 Cost Allocation Model - Line 19 from O1 in CA	Total Revenue	Revenue Cost Ratio	Check Revenue Cost Ratios from 2012 Cost Allocation Model - Line 70 from O1 in CA	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	12,762,403	10,753,668	1,273,996	12,027,664	94.2%	94.2%	94.2%	12,027,664	1,273,996	10,753,668	85%	115%
GS < 50 kW	2,311,309	2,584,405	198,405	2,782,810	120.4%	120.4%	120.0%	2,773,571	198,405	2,575,166	80%	120%
GS 50 to 999 kW (I1 & I4)	3,433,009	3,505,793	209,146	3,714,940	108.2%	108.2%	108.2%	3,714,940	209,146	3,505,793	80%	120%
GS 1,000 to 4,999 kW (I2)	408,675	467,144	24,467	491,611	120.3%	120.3%	120.0%	490,410	24,467	465,943	80%	120%
Large Use (I3)	178,156	204,582	7,332	211,915	118.9%	118.9%	115.0%	204,880	7,332	197,547	85%	115%
Street Lighting	880,776	678,577	72,772	751,348	85.3%	85.3%	87.3%	769,120	72,772	696,349	70%	120%
USL	67,172	54,793	5,794	60,587	90.2%	90.2%	90.2%	60,587	5,794	54,793	80%	120%
Sentinel Lights	1,643	2,123	145	2,268	138.1%	138.1%	120.0%	1,971	145	1,826	70%	120%
TOTAL	20,043,143	18,251,085	1,792,057	20,043,143	100.0%			20,043,143	1,792,057	18,251,085		

Appendix F

Summary of Updated Fixed/Variable Ratios

Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2011 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)	Target Fixed Charge Split	Fixed Charge with Target Split
Residential	54.06%	45.94%	100.00%	8.25	8.45	12.82	45.94%	8.25
GS < 50 kW	84.94%	15.06%	100.00%	8.16	8.39	23.51	15.06%	8.16
GS 50 to 999 kW (I1 & I4)	92.55%	7.45%	100.00%	42.02	43.06	67.91	7.45%	42.02
GS 1,000 to 4,999 kW (I2)	70.17%	29.83%	100.00%	1,158.40	1,190.07	-8.14	30.65%	1,190.07
Large Use (I3)	53.88%	46.12%	100.00%	7,592.79	8,057.37	79.40	48.94%	8,057.37
Street Lighting	74.89%	25.11%	100.00%	1.14	1.14	5.79	25.11%	1.14
USL	77.72%	22.28%	100.00%	3.25	3.33	8.43	22.28%	3.25
Sentinel Lights	48.08%	51.92%	100.00%	3.54	4.22	-28.11	61.86%	4.22

Current and Proposed Fixed/Variable Proportion

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Proposed Volumetric Split	Proposed Fixed Charge Split	Total
Residential	54.06%	45.94%	100.00%	54.06%	45.94%	100.00%
GS < 50 kW	84.94%	15.06%	100.00%	84.94%	15.06%	100.00%
GS 50 to 999 kW (I1 & I4)	92.55%	7.45%	100.00%	92.55%	7.45%	100.00%
GS 1,000 to 4,999 kW (I2)	70.17%	29.83%	100.00%	69.35%	30.65%	100.00%
Large Use (I3)	53.88%	46.12%	100.00%	51.06%	48.94%	100.00%
Street Lighting	74.89%	25.11%	100.00%	74.89%	25.11%	100.00%
USL	77.72%	22.28%	100.00%	77.72%	22.28%	100.00%
Sentinel Lights	48.08%	51.92%	100.00%	38.14%	61.86%	100.00%

