



**Hydro 2000 Inc.
265 St. Phillippe St P.O 370
Alfred, ON
K0B 1A0**

February 10, 2012

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

**Re: Hydro 2000 Responses to VECC Interrogatories, EB-2011-0326, 2012
Cost of Service Application**

Dear Ms. Walli:

Please find enclosed Hydro 2000's responses to VECC Interrogatories.

Should you have any questions, please do not hesitate to contact me at the number below.

Sincerely,

Rene C. Beaulne (Bone)
Hydro 2000 Inc.
Manager/CEO
Tel: 613-679-4093
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Hydro 2000 Inc.

2012 Distribution Rate Application

EB-2011-0326

**Round 1 Interrogatories of the Vulnerable Energy Consumers Coalition
("VECC")**

General

1. Reference Exhibit 8, Tab 4, Schedule 3

- a) The Board issued new customer service rules to apply to low-income electricity consumers. Are Hydro 2000's current conditions of service compliant with the Board requirements that came into effect October 1, 2011?

H2K Response: H2K is currently part of a working group whose purpose is to update utilities conditions of services. The plan is to have the utility's conditions of service compliant with the new changes which affect low-income electricity consumers.

- b) If yes, how does Hydro 2000 make these new provisions known to new customers?

H2K Response: H2K's customer base is relatively small, which has allowed management has make every effort to inform, by way of telephone or verbally, its low income customers of the change in policy.

Rate Base

2. Reference Exhibit 2, Tab 3, Schedule 1, Table 2.3.2.

- a) Table 2.3.2 (Gross Asset Variance Table) shows account 1860 (Meters) having a projection of \$225,248 in 2011 and gross assets of \$195,667. Please reconcile these figures with Appendix 2-B (Fixed Asset Continuity Schedule), which shows no additions for account 1860 in 2011 and additions of \$195,297 in 2012, with the explanation at Exhibit 2, Tab 3, page 1, which indicates a 2011 projected balance of \$903K (see line 14).

H2K Response: the utility has inadvertently overwritten the smart meter balances in the Bridge Year Pro-Formas with \$225,248. The error has been rectified. Please note that this error only affected the Gross Asset Variance Table itself (represented at Appendix A) and did not affect the rate base, revenue requirement nor rates.

3. Reference: Exhibit 2/Tab 4/Schedule 2

- a) Please provide a 2008 Capital Additions table in the format shown for 2009 (Capital Additions for 2009) and as shown at Exhibit 2, Tab 4, Schedule 3, page 1.

H2K Response: H2K's Capital Projects are presented at Appendix B of these responses.

Load Forecast

4. **Reference: Exhibit 3, Tab 1, Schedule 2, page 1, lines 26-28 /Exhibit 3, Tab 1, Schedule 2, Attachment 1, page 2** Preamble: It is understood that the employment variable (d_FTE_OttReg) is the difference between the full time employment in the current month and the previous month, e.g., $FTE_t - FTE_{t-1}$
- a) Please explain why the difference is an appropriate variable to use in the regression equation formulation. In doing so please address what appears to be a counter-intuitive outcome for 2011 and 2012 where since the change in employment is less in 2012 than in 2011 the forecast purchases for 2012 are less than those in 2011. However, the result why should purchases be less in 2012 (than 2011) when absolute employment levels are higher in 2012 than in 2011?

H2K Response: The rationale for using the difference in employment levels in the regression equation model is the same as for using absolute employment levels. If employment increases in any given month (or the difference is positive), there is an expectation that consumption will likely increase in that month. If employment decreases in any given month (or the difference is negative), there is an expectation that consumption will likely decrease in that month. The positive value of the coefficient on the variable (d_FTE_OttReg) yields this result in the load forecast model. The observation that purchases in 2012 are lower than in 2011 even though the absolute employment level is higher in 2012 than in 2011 is not necessarily a counter-intuitive outcome; rather, this is a timing issue. Based on actual full-time employment levels reported by Statistics Canada for the Ottawa Economic Region, significant decreases in full-time employment tend to occur in the autumn and winter in this region. Therefore, there are individual months when employment in 2012 is lower than 2011. This affects the timing of consumption, especially when the slower growth in 2012 is taken into account.

- b) Provide the results (i.e., the equation, R-squared values and associated statistics) for a regression using the absolute employment level for the month as opposed to the difference. Please provide a forecast of purchases for 2011 and 2012 using this equation.

H2K Response: The requested regression equation is provided below.

OLS, using observations 2007:01-2011:03 (T = 51)
Dependent variable: Wholesale_kWh

	<i>Coefficient</i>	<i>t-ratio</i>	<i>p-value</i>
const	1.62786e+06	2.6675	0.01045
HDD	2523.54	29.3434	<0.00001
CDD	5128.88	6.4993	<0.00001
FTE_OttReg	-824.687	-0.7503	0.45680
R-squared	0.966905	Adjusted R-squared	0.964792
F(3, 47)	457.7111	P-value(F)	8.96e-35
rho	-0.170937	Durbin-Watson	2.182583

Please note that in the preceding regression equation requested by VECC, the FTE_OttReg coefficient has a sign that is counterintuitive (i.e., negative) and is not statistically significant.

