



Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
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January 23, 2012

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

Re: Reply to Interrogatories EB-2011-0171

Dear Ms. Walli:

Hearst Power Distribution Company Limited ("Hearst Power") hereby files its response to Board staff and VECC's interrogatories with respect to Hearst Power's application for 2012 3rd Generation IRM rates effective May 1, 2012.

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

Steven Blier
General Manager



Date Filed: January 23, 2012

Response to Board Staff Interrogatories

Tax Savings Workform

Interrogatory #1

Ref: A portion of the Tax-Savings Workform, Tab 3

Ref: A portion of the Revenue-to-Cost Ratio, Tab 3

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	2,322	26,267,362	
GSLT50	General Service Less Than 50 kW	Customer	kWh	391	12,405,535	
GSGT50	General Service 50 to 1,499 kW	Customer	kW	38		53,176
GSGT50	Intermediate With Self Generation	Customer	kW	3		59,721
Sen	Sentinel Lighting	Connection	kW	10		72
SL	Street Lighting	Connection	kW	922		3,084

Ref: EB-2009-0266, Draft Rate Order, Rate Maker Model



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CUSTOMERS (CONNECTIONS)								
Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential	2,340	2,318	2,316	2,318	2,318	2,320	2,320	2,322
GS<50kW	395	399	391	391	391	391	391	391
GS>50kW	39	41	41	41	41	39	39	38
Intermediate Users	3	3	3	3	3	3	3	3
Sentinel Lights	23	46	45	38	38	12	12	10
Street Lights	900	903	909	916	916	915	915	922
TOTAL	3,700	3,710	3,705	3,707	3,707	3,680	3,680	3,686

METERED KILOWATT-HOURS (kWh)								
Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential	27,473,386	25,897,339	27,069,577	26,596,195	26,581,493	26,604,427	26,719,860	26,627,362
GS<50kW	12,719,994	12,993,046	12,370,240	12,592,670	12,405,535	12,405,535	11,429,892	12,405,535
GS>50kW	21,314,306	19,484,942	21,523,842	20,680,870	20,524,699	19,523,494	18,126,386	19,022,892
Intermediate Users	47,635,245	53,977,594	44,939,095	24,123,994	24,123,994	20,110,397	20,110,397	18,502,357
Sentinel Lights	64,848	60,823	54,603	42,445	42,445	26,687	26,687	23,544
Street Lights	1,108,379	1,091,309	1,097,289	1,159,799	1,159,799	1,001,530	1,001,530	1,006,025
TOTAL	110,316,158	113,505,053	107,054,646	85,195,973	84,837,965	79,672,071	77,414,752	77,587,715

KILOWATTS (kW)								
Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential								
GS<50kW								
GS>50kW	60,958	55,083	57,195	56,061	56,061	50,670	50,670	53,176
Intermediate Users	108,040	115,268	109,115	70,701	70,701	65,897	65,897	59,721
Sentinel Lights	182	168	148	121	121	99	99	72
Street Lights	3,072	3,036	3,056	3,069	3,069	3,071	3,071	3,084
TOTAL	172,252	173,555	169,514	129,952	129,952	119,737	119,737	116,053

Board staff has been unable to verify the data entered in columns A, B and C to those numbers reported in Hearst's previous Cost of Service draft Rate Order (EB-2009-0266).

(A) If Hearst believes the above figures entered are correct, please confirm, and provide evidence for the above figures.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.

(B) If the answer to (A) is no, please confirm, and Board staff will make the necessary adjustments to both workforms based on the numbers in Hearst's last cost of service rate order.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



Date Filed: January 23, 2012

Interrogatory #2

Ref: A portion of the Tax-Savings Workform, Tab 5

Summary - Sharing of Tax Change Forecast Amounts

For the 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2010	2012
Taxable Capital	\$ -	\$ -
Deduction from taxable capital up to \$15,000,000	\$ -	\$ -
Net Taxable Capital	\$ -	\$ -
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -

Board staff notes that the first portion of tab 5 of the workform has not been completed with the numbers reported in Hearst's previous cost of service RRWF (EB-2009-0266).

(A) Please confirm that:

i) Tax credits amounts should be (\$7,041); and

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.

ii) Taxable Capital should be \$1,992,810, and Board staff will make the necessary adjustments to the workform.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.

(B) If Hearst, disagrees with either (A) i) or ii), please provide an updated tax-savings workform with the figures Hearst believes are correct, and provide evidence supporting these figures.



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Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



Date Filed: January 23, 2012

Interrogatory #3

Ref: Tax-Savings Workform, Tab 6

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$660,546.8472	57.56%	-\$118	26,267,362	0	\$0.0000	
General Service Less Than 50 kW	\$173,371	15.11%	-\$31	12,405,535	0	\$0.0000	
General Service 50 to 1,499 kW	\$178,696	15.57%	-\$32	0	53,176		-\$0.0006
Intermediate With Self Generation	\$68,101	5.93%	-\$12	0	59,721		-\$0.0002
Sentinel Lighting	\$1,062	0.09%	\$0	0	72		-\$0.0026
Street Lighting	\$65,795	5.73%	-\$12	0	3,084		-\$0.0038
	\$1,147,571	100.00%	-\$206				

Ref: Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 22, 2011, Page 17

The IRM Filing Requirements stated the following: "A shared tax saving workform will include a schedule for a distributor to complete, which will calculate a volumetric rate rider. Occasionally, the calculated rate adders or rate riders for one or more rate classes may be negligible. In the event that the calculation of one or more rate classes' rate rider results in energy-based kWh rate riders of \$(0.0000) when rounded to the fourth decimal place and demand-based kW rate riders of \$(0.00) when rounded to the second decimal place, or is negligible, the distributor may apply to record the amount to be recovered or refunded in USoA 1595 disposition in a future rate setting."

(A) Please confirm that Hearst wishes to record the amounts above in USoA 1595 to be addressed in a future rate proceeding.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



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RTSR Workform

Interrogatory #4

Ref: A portion of the RTSR Workform, Tab 6

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	9,712	\$2.24	\$ 21,755	10,037	\$0.00		10,037	\$1.99	\$ 19,974	\$ 19,974
February	9,042	\$2.24	\$ 20,254	9,042	\$0.00		9,042	\$1.99	\$ 17,994	\$ 17,994
March	8,303	\$2.24	\$ 18,599	8,303	\$0.00		8,303	\$1.99	\$ 16,523	\$ 16,523
April	8,894	\$2.28	\$ 20,254	8,894	\$0.00		8,894	\$2.00	\$ 17,820	\$ 17,820
May	8,582	\$2.65	\$ 22,742	8,582	\$0.00		8,582	\$2.14	\$ 18,365	\$ 18,365
June	7,989	\$2.65	\$ 21,171	7,989	\$0.00		7,989	\$2.14	\$ 17,096	\$ 17,096
July	8,033	\$2.65	\$ 21,287	8,033	\$0.00		8,033	\$2.14	\$ 17,191	\$ 17,191
August	8,493	\$2.65	\$ 22,506	8,493	\$0.00		8,493	\$2.14	\$ 18,175	\$ 18,175
September	7,614	\$2.65	\$ 20,167	7,614	\$0.00		7,614	\$2.14	\$ 16,294	\$ 16,294
October	8,780	\$2.65	\$ 23,267	8,803	\$0.00		8,803	\$2.14	\$ 18,838	\$ 18,838
November	10,526	\$2.65	\$ 27,894	10,526	\$0.00		10,526	\$2.14	\$ 22,526	\$ 22,526
December	11,955	\$2.65	\$ 31,681	11,955	\$0.00		11,955	\$2.14	\$ 25,584	\$ 25,584
Total	107,923	\$ 2.52	\$ 271,577	108,271	\$ -	\$ -	108,271	\$ 2.09	\$ 226,380	\$ 226,380

Board staff notes that a rate and amount for the "Line Connection" section has not been entered.

(A) Please provide the unit rate and the respective amounts for each month billed to Hearst by Hydro One and Board staff will update the model accordingly.

Hearst Power Response:

Hearst Power pays a single combined rate for both charges and therefore has entered that amount under transformation.

Hydro One Sub-Transmission Rates	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		Rate	Rate	Rate
Network Service Rate	kW	\$ 2.65	\$ 2.65	\$ 2.65
Line Connection Service Rate	kW	\$ 0.64	\$ 0.64	\$ 0.64
Transformation Connection Service Rate	kW	\$ 1.50	\$ 1.50	\$ 1.50
Both Line and Transformation Connection Service Rate	kW	\$ 2.14	\$ 2.14	\$ 2.14



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Revenue-to-Cost Ratio Model

Interrogatory #5

Ref: Revenue-to-Cost Ratio Model, Tab 7

Rate Class	Informational Filing	Percentage Split	Allocated Revenue
	Revenue Offsets		Offsets
	A	C = A / B	E = D * C
Residential	45,166	65.55%	45,166
General Service Less Than 50 kW	13,725	19.92%	13,725
General Service 50 to 1,499 kW	6,295	9.14%	6,295
Intermediate With Self Generation	1,773	2.57%	1,773
Sentinel Lighting	36	0.05%	36
Street Lighting	1,911	2.77%	1,911
	68,906	100.00%	68,906
	B		D

Ref: EB-2009-0266, Draft Rate Order, Appendix K

F3 Cost Allocation

Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation

Customer Class Name	REVENUE ALLOCATION (sheet O1)		
	Service Revenue Requirement	%	Miscellaneous Revenue (ml)
Residential	751,648	61.15%	45,184
GS<50kW	196,268	15.97%	13,684
GS>50kW	80,706	6.57%	6,292
Intermediate Users	60,688	4.94%	1,761
Sentinel Lights	1,602	0.13%	36
Street Lights	138,352	11.25%	1,950
TOTAL (from Column C of sheet O1)	1,229,264	100.00%	68,907
	OK	OK	OK

Board staff notes that column A on tab 7 of the Revenue-to-Cost Ratio Model (i.e. Informational Filing Revenue Offsets) does not match Hearst's previous cost of service draft Rate Order (EB-2009-0266), as seen in the table directly above.

(A) If Hearst agrees that the figures entered for column A should match appendix K of Hearst's previous cost of service draft Rate Order, please confirm, and Board staff will make the necessary adjustments.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



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(B) If the answer to (A) is no, please confirm, and provide justification for the numbers entered by Hearst.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



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Rate Generator

Interrogatory #6

Ref: A portion of the Rate Generator Model, Tab 4

Sentinel Lighting
Service Charge
Rate Rider for Foregone Revenue Recovery
Rate Rider for Recovery of Late Payment Penalty Litigation Costs
Street Lighting
Service Charge
Rate Rider for Foregone Revenue Recovery
Rate Rider for Recovery of Late Payment Penalty Litigation Costs

(A) Please confirm that the “Service Charge” line item for the Sentinel Lighting and Street Lighting rate classes should be charged “per connection”, as currently seen in Hearst’s current tariff of rates and charges. If confirmed, Board staff will make the necessary adjustments to the model.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.