Appendix G

Deferral and Variance Account Rate Riders

Rate Riders Calculation

Deferral and Variance Accounts:	Disposition Amount	Allocator	Residential	GS < 50 kW	GS 50 to 999 kW (I1 & I4)	GS 1,000 to 4,999 kW (I2)	Large Use (I3)	Unmetered Scattered Loads	Sentinel Lights	Street Lighting
WMSC - Account 1580	(1,195,583)	kWh	(532,804)	(142,010)	(385,681)	(83,900)	(35,849)	(3,443)	(41)	(11,854)
One-Time WMSC - Account 1582	63,623	kWh	28,353	7,557	20,524	4,465	1,908	183	2	631
Network - Account 1584	1,369,978	kWh	610,522	162,724	441,938	96,139	41,078	3,946	47	13,583
Connection - Account 1586	(153,887)	kWh	(68,579)	(18,279)	(49,642)	(10,799)	(4,614)	(443)	(5)	(1,526)
Power - Account 1588 (excl Global Adjustment)	49,496	kWh	22,058	5,879	15,967	3,473	1,484	143	2	491
Power - Account 1588 subAcct Global Adjustment	(468,212)	non RPP kWh	(34,927)	(55,614)	(279,703)	(60,846)	(25,998)	(2,497)	(30)	(8,596)
RARA - Account 1590	6,114	kWh	2,725	726	1,972	429	183	18	0	61
Subtotal - RSVA	(328,470)		27,348	(39,015)	(234,624)	(51,040)	(21,808)	(2,095)	(25)	(7,211)
Other - SubAccount Ampco Motion Costs Acct 1508	49,111	Dx Revenue	28,937	6,929	9,434	1,254	532	147	5	1,874
Other - SubAccount Acsys Deferred Revenue Acct 1508	(25,916)	Dx Revenue	(15,270)	(3,657)	(4,978)	(662)	(281)	(78)	(3)	(989)
Other - Sub-Account Deferred IFRS Transition Costs	170,428	Dx Revenue	100,418	24,047	32,737	4,351	1,845	512	17	6,502
Other - Deferred PILS	1,207,581	Dx Revenue	711,515	170,386	231,960	30,829	13,071	3,625	121	46,074
Subtotal - Non RSVA, Variable	1,401,205		825,600	197,705	269,153	35,772	15,166	4,207	140	53,461
Total to be Recovered	1,072,734		852,947	158,690	34,529	(15,268)	(6,642)	2,112	115	46,250
Balance to be collected or refunded, Variable	1,072,734		852,947	158,690	34,529	(15,268)	(6,642)	2,112	115	46,250
Balance to be collected or refunded, Fixed	0		0	0	0	0	0	0	0	0
Number of years for Variable 4										
Number of years for Fixed 4										
Balance to be collected or refunded per year, Variable	268,184		213,237	39,672	8,632	(3,817)	(1,660)	528	29	11,563
Balance to be collected or refunded per year, Fixed	0		0	0	0	0	0	0	0	0
Deferral and Variance Account Rate Riders, Variable			0.0004	0.0003	0.0094	(0.0228)	(0.0235)	0.0002	0.2498	0.3910
Billing Determinants			kWh	kWh	kW	kW	kW	kWh	kW	kW
Deferral and Variance Account Rate Riders, Fixed (per mth)			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Appendix H

Smart Meter Rate Riders by Customer Class

Disposition Rider Calculation

SMART METERS	2009	2010	2011	Total
From Revenue Requirement Tab				
Return	5,877	192,858	374,719	
OM&A	33,475	43,439	641,996	
Amortization	8,515	330,613	669,198	
Grossed-up PILs	2,773	26,176	129,671	
Total Revenue Requirement	<u>50,639</u>	<u>593,087</u>	<u>1,815,583</u>	

(i) Allocation of Return & Amortization (per Account 1860 in Cost Allocation model)

Residential	\$4,940,348	99.9%	\$14,380	\$523,073	\$1,043,122
GS < 50 kW	\$3,764	0.1%	<u>\$11</u>	<u>\$399</u>	<u>\$795</u>
			\$14,391	\$523,472	\$1,043,916

Allocation of OM&A (% of meters installed)

Residential	49,517	92.9%	\$31,110	\$40,370	\$596,643
GS < 50 kW	3,764	7.1%	<u>\$2,365</u>	<u>\$3,069</u>	<u>\$45,353</u>
			\$33,475	\$43,439	\$641,996

Allocation of PILS (% Rev Requirement allocation before PILS)

Residential	95.0%	\$2,635	99.4%	\$26,016	97.3%	\$126,121
GS < 50 kW	5.0%	<u>\$138</u>	0.6%	<u>\$160</u>	2.7%	<u>\$3,549</u>
		\$2,773		\$26,176		\$129,671

Total Revenue Requirement Allocation

Residential	\$48,126	\$589,459	\$1,765,886	\$2,403,471
GS < 50 kW	<u>\$2,513</u>	<u>\$3,627</u>	<u>\$49,698</u>	<u>\$55,838</u>
	\$50,639	\$593,087	\$1,815,583	\$2,459,309