Using the above equation and the same FTE forecast as for the original regression equation, the following table displays forecast purchases for 2011 and 2012.

2011	26,401,012
2012	26,317,145

5.

6. **Reference: Exhibit 3, Tab 1, Schedule 2, Attachment 1, page 5**

- a) Please provide a table that sets out for 2009 and 2010 the following:
- i. The actual purchases for each year
 - ii. The actual HDD and CDD values for each year
 - iii. The “weather normal” HDD and CDD values for each year (as defined by Hydro 2000)
 - iv. The HDD and CDD coefficients per Hydro 2000’s regression model
 - v. The weather normal adjustment for each year based on the product of a) the HDD and CDD coefficients and b) the differences between the “weather normal” and actual values for HDD and CDD respectively.
 - vi. The estimated “weather normal purchases” calculated by adjusting actual purchases by the values calculated in the preceding bullet.

	Actual Wholesale kWh	Actual HDD	Actual CDD	Normal HDD	Normal CDD
2009	26,907,152	4,533.6	180.6	4,375.9	277.3
2010	25,611,898	3,978.9	343.2	4,375.9	277.3
	HDD Coeff	2603			
	CDD Coeff	4357.89			
	"Normal" - Actual				
	HDD	CDD	Adjustment	VECC Estimated Normal Purchases	
2009	-157.7	96.7	10,915	26,918,067	
2010	397.0	-65.9	746,206	26,358,104	

7. Reference: Exhibit 3, Tab 1, Schedule 2, Attachment 1, pages 5 & 7 /Exhibit 8, Tab 3, Schedule 5, Attachment 1, Tab C1

- a) Please reconcile the actual wholesale purchase values or 2009 and 2010 as shown in Exhibit 3 (Table 6) with those reported in Exhibit 8 (Table C1).

H2K Response:

	Load Forecast Ex3 Table 6	Loss factor Ex8 Table C1	Difference	Explanation
2009	26,907,152	27,028,414	-121,262	Difference in LTLT load transfer added twice
2009	26,907,152	26,907,152	0	Should be
2010	25,611,898	25,607,753	4145	Difference in LTLT one amount was omitted
2010	25,611,898	25,611,898	0	Should be

Please see attachment or appendix.

- b) Please reconcile the retail sales values for 2010 as shown in Exhibit 3 (Table 10) with those reported in Exhibit 8 (Table C1).

H2K Response:

	Load Forecast Ex3 Table 10	Loss factor Ex8 Table C1	Difference	Explanation
2010	23,153,119	23,271,641	-118,532	LTLT not included in Load Forecast
2010	23,271,641	23,271,641	0	Should be

- c) Based on the results shown in Exhibit 3 (Table 6 and 10), please calculate the implicit loss factors for 2011 and 2012. Please contrast the resulting values with the actual loss factor for 2009 and 2010 and the assumed loss factors (per Exhibit 8) for 2012 and reconcile any material differences.

H2K Response: Please see the response to Board Staff question

8. Reference: Exhibit 3, Tab 1, Schedule 2, Attachment 1, page 8

- a) What is the June 30, 2011 customer count for each class?

H2K Response: see table below

Customer count			
class		June 30th,2011	December 31st,2011
Residential		1043	1055
Gs less 50Kw		143	142
Gs Over 50Kw		11	11
USL		6	6
St-light		1	1
Micro-Fit		0	0
Total		1204	1215

- b) If known, what is the 2011 year-end customer count for each class?

H2K Response: see table above

9. Reference: Exhibit 3, Tab 1, Schedule 2, page 1 (lines 8-9)

- a) Please confirm that the actual data used to develop the forecast of purchases for 2011 and 2012 included purchases for 2010 and part of 2011.

H2K Response: Confirmed

- b) Please confirm that the actual data for this period will include any impacts that CDM programs offered in 2006-2010 will have had on usage over this period.

H2K Response: No they don't please see response in Board Staff 5b) .

- c) If confirmed, please indicate whether or not it is reasonable to assume that the purchase forecasts for 2011 and 2012 capture the impact of CDM programs offered over 2006 to 2010 as they are based on data that includes the impact of these programs? If not, why not?

H2K Response: The 2012 weather normalized load forecast in Exhibit 3/Tab 1/Schedule 2/Attachment 1 does not include any adjustment for CDM.

10. Reference: Exhibit 3, Tab 1, Schedule 3, pages 1 to 3

- a) With respect to Table 1, please explain the difference between the \$/MWh value shown and the \$/kWh values shown and which column's values are appropriate to use in the working capital calculation.

H2K Response: See answer below

- b) Please explain why the non-RPP price used in the Table on page 2 is different from either of the values set out in Table 1.

H2K Response: See answer below

- c) Please explain why the average commodity price use in the table on page 3 is not equivalent to the calculated value shown on page 2.