(B) If the answer to (A) is no, please explain this discrepancy.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



Date Filed: January 23, 2012

Interrogatory #7

Ref: A portion of the Rate Generator Model, Tab 6

Ref: Current Tariff of Rates and Charges, Effective May 1, 2011

Sentinel Lighting

Low Voltage Service Rate

Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers

Rate Rider for Deferral/Variance Account Disposition (2010)

Rate Rider for Recovery of Foregone Revenue

\$/kW	0.17910	
\$/kW	0.00510	April 30, 2012
\$/kW	(5.52140)	April 30, 2013
\$/kW	0.21110	April 30, 2012

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Street Lighting

Low Voltage Volumetric Rate

Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers

Rate Rider for Deferral/Variance Account Disposition (2010)

Rate Rider for Recovery of Foregone Revenue

\$/kW	0.17550	
\$/kW	0.00510	April 30, 2012
\$/kW	(3.13320)	April 30, 2013
\$/kW	0.07720	April 30, 2012

(A) Please confirm that the “Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers” line item for both the Sentinel and Street Lighting rate classes should be billed on a \$/kWh basis as opposed to the \$/kW Hearst has entered, and Board staff will make the necessary adjustments to the model.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.

(B) If the answer to (A) is no, please provide an explanation for this apparent discrepancy (i.e. the billing units as seen on Hearst’s current Tariff of Rates and Charges compared to the billing units entered by Hearst in the 2012 Rate Generator Model).

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



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Interrogatory #8

Ref: A portion of the Rate Generator Model, Tab 8

Ref: Current Tariff of Rates and Charges, Effective May 1, 2011

Residential		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.00440
General Service Less Than 50 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.00400

(A) Please confirm that the “Retail Transmission Rate – Line and Transformation Connection Service Rate” line item for both the Residential and General Service Less Than 50 kW should be billed on a \$/kWh basis as opposed to the \$/kW Hearst has entered, and Board staff will make the necessary adjustments to the model.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.

(B) If the answer to (A) is no, please provide an explanation for this apparent discrepancy.

Hearst Power Response:

Hearst Power agrees with Board staff and respectfully request Board staff to make the necessary adjustments.



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Interrogatory #9

Ref: Rate Generator Model, Tab 9

Board staff notes that for Account 1550, there is no figure entered into tab 9 of the continuity schedule for Hearst's total claim and also for its 2.1.7 RRR filing for that account. Board staff notes that according to 2.1.7 of the RRR filings, an amount of \$70,465 has been reported by Hearst.

(A) If Hearst believes that tab 9 of the continuity schedule is correct with respect to account 1550, please explain why.

Hearst Power Response:

Hearst Power agrees that the amount of \$70,465 should have been included and apologizes for this oversight. Hearst Power respectfully requests Board staff to update the model with the necessary information.

(B) If applicable, please confirm Hearst's total claim for Account 1550 – LV Variance Account.

Hearst Power Response:

See a) above

(C) If applicable, please confirm that Hearst's RRR filing for the LV Variance Account amount is \$70,465.

Hearst Power Response:

See a) above

(D) If Hearst agrees with Board staff that changes need to be made, please confirm the correct figures, and Board staff will update the model with the necessary adjustments for Account 1550. If the correct figures are different from \$70,465 for either the disposed amount or the RRR filing, please provide a reconciliation explaining any differences.

Hearst Power Response:

See a) above



Interrogatory #10

Ref: Rate Generator Model, Tab 9

Board staff notes that for Account 1588 – RSVA – Power (Global Adjustment Sub-Account), the December 31, 2010 ending balance of \$146,288 has been entered into the variance column as opposed to the 2.1.7 RRR column.

(A) If Hearst agrees that this figure should have been entered into the 2.1.7 RRR column, please confirm, and Board staff will make the necessary adjustments to the model.

Hearst Power Response:

Hearst Power agrees that this figure should have been entered into the 2.1.7 RRR column and respectfully requests Board staff to make the necessary adjustments to the model.

(B) If the answer to (A) is no, please confirm, and provide an explanation for this discrepancy and the resulting variance for account 1588 (Global Adjustment Sub-Account).

Hearst Power Response:

Please see above.



Interrogatory #11

Ref: Rate Generator Model, Tab 12

Board staff notes that Hearst has requested a 4 year disposition period in the repayment of its Group 1 Deferral and Variance Account balances (including Account 1521 – SPC Variance Account and Account 1562 – PILS, however excluding Account 1588 – GA Sub-Account, which Hearst has requested a one year disposition period applicable to all non-RPP customers).

(A) Please provide alternative calculations of rate riders and bill impacts representing a disposition period of 1 and 2 years for all accounts (excluding Account 1588 – GA Sub-Account).

Hearst Power Response:

One Year

Please indicate the Rate Rider Recovery Period (in years)		1					
Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider		
Residential	\$/kWh	25,225,707	-	-\$ 238,134	(\$0.00944)	\$/kWh	
General Service Less Than 50 kW	\$/kWh	11,529,904	-	-\$ 109,074	(\$0.00946)	\$/kWh	
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	-\$ 168,687	(\$3.41403)	\$/kW	
Intermediate With Self Generation	\$/kW	18,248,907	59,337	-\$ 173,006	(\$2.91566)	\$/kW	
Sentinel Lighting	\$/kW	20,027	57	-\$ 188	(\$3.29992)	\$/kW	
Street Lighting	\$/kW	1,008,852	3,092	-\$ 9,453	(\$3.05730)	\$/kW	
Total		73,847,934	111,896	-\$ 698,544			

Rate Class	kWh	kW	Load Factor	Delivery %	Total \$	Total %
Residential	800			-33.4%	-\$ 10.31	-10.0%
General Service Less Than 50 kW	2,000			-30.3%	-\$ 14.98	-6.3%
General Service 50 to 1,499 kW	328,500	750	60.0%	-44.9%	-\$ 1,853.07	-5.7%
Intermediate With Self Generation	1,752,000	4,000	60.0%	-39.3%	-\$ 7,009.91	-4.2%
Sentinel Lighting	94	0.26	50.2%	-98.6%	-\$ 551.58	-97.1%
Street Lighting	54	0.15	50.0%	-97.5%	-\$ 316.37	-96.0%



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1 Two Years

Please indicate the Rate Rider Recovery
Period (in years)

2

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider	
Residential	\$/kWh	25,225,707	-	238,134	(\$0.00472)	\$/kWh
General Service Less Than 50 kW	\$/kWh	11,529,904	-	109,074	(\$0.00473)	\$/kWh
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	168,687	(\$1.70702)	\$/kW
Intermediate With Self Generation	\$/kW	18,248,907	59,337	173,006	(\$1.45783)	\$/kW
Sentinel Lighting	\$/kW	20,027	57	188	(\$1.64996)	\$/kW
Street Lighting	\$/kW	1,008,852	3,092	9,453	(\$1.52865)	\$/kW
Total		73,847,934	111,896	698,544		

2

3

Rate Class	kWh	kW	Load Factor	Delivery %	Total \$	Total %
Residential	800			-20.9%	-\$ 6.47	-6.3%
General Service Less Than 50 kW	2,000			-10.9%	-\$ 5.36	-2.2%
General Service 50 to 1,499 kW	328,500	750	60.0%	-13.3%	551.05	-1.7%
Intermediate With Self Generation	1,752,000	4,000	60.0%	-6.0%	1,079.46	-0.6%
Sentinel Lighting	94	0.26	50.2%	-98.5%	551.14	-97.1%
Street Lighting	54	0.15	50.0%	-97.4%	316.14	-95.9%

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6 Three Years

Please indicate the Rate Rider Recovery
Period (in years)

3

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider	
Residential	\$/kWh	25,225,707	-	238,134	(\$0.00315)	\$/kWh
General Service Less Than 50 kW	\$/kWh	11,529,904	-	109,074	(\$0.00315)	\$/kWh
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	168,687	(\$1.13801)	\$/kW
Intermediate With Self Generation	\$/kW	18,248,907	59,337	173,006	(\$0.97189)	\$/kW
Sentinel Lighting	\$/kW	20,027	57	188	(\$1.09997)	\$/kW
Street Lighting	\$/kW	1,008,852	3,092	9,453	(\$1.01910)	\$/kW
Total		73,847,934	111,896	698,544		

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Rate Class	kWh	kW	Load Factor	Delivery %	Total \$	Total %
Residential	800			-16.8%	-\$ 5.19	-5.0%
General Service Less Than 50 kW	2,000			-4.4%	-\$ 2.15	-0.9%
General Service 50 to 1,499 kW	328,500	750	60.0%	-2.8%	-\$ 117.04	-0.4%
Intermediate With Self Generation	1,752,000	4,000	60.0%	5.0%	\$ 897.36	0.5%
Sentinel Lighting	94	0.26	50.2%	-98.5%	-\$ 551.00	-97.0%
Street Lighting	54	0.15	50.0%	-97.4%	-\$ 316.06	-95.9%



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Interrogatory #12

Ref: A portion of the Rate Generator Model, Tab 10

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*
Residential	\$/kWh	25,225,707		1,577,596	-	660,547	34%
General Service Less Than 50 kW	\$/kWh	11,529,904		1,116,135	-	173,371	16%
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	16,326,499	45,283	178,696	24%
Intermediate With Self Generation	\$/kW	18,248,907	59,337	18,248,907	59,337	68,101	25%
Sentinel Lighting	\$/kW	20,027	57	-	-	1,062	0%
Street Lighting	\$/kW	1,008,852	3,092	1,088,852	3,337	65,795	1%
Total		73,847,934	111,896	38,357,989	107,957	1,147,571	100%

Board staff cannot verify the figures entered for the column "Distribution Revenue" for each rate class to Hearst's previous Cost of Service draft Rate Order (EB-2009-0266).

(A) Please provide evidence for the figures entered above.

Hearst Power Response:

Hearst Power used the distribution revenue as calculated in the Shared Tax Savings model sheet 4 shown below.

Last COS Re-based Year was in 2010

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Volumetric Rate kWh E	Rate ReBal Base Volumetric Rate kW F	Service Charge Revenue G = A * D * 12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential	2,322	26,267,362	0	3.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	66.00	0.0000	2.7945	30,096	0	148,600	178,696
Intermediate With Self Generation	3	0	59,721	220.00	0.0000	1.0077	7,320	0	60,181	68,101
Sentinel Lighting	10	0	72	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	322	0	3,084	5.50	0.0000	1.6027	60,852	0	4,943	65,795
							441,978	491,647	213,346	1,147,571
							O	P	Q	R

2. Table of Contents	3. Re-Based Bill Det & Rates	4. Re-Based Rev From Rates	5. Z-Factor Tax Changes	6. Calc Tax Chg RRider Var
----------------------	------------------------------	----------------------------	-------------------------	----------------------------

(B) If the above figures are incorrect, please provide the correct figures which reconcile with Hearst's previous cost of service proceeding, and Board staff will make the necessary adjustments to the model.

Hearst Power Response:

Hearst Power believes the distribution revenue generated by the Shared tax savings model is reasonable for allocation purposes.



Date Filed: January 23, 2012

Interrogatory #13

Ref: EB-2011-0171 Application, Exhibit 1, Tab 3, Schedule 4

Ref: Rate Generator Model, Tab 9

At the above reference, Hearst claims its total value for disposition of its Group 1 Deferral and Variance Account Balances including Account 1521 and Account 1562 is a credit balance of \$698,554.

Board staff notes that at tab 9 of the Rate Generator, the Group 1 total, including Account 1521 and Account 1562, amounts to a credit balance of \$623,512.

(A) Please confirm which amount Hearst is proposing for disposition.

Hearst Power Response:

Hearst Power is requesting two amounts for disposition as shown on sheet 12 of the model.