(ii) % of Costs allocated to each class

Residential	74.1%
GS < 50 kW	25.9%

(iii) Rev Requirement Total less Funding Adders Total

Revenue Requirement Total	2,459,309
Smart Meter Rate Adder (to Dec 2011)	(2,096,055)
Carrying Cost	(64,144)
Carrying Cost - OM&A / Depreciation	16,948
Amount to be Recovered	<u>316,058</u>

(iv) (iii) allocated per factors calculated in (ii)

Residential	74.1%	234,228	# Customers	Monthly over 4 Years
GS < 50 kW	25.9%	<u>81,830</u>	49,920	0.0978
		316,058	3,961	0.4304

STRANDED METERS

Amount to be written off 1,829,130

Allocated as per Smart Meters above

Residential	74.1%	1,355,556	# Customers	Monthly over 4 Years
GS < 50 kW	25.9%	<u>473,574</u>	49,920	0.5657
		1,829,130	3,961	2.4908

Appendix I

Capitalization Policy and Costs Under IFRS

Capitalization Policy Changes

<u>2011</u>	Filed	CGAAP Settled	Change	MIFRS
Capital	10,740	9,500	(879)	8,621
OM&A	9,842	9,842	879	10,721
Depreciation	4,363	2,537	(8)	2,529

2012

Capital	11,122	11,122	(906)	10,216
OM&A	11,682	10,425	906	11,331
Depreciation	5,262	3,103	(245)	2,858

The OM&A costs above include changes in amounts allocated to capital as follows

	USA Acct	Filed	Update October 14, 2011	Change	MIFRS
Engineering	5085	(838)	(349)	151	(500)
Stores	5625	(598)	(581)	(381)	(200)
Vehicles	5025	(570)	(570)	(171)	(399)
		(2,005)	(1,500)	(401)	(1,100)

Amounts are expressed in (\$000s).

Summary OM&A Expenses

USA	OEB Account Name	2012 Filed	2012 Settled	Changes	2012 MIFRS	Changes	Notes
Distribution Expenses - Operation							
5005	Operation Supervision and Engineering	541,990	541,990	0	541,990	0	
5012	Station Buildings and Fixtures Expense	39,809	39,809	0	39,809	0	
5020	O/H Distribution Lines and Feeders - Operation Labour	712,380	712,380	0	712,380	0	
5025	O/H Distribution Lines and Feeders - Operation Supplies & Exps	110,201	110,201	0	280,866	170,665	1.
5040	U/G Distribution Lines and Feeders - Operation Labour	31,343	31,343	0	31,343	0	
5065	Meter Expense	140,797	140,797	0	140,797	0	
5085	Miscellaneous Distribution Expense	(172,178)	(172,178)	0	165,402	337,580	2.
Total Distribution Expenses - Operation		1,404,342	1,404,342	0	1,912,588	508,245	
Distribution Expenses - Maintenance							
5105	Maintenance Supervision and Engineering	309,226	309,226	0	309,226	0	
5110	Maintenance of Structures	7,045	7,045	0	7,045	0	
5114	Maint Dist Str Equip	436,184	436,184	0	436,184	0	
5120	Maintenance of Poles, Towers and Fixtures	493,720	493,720	0	493,720	0	
5145	Maintenance of Underground Conduit	120,888	120,888	0	120,888	0	
5155	Maintenance of Underground Services	113,645	113,645	0	113,645	0	
Total Distribution Expenses - Maintenance		1,480,709	1,480,709	0	1,480,709	0	
Billing and Collecting							
5305	Supervision	139,849	139,849	0	139,849	0	
5310	Meter Reading Expense	518,516	518,516	0	518,516	0	
5315	Customer Billing	1,024,343	1,024,343	0	1,024,343	0	
5320	Collecting	357,402	357,402	0	357,402	0	
5335	Bad Debt Expense	619,201	619,201	0	619,201	0	
5340	Miscellaneous Customer Accounts Expenses	88	88	0	88	0	
Total Billing and Collecting		2,659,399	2,659,399	0	2,659,399	0	
Community Relations							
5405	Supervision	144,895	144,895	0	144,895	0	
5410	Community Relations - Sundry	36,618	36,618	0	36,618	0	
5415	Energy Conservation	(62,718)	(62,718)	0	(62,718)	0	
5420	Community Safety Program	211,465	211,465	0	211,465	0	
5425	Misc. Customer Service and Informational Exps	614,901	614,901	0	614,901	0	
Total Community Relations		945,160	945,160	0	945,160	0	
Administrative and General Expenses							
5605	Executive Salaries and Expenses	980,801	980,801	0	980,801	0	
5610	Management Salaries and Expenses	578,074	578,074	0	578,074	0	
5615	General Administrative Salaries and Expenses	1,179,770	1,179,770	0	1,179,770	0	
5620	Office Supplies and Expenses	94,789	94,789	0	94,789	0	
5625	Administrative Expense Transferred-Credit	(656,831)	(656,831)	0	(259,207)	397,624	3.
5630	Outside Services Employed	298,268	298,268	0	298,268	0	
5635	Property Insurance	176,087	176,087	0	176,087	0	
5640	Injuries and Damages	158,720	158,720	0	158,720	0	
5645	Employee Pensions and Benefits	1,226,125	1,226,125	0	1,226,125	0	
5650	Franchise Requirements	0	0	0	0	0	
5655	Regulatory Expenses	246,613	246,613	0	246,613	0	
5660	General Advertising Expenses	0	0	0	0	0	
5665	Miscellaneous Expenses	85,691	85,691	0	85,691	0	
5670	Rent	271,920	271,920	0	271,920	0	
5675	Maintenance of General Plant	552,441	552,441	0	552,441	0	
5695	OM&A Contra Account	0	(1,257,080)	(1,257,080)	(1,257,080)	0	4.
Total Administrative and General Expenses		5,192,469	3,935,389	(1,257,080)	4,333,013	397,624	
Total OM&A		11,682,080	10,425,000	(1,257,080)	11,330,870	905,870	