H2K Response: H2K found that it had erroneously calculated the weighted average RPP price subsequently used to calculate the working capital allowance.

Please find at Appendix C the revised calculations of the weighted average price based on the RPP Price Report (May 1, 2011 to April 30, 2012) issued April 19, 2011

Revenue Offsets

11. Reference: Exhibit 3, Tab 3, Table C9 (2012) / 2012 CoS Rate Maker Model, Tab A2

- a) Please explain why there are no revenues forecasted for each of the following accounts as they all reported revenues for 2009 and 2010:
 - i. #4082
 - ii. #4405.

Those two account were omitted and the revenues of 2010 is \$3,000 will be considered in the revised model accounts #4082 and #4405

OM&A Expenses

12. Reference Exhibit 4, Tab 2, Schedule 2, page 1 / Exhibit 4, Tab 2, Schedule 3, page 3

- a) Please reconcile the Table at Schedule 2 (Regulatory Cost Schedule) with the Table at Schedule 3 (Filing Costs for Rate Application).

[H2K Response: Please refer to response to Board Staff IR#9](#)

13. Reference Exhibit 4, Tab 2, Schedule 3

- a) Please explain how the estimate of \$60,000 for transition to IFRS was derived.

[H2K Response: This estimate was a combination of an estimate from Deloitte and the amounts allotted to cohorts \(HHI and CHE\) for the same project.](#)

14. Reference: Exhibit 4, Tab 2, Schedule 1, Page 3 Appendix 2-G /Board Staff IR #7

- a) In conjunction with the response to Board Staff IR #7 and in revising the OM&A Cost Driver Table, please include a column indicating which cost drivers are one-time costs.

[H2K Response: Please see the explanation below.](#)

Appendix 2-G				
OM&A Cost Driver Table				
One time costs				
	2009	2010	2011	2012
Deloitte review of GA and transition to cash basis		30,000		
Training and travel expenses	8,000		18,000	
Moving expenses related to office relocation			8,000	
Transition to IFRS (\$60,000 X 8 months / 60 months)				10,000
Condition of service				2,000
Smart meter OM&A expenses				5,618
	8,000	30,000	26,000	17,618
Appendix 2-G				
OM&A Cost Driver Table				
Recurring costs				
	2009	2010	2011	2012
Salary adjustment and travel expenses	5,000	8,000	5,000	3,000
Locates	9,000	(4,500)	2,500	-
Part-Time employee			13,000	-
P-Sync operator				7,000
Smart meter OM&A expenses				11,150
Expenses related to conversion to monthly billing			5,800	-
Cost of Service (\$140,000 X 8 months / 48 months) vs \$57,330 last time				13,778
IRM				25,000
Assistance to produce RRR reports				5,000
	14,000	3,500	26,300	64,928
Total Costs	22,000	33,500	52,300	82,546

15. Reference Exhibit 4, Tab 3, Schedule 1, Attachment 1, page 3

- a) The 2012 vs. 2011 year variance explanation at line 7 through 12 appear to include the impact of 3 years of IRM expenses in both the Operations and Admin and General Expense categories. Also the amounts explained are not equal to the total in the titles (i.e. Operations 17K and Admin 62K). Please clarify the explanations given for 2012 vs. 2011 and showing how \$17k and 62K were arrived at.

H2K Response: The explanation of the variance in operations should have been: 25% of the one-time cost of smart meter OM&A expense (5,618\$) + recurring of (11,150\$) total 16768\$.

16. Reference Exhibit 4, Tab 4, Schedule 1, page 1, Appendix 2-K

- a) The Employee Costs table shows that 100% of compensation costs are capitalized (final row). Please confirm this is correct and if not please provide the appropriate portion of employee costs that are capitalized and the amount charged to OM&A.

H2K Response: 100% should be OM&A.

17. Reference Exhibit 4, Tab 4, Schedule 1, Attachment 1, page 1

- a) The evidence states that beginning in 2008 the General Manager's salary was to be adjusted by four increments of \$4,000. At Exhibit 4, Tab 1, Schedule 4, page 2 the evidence states that in 2011 the incremental cost of one part-time employee were \$13,000. These two adjustments (\$17,000) explain 97% of the change in compensation between 2010 and 2011, but explains only 89% of the change between 2011 and 2012. Please provide the details for the 11% unexplained change in compensation between 2011 and 2012.

H2K Response: The variance between 2011 and 2012 expense is due to CPI increase (\$4k), Employee going up in Grid salary (\$2k) and Overtime and accumulated Holidays to be paid in 2012 (\$6K).

18. Reference Exhibit 4, Tab 1, Schedule 4, page 1 / Exhibit 4, Tab 4, Schedule 1, Attachment 1, page 1

- a) In addition to the General Manager and the part-time employee the evidence refers to both an Assistant Manager (S4/pg1) and Administrative Assistant (S1/pg. 1). Are these the same position?

H2K Response: Yes, they represent the same position. The actual title of this position is Administrative Assistant.

- b) The evidence suggests there are ongoing training and travel cost expenses of \$18,000 (S4/pg1) is this correct?