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider	Account 1588 Global Adjustment	Billed kW Estimate for Non-f
Residential	\$/kWh	25,225,707	-	\$ 238,134	(\$0.00236)	\$/kWh \$ 3,086	1,57
General Service Less Than 50 kW	\$/kWh	11,529,904	-	\$ 109,074	(\$0.00237)	\$/kWh \$ 2,183	1,11
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	\$ 168,687	(\$0.85351)	\$/kW \$ 31,936	4
Intermediate With Self Generation	\$/kW	18,248,907	59,337	\$ 173,006	(\$0.72891)	\$/kW \$ 35,697	5
Sentinel Lighting	\$/kW	20,027	57	\$ 188	(\$0.82498)	\$/kW \$ -	
Street Lighting	\$/kW	1,008,852	3,092	\$ 9,453	(\$0.76432)	\$/kW \$ 2,130	
Total		73,847,934	111,896	\$ 698,544		\$ 75,032	

(B) If the total amount being requested for disposition is the former (i.e. \$698,554), please review, adjust and re-file tab 9 of the Rate Generator to ensure the correct figures have been entered for disposition.

Hearst Power Response:

Please see above.



Date Filed: January 23, 2012

Interrogatory #14

Ref: Rate Generator Model, Tab 19

Ref: Proposed Tariff of Rates and Charges, effective May 1, 2012

Board staff notes that the line item "Specific Charge for Access to the Power Poles \$/pole/year" as found on Hearst's current Tariff of Rates and Charges and on Tab 19 of the Rate Generator model, does not appear on Hearst's proposed Tariff of Rates and Charges, effective May 1, 2012.

(A) Please confirm that Hearst wishes to keep this line item on its tariff sheet and Board staff will update Hearst's proposed Tariff of Rates and Charges.

Hearst Power Response:

Hearst Power respectfully requests continuation of the above noted charge.

Page 5 of 9

Hearst Power Distribution Company Ltd.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2012

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

EB-2011-0171

ALLOWANCES

Transformer Allowance for Ownership - per KW of billing demand/month	\$	(0.80)
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 License 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 License, 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 or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Amicus Certificate	\$	15.00
Statement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/charge of occupancy charge (plus credit agency costs if applicable)	\$	20.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	20.00
Special meter needs	\$	20.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	18.50
Collection of Account Charge - no disconnection	\$	20.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	40.00
Disconnect/Reconnect at Pole - during Regular Hours	\$	time and materials
Install/Remove load control device - during regular hours	\$	40.00
Temporary service install and remove - overhead - no transformer	\$	time and materials
Temporary service install and remove - underground - no transformer	\$	time and materials
Specific Charge for Access to the Power Poles - per pole/year	\$	22.55



Response to Board Staff Interrogatories
File Number: EB-2011-0171

Exhibit: 4
Tab: 1
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Date Filed: January 23, 2012

1 (B) If the answer to (A) is no, please provide an explanation for the discontinuation of
2 this charge.
3

4 **Hearst Power Response:**

5
6 Please see above.
7



Date Filed: January 23, 2012

Account 1521 – Special Purpose Charge (“SPC”)

Interrogatory #15

Ref: EB-2011-0171, Manager’s Summary, Exhibit 1, Tab 3, Schedule 2

(A) Please confirm what amount Hearst paid in regards to the SPC Assessment and provide a copy of the original invoice.

Hearst Power Response:

Hearst Power confirms it paid \$33,091 in regards to the SPC Assessment and provides a copy of the original invoice as an appendix below.

(B) Please confirm Hearst’s beginning and ending billing dates to customers for the SPC Assessment.

Hearst Power Response:

Beginning : June 2010

Ending: Sep 2011 (2 months late)

(C) Please complete the following table related to the SPC.

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Year End Carrying Charges Balance	Forecasted Carrying Charges for 2012 (Jan.1 to Apr.30)	Total for Disposition (Principal & Interest)

Hearst Power Response:

SPC Assessment (Principal balance)	Amount recovered from customers in 2010	Carrying Charges for 2010	December 31, 2010 Year End Principal Balance	December 31, 2010 Year End Carrying Charges Balance	Amount recovered from customers in 2011	Carrying Charges for 2011	Forecasted December 31, 2011 Year End Principal Balance	Forecasted December 31, 2011 Year End Carrying Charges Balance	Forecasted Carrying Charges for 2012 (Jan.1 to Apr.30)	Total for Disposition (Principal & Interest)
33091	15738.87	130.68	17352.13	130.68	23027.57	95.92	-5675.44	-5675.44		



Lost Revenue Adjustment Mechanism ("LRAM")

Interrogatory #16

Ref: Elenchus LRAM Report, September 28, 2011

Hearst has requested an LRAM recovery associated with 2006 to 2010 CDM programs for a total amount of \$33,962.36.

(A) Please confirm that Hearst used final 2010 program evaluation results from the OPA to calculate its LRAM amount.

Hearst Power Response:

Hearst Power received the final 2010 evaluation results on November 15, 2011. The final report effectively changes the amount requested. Elenchus has concluded that Hearst Power electricity rates should be adjusted to reflect an LRAM claim of \$33,992.14 (originally calculated at \$33,962.36).

Customer Class	Savings	LRAM
Residential	2.5 GWh	\$27,284.15
General Service Less Than 50 kW	0.2 GWH	\$1,877.10
General Service 50 to 2,999 kW	1.6 MW	\$4,830.90
Total		<u>\$33,992.14</u>

(B) If Hearst did not use final 2010 program evaluation results from the OPA, please explain why and update the LRAM amount accordingly.



Date Filed: January 23, 2012

Hearst Power Response:

See a) above. Updated LRAM report attached. The following are the updated rate riders requested.

Customer Class	2010 RRR	Units	Proposed	
			LRAM	Rate Rider
Residential	25,225,707	kWh	\$27,284.15	0.0011
General Service Less Than 50 kW	11,529,904	kWh	\$1,877.10	0.0002
General Service 50 to 2,999 kW	49,410	kW	\$4,830.90	0.0978
Total			\$33,992.14	

		Months
Rate Rider Effective Until	April 30, 2013	12

(C) Please confirm that Hearst has not received any of the lost revenues requested in this application in the past. If Hearst has collected lost revenues related to programs applied for in this application, please discuss the appropriateness of this request.

Hearst Power Response:

Hearst Power confirms that it has not claimed LRAM amounts in previous applications.

(D) Please identify the CDM savings that were included in Hearst's last Board approved load forecast for CDM programs deployed from 2006-2010 inclusive.

Hearst Power Response:

Hearst Power's last approved load forecast by the Board was in its 2010 COS EB-2009-0143. There were no direct CDM savings from OPA programs included in Hearst Power's load forecast.



Date Filed: January 23, 2012

(E) Please discuss if Hearst is applying for carrying charges on the LRAM amounts requested in this application.

Hearst Power Response:

Hearst Power is not applying for carrying charges on the LRAM amounts requested in this application.

(F) If Hearst is requesting carrying charges, please provide a table that shows the monthly LRAM balances, the Board-approved carrying charge rate and the total carrying charges by month for the duration of this LRAM request to support your request for carrying charges. Use the table below as an example:

Year	Month	Monthly Lost Revenue	Closing Balance	Interest Rate	Interest \$

Hearst Power Response:

Hearst Power is not applying for carrying charges on the LRAM amounts requested in this application.



Date Filed: January 23, 2012

Account 1562 – Payments in Lieu of Taxes (“PILS”)

Interrogatory #17

The 2002 application rate adjustment model (“RAM”) provided two sheets (sheet 6 and 8) that calculated the rate slivers associated with the 2001 and 2002 PILs proxy amounts approved by the Board for recovery from customers. These rate slivers had both fixed customer charge and volumetric charge elements. In order to correctly determine the amounts recovered from customers, the Applicant must multiply the rate slivers by the appropriate billing determinants. Hearst provided customer counts, connections, demand (kW) and energy (kWh) for 2002-2004 in its 2006 EDR application at tab 6-2.

(A) Please record the rate classes from the 2002 rate order and number of customers, kWh/kW billed and the associated fixed and variable rate slivers from the 2002 RAM in the PILs recovered worksheets from April 1, 2002 to March 31, 2004.

Hearst Power Response:

Hearst Power confirms that the sliver rates were applied correctly to its monthly billing amounts and posted directly via journal entry monthly to its general ledger. Unfortunately due to system damage and obsolescence Hearst Power is unable to access the raw data to recreate the input. While Hearst Power understands Board staff request, Hearst Power would prefer to trust the consolidated presented.

The 2004 RAM sheet 7 calculated the rate slivers associated with the 2004 PILs proxy amount approved by the Board for recovery from customers. The Board changed the rate recovery allocation to 100% based on the variable charge.

(B) Please record the rate classes from the 2004 rate order and number of customers, kWh/kW billed and the associated variable rate slivers from the 2004 RAM in the PILs recovered worksheets from April 1, 2004 to March 31, 2005.

Hearst Power Response:

Please see above.



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The 2005 RAM sheet 4 calculated the rate slivers associated with the 2005 PILs proxy amount approved by the Board for recovery from customers.

(C) Please record the rate classes from the 2005 rate order and number of customers, kWh/kW billed and the associated variable rate slivers from the 2005 RAM in the PILs recovered worksheets from April 1, 2005 to March 31, 2006.

Hearst Power Response:

Please see above.



Date Filed: January 23, 2012

Interrogatory #18

Ref: Deferral Account Variance Adjustments on SIMPIL models

Ref: PILs continuity schedule, 2003 and 2004 SIMPIL models

Any deferral account variance adjustments and true-up variance adjustments calculated on the SIMPIL models should be recorded on the PILs continuity schedule in the year subsequent to the tax year since tax returns and the applicable SIMPIL model were not filed until the following summer. Entries related to the variances would not have been made in the general ledger until the following year.

The deferral account variance adjustment of - \$883 calculated on the 2003 SIMPIL model should appear as an adjustment in 2004 on the PILs continuity schedule.

The deferral account variance adjustment of - \$883 calculated on the 2004 SIMPIL model should appear as an adjustment in 2005 on the PILs continuity schedule.

(A) Please re-file the revised PILs continuity schedule with the correctly inputted deferral account variance adjustments for 2004 and 2005.

Hearst Power Response:

Corrected model to be filed.



Interrogatory #19

Ref: Interest Expense

Ref: 2001 to 2005 SIMPIL models

When the actual interest expense, as reflected in the financial statements and tax returns, exceeds the maximum deemed interest amount approved by the Board, the excess amount is subject to a claw-back penalty and is shown in sheet TAXCALC as an extra deduction in the true-up calculations.

For the tax years 2001 to 2005:

(A) Did Hearst have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?

Hearst Power Response:

Per a look the trial balances from 2001 to 2005, the only other interest expenses were for carrying charges on variance accounts prescribed by the OEB and the interest for the guarantee letter, if there were other amounts that were interest charges the amounts would be immaterial under \$500

(B) Did Hearst net interest income against interest expense in deriving the amount it shows as interest expense in its financial statements and tax returns? If yes, please provide details to what the interest income relates.

Hearst Power Response:

Net interest income was classified in interest income and interest expenses were classified in administrative and finance expenses

(C) Did Hearst include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?

Hearst Power Response:

Interest on customer security deposits was included with interest expense, therefore would have been included and those amounts are immaterial

(D) Did Hearst include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?

Hearst Power Response:



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There were no interest income on customer security deposits disclosed in any years from 2001 to 2005

(E) Did Hearst include interest expense on IESO prudentials in interest expense?

Hearst Power Response:

In the year 2002, 2003, 2004 and 2005 the interest was included in Administration expense as other interest, therefore yes. See attached schedule

Prudential costs in our view represent fees paid to the bank should not be considered interest, but instead are a General and Administrative expense. These fees are paid to the bank as a fee for service to ensure the letters of credit are in place should the need arise to initiate a borrowing under this credit facility. A letter of credit is not a loan, and does not attract interest until drawn upon. It is only at the point where the Prudential is drawn upon that the repayment terms, including interest, are determined.