Notes

1. Reduced Vehicle allocations to Capital under IFRS
2. Reduced Engineering allocations to Capital under IFRS
3. Reduced Stores allocations to Capital under IFRS
4. OM&A Reduction agreed with Intervenor at Settlement Conference

Appendix J

Property Plant & Equipment (“PP&E”) Deferral Account

Deferral Account in Relation to PP&E Components of Rate Base

	Settlement Proposal				[As At Tech Conference]	
	2011				Change	2011
	\$000s					\$000s
PP&E Values under CGAAP						
Opening NBV	51,127					51,127
Additions	9,500					9,500
Additions - Smart Meters	6,385					6,385
Disposals - Stranded Meters Cost	(2,102)					(2,102)
Disposals - Stranded Meters Accumulated Depreciation	188					188
Depreciation	(4,338)					(4,338)
Depreciation - Smart Meters	(736)					(736)
Closing NBV	60,023					60,023
PP&E Values under MIFRS						
Opening NBV	51,127					51,127
Additions	8,621	<-----	(879)	----->		9,500
Additions - Smart Meters	6,385					6,385
Disposals - Stranded Meters Cost	(2,102)					(2,102)
Disposals - Stranded Meters Accumulated Depreciation	273					273
Depreciation	(2,529)	<-----	11	----->		(2,540)
Depreciation - Smart Meters	(878)					(878)
Closing NBV	60,897				(868)	61,765
Difference in Closing NBV	874				(868)	1,742
Deferral Account - PP&E						
		2012	2013	2014	2015	
		\$000s	\$000s	\$000s	\$000s	
Opening Balance	0	(874)	(655)	(437)	(218)	0
Amount added in year	(874)	0	0	0	0	(1,742)
Amount of Amortization, included in depreciation expense ¹	0	(218)	(218)	(218)	(218)	0
Closing Balance	(874)	(655)	(437)	(218)	0	(1,742)
Effect on Revenue Requirement of Including Deferral Account Amortization on Rebasing						
Amortization of deferred balance as above	(218)	Positive - Collect from RatePayers				(436)
Return on rate base associated with deferred balance at WACC (6.66%)	(58)	Negative - Payable to RatePayers				(121)
Amount included in Revenue Requirement on rebasing	(277)					(557)

DRAFT ACCOUNTING ORDERS

For the purpose of obtaining a complete settlement, the Parties agreed to the following deferral and variance accounts as part of the Settlement Agreement:

1. Issue 2.3, “Are the capital expenditures appropriate?”

On page 11 of the Settlement Agreement, the Parties agreed that the resulting forecast of 2012 Test Year capital expenditures is appropriate. However, in the event that actual capital expenditures are less than the amount forecast, the Parties have agreed that it is appropriate to establish an asymmetrical variance account (“Capital Additions Variance Account”) that would provide for the return to customers of the revenue requirement impact related to the difference between \$10.2 million (under IFRS) of capital expenditures, and actual 2012 capital expenditures, if lower.