H2K Response: Those expenses are one-time cost. There were many meetings and training for Smart Meter and CDM.

- c) If not, what are these the total forecast 2012 travel and expense costs for the 3 Hydro 2000 employees?

H2K Response: When the model was submitted it was anticipated that the training and travelling would be back to normal for 2012. With the actual information and requirements the 2012 expenses will be higher than expected.

Cost Allocation

19. Reference: Exhibit 7, Tab 1, Schedule 1, Attachment 1 /2012 Cost Allocation Model

- a) Please confirm that the cost allocation model used was the updated version released by the OEB in August 2011.

H2K Response: Confirmed, Hydro 2000 has used the updated version, released by the OEB in August 2011

- b) With respect to Table 6 in Attachment 1, can Hydro 2000 explain the reasons for the significant shift in Revenue to Cost Ratios as between 2008 and 2012?

H2K Response: It is presumed that this question refers to Table 7 in the named Exhibit 7, Tab 1, Schedule 1, Attachment 1. As can be seen in the response to Board Staff, Question 1, part b, most of the difference as it pertains to Residential, GS < 50, and GS > 50 is due to the change in services and billings weighting factors.

- c) With respect to the allocation factors used in the Cost Allocation Model, please complete the following table.

H2K Response: see table below

	2008 Rate Allocation – Cost Allocation					2012 Rate Application - Cost Allocation				
	Res	GS <50	GS >50	USL	SL	Res	GS <50	GS >50	USL	SL
Relative Meter Reading Weighting Factors (Residential = 1.0)	1.0	1.0	1.0	N/A	N/A	1.0	1.5	3.42	N/A	N/A
Relative Services Weighting Factors (Residential = 1.0)	1.0	2.0	10.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Relative Billing & Collecting Weighting Factors (Residential = 1.0)	1.0	2.0	7.0	1.0	5.0	1.0	0.53	0.53	0.53	0.53

- d) With respect to Sheet I7.2, please explain the rationale for assuming the same Meter Reading Weighting factor for all customer classes.

H2K Response: See table below

	2008	2012	2013	2014	2015
Residential	0.80	0.85	0.90	0.93	0.95
GS < 50 kW	1.89	1.60	1.40	1.30	1.20
G S >50 – 4999 kW	1.92	1.80	1.60	1.40	1.20

20. Reference: Exhibit 7, Tab 2, Schedule 1

- a) Please revise Table 2 to also include the Residential class.

H2K Response:

	2011	2012	2013	2014
Residential	0.85	0.85	0.90	0.95
GS<50kW	1.89	1.60	1.40	1.20
GS>50-4999kW	1.92	1.80	1.60	1.20

Rate Design

21. Reference: Exhibit 8, Tab 2, Schedule 1, pages 1 to 3 /Exhibit 8, Tab 4, Schedule 2, Attachment 2, Tables H4 & H5

- a) Please provide Residential bill impact calculations for the following monthly usage levels:
- i. 250 kWh
 - ii. 500 kWh
 - iii. 1,000 kWh
 - iv. 2,000 kWh

H2K Response: H2K has provided bill impacts for the usage levels as requested above however, H2K cannot provide Bill Impacts that reflect the changes due to the responses to these interrogatories. In order to provide the most up to date rates and bill impacts, H2K would have to rerun its update to the Cost Allocation results and cannot effectively do so without the incurring additional consulting fees. H2K does not feel that rerunning the CA models is a prudent expense at this point and time. It does however commit to updating all models during final reply submission. The table below shows the bill impacts on the revenue requirement applied for in the original submission.

Customer Class Name	kWh	kW	Rate Class	\$ change	% change	\$ change	% change	\$ change	% change
Residential	250		Summer	\$3.75	29.1%	\$3.63	21.8%	\$4.31	10.2%
	500		Summer	\$5.04	32.9%	\$4.79	21.0%	\$5.87	8.1%
	1,000		Summer	\$7.64	37.8%	\$7.15	20.3%	\$9.11	6.5%
	2,000		Summer	\$12.83	42.7%	\$11.87	19.7%	\$15.46	5.7%
General Service < 50 kW	2,000		Non-res.	\$9.01	18.1%	\$8.09	11.5%	\$11.19	3.9%
General Service > 50 to 4999 kW	68,500	190	Non-res.	\$427.32	69.6%	\$386.98	28.5%	\$507.67	5.8%
Unmetered Scattered Load	397		Non-res.	\$14.51	85.2%	\$14.33	67.8%	\$16.55	27.0%
Street Lighting	30,000	80	Non-res.	\$129.87	20.1%	\$116.93	13.2%	\$162.97	3.9%

As added information, please find the impact of the proposed changes to the Revenue Requirement below

		As filed	As a result of the proposed changes*
OM&A Expenses		434,834	418,066
3850-Amortization Expense		76,703	76,703
Total Distribution Expenses		511,537	494,769
Regulated Return On Capital		66,572	67,544
PILs (with gross-up)		5,328	5,328
Service Revenue Requirement		583,437	567,641
Less: Revenue Offsets		20,303	20,303
Base Revenue Requirement		563,134	547,338