(F) Did Hearst include interest carrying charges on regulatory assets or liabilities in interest expense?

Hearst Power Response:

Hearst include interest expense on carrying charges on regulatory assets or liabilities in interest expense which was presented under Administration and finance expenses

(G) Did Hearst include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did Hearst also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.

Hearst Power Response:

In the year 2001 to 2005, Hearst didn't have any debt issue costs, debt discounts or debt premiums included in interest expense.

(H) Did Hearst deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did Hearst add back the



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capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.

Hearst Power Response:

In the year 2001 to 2005, Hearst didn't have any capitalized interest.

(I) Please provide Hearst's views on which types of interest income and interest expense should be included in the excess interest true-up calculations.

Hearst Power Response:

Hearst Power view would be that there should be a relationship between borrowing and interest income. To the extent borrowing increases the balance in a utility's bank account those borrowings do drive the amount of interest earned on cash held by the utility. Thus it would be appropriate to treat interest income as an offset to interest expense for the claw-back calculation.

(J) Please provide a table for the years 2001 to 2005 that shows all of the components of Hearst's interest expense and the amount associated with each type of interest.

Hearst Power Response:

Interest As Shown on Financial Statements				
	2002	2003	2004	2005
Interest on Demand Note	\$ -	\$ 37,495	\$ 50,000	\$ 15,000
Interest Income	-\$ 76,921	-\$ 97,991	-\$ 93,868	-\$ 102,393
Net Interest	-\$ 76,921	-\$ 60,496	-\$ 43,868	-\$ 87,393



Interrogatory #20

Ref: Treatment of Regulatory Assets and Liabilities in the Tax Returns

It appears from the evidence that Hearst retained regulatory assets and liabilities on the balance sheet and did not adjust the tax returns for the annual movements or changes in the balances of regulatory assets and liabilities.

(A) Is Hearst aware of why the Ministry of Finance allowed this tax treatment for Hearst?

Hearst Power Response:

No Hearst is not aware of why the Ministry of Finance allowed this tax treatment.



Interrogatory #21

Ref: Tax Years – Statute-barred

(A) Please confirm that all tax years from 2001 to 2005 are now statute-barred.

Hearst Power Response:

Hearst Power confirms that all tax years from 2001 to 2005 are now statute-barred



Interrogatory #22

Ref: 1562 Balance Reported in RRR

Ref: PILs Continuity Schedule

Hearst reported a debit balance in account 1562 of \$11,603 at the end of December 2010 in its RRR filing 2.1.7. The 2010 balance according to the PILs continuity schedule is a debit balance of \$2,027 consisting of principal of \$1,495 and interest of \$532.

(A) Please explain the reasons for the differences between the 2010 RRR balance and the evidence filed in this case.

Hearst Power Response:

Hearst Power would reason that the differences would be due to changes and clarifications made in the generic hearing.



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Attachment 1 of 1

Table for Interest Expense

Response to Board Staff Interrogatories
File number : EB-2011-0171
Interrogatory # 19

<u>Interest expense</u>		2005		2004		2003		2002	
Interest on long-term debt	\$	15,000.00	\$	50,000.00	\$	37,496.00	\$	-	
General Administration									
Other interest expenses	\$	6,176.00	\$	3,553.00	\$	5,726.00	\$	20,911.00	
						This amount includes the interest cost of \$5,233 for the guarantee letter, plus an immaterial amount from carrying charges on regulatories carrying charges		This amount includes around \$15,390 for other regulatory liabilities interest and the interest cost of \$5,233 for the guarantee letter, the difference is immaterial	
	This represent the interest paid on the guarantee letter		This account includes the interest paid on the guarantee letter						
Intrest exp - Carrying charges	\$	4,355.00	\$	2,202.00	\$	2,073.00	\$	1,196.00	
	This account represent interest expense on other regulatories carrying charges		This amount represent the interest expense on other regulatories carrying charges		This amount represent the interest expense on other regulatories carrying charges		Misc interest		



Response to VECC Interrogatories

EB-2011-0171

ONTARIO ENERGY BOARD

IN THE MATTER OF

the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15 (Schedule B), as amended;

AND IN THE MATTER OF an Application by
Hearst Power Distribution Company Limited for an order or orders
approving or fixing just and reasonable
distribution rates to be effective May 1, 2012.

Information Requests of the Vulnerable Energy Consumers Coalition (VECC)

Lost Revenue Adjustment Mechanism (LRAM)

VECC Question # 1

Reference: Exhibit 1, Tab 2, Schedule 6, Attachment 1, Elenchus LRAM Report

Preamble: Hearst Power seeks an LRAM claim of \$33,962.36 for energy savings from 2006 to 2010 OPA CDM activities, for the years January 1, 2006 through April 30, 2012.

a) Please confirm that the LRAM amounts Hearst Power is seeking to recover in this application are new amounts not included in past LRAM claims.

Hearst Power Response:

Hearst Power confirms that the LRAM amounts it is seeking to recover in this application are new amounts not included in past LRAM claims.



Date Filed: January 23, 2012

b) Please explain why there is no claim for activity related to 2005 to 2009 Third Tranche programs.

Hearst Power Response:

Hearst Power chose to reserve its LRAM claim to savings that were the least contestable and easiest to calculate.

c) When was Hearst Power's load forecast last approved by the Board? Please discuss how any CDM savings have been accounted for in Hearst Power's approved load forecast.

Hearst Power Response:

Hearst Power's last load forecast was approved by the Board February 15, 2011 (EB-2009-0266). There were no direct CDM savings from OPA programs included in Hearst Power's load forecast.

Does the LRAM claim include carrying charges?

i) If no, please explain.

Hearst Power Response:

Hearst Power has chosen not to include carrying charges as they are not material.

ii) If yes, please provide the calculation.

Hearst Power Response:

Hearst Power has chosen not to include carrying charges as they are not material.

d) Please provide the rationale for requesting lost revenues for 2011 and January 1, 2012 to April 30, 2012 in the absence of verified OPA results for 2011 and 2012.

Hearst Power Response:

Hearst Power is requesting recovery of lost revenues estimated to April 30, 2012 for programs "delivered" (OPA terminology) in 2009 and 2010; i.e. programs started in



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1 either of these years but which may continue to have energy-saving benefits for a
2 number of years.

3
4 Hearst Power is not requesting recovery of lost revenue associated with unverified
5 programs started in 2011, or unverified programs started between January 1 and
6 April 30, 2012. The requested lost revenues in 2011 and the first four months of
7 2012 are associated with verified savings arising from programs that were started in
8 or before 2010.

9
10 A distinction must be made between lost revenue in 2011 due to programs started in
11 2011, and lost revenue in 2011 due to programs started in earlier years. An
12 implemented program will lead to energy savings, and thus lost revenues, that will
13 persist over the lifetime of the program's measures. For example, if a 2009 program
14 consists of a measure with a lifetime of two years, the program will lead to lost
15 revenues each year until the end of 2011. This would be unrelated to lost revenue
16 due to a program started in 2011.

17
18 The use of a program's verified results extending over multiple years is standard for
19 the calculation of an LRAM claim. This approach is consistent with numerous Board-
20 approved LRAM claims, including Burlington Hydro's LRAM claims (Decision on EB-
21 2010-0067 dated March 17, 2011; Decision on EB-2009-0259 dated March 1, 2010),
22 as well as decisions on other LRAM claims (Decision on Middlesex Power
23 Distribution's LRAM claim EB-2010-0098 dated March 17, 2011; Decision on Norfolk
24 Power Distribution's LRAM claim EB-2011-0046 dated May 6, 2011; Decision on
25 Hydro One Brampton's LRAM claim EB-2010-0132 dated April 4, 2011).
26



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e) Please provide the calculation of the LRAM Rate Riders for each applicable rate class to the end of 2010.

Hearst Power Response:

Customer Class	2010 RRR	Units	Proposed	
			LRAM	Rate Rider
Residential	25,225,707	kWh	\$20,500.93	0.0008
General Service Less Than 50 kW	11,529,904	kWh	\$1,665.74	0.0001
General Service 50 to 2,999 kW	49,410	kW	\$4,791.08	0.0970
Total			\$26,957.76	

		Months
Rate Rider Effective Until	April 30, 2013	12



Date Filed: January 23, 2012

VECC Question # 2

Reference: Elenchus Report, Table One, OPA Results Net kWh

- a) Please provide the following details by year at the program measure level to add to the data shown in Table One: # units, unit and total kWh savings, lifetime, and free ridership rate. Reconcile to the lost revenues shown in Table Five.

Hearst Power Response:

For the purposes of the programs on Table Five which are 100% residential, the table simply displays a sub-set of the same information contained in Table Two.

- b) List and confirm OPA's input assumptions for Every Kilowatt Counts (EKC) 2006 including the measure life, unit kWh savings and free ridership rate for Compact Fluorescent Lights (CFLs) and Seasonal Light Emitting Diodes (LED). Confirm some of these assumptions were changed in 2007 and again in 2009 and compare the values.

Hearst Power Response:

OPA evaluation (EM&V) results over time and across dozens of measures can produce different measure life, unit kWh savings and free ridership rates, as needed and appropriate. Those are factored in to the energy and capacity savings calculations produced by the OPA. Since the OPA is the sole authoritative source of information regarding the results of its programs, Hearst Power relies on the veracity of OPA data for its LRAM claim.

- c) Demonstrate that savings for EKC 2006 Mass Market measures 13-15 W Energy Star CFLs & Seasonal LEDs have been removed from the LRAM claim beginning in 2010.

Hearst Power Response:

It is apparent that the energy savings from the EKC 2006 Mass Market program drop-off precipitously after 2009. The 4-year effective useful life of some of the dominant measures in that initiative is undoubtedly the mathematical explanation for that drop-off. Since an authoritative evaluation (EM&V) was not conducted on the 2006 EKC Mass Market program, and therefore not published by the OPA on its



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Website, all parties are reliant on the OPA's calculations as provided to LDC's. Any further elucidation of the specifics would require the involvement of the OPA.

- d) Adjust the LRAM claim as necessary to reflect the measure lives and unit savings for any/all measures that have expired.

Hearst Power Response:

These adjustments are already taken into account in the claim.

- e) VECC notes that the totals on Table One – OPA Results Net kWh are the same as Table Two – OPA Results Net kWh Adjusted to April 30, 2012. Please explain.

Hearst Power Response:

This was a design error in the report, which has been corrected in the updated attachment.



Exhibit: 4
Tab: 1
Schedule: 2
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Date Filed: January 23, 2012

VECC Question # 3

Reference: Exhibit 1, Tab 1, Schedule 6, Page 1, Elenchus LRAM Report

Preamble: The report indicates that the most recently published OPA 2010 Final CDM Results Summary released September 16, 2011 were used to calculate LRAM amounts.

a) When does Hearst Power expect to receive the OPA 2010 Final CDM Results Detailed that provides the input assumptions at the measure level?

Hearst Power Response:

b) How will these results impact the LRAM claim?

Hearst Power Response:



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Exhibit 4

Tab 2 of 2

Appendices



File Number:EB-2011-0171

Exhibit: 4

Tab: 2

Schedule: 1

Date Filed:January 23, 2012

Attachment 1 of 3

SPC Assessment

Revised Invoice
Ministry of Energy and Infrastructure
Conservation and Renewable Energy Program Costs

To: Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON P0L 1N0
Attn: N. Leduc, General Manager

Item Description:

Assessment for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs.
Quote-part pour les coûts des programme de conservation et d'énergie renouvelable du ministère de l'Énergie et de l'Infrastructure.