The Capital Additions Variance Account would record the difference in all components of annual revenue requirement (including, but not limited to, depreciation, interest, return on equity and PILs) resulting from any underspending on total capital expenditures closed to rate base in the Test Year. That is, if the capital expenditures are less than \$10.2 million, the revenue requirement impact of the shortfall will be calculated and credited to the account. The account would be subject to disposition in accordance with the Board’s normal policies from time to time on the disposition of applicable variance accounts.

2. Issue 4.3, “Is the proposed level of depreciation/amortization expense for the test year appropriate?”

On page 21 of the Settlement Agreement, the Parties have agreed that the level of depreciation expense for the 2012 Test Year will be \$2,857,694 and that that value is appropriate. That value is based on the typical useful lives as developed by Kinectrics Inc. in the Asset Depreciation Study prepared for the Board. The Parties have further acknowledged that OPUCN intends to obtain an independent study of the lives of its distribution assets, and have agreed that following the completion of that study, OPUCN may apply for an accounting order that would provide for the adjustment of the expected lives and of the

revenue requirement associated with that adjustment, and for the reflection of those adjustments in a deferral or variance account.

3. Issue 11.1, “Does Oshawa 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?”

On page 36 of the Settlement Agreement, the Parties have agreed that with respect to Pension and other Post Employment costs, OPUCN is electing to apply the IFRS 1 exemption and will recognize all cumulative actuarial gains or losses in a deferral account. OPUCN is requesting a new deferral account to capture the one-time adjustment of approximately \$2.6 million to the post retirement liability as a result of the election applied under IFRS 1.

The disposition of this new deferral account will occur sometime in the future in accordance with Board guidelines in effect at the appropriate time. The disposition of this deferral account is not part of OPUCN’s Application and is not included in the proposed rates effective January 1, 2012. OPUCN has agreed to provide an actuarial report at the time of disposition for the deferral account.

The Board has ordered OPUCN to provide draft Accounting Orders for the establishment of the requested deferral and variance accounts described above.

The draft Accounting Orders are included in the following Appendices:

Appendix K	Asymmetrical Capital Additions Variance Account
Appendix L	Depreciation Study Deferral or Variance Account
Appendix M	Post Employment Costs Deferral Account

Appendix K

Draft Accounting Order

Asymmetrical Capital Additions Variance Account

Draft Accounting Order – Asymmetrical Capital Additions Variance Account

Request for Establishment of a Variance Account

OPUCN requests Board approval for the establishment of a variance account related to the 2012 Test Year capital expenditures. Establishment of the variance account was agreed upon during settlement as described on page 53, above, of this draft Rate Order. In particular, OPUCN seeks approval to establish the following variance account:

Variance Account – 2012 Capital Additions – Account number to be established by the Board.

Details of the purpose of the variance account and descriptions of the manner in which this account would be used are provided herein.

A variance account will be established to be in effect for the 2012 Test Year and the subsequent IRM periods until OPUCN's next cost of service rebasing period. The purpose of the variance account will be to track the revenue requirement impacts in the 2012 Test Year and subsequent IRM periods. This variance account was agreed upon in light of concern of the Participating Intervenors that the required capital spending may be less than the forecast, or the in-service date of the assets will not be in 2012.

Purpose and General Mechanics of the Variance Account

The following description of the mechanics of the variance account is as set out in the Settlement Agreement on pages 11 and 12, and page 53 of this draft Rate Order:

The purpose of the variance account will be to track the revenue requirement impacts in the 2012 Test Year and subsequent IRM periods resulting from OPUCN's total capital expenditures. For ratemaking purposes, OPUCN and the Participating Intervenors (collectively, the "Parties") agree that capital expenditures for the 2012 Test Year include only capital additions that are in-service at December 31, 2012 and close out to OPUCN's rate base.