- *
(1) removal of 16,768K from OM&A (see response to BS IR 20d)
(2) update of Low Voltage Balances (see response to BS IR 16a)
(3) update of RTSR (working Cap Allowance) (see VECC IR 21a)
(4) update of Weighted Average RPP (working Cap allowance) (see VECC 9c)

22. Reference: Exhibit 8, Tab 3, Schedule 3, Attachment 1

- a) Please explain why the proposed charges in “C5 Transmission Rates” table do not equal those set out in the table “Calculation of Proposed RTSRs”. Also, please indicate which values are the correct ones

H2K Response: A revised RTSR Work Form is being filed in conjunctions with these responses. The Rates calculated in the Work Form are the revised rates that H2K intends to apply for.

- b) Please file a completed copy of the Board's RTSR Work Form?

H2K Response: Please refer to the RTSR WorkForm for revised rates.

- c) If the proposed RTSR rates do not reconcile with those determined in the RTSR Work Form, please explain why.

H2K Response: Please see response to question a) above.

23. Reference: Exhibit 8, Tab 3, Schedule 4, Attachment 1

- a) What is the basis for the total estimated 2012 LV costs (\$100,429)?

It is based on actual of 2011 and 2010 with the current rates on the Power Bill from Hydro One Networks.

Smart Meters

24. Reference Exhibit 9, Tab 3, Schedule 2

- a) Using Table 1 at page 1 of this Exhibit please show the derivation of the \$22, 472 in one time smart meter costs.

Those costs include the amortization of the smart meters and the operations 2011 and 2010.

- b) Please explain what these expenses relate to?

Operation equals mostly Phone lines and data storage.

LRAM

25. Reference: Exhibit 9, Tab 3, Schedule 3, Attachment 2

- a) Please explain why the totals are the same (i.e. 1,557,266 kWh) for both Table One and Table Two when the 2012 values in Table Two have been adjusted to April 30, 2012? Please address the same question as it applies to Tables Three and Four. If required, please correct the requested LRAM.

H2K Response: This was a design error in the report, which has been corrected in the updated attachment.

- b) Please explain why Hydro 2000 is seeking an LRAM for 2011 and the first four months of 2012 when the OPA has not issued a final report for 2011 or 2012.

H2K Response: Hydro 2000 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 either of these years but which may continue to have energy-saving benefits for a number of years.

Hydro 2000 is not requesting recovery of lost revenue associated with unverified programs started in 2011, or unverified programs started between January 1 and April 30, 2012. The requested lost revenues in 2011 and the first four months of 2012 are associated with verified savings arising from programs that were started in 2009 and 2010.

A distinction must be made between lost revenue in 2011 due to programs started in 2011, and lost revenue in 2011 due to programs started in earlier years. An implemented program will lead to energy savings, and thus lost revenues, that will persist over the lifetime of the program’s measures. For example, if a 2009 program consists of a measure with a lifetime of two years, the program will lead to lost

revenues each year until the end of 2011. This would be unrelated to lost revenue due to a program started in 2011.

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

- c) With respect to Tables Five, Six and Seven, please show how the volumetric rates were determined for each year for each customer class. In doing so, please confirm that the rates are based on the Board-approved volumetric distribution charges per the Board's CDM Guidelines.

H2K Response: Hydro 2000 confirms that the rates are based on the Board-approved volumetric distribution charges for 2006 to 2011 as found on Board approved tariff sheets. 2012 is based on 2011 rates.

Hydro 2000 Inc.			
Distribution Volumetric Rates			
	RES	GSLT50	GSGT50
2006	0.0085	0.0097	2.3345
2007	0.0086	0.0098	2.3555
2008	0.0115	0.0132	2.9631
2009	0.0115	0.0132	2.9584
2010	0.006	0.0081	0.9844
2011	0.006	0.0081	0.9881
2012	0.006	0.0081	0.9881

Year	OEB site
2006	<u>2006 EDR</u>
2007	<u>2007 EDR</u>
2008	<u>2008 EDR</u>
2009	<u>2009 EDR</u>
2010	<u>2010 EDR</u>
2011	<u>2011 EDR</u>

APPENDICES

Appendix A

Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10

Feb 10,2012

Table 2.3.2 Gross Asset Variance Table*Review highlighted variances (no input on this sheet)*

Variances > 10% (min \$2,000) or \$2,839 are shown in bold					
Account Grouping	Account Description	2012 @ new dist. rates	2012 @ existing rates	Var \$	Var %
1450-Distribution Plant	1810-Leasehold Improvements	16,029	16,029		
	1830-Poles, Towers and Fixtures	300,874	300,874		
	1835-Overhead Conductors and Devices	327,765	327,765		
	1840-Underground Conduit	13,405	13,405		
	1845-Underground Conductors and Devices	93,348	93,348		
	1850-Line Transformers	114,546	114,546		
	1855-Services	69,982	69,982		
	1860-Meters	195,667	195,667		
1500-General Plant	1915-Office Furniture and Equipment	11,631	11,631		
	1920-Computer Equipment - Hardware	45,045	45,045		
	1925-Computer Software	142,097	142,097		
1550-Other Capital Assets	1995-Contributions and Grants - Credit	-148,262	-148,262		

Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10

Feb 10, 2012

Table 2.3.2 Gross Asset Variance Table*Review highlighted variances (no input on this sheet)*

Variances > 10% (min \$2,000) or \$2,839 are shown in bold

Account Grouping	Account Description	2012 @ existing rates	2011 Projection	Var \$	Var %
1450-Distribution Plant	1810-Leasehold Improvements	16,029	16,029		
	1830-Poles, Towers and Fixtures	300,874	285,874	15,000	5.2%
	1835-Overhead Conductors and Devices	327,765	304,765	23,000	7.5%
	1840-Underground Conduit	13,405	13,405		
	1845-Underground Conductors and Devices	93,348	93,348		
	1850-Line Transformers	114,546	109,546	5,000	4.6%
	1855-Services	69,982	69,982		
	1860-Meters	195,667	2,370	193,297	8157.3%
1500-General Plant	1915-Office Furniture and Equipment	11,631	10,631	1,000	9.4%
	1920-Computer Equipment - Hardware	45,045	42,045	3,000	7.1%
	1925-Computer Software	142,097	103,336	38,761	37.5%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	-148,262	-148,262		

Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10

Feb 10,2012

Table 2.3.2 Gross Asset Variance Table*Review highlighted variances (no input on this sheet)*

Variances > 10% (min \$2,000) or \$2,839 are shown in bold

Account Grouping	Account Description	2011 Projection	2010 Actual	Var \$	Var %
1450-Distribution Plant	1810-Leasehold Improvements	16,029		16,029	
	1830-Poles, Towers and Fixtures	285,874	271,450	14,424	5.3%
	1835-Overhead Conductors and Devices	304,765	284,925	19,840	7.0%
	1840-Underground Conduit	13,405	13,405		
	1845-Underground Conductors and Devices	93,348	93,348		
	1850-Line Transformers	109,546	104,546	5,000	4.8%
	1855-Services	69,982	69,709	273	0.4%
	1860-Meters	2,370	55,833	-53,463	(95.8%)
1500-General Plant	1915-Office Furniture and Equipment	10,631	4,620	6,011	130.1%
	1920-Computer Equipment - Hardware	42,045	38,311	3,734	9.7%
	1925-Computer Software	103,336	87,935	15,401	17.5%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	-148,262	-148,262		

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Review highlighted variances (no input on this sheet)

Account Grouping	Account Description	2010 Actual	2009 Actual	Var \$	Var %
1450-Distribution Plant	1810-Leasehold Improvements				
	1830-Poles, Towers and Fixtures	271,450	262,611	8,839	3.4%
	1835-Overhead Conductors and Devices	284,925	259,038	25,886	10.0%
	1840-Underground Conduit	13,405	13,405		
	1845-Underground Conductors and Devices	93,348	93,128	220	0.2%
	1850-Line Transformers	104,546	98,118	6,428	6.6%
	1855-Services	69,709	66,474	3,235	4.9%
	1860-Meters	55,833	53,684	2,148	4.0%
1500-General Plant	1915-Office Furniture and Equipment	4,620	4,158	462	11.1%
	1920-Computer Equipment - Hardware	38,311	31,178	7,133	22.9%
	1925-Computer Software	87,935	72,069	15,866	22.0%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	-148,262	-140,754	-7,508	(5.3%)

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Table 2.3.2 Gross Asset Variance Table*Review highlighted variances (no input on this sheet)*

Variances > 10% (min \$2,000) or \$2,839 are shown in bold

Account Grouping	Account Description	2008 Actual	2008 EDR Approved	Var \$	Var %
1450-Distribution Plant	1810-Leasehold Improvements				
	1830-Poles, Towers and Fixtures	218,154	194,996	23,158	11.9%
	1835-Overhead Conductors and Devices	248,219	219,684	28,535	13.0%
	1840-Underground Conduit	13,405	13,405	-0	(0.0%)
	1845-Underground Conductors and Devices	73,219	127,183	-53,964	(42.4%)
	1850-Line Transformers	80,634	76,694	3,940	5.1%
	1855-Services	57,867	52,400	5,467	10.4%
	1860-Meters	49,068	48,889	179	0.4%
1500-General Plant	1915-Office Furniture and Equipment	3,861	3,246	615	19.0%
	1920-Computer Equipment - Hardware	30,128	24,819	5,309	21.4%
	1925-Computer Software	70,023	80,598	-10,575	(13.1%)
1550-Other Capital Assets	1995-Contributions and Grants - Credit	-110,995	-107,165	-3,830	(3.6%)

Appendix B

Capital Project Tables

Capital Additions for 2008

Account Description	USA Acct	Total
Poles, Towers & Fixtures	1830	\$18,358
Overhead Conductors & Devices	1835	\$11,253
Underground Conductors & Devices	1845	\$917
Line Transformers	1850	\$3,891
Services	1855	\$3,865
Meters	1860	\$130
Office Furniture	1915	\$324
Computer Hardware	1920	\$4,704
Computer Software	1925	\$45,510
TOTAL		\$84,557

Project #1 – Pole Replacement

Account & Description	Amount
1830-Poles and Fixtures	\$4,775.00
TOTAL	\$4,775.00

Classification: Safety and Reliability and Continuity of Service

Need: Safety and Reliability/Asset Management

Scope: Replace pole identified in our yearly overhead inspection ESA for end of used of the pole.