Customer No./No du client 3342
Customer Site No./ N° d'emplacement du client 1061039
Invoice Date/Date de la facture April 16, 2010
Invoice No./ N° de la facture 50030
Due Date/ Date d'échéance July 30, 2010
Payment Amount/ Montant remis CAD \$ 33,091

Questions related to the remittance should be directed to the Non-Tax Revenue Management Branch Contact Centre at 1-877-535-0554 or Fax (416) 326-5177. Les questions concernant la remise doivent être posées à l'InfoCentre de la Direction de la gestion des revenus non fiscaux au 1 877 535-0554 ou par télécopieur au 416 326-5177.

This assessment was calculated by the Ontario Energy Board, 2300 Yonge St. 27th Floor, P.O. Box 2319, Toronto, ON M4P 1E4. Questions related to the invoice should be directed to the Market Operations Hotline 416-440-7604. La présente quote-part a été fixée par la Commission de l'énergie de l'Ontario, 2300, rue Yonge, 27^e étage, case postale 2319, Toronto (Ontario) M4P 1E4. Les questions relatives à la facture doivent être posées au service de téléassistance du service Activités du marché : 416 440-7604.

*Payments are to be made to the Minister of Finance not the Ontario Energy Board.
Les paiements doivent être faits au ministre des Finances et non à la Commission de l'énergie de l'Ontario.*

Detach here/ Détacher ici



Ministry of Finance/Ministère des Finances
Payment Processing Centre/Centre de traitement des paiements
33 King St. West/33 rue King Ouest
PO Box 647/CP 647
Oshawa, ON L1H 8X3

Please detach and return this portion with your payment in the enclosed envelope. Make your cheque or money order payable to the Minister of Finance. Veuillez détacher et retourner cette partie avec votre remise dans l'enveloppe ci-jointe. Libellez votre chèque ou votre mandat à l'ordre du ministre des Finances.

Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON P0L 1N0
Attn: N. Leduc, General Manager

Customer No. / N° du client 3342
Customer Site No./ N° d'emplacement du client 1061039
Invoice No./ N° de la facture 50030
Payment Amount / Montant remis CAD \$



File Number:EB-2011-0171

Exhibit: 4

Tab: 2

Schedule: 1

Date Filed:January 23, 2012

Attachment 2 of 3

Updated LRAM Report

Suite 600, 34 King Street East
Toronto, Ontario M5C 2X8
Fax: (416) 348-9930
web: elenchus.ca & cerise.info

Martin Benum
Tel: (416) 640-0929
mbenum@elenchus.ca



January 10, 2012

Steven Blier
General Manager
Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0

Re: Updated 2006 to 2012 LRAM Report

Dear Steven:

Elenchus is pleased to attach the 2006 to 2012 LRAM Report For Hearst Power Distribution Company Limited for inclusion in your 2012 IRM3 Rate Application.

Elenchus concludes that Hearst Power Distribution Company Limited's electricity rates should be adjusted to reflect an LRAM claim of \$33,992.14 (previously calculated as \$33,962.36)

Thank you for allowing Elenchus to be of service. Please contact me should you have any questions about this report.

Yours Truly,

A handwritten signature in blue ink that reads "M Benum".

Martin Benum
Senior Consultant



2006 to 2012 LRAM REPORT

Prepared on: January 10, 2012

Prepared for:

**Hearst Power Distribution Company Limited
925 Alexandra Street
Hearst, ON
P0L 1N0**

This document was prepared for Hearst Power Distribution Company Limited
by Elenchus Research Associates Inc.

For additional information regarding this document please contact:

Elenchus Research Associates Inc.

34 King Street East, Suite 600

Toronto, Ontario

M5C 2X8

Tel: 416 532-4333

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January 10, 2012



Exhibit 1

LRAM REPORT



Exhibit 1

Tab 1 of 3

Report

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Executive Review

The Ontario Energy Board (OEB) Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037) permit Hearst Power Distribution Company Limited to make application for recovery of lost revenue that results from the successful operation of CDM initiatives within its boundaries. A third-party review of that recovery claim is required and is the subject of this report.

Elenchus Research Associates Inc. (Elenchus) acted as the third party reviewer. Personnel details can be found in Tab 3 Schedule 1.

The third party review included Hearst Power Distribution Company Limited's CDM activities from 2006 through 2010, consisting of programs initiated by the Ontario Power Authority (OPA) only. There is no claim for activity related to 2005 to 2009 Third Tranche of Market Adjustment Revenue Requirement (MARR) funding or post-Third Tranche funding.

The LRAM claim, correspondingly, includes energy and demand savings that result from those 2006 – 2010 programs, some of which continue through to the end of the filing period, which is April 30, 2012.

There has been no previous LRAM application by Hearst Power Distribution Company Limited

Total net energy savings for which LRAM is being claimed amount to over 2.5 GWh in the residential rate class and 0.2 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 2,999 kW rate class totaled approximately 1.6 MW.

Elenchus concludes that Hearst Power Distribution Company Limited's electricity rates should be adjusted to reflect an LRAM claim of \$33,992.14

1 Introduction

3 The Lost Revenue Adjustment Mechanism (LRAM) is designed to ensure that Local
4 Distribution Companies (LDC) “remain whole” despite the lower consumption levels that
5 are, by design, the result of successful conservation and demand management initiatives.
6 There should not be a disincentive for LDC’s to encourage energy efficiency and energy
7 conservation efforts. Therefore, an LDC is compensated for these lost revenues.

9 This claim for lost revenue (LRAM) respects the process outlined in the March 28, 2008
10 OEB Guidelines for Electricity Distributor Conservation and Demand Management EB-
11 2008-0037) (“CDM Guidelines”) for rate-based applications to recover revenues lost to
12 customer energy conservation.

14 The LRAM calculation is based on the sum of the electricity savings over the period of the
15 claim, which are then valued at the appropriate distribution rate depending on the timing
16 (year) of the savings and to which rate class they belonged.

18 The savings themselves are the product of an energy program evaluation process, often
19 referred to as Evaluation, Measurement and Verification (EM&V). Fortunately, in the case
20 of this claim, all savings estimates are for OPA programs and are provided by the OPA.

22 These savings estimates include persistence—the installation of energy conservation
23 measures whose savings that last past the initial year that they are installed. A four-year
24 program that installed 10 widgets per year with a savings of 1,000 kWh each would result
25 in the following savings profile if the widgets lasted 4 or more years (which is common):

27 **Example Savings Profile Showing Effect of Persistence**

Year	In-Year Savings (kWh)	Cumulative Savings (kWh)
1	10,000	10,000
2	20,000	30,000
3	30,000	60,000
4	40,000	100,000

28
29 The OPA designed and delivered some initial programs in 2006 and 2007, but then set-out
30 to build a portfolio of programs to address a broad cross-section of customer types that

1 would run from 2008 to 2010. This latter time frame corresponds to an Ontario goal of
2 shaving 1,350 MW from the electricity system in the province. Savings from these
3 programs typically follow a pattern similar to the one illustrated in the table above. Energy
4 program evaluations determine the energy and demand savings estimates to a reasonable
5 degree of accuracy and also determine the persistence including patterns, or effective
6 useful life (EUL) of new measures being installed and the remaining useful life (RUL) of
7 measures being replaced. It is assumed that the tables provided to each LDC, Hearst Power
8 Distribution Company Limited, by the OPA contain accurate interpretations and
9 transcriptions of the results from those evaluations (available on the OPA Website).

10
11 There are “gross” savings and “net” savings for energy efficiency programs. OPA
12 documentation details the differences between these two, and both are provided to LDC's
13 by the OPA, but for the purposes of this LRAM claim only “net” savings are utilized. Net
14 savings are determined to be those savings that would not have occurred unless the energy
15 efficiency program was running. They are not natural conservation or savings that
16 someone could claim would have occurred anyway. They do not include savings from “free
17 riders.”

18
19 Some energy efficiency programs are operated at a province-wide scale. These include
20 some behavioural-based programs and some residential/consumer-orientated initiatives
21 like discount coupons. In certain of these cases, savings are apportioned to LDC's by the
22 OPA rather than an attempt made to track individual transactions (which is sometimes
23 impossible).

24
25 The savings claimed by Hearst Power Distribution Company Limited are therefore the net
26 energy and demand savings that can be attributed to the programs and initiatives that
27 operated in Hearst Power Distribution Company Limited territory during the 2006-2010
28 period and as apportioned to Hearst Power Distribution Company Limited by the OPA
29 according to its established formulae.
30

Assumptions

This report for Hearst Power Distribution Company Limited was created with the following assumptions that are often peculiar to the 2006-2010 period:

- “Consumer” kWh classified as the Residential rate class
- “Business” and/or “Industrial” kWh classified as General Service <50 kW because larger industrial projects were not yet part of the program mix by the end of 2010
- “Consumer” kW savings were omitted because they are immaterial
- Designated “business and industrial” kW classified as General Service >50 kW because it consists primarily of Demand Response initiatives utilized by large industrial participants

LRAM Recommendations

During the period of the LRAM claim, total net energy savings for which LRAM is being claimed amount to over 2.5 GWh in the residential rate class and 0.2 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 2,999 kW rate class totaled approximately 1.6 MW.

Elenchus has concluded that Renfrew Hydro Inc. can justifiably claim \$33,992.14 in LRAM, allocated by rate class as shown in the table below.

Customer Class	Savings	LRAM
Residential	2.5 GWh	\$27,284.15
General Service Less Than 50 kW	0.2 GWH	\$1,877.10
General Service 50 to 2,999 kW	1.6 MW	\$4,830.90
Total		\$33,992.14

Works Sited and Referenced

1. OPA Estimated allocation of 2006-2009 provincial conservation results to Local Distribution Company service territories - update to December 2010 report November 15, 2011
 - 2006-2010 Final OPA CDM Results-Update Hearst Power Distribution Company Limited.xls
2. OEB Conservation and Demand Management Code for Electricity Distributors Issued: September 16, 2010

Exhibit 1

Tab 2 of 3

Tables

Input Tables OPA Results

- | | |
|----------------|------------------------------------------------|
| 1. Table One | OPA Results Net kWh |
| 2. Table Two | OPA Results Net kWh Adjusted to April 30, 2012 |
| 3. Table Three | OPA Results Net kW |
| 4. Table Four | OPA Results Net kW Adjusted to April 30, 2012 |

Table One - OPA Results Net kW

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	9,141	63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	30,582	1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	14,325	89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	86,002	532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	5,724	127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	8,193	49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	7,080	35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	15,392	76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	66,028	377,542
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	201	1,006
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	909	3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	19,394	77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	32,437	131,157
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	5,678	22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
53	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	3,988	3,988	3,988	11,964
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	249	249	249	748
55	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,851	10,416	10,084	32,351
59	High Performance New Construction	Business	2010	Final	-	-	-	-	18,139	18,139	18,139	54,418
61	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2010	Final	-	-	-	-	1,868	1,868	1,868	5,603
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,038	-	-	3,038
					250,038	453,132	478,241	581,262	445,239	355,040	335,416	2,898,368

Table Two - OPA Results Net kWh Adjusted to April 30, 20

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	3,047	57,895
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	10,194	1,020,133
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	4,775	79,966
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	28,667	474,985
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	1,908	123,918
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	2,731	43,696
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	2,360	30,682
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	5,131	66,698
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	22,009	333,523
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	67	872
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	303	3,031
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	6,465	64,853
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	10,812	109,533
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	1,893	18,925
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
53	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	3,988	3,988	1,329	9,306
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	249	249	83	582
55	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,851	10,416	3,361	25,628
59	High Performance New Construction	Business	2010	Final	-	-	-	-	18,139	18,139	6,046	42,325
61	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2010	Final	-	-	-	-	1,868	1,868	623	4,358
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,038	-	-	3,038
					250,038	453,132	478,241	581,262	445,239	355,040	111,805	2,674,757