Total capital expenditures in the 2012 Test Year have been forecast at \$10.2 million. The "as filed" accounting impact of the capital expenditures (including amortization, return on capital and PILs) forms the baseline for variances for the years 2012 through 2015 or the end of the IRM periods. The baseline includes the expected accounting entries related to the capital

expenditures for the 2012 Test Year under cost of service. Actual capital expenditures in 2012 will then be compared to that baseline, and entries to the variance account will reflect the difference between actual capital expenditures and baseline.

The variance account will capture the asymmetric revenue requirement variances resulting if the actual capital expenditures are less than forecast for the 2012 Test Year. The decrease in revenue requirement will be calculated for the Test Year and for each of the subsequent IRM years until OPUCN's next cost of service. The reduction in revenue requirement would be credited to the variance account for future distribution to ratepayers.

Illustration of Proposed Accounting Entries

The following Schedule sets out two scenarios:

1. Scenario 1 is revenue requirement resulting from the agreed baseline, i.e. the amounts (\$10.2 million) that are assumed to be the accounting impact of the capital expenditures on an "as filed" basis. Accounting variations from this baseline are to be captured through entries to the variance account.
2. Scenario 2 illustrates the same calculation for each year, but with lower total capital expenditures in 2012 totalling \$1 million, and identifies the variance account entries that would reflect that lower cost in that scenario.

Detailed accounting entries for the variance scenarios listed above follow.

Scenarios	2012			2013			2014			2015		
	Revenue Requirement	Variance Account Entries	Variance Account Balance	Revenue Requirement	Variance Account Entries	Variance Account Balance	Revenue Requirement	Variance Account Entries	Variance Account Balance	Revenue Requirement	Variance Account Entries	Variance Account Balance
Scenario I - Baseline (\$10.2 million in Capex)	20,043,143	—	—	20,043,143	—	—	20,043,143	—	—	20,043,143	—	—
Scenario II - Capex of \$9.2 million	20,000,909	42,234	42,234	20,000,909	42,234	84,468	20,000,909	42,234	126,702	20,000,909	42,234	168,936

Appendix L

Draft Accounting Order

Depreciation Study Deferral or Variance Account

Draft Accounting Order – Depreciation Study Deferral or Variance Account

Request for Establishment of a Variance Account

OPUCN requests Board approval for the establishment of a variance account related to depreciation rates used to calculate the revenue requirement for its 2012 cost of service rate Application. Establishment of the variance account was agreed upon during settlement as described on page 53, above, of this draft Rate Order. In particular, OPUCN seeks approval to establish the following variance account:

Variance Account – Depreciation Rates – Account number to be established by the Board.

Details of the purpose of the variance account and descriptions of the manner in which this account would be used are provided herein.

A variance account will be established to be in effect for the 2012 Test Year and the subsequent IRM periods until OPUCN's next cost of service rebasing period. The purpose of the variance account will be to track the revenue requirement impacts in the 2012 Test Year and subsequent IRM periods. This variance account was agreed upon in light of concern the depreciation rates used in OPUCN's 2012 cost of service rate Application are not an accurate reflection of the estimated useful lives of its assets.

Purpose and General Mechanics of the Variance Account

The following description of the mechanics of the variance account is as set out in the Settlement Agreement on page 21, and page 53 of this draft Rate Order:

Subject to OPUCN obtaining an independent study of the useful lives of its distribution assets, the purpose of the variance account will be to track the revenue requirement impacts in the 2012 Test Year and subsequent IRM periods resulting from OPUCN's depreciation rates used in its rate Application.

For the purpose of determining depreciation rates, OPUCN agreed to use the typical useful lives as developed by Kinectrics Inc. in the *Asset Depreciation Study* prepared for the Board until, at its discretion, OPUCN obtained an independent study of its distribution assets. The "as filed" accounting impact of the depreciation rates (including amortization, return on capital and PILs)

forms the baseline for variances for the years 2012 through 2015 or the end of the IRM periods. The baseline includes the expected accounting entries related to the depreciation rates for the 2012 Test Year under cost of service. Pursuant to the independent study of depreciation rates, actual depreciation rates in 2012 will then be compared to that baseline, and entries to the variance account will reflect the difference between actual depreciation rates and baseline.

The variance account will capture the revenue requirement variances resulting if the actual depreciation rates are more or less than forecast for the 2012 Test Year. The increase or decrease in revenue requirement will be calculated for the Test Year and for each of the subsequent IRM years until OPUCN's next cost of service. A reduction in revenue requirement would be credited to the variance account for future distribution to ratepayers and an increase in revenue requirement would be debited to the variance account for future collection from ratepayers.