Project #2 – Pole Replacement

Account & Description	Amount
1830-Poles and Fixtures	\$578.00
TOTAL	\$578.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Replace and repair all damage grounds on poles

Project #3 – Pole Replacement

Account & Description	Amount
1830-Poles and Fixtures	\$1,855.00
TOTAL	\$1,855.00

Classification: Safety and Reliability and Continuity of Service

Need: Safety and Reliability/Asset Management

Scope: Replace pole identified in our yearly overhead inspection ESA for end of used of the pole.

Project #4 – Pole replacement

Account & Description	Amount
1830-Poles and Fixtures	\$5,500.00
TOTAL	\$5,500.00

Classification: Safety and Reliability and Continuity of Service

Need: Safety and Reliability/Asset Management

Scope: Replace pole identified in our yearly overhead inspection ESA for end of used of the pole.

Project #5 – Line improvement

Account & Description	Amount
1830-Poles and Fixtures	\$5,649.00
TOTAL	\$5,649.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Replace 3 phase pole at 588 Bolt identified in our yearly overhead inspection ESA for end of used of the pole.

Project #6 –Replacement of Stand off pins

Account & Description	Amount
1835-Overhead Conductor and devices	\$1,378.00
TOTAL	\$1,378.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Replace of Stand off pins LL clamps Stirups etc for safety and reliability of Service

Project #7 – Reframe transformer pole

Account & Description	Amount
1835-Overhead Conductor and devices	\$2,825.00
TOTAL	\$2,825.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance.

Scope: Reframe the transformer pole at corner Murray & St-Joseph for safety and reliability.

Project #8 –Cross Arm replacement

Account & Description	Amount
1835-Overhead Conductor Devices	\$1,322.00
TOTAL	\$1,322.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Replace deteriorated cross-arm and repull quad at the Community Hall for safety and reliability as identified in our inspection for ESA

Project #9 – Sagged wire

Account & Description	Amount
1835-Overhead Conductors Devices	\$850.00
TOTAL	\$850.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Re-sagged high voltage wire on Murray Street and re-align residential service for safety and reliability

Project #10 – New Connection

Account & Description	Amount
1835-Overhead Conductors Devices	\$465.00
TOTAL	\$465.00

Classification: Future demand

Need: Asset Maintenance

Scope: New services connection for new service at 625 County Rd 9

Project #11 – New Service and Line upgrade

Account & Description	Amount
1835-Overhead Conductors Devices	\$1,423.00
TOTAL	\$1,423.00

Classification: Future demand

Need: Asset Maintenance

Scope: Line upgrade to connect new customer at 747 Gerard Street.

Project #12 – Line upgrade

Account & Description	Amount
1835-Overhead Conductors Devices	\$1,778.00
TOTAL	\$1,778.00

Classification: Future demand

Need: continuity of service

Scope: Line upgrade to connect new customer at 955 St-Philippe Street.

Project #13 – Repair defective connection

Account & Description	Amount
1835-Overhead Conductors Devices	\$591.00
TOTAL	\$591.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Replace the defective connection connectors at 480 Albert.

Project #14 – Replace Transformer

Account & Description	Amount
1835-Overhead Conductors Devices	\$619.00
TOTAL	\$619.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Replace defective transfo at Guelph College

Project #15 – Locate for future job

Account & Description	Amount
1845-Underground Conductors and Devices	\$187.00
TOTAL	\$187.00

Classification: Safety and Reliability and Continuity of Service

Need: New Service

Scope: Perform locate for future capital job

Project #16 – Upgrade

Account & Description	Amount
1845-Underground Conductors and Devices	\$730.00
TOTAL	\$730.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Install spare underground electrical phase cable to replace future faulty underground electrical phase an engineer inspection.

Project #17 – New transformer

Account & Description	Amount
1850-Line Transformation	\$3,402.00
TOTAL	\$3,402.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Purchase 25 KVA pole mount transformer to replace the inventory transfo used in project #14

Project #18 – Connection of new transformer

Account & Description	Amount
1850-Line Transformation	\$289.00
TOTAL	\$289.00

Classification: Future demand

Need: Asset Maintenance

Scope: Perform connection at transfo for new service.

Project #19 – Pole work

Account & Description	Amount
1850-Line Transformation	\$200.00
TOTAL	\$200.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Deliver the padmount transformer at stock room

Project #20 – New Connection

Account & Description	Amount
1855-Customer New Service	\$350.00
TOTAL	\$350.00

Classification: Future demand

Need: Asset Maintenance

Scope: Perform new connection.