Table Three - OPA Results Net

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigeration Consumer		2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings F Consumer		2006	Final	8	8	8	8	8	8	8	59
3	Every Kilowatt Coun Consumer		2006	Final	3	3	3	3	3	3	3	20
4	Demand Response 1 Business, Industrial		2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Regio Business, Industrial		2006	Final	15	-	-	-	-	-	-	15
7	Cool & Hot Savings F Consumer		2007	Final	-	10	10	10	10	10	9	59
8	Every Kilowatt Coun Consumer		2007	Final	-	3	3	3	3	3	3	19
10	Summer Savings Consumer		2007	Final	-	50	15	7	7	7	7	94
13	Social Housing Pilot Consumer Low-Incc		2007	Final	-	1	1	1	1	1	1	6
17	Demand Response 1 Business, Industrial		2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Regio Business, Industrial		2007	Final	-	26	-	-	-	-	-	26
20	Great Refrigerator R Consumer		2008	Final	-	-	1	1	1	1	1	4
21	Cool Savings Rebate Consumer		2008	Final	-	-	10	10	10	10	10	49
22	Every Kilowatt Coun Consumer		2008	Final	-	-	4	4	4	4	4	20
27	High Performance N Business		2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1 Business, Industrial		2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3 Business, Industrial		2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Regio Business, Industrial		2008	Final	-	-	20	-	-	-	-	20
35	Great Refrigerator R Consumer		2009	Final	-	-	-	0	0	0	0	1
36	Cool Savings Rebate Consumer		2009	Final	-	-	-	13	13	13	13	51
37	Every Kilowatt Coun Consumer		2009	Final	-	-	-	3	3	3	3	14
41	High Performance N Business		2009	Final	-	-	-	2	2	2	2	10
44	Demand Response 1 Business, Industrial		2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2 Business, Industrial		2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3 Business, Industrial		2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Regio Business, Industrial		2009	Final	-	-	-	19	-	-	-	19
53	Great Refrigerator R Consumer		2010	Final	-	-	-	-	1	1	1	2
54	Cool Savings Rebate Consumer		2010	Final	-	-	-	-	0	0	0	0
55	Every Kilowatt Coun Consumer		2010	Final	-	-	-	-	1	1	1	3
59	High Performance N Business		2010	Final	-	-	-	-	8	8	8	24
61	Multi-Family Energy Consumer, Consum		2010	Final	-	-	-	-	0	0	0	0
62	Demand Response 2 Business, Industrial		2010	Final	-	-	-	-	73	-	-	73
63	Demand Response 3 Business, Industrial		2010	Final	-	-	-	-	155	-	-	155
64	Loblaw & York Regio Business, Industrial		2010	Final	-	-	-	-	18	-	-	18
					324	419	444	384	323	77	75	2,045

Table Four - OPA Results Net kW Adjusted to April 30, 20

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigeration Consumer		2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings F Consumer		2006	Final	8	8	8	8	8	8	3	54
3	Every Kilowatt Coun Consumer		2006	Final	3	3	3	3	3	3	1	18
4	Demand Response 1 Business, Industrial		2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Regio Business, Industrial		2006	Final	15	-	-	-	-	-	-	15
7	Cool & Hot Savings F Consumer		2007	Final	-	10	10	10	10	10	3	53
8	Every Kilowatt Coun Consumer		2007	Final	-	3	3	3	3	3	1	17
10	Summer Savings Consumer		2007	Final	-	50	15	7	7	7	2	89
13	Social Housing Pilot Consumer Low-Incc		2007	Final	-	1	1	1	1	1	0	5
17	Demand Response 1 Business, Industrial		2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Regio Business, Industrial		2007	Final	-	26	-	-	-	-	-	26
20	Great Refrigerator R Consumer		2008	Final	-	-	1	1	1	1	0	3
21	Cool Savings Rebate Consumer		2008	Final	-	-	10	10	10	10	3	42
22	Every Kilowatt Coun Consumer		2008	Final	-	-	4	4	4	4	1	18
27	High Performance N Business		2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1 Business, Industrial		2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3 Business, Industrial		2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Regio Business, Industrial		2008	Final	-	-	20	-	-	-	-	20
35	Great Refrigerator R Consumer		2009	Final	-	-	-	0	0	0	0	0
36	Cool Savings Rebate Consumer		2009	Final	-	-	-	13	13	13	4	43
37	Every Kilowatt Coun Consumer		2009	Final	-	-	-	3	3	3	1	11
41	High Performance N Business		2009	Final	-	-	-	2	2	2	1	8
44	Demand Response 1 Business, Industrial		2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2 Business, Industrial		2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3 Business, Industrial		2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Regio Business, Industrial		2009	Final	-	-	-	19	-	-	-	19
53	Great Refrigerator R Consumer		2010	Final	-	-	-	-	1	1	0	1
54	Cool Savings Rebate Consumer		2010	Final	-	-	-	-	0	0	0	0
55	Every Kilowatt Coun Consumer		2010	Final	-	-	-	-	1	1	0	2
59	High Performance N Business		2010	Final	-	-	-	-	8	8	3	19
61	Multi-Family Energy Consumer, Consum		2010	Final	-	-	-	-	0	0	0	0
62	Demand Response 2 Business, Industrial		2010	Final	-	-	-	-	73	-	-	73
63	Demand Response 3 Business, Industrial		2010	Final	-	-	-	-	155	-	-	155
64	Loblaw & York Regio Business, Industrial		2010	Final	-	-	-	-	18	-	-	18
					324	419	444	384	323	77	25	1,996

Output Tables LRAM Calculations

1. Table Five Residential LRAM Calculation
2. Table Six GS Less Than 50 kW LRAM Calculation
3. Table Seven GS 50 to 4,999 kW LRAM Calculation

Table Five - Residential LRAM Calculati

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	3,047	57,895
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	10,194	1,020,133
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	4,775	79,966
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	28,667	474,985
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	1,908	123,918
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	2,731	43,696
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	2,360	30,682
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	5,131	66,698
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	22,009	333,523
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	303	3,031
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	6,465	64,853
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	10,812	109,533
53	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	3,988	3,988	1,329	9,306
54	Cool Savings Rebate	Consumer	2010	Final	-	-	-	-	249	249	83	582
55	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,851	10,416	3,361	25,628
61	Multi-Family Energy Efficiency Rebates	Consumer, Consumer Low-Income	2010	Final	-	-	-	-	1,868	1,868	623	4,358
					250,038	453,132	478,040	522,517	332,457	331,022	103,799	2,471,005
Residential Distribution Volumetric Rate					\$/kWh	0.0095	0.0101	0.0101	0.0102	0.0102	0.0156	0.0156
LRAM					\$ 2,375.36	\$ 4,576.63	\$ 4,828.20	\$ 5,329.68	\$ 3,391.06	\$ 5,163.95	\$ 1,619.27	\$ 27,284.15

Table Six - GS Less Than 50 kW LRAM Calculati

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	67	872
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	1,893	18,925
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
59	High Performance New Construction	Business	2010	Final	-	-	-	-	18,139	18,139	6,046	42,325
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,038	-	-	3,038
					-	-	201	58,744	112,782	24,018	8,006	203,752
GSLT50 Distribution Volumetric Rate					\$/kWh	0.0094	0.0096	0.0096	0.0097	0.0097	0.0066	0.0066
LRAM					\$ -	\$ -	\$ 1.93	\$ 569.82	\$ 1,093.99	\$ 158.52	\$ 52.84	\$ 1,877.10

Table Seven - GS 50 to 4,999 kW LRAM Calculati

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Region Demand Response	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Region Demand Response	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
27	High Performance New Construction	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Region Demand Response	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
41	High Performance New Construction	Business	2009	Final	-	-	-	2	2	2	1	8
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Region Demand Response	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
59	High Performance New Construction	Business	2010	Final	-	-	-	-	8	8	3	19
62	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
63	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
64	Loblaw & York Region Demand Response	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
					311	342	388	319	257	11	4	1,632
GSGT50 Distribution Volumetric Rate					\$/kWh	2.8938	2.9601	2.969	2.9926	2.9926	2.7945	2.7945
LRAM					\$ 901.24	\$ 1,011.87	\$ 1,152.85	\$ 955.59	\$ 769.53	\$ 29.86	\$ 9.95	\$ 4,830.90



Exhibit 1

Tab 3 of 3

Elenchus Personnel

Elenchus Regulatory Solutions Consultants

John Todd, President (Lead Consultant)

John Todd is President of Elenchus Research Associates Inc. He has specialized in the theory and practice of regulation and de-regulation for over 25 years and has actively participated in regulatory hearings and reform initiatives in several sectors of the Canadian economy, including natural gas, electricity and telecommunications.

John has served as an expert advisor or witness in 200 proceedings before the energy Boards in Ontario, Manitoba, British Columbia, Quebec, and Newfoundland and other tribunals including the Canadian Radio-television and Telecommunications Commission (CRTC) and the Ontario Securities Commission. His clients have included regulated utilities, regulatory agencies, generators and producers, and a variety of customer groups.

Martin Benum, Senior Consultant (Rate Applications)

Martin has over twenty years progressive experience in the Ontario electrical industry with regulatory, LDC and Retail electricity exposure. Prior to joining Elenchus, he was an advisor in electricity rate applications with the Ontario Energy Board. He has a strong working knowledge and application experience with OEB handbook rules, regulations, and guidelines.

Marc Collins – Director, Elenchus Energy Conservation

Energy Program Evaluation and Conservation and Demand-Side Management (CDM) professional with a very diverse career history. Founding Director of the Evaluation, Measurement and Verification (EM&V) department at the Ontario Power Authority in 2007. Marc led that function for the OPA from inception to maturity, leaving sophisticated evaluation protocols (new for 2011-14), world-class measures and assumptions lists and a portfolio of high-quality evaluations to show for the effort.