Illustration of Proposed Accounting Entries

The following Schedule sets out three scenarios:

1. Scenario 1 is revenue requirement resulting from the agreed baseline, i.e. the amounts that are assumed to be the accounting impact of the depreciation rates on an "as filed" basis. Accounting variations from this baseline are to be captured through entries to the variance account.
2. Scenario 2 illustrates the same calculation for each year, but with lower depreciation rates in 2012, and identifies the variance account entries that would reflect that lower cost in that scenario. In the Table below, OPUCN increased depreciation expense by \$500,000 as an assumption.
3. Scenario 3 illustrates the same calculation for each year, but with higher depreciation rates in 2012, and identifies the variance account entries that would reflect that lower cost in that scenario. In the Table below, OPUCN decreased depreciation expense by \$500,000 as an assumption.

Detailed accounting entries for the variance scenarios listed above follow.

Scenarios	2012			2013			2014			2015		
	Revenue Requirement	Variance Account Entries	Variance Account Balance	Revenue Requirement	Variance Account Entries	Variance Account Balance	Revenue Requirement	Variance Account Entries	Variance Account Balance	Revenue Requirement	Variance Account Entries	Variance Account Balance
Scenario I - Baseline (Kinectrics study)	20,043,143	—	—	20,043,143	—	—	20,043,143	—	—	20,043,143	—	—
Scenario II - Increase of \$500,000 in depreciation	20,699,841	(656,698)	(656,698)	20,699,841	(656,698)	(1,313,396)	20,699,841	(656,698)	(1,970,094)	20,699,841	(656,698)	(2,626,792)
Scenario II - Decrease of \$500,000 in depreciation	19,387,923	655,220	655,220	19,387,923	655,220	1,310,440	19,387,923	655,220	1,965,660	19,387,923	655,220	2,620,880

Appendix M
Draft Accounting Order
Post Employment Costs Deferral Account

Post Employment Costs Deferral Account

Request for Establishment of a Deferral Account

OPUCN requests Board approval for the establishment of a deferral account related to Pension and other Post Employment costs. Establishment of the deferral account was agreed upon during settlement as described on page 53, above, of this draft Rate Order. In particular, OPUCN seeks approval to establish the following deferral account:

Deferral Account – Post Retirement Costs – Account number to be established by the Board.

Details of the purpose of the deferral account and descriptions of the manner in which this account would be used are provided herein.

A deferral account will be established to be in effect for the 2012 Test Year. The disposition of this new deferral account will occur sometime in the future in accordance with Board guidelines in effect at the appropriate time. The disposition of this deferral account is not part of OPUCN's Application and is not included in the proposed rates effective January 1, 2012. OPUCN has agreed to provide an actuarial report at the time of disposition for the deferral account.

The purpose of the deferral account will be to record the cumulative actuarial gains or losses in OPUCN's post retirement benefits in a deferral account to be specified by the Board. OPUCN is requesting the deferral account to capture the one-time adjustment of approximately \$2.6 million to the post retirement liability as a result of an election applied under IFRS 1 that would otherwise result in a charge to OPUCN's retained earnings.

Purpose and General Mechanics of the Deferral Account

The following description of the mechanics of the deferral account is as set out in the Settlement Agreement on pages 36 and 37, and page 53 of this draft Rate Order:

The purpose of the deferral account will be to record the cumulative actuarial gains or losses in OPUCN's post retirement benefits in a deferral account to be specified by the Board. OPUCN is requesting the deferral account to capture the one-time adjustment of approximately \$2.6 million to the post retirement liability as a result of an election applied under IFRS 1 that would

otherwise result in a charge to OPUCN's retained earnings. There is no impact on OPUCN's revenue requirement.

The disposition of this new deferral account will occur sometime in the future in accordance with Board guidelines in effect at the appropriate time. The disposition of this deferral account is not part of OPUCN's Application and is not included in the proposed rates effective January 1, 2012. OPUCN has agreed to provide an actuarial report at the time of disposition for the deferral account.

Illustration of Proposed Accounting Entries

The Accounting Entry is as follows:

Debit Deferral Account – Post Retirement Costs

Credit Post-Employment Non-Pension Benefits

To record \$2.6 million for the unamortized loss on OPUCN's post retirement benefit costs.