Specialties:

Energy program evaluation (EM&V)

- Planning and management



- 1 - Protocols and standards
- 2 - Impact evaluation
- 3 - Process evaluation
- 4 - Market effects evaluation
- 5 - Cost effectiveness testing
- 6 Demand-side management programs
- 7 Demand response programs
- 8 Use of advanced IT for energy-related applications
- 9 Regulatory aspects of EM&V and DSM tracking and reporting for utilities and central agencies
- 10 Potential studies
- 11



File Number:EB-2011-0171

Exhibit: 4

Tab: 2

Schedule: 1

Date Filed:January 23, 2012

Attachment 3 of 3

Updated Disposition 1562 Deferred PILs

Distributor Information

Applicant Name	Hearst Power Distribution Company Limited
OEB Licence Number	ED-2002-0533

Table of Contents

Sheet Name	Purpose of Sheet
A1.1 Distributor Information	Enter LDC Data
A2.1 Table of Contents	Table of Contents
A3.1 Prescribed Interest Rates	Prescribed Interest Rates
A3.2 Annual Interest	Annual Interest
A4.1 PILs Tax Proxy	PILs Tax Proxy
B1.1 Rate Classes	Set Up Rate Classes
C1.1 2002 PILs Recovered	2002 PILs Recoverd
C1.2 2003 PILs Recovered	2003 PILs Recovered
C1.3 Jan to Mar 2004 PILs Rec	Jan to Mar 2004 PILs Recovered
C1.4 Apr to Dec 2004 PILs Rec	Apr to Dec 2004 PILs Recovered
C1.5 Jan To Mar 2005 PILs Rec	Jan To Mar 2005 PILs Recovered
C1.6 Apr to Dec 2005 PILs Rec	Apr to Dec 2005 PILs Recovered
C1.7 Jan To Apr 2006 PILs Rec	Jan To Apr 2006 PILs Recovered
D1.1 Total PIL's Recovered	Total PIL's Recovered
D1.2 Total PIL's By Year	Total PIL's By Year
E1.1 Disp of 1562 Balance	Disposition of Balance Recorded in Account 1562 Deferred PILs
F1.1 Calc Carry Cost 2001	Calculate Carrying Cost 2001
F1.2 Calc Carry Cost 2002	Calculate Carrying Cost 2002
F1.3 Calc Carry Cost 2003	Calculate Carrying Cost 2003
F1.4 Calc Carry Cost 2004	Calculate Carrying Cost 2004
F1.5 Calc Carry Cost 2005	Calculate Carrying Cost 2005
F1.6 Calc Carry Cost 2006	Calculate Carrying Cost 2006
F1.7 Calc Carry Cost 2007	Calculate Carrying Cost 2007
F1.8 Calc Carry Cost 2008	Calculate Carrying Cost 2008
F1.9 Calc Carry Cost 2009	Calculate Carrying Cost 2009
F1.10 Calc Carry Cost 2010	Calculate Carrying Cost 2010
F1.11 Calc Carry Cost 2011	Calculate Carrying Cost 2011
F1.12 Calc Carry Cost 2012	Calculate Carrying Cost 2012
G1.1 Request for Disposition	Request for Disposition of 1562 Balance

Name of LDC: Hearst Power Distribution Company Limi**OEB Licence Number: ED-2002-0533**

Prescribed Interest Rates

Approved Deferral and Variance Accounts Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)	
Q3 2001	7.25
Q2 2006	4.14
Q3 2006	4.59
Q4 2006	4.59
Q1 2007	4.59
Q2 2007	4.59
Q3 2007	4.59
Q4 2007	5.14
Q1 2008	5.14
Q2 2008	4.08
Q3 2008	3.35
Q4 2008	3.35
Q1 2009	2.45
Q2 2009	1.00
Q3 2009	0.55
Q4 2009	0.55
Q1 2010	0.55
Q2 2010	0.55
Q3 2010	0.89
Q4 2010	1.20
Q1 2011	1.47
Q2 2011	1.47
Q3 2011	1.47
Q4 2011	1.47
Q1 2012	1.47
Q2 2012	1.47

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Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

Annual Interest

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2001	0.00	0.00%	0.00%
February 28, 2001	0.00	0.00%	0.00%
March 31, 2001	0.00	0.00%	0.00%
April 30, 2001	0.00	0.00%	0.00%
May 31, 2001	0.00	0.00%	0.00%
June 30, 2001	0.00	0.00%	0.00%
July 31, 2001	0.00	0.00%	0.00%
August 31, 2001	0.00	0.00%	0.00%
September 30, 2001	0.00	0.00%	0.00%
October 31, 2001	7.25	0.62%	0.62%
November 30, 2001	7.25	0.60%	1.21%
December 31, 2001	7.25	0.62%	1.83%
Effective Annual Interest		1.83%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2002	7.25	0.62%	0.62%
February 28, 2002	7.25	0.56%	1.17%
March 31, 2002	7.25	0.62%	1.79%
April 30, 2002	7.25	0.60%	2.38%
May 31, 2002	7.25	0.62%	3.00%
June 30, 2002	7.25	0.60%	3.60%
July 31, 2002	7.25	0.62%	4.21%
August 31, 2002	7.25	0.62%	4.83%
September 30, 2002	7.25	0.60%	5.42%
October 31, 2002	7.25	0.62%	6.04%
November 30, 2002	7.25	0.60%	6.63%
December 31, 2002	7.25	0.62%	7.25%
Effective Annual Interest		7.25%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2003	7.25	0.62%	0.62%
February 28, 2003	7.25	0.56%	1.17%
March 31, 2003	7.25	0.62%	1.79%
April 30, 2003	7.25	0.60%	2.38%
May 31, 2003	7.25	0.62%	3.00%
June 30, 2003	7.25	0.60%	3.60%
July 31, 2003	7.25	0.62%	4.21%
August 31, 2003	7.25	0.62%	4.83%
September 30, 2003	7.25	0.60%	5.42%
October 31, 2003	7.25	0.62%	6.04%
November 30, 2003	7.25	0.60%	6.63%
December 31, 2003	7.25	0.62%	7.25%
Effective Annual Interest		7.25%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2004	7.25	0.62%	0.62%
February 29, 2004	7.25	0.58%	1.19%
March 31, 2004	7.25	0.62%	1.81%
April 30, 2004	7.25	0.60%	2.40%
May 31, 2004	7.25	0.62%	3.02%
June 30, 2004	7.25	0.60%	3.62%
July 31, 2004	7.25	0.62%	4.23%
August 31, 2004	7.25	0.62%	4.85%
September 30, 2004	7.25	0.60%	5.44%
October 31, 2004	7.25	0.62%	6.06%
November 30, 2004	7.25	0.60%	6.65%
December 31, 2004	7.25	0.62%	7.27%
Effective Annual Interest		7.27%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2005	7.25	0.62%	0.62%
February 28, 2005	7.25	0.56%	1.17%
March 31, 2005	7.25	0.62%	1.79%
April 30, 2005	7.25	0.60%	2.38%
May 31, 2005	7.25	0.62%	3.00%
June 30, 2005	7.25	0.60%	3.60%
July 31, 2005	7.25	0.62%	4.21%
August 31, 2005	7.25	0.62%	4.83%
September 30, 2005	7.25	0.60%	5.42%
October 31, 2005	7.25	0.62%	6.04%
November 30, 2005	7.25	0.60%	6.63%
December 31, 2005	7.25	0.62%	7.25%
Effective Annual Interest		7.25%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2006	7.25	0.62%	0.62%
February 28, 2006	7.25	0.56%	1.17%
March 31, 2006	7.25	0.62%	1.79%
April 30, 2006	4.14	0.34%	2.13%
May 31, 2006	4.14	0.35%	2.48%
June 30, 2006	4.14	0.34%	2.82%
July 31, 2006	4.59	0.39%	3.21%
August 31, 2006	4.59	0.39%	3.60%
September 30, 2006	4.59	0.38%	3.98%
October 31, 2006	4.59	0.39%	4.37%
November 30, 2006	4.59	0.38%	4.74%
December 31, 2006	4.59	0.39%	5.13%
Effective Annual Interest		5.13%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2007	4.59	0.39%	0.39%
February 28, 2007	4.59	0.35%	0.74%
March 31, 2007	4.59	0.39%	1.13%
April 30, 2007	4.59	0.38%	1.51%
May 31, 2007	4.59	0.39%	1.90%
June 30, 2007	4.59	0.38%	2.28%

July 31, 2007	4.59	0.39%	2.67%
August 31, 2007	4.59	0.39%	3.06%
September 30, 2007	4.59	0.38%	3.43%
October 31, 2007	5.14	0.44%	3.87%
November 30, 2007	5.14	0.42%	4.29%
December 31, 2007	5.14	0.44%	4.73%
Effective Annual Interest		4.73%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2008	5.14	0.44%	0.44%
February 29, 2008	5.14	0.41%	0.84%
March 31, 2008	5.14	0.44%	1.28%
April 30, 2008	4.08	0.34%	1.62%
May 31, 2008	4.08	0.35%	1.96%
June 30, 2008	4.08	0.34%	2.30%
July 31, 2008	3.35	0.28%	2.58%
August 31, 2008	3.35	0.28%	2.87%
September 30, 2008	3.35	0.28%	3.14%
October 31, 2008	3.35	0.28%	3.43%
November 30, 2008	3.35	0.28%	3.70%
December 31, 2008	3.35	0.28%	3.99%
Effective Annual Interest		3.99%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2009	2.45	0.21%	0.21%
February 28, 2009	2.45	0.19%	0.40%
March 31, 2009	2.45	0.21%	0.60%
April 30, 2009	1.00	0.08%	0.69%
May 31, 2009	1.00	0.08%	0.77%
June 30, 2009	1.00	0.08%	0.85%
July 31, 2009	0.55	0.05%	0.90%
August 31, 2009	0.55	0.05%	0.95%
September 30, 2009	0.55	0.05%	0.99%
October 31, 2009	0.55	0.05%	1.04%
November 30, 2009	0.55	0.05%	1.08%
December 31, 2009	0.55	0.05%	1.13%
Effective Annual Interest		1.13%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2010	0.55	0.05%	0.05%
February 28, 2010	0.55	0.04%	0.09%
March 31, 2010	0.55	0.05%	0.14%
April 30, 2010	0.55	0.05%	0.18%
May 31, 2010	0.55	0.05%	0.23%
June 30, 2010	0.55	0.05%	0.27%
July 31, 2010	0.89	0.08%	0.35%
August 31, 2010	0.89	0.08%	0.42%
September 30, 2010	0.89	0.07%	0.50%
October 31, 2010	1.20	0.10%	0.60%
November 30, 2010	1.20	0.10%	0.70%
December 31, 2010	1.20	0.10%	0.80%
Effective Annual Interest		0.80%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2011	1.47	0.12%	0.12%
February 28, 2011	1.47	0.11%	0.24%
March 31, 2011	1.47	0.12%	0.36%
April 30, 2011	1.47	0.12%	0.48%
May 31, 2011	1.47	0.12%	0.61%
June 30, 2011	1.47	0.12%	0.73%
July 31, 2011	1.47	0.12%	0.85%
August 31, 2011	1.47	0.12%	0.98%
September 30, 2011	1.47	0.12%	1.10%
October 31, 2011	1.47	0.12%	1.22%
November 30, 2011	1.47	0.12%	1.35%
December 31, 2011	1.47	0.12%	1.47%
Effective Annual Interest		1.47%	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2012	1.47	0.12%	0.12%
February 29, 2012	1.47	0.12%	0.24%
March 31, 2012	1.47	0.12%	0.37%
April 30, 2012	1.47	0.12%	0.49%
May 31, 2012	0.00	0.00%	0.49%
June 30, 2012	0.00	0.00%	0.49%
July 31, 2012	0.00	0.00%	0.49%
August 31, 2012	0.00	0.00%	0.49%
September 30, 2012	0.00	0.00%	0.49%
October 31, 2012	0.00	0.00%	0.49%
November 30, 2012	0.00	0.00%	0.49%
December 31, 2012	0.00	0.00%	0.49%
Effective Annual Interest		0.49%	

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

PILs Tax Proxy

	Year	Amount
Board-approved PILs tax proxy from Decisions	2001	0
Board-approved PILs tax proxy from Decisions	2002	34,429
Board-approved PILs tax proxy from Decisions	2005	36,994



Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Rate Class Selection

Rate Group Rate Class Fixed Metric Vol Metric

RES	Residential	Customer	kWh
NA	Rate Class 2	NA	NA
NA	Rate Class 3	NA	NA
NA	Rate Class 4	NA	NA
NA	Rate Class 5	NA	NA
NA	Rate Class 6	NA	NA
NA	Rate Class 7	NA	NA
NA	Rate Class 8	NA	NA
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA

PILs Recovered March to December 2002

Rate Class	Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed D	PILs Recovered E = C * D * 11
Residential	Customer	0.000000	0.000000	0.000000	0.0000	0	0
						0	0

Rate Class	Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed Mar to Dec 2002 D	PILs Recovered E = C * D
Residential	kWh	0.000000	1.000000	1.000000	1.0000	32,900	32,900
						32,900	32,900
							32,900

PILs Recovered 2003

Rate Class	Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed D	PILs Recovered E = C * D * 12
Residential	Customer	0.000000	0.000000	0.000000	0.0000	0	0
						0	0

Rate Class	Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed 2003 D	PILs Recovered E = C * D
Residential	kWh	0.000000	1.000000	1.000000	1.0000	36,960	36,960
						36,960	36,960
							36,960

PILs Recovered January to March 2004

Rate Class	Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2004 D	PILs Recovered E = C * D * 3
Residential	Customer	0.000000	0.000000	0.000000	0.0000	0	0
						0	0

Rate Class	Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed Jan To Mar 2004 D	PILs Recovered E = C * D
Residential	kWh	0.000000	1.000000	1.000000	1.0000	7,043	7,043
						7,043	7,043
							7,043

PILs Recovered April to December 2004

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2004 A	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2004 B	PILs Recovered C = A * B * 9
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Apr to Dec 2004 A	Distribution Charge	kWh/kW Billed Apr To Dec 2004 B	PILs Recovered C = A * B
Residential	kWh	1.000000	0.0000	25,530	25,530
				25,530	25,530
					25,530

PILs Recovered January to March 2005

Rate Class	Fixed Metric	PILs Rate Jan To Mar 2005 A	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2005 B	PILs Recovered C = A * B * 3
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Jan To Mar 2005 A	Distribution Charge	kWh/kW Billed Jan To Mar 2005 B	PILs Recovered C = A * B
Residential	kWh	1.000000	0.0000	4,983	4,983
				4,983	4,983
					4,983

PILs Recovered April to December 2005

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2005 A	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2005 B	PILs Recovered C = A * B * 9
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Apr to Dec 2005 A	Distribution Charge	kWh/kW Billed Apr To Dec 2005 B	PILs Recovered C = A * B
Residential	kWh	1.000000	0.0000	29,664	29,664
				29,664	29,664
					29,664

PILs Recovered January to April 2006

Rate Class	Fixed Metric	PILs Rate Jan To Apr 2006 A	Monthly Service Charge	Cust/Conn Billed Jan To Apr 2006 B	PILs Recovered C = A * B * 4
Residential	Customer	0.000000	0.0000	0	0
				0	0

Rate Class	Vol Metric	PILs Rate Jan To Apr 2006 A	Distribution Charge	kWh/kW Billed Jan To Apr 2006 B	PILs Recovered C = A * B
Residential	kWh	1.000000	0.0000	11,630	11,630
				11,630	11,630
					11,630

Total PIL's Recoverd

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711
		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711

Rate Class		PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711
		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711

Total PIL's Recoverd by Year

Rate Class	Fixed Metric	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered	PILs	PILs Recovered
		Mar to Dec 2002	Jan to Dec 2003	Jan to Dec 2004	Jan to Dec 2005	Recovered Jan to Apr 2006	
Residential	Customer	0	0	0	0	0	0
		0	0	0	0	0	0

Rate Class	Vol Metric	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered	PILs	PILs Recovered
		Mar to Dec 2002	Jan to Dec 2003	Jan to Dec 2004	Jan to Dec 2005	Recovered Jan to Apr 2006	
Residential	kWh	32,900	36,960	32,573	34,646	11,630	148,711
		32,900	36,960	32,573	34,646	11,630	148,711

Rate Class	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered	PILs	PILs Recovered
	Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Recovered Jan to Apr 2006	
Residential	32,900	36,960	32,573	34,646	11,630	148,711
	32,900	36,960	32,573	34,646	11,630	148,711

Disposition of Balance Recorded in Account 1562 Deferred PILs

Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/05/2006	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011	01/01/2012
Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/04/2012
Principal Opening balance: # 1562	=		0	1,529	-1,003	-30	794	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from	+/-	0	34,429	34,429	34,429	36,353	12,331							
True-up Variance Adjustment Q4, 2001 ⁽²⁾	+/-		0					0	0	0	0	0	0	0
True-up Variance Adjustment ⁽³⁾	+/-			0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001 ⁽⁴⁾	+/-		0											
Deferral Account Variance Adjustment ⁽⁵⁾	+/-			0	-883	-883	0	0	0	0	0	0	0	0
Adjustments to reported prior years [†]	+/-							0	0	0	0	0	0	0
PILs collected from customers - Proxy ⁽⁶⁾	-	0	-32,900	-36,960	-32,573	-34,646	-11,630	0	0	0	0	0	0	0
Principal Ending balance: # 1562		0	1,529	-1,003	-30	794	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Principal Opening balance: # 1562		0	0	250	276	275	434	456	501	572	631	648	660	682
Carrying charges ⁽⁷⁾	+/-	0	250	26	0	159	22	45	71	60	17	12	22	7
Principal Ending balance: # 1562		0	250	276	275	434	456	501	572	631	648	660	682	689

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. **ANSWER:** Method #3

- (1)

(i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. Per APH entries began October 1, 2001.

(ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.

(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.

(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.

(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.

(vi) Column M - In 2006, the prorated 2005 PILs tax proxy will used for the period from January 1, 2006 to April 30, 2006.
- (2)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet.

The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- (5)

From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet.

The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (6)

The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- (7)

Carrying charges are calculated on a simple interest basis.
- (8)

(i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class. Input negative number for collections.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW's, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
- In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
- In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period January 1 to April 30, 2006.

Calculate Carrying Cost 2001

[illegible]

Calculate Carrying Cost 2002

Month		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	0	2,869	5,738	5,317	4,896	4,475	4,054	3,633	3,212	2,792	2,371	1,950	0
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-32,900
Principal Ending balance: # 1562		2,869	5,738	5,317	4,896	4,475	4,054	3,633	3,212	2,792	2,371	1,950	1,529	1,529
Interest on Opening Balance		0	16	35	32	30	27	25	22	19	17	14	12	250
Cummulative Interest This Year		0	16	51	83	113	140	165	187	206	223	238	250	
Cummulative Interest Life to Date		0	16	51	83	113	140	165	187	206	223	238	250	

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2003

Month		Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	1,529	1,318	1,107	896	685	474	263	52	-159	-370	-581	-792	1,529
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-36,960
Principal Ending balance: # 1562		1,318	1,107	896	685	474	263	52	-159	-370	-581	-792	-1,003	-1,003
Interest on Opening Balance		9	7	7	5	4	3	2	0	-1	-2	-3	-5	26
Cummulative Interest This Year		9	17	24	29	33	36	38	38	37	35	31	26	
Cummulative Interest Life to Date		259	266	273	278	283	286	287	287	287	284	281	276	

Calculate Carrying Cost 2004

Month	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total	
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%		
Monthly Interest	0.62%	0.58%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%		
Principal Opening balance: # 1562	=	-1,003	-555	-107	340	299	258	217	176	135	94	53	12	-1,003
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-883
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-2,348	-2,348	-2,348	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-32,573
Principal Ending balance: # 1562		-555	-107	340	299	258	217	176	135	94	53	12	-30	-30
Interest on Opening Balance		-6	-3	-1	2	2	2	1	1	1	1	0	0	-0
Cummulative Interest This Year		-6	-9	-10	-8	-6	-5	-3	-2	-1	-1	-1	-0	
Cummulative Interest Life to Date		270	267	266	268	270	271	273	274	275	275	275	275	

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2005

Month		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	-30	1,265	2,560	3,855	3,515	3,175	2,835	2,495	2,155	1,814	1,474	1,134	-30
Board-approved PILs tax proxy from Decisions(1)	+/-	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	36,353
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-883
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-1,661	-1,661	-1,661	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-34,646
Principal Ending balance: # 1562		1,265	2,560	3,855	3,515	3,175	2,835	2,495	2,155	1,814	1,474	1,134	794	794
Interest on Opening Balance		-0	7	16	23	22	19	17	15	13	11	9	7	159
Cummulative Interest This Year		-0	7	23	46	67	86	104	119	132	143	152	159	
Cummulative Interest Life to Date		275	282	298	321	343	362	379	394	407	418	427	434	

Calculate Carrying Cost 2006

Month	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
Prescribed Rate	7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Monthly Interest	0.62%	0.56%	0.62%	0.34%	0.35%	0.34%	0.39%	0.39%	0.38%	0.39%	0.38%	0.39%	
Principal Opening balance: # 1562	=	794	969	1,145	1,320	1,495	1,495	1,495	1,495	1,495	1,495	1,495	794
Board-approved PILs tax proxy from Decisions(1)	+/-	3,083	3,083	3,083	3,083	0	0	0	0	0	0	0	12,331
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-2,908	-2,908	-2,908	-2,908	0	0	0	0	0	0	0	-11,630
Principal Ending balance: # 1562		969	1,145	1,320	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		5	5	7	4	5	5	6	6	6	6	6	67
Cummulative Interest This Year		5	10	17	22	27	32	38	44	49	55	61	67
Cummulative Interest Life to Date		439	445	452	456	461	466	472	478	484	490	495	501

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2007

Month	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Prescribed Rate	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Monthly Interest	0.39%	0.35%	0.39%	0.38%	0.39%	0.38%	0.39%	0.39%	0.38%	0.44%	0.42%	0.44%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		6	5	6	6	6	6	6	6	7	6	7	71
Cummulative Interest This Year		6	11	17	23	28	34	40	46	51	58	64	71
Cummulative Interest Life to Date		507	512	518	524	529	535	541	547	552	559	565	572

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2008

Month	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Prescribed Rate	5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Monthly Interest	0.44%	0.41%	0.44%	0.34%	0.35%	0.34%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		7	6	7	5	5	5	4	4	4	4	4	60
Cummulative Interest This Year		7	13	19	24	29	34	39	43	47	51	55	60
Cummulative Interest Life to Date		578	584	591	596	601	606	610	615	619	623	627	631

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

Calculate Carrying Cost 2009

Month	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Prescribed Rate	2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Monthly Interest	0.21%	0.19%	0.21%	0.08%	0.08%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		3	3	3	1	1	1	1	1	1	1	1	17
Cummulative Interest This Year		3	6	9	10	12	13	14	15	16	16	17	
Cummulative Interest Life to Date		634	637	640	642	643	644	645	646	647	648	648	

Calculate Carrying Cost 2010

Month	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Prescribed Rate	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Monthly Interest	0.05%	0.04%	0.05%	0.05%	0.05%	0.05%	0.08%	0.08%	0.07%	0.10%	0.10%	0.10%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		1	1	1	1	1	1	1	1	2	1	2	12
Cummulative Interest This Year		1	1	2	3	3	4	5	6	7	9	10	
Cummulative Interest Life to Date		649	650	650	651	652	652	653	655	656	657	659	660

Name of LDC: **Hearst Power Distribution Company Limited**

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Calculate Carrying Cost 2011

Month	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Prescribed Rate	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Monthly Interest	0.12%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		2	2	2	2	2	2	2	2	2	2	2	22
Cummulative Interest This Year		2	4	5	7	9	11	13	15	16	18	20	22
Cummulative Interest Life to Date		662	664	666	667	669	671	673	675	677	678	680	682

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Calculate Carrying Cost 2012

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ED Disposition 1562 Balance release 1.0 © Elenchus Research Associates

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

Request for Disposition of 1562 Balance

Principal as of April 30, 2012	1,495
Interest as of April 30, 2012	689
Amount Requested for Disposition of 1562 Balance	<u>2,185</u>