Project #21 – Line extension

Account & Description	Amount
1855-Customer New Service	\$2,300.00
TOTAL	\$2,300.00

Classification: Future demand

Need: Asset Maintenance

Scope: Extend line and perform new connection for new customer.

Project #22 – Upgrade

Account & Description	Amount
1855-Customer New Service	\$418.00
TOTAL	\$418.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Upgrade underground transformer to received more services by adding connection blocks on bus bar of the transformer.

Project #23 – New Connection

Account & Description	Amount
1855-Customer New Service	\$200.00
TOTAL	\$200.00

Classification: Future demand

Need: Asset Maintenance

Scope: Connect new service.

Project #24 – New Connection

Account & Description	Amount
1855-Customer New Service	\$597.00
TOTAL	\$597.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: new service and upgrade transformer like in project #22

Project #25 – Verification

Account & Description	Amount
1860-Meters	\$129.00
TOTAL	\$129.00

Classification: Safety and Reliability and Continuity of Service

Need: Asset Maintenance

Scope: Purchase and calibration of an over 50 kW commercial meter

Project #26 – Office Equipment

Account & Description	Amount
1915-Office Equipment	\$324.00
TOTAL	\$324.00

Classification: Continuity of Service

Need: Asset Maintenance

Scope: Replace office chair.

Project #27 – Computer Equipment

Account & Description	Amount
1920-Computer Hardware	\$4,705.00
TOTAL	\$4,705.00

Classification: Continuity of Service

Need: Asset Maintenance

Scope: Purchase and install a new PC install video cards for dual monitors for learning and training staff.

Project #28 – Computer Software

Account & Description	Amount
1925-Computer Software	\$45,509.00
TOTAL	\$45,509.00

Classification: Continuity of Service

Need: Asset Maintenance

Scope: Hydro 2000 was using Advanced CIS until Harris company purchase Advanced. Harris decided to discontinue and not upgrade the Advanced CIS. Harris supplied free of charge it North Star CIS Software free. The \$45,509 was to import, convert and do all the set-up for the database into Harris.

Appendix C

Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10

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C7 Commodity Price*Enter actual non-RPP kWh's and forecast prices*

Customer Class Name	Status	2010 ACTUAL kWh's		
		Total	non-RPP	RPP
Residential	Continued	14,005,778	564,448	13,441,330
General Service < 50 kW	Continued	4,472,865	62,265	4,410,600
General Service > 50 to 4999 kW	Continued	4,309,284	4,309,284	
Unmetered Scattered Load	Continued	18,486		18,486
Street Lighting	Continued	346,706	346,706	
TOTAL		23,153,119	5,282,703	17,870,416
%		100.00%	22.82%	77.18%
Forecast Price				
HOEP (\$/MWh)			\$43.41	
Global Adjustment (\$/MWh)			\$28.22	
TOTAL (\$/MWh)			\$71.63	\$72.98
\$/kWh			\$0.07163	\$0.07298
%			22.82%	77.18%
WEIGHTED AVERAGE PRICE		\$0.0727	\$0.0163	\$0.0563

Hydro 2000 (ED-2002-0542)

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C8 Pass-through Charges

Volumes from sheet C1, Account #s from sheet Y4

Enter rates for pass-through charges and estimated Low Voltage revenues

Electricity (Commodity)	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	rate (\$/kWh): \$0.06666	Volume	rate (\$/kWh): \$0.07270
kWh	Residential	4006	4705	15,711,211	1,047,309	15,679,990	1,139,935
kWh	General Service < 50 kW	4035	4705	5,035,024	335,635	5,025,018	365,319
kWh	General Service > 50 to 4999 kW	4035	4705	4,992,358	332,791	4,982,437	362,223
kWh	Unmetered Scattered Load	4035	4705	19,713	1,314	19,713	1,433
kWh	Street Lighting	4035	4705	369,727	24,646	369,727	26,879
	TOTAL			26,128,034	1,741,695	26,076,886	1,895,790
Transmission - Network	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	Rate	Volume	Rate
kWh	Residential	4066	4714	15,711,211	\$0.0057	15,679,990	\$0.0060
kWh	General Service < 50 kW	4066	4714	5,035,024	\$0.0052	5,025,018	\$0.0055
kW	General Service > 50 to 4999 kW	4066	4714	11,973	\$2.1334	11,949	\$2.2437
kWh	Unmetered Scattered Load	4066	4714	19,713	\$0.0052	19,713	\$0.0055
kW	Street Lighting	4066	4714	967	\$1.6088	967	\$1.6920
	TOTAL			20,778,889	142,937	20,737,638	150,272
Transmission - Connection	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	Rate	Volume	Rate
kWh	Residential	4068	4716	15,711,211	\$0.0045	15,679,990	\$0.0046
kWh	General Service < 50 kW	4068	4716	5,035,024	\$0.0045	5,025,018	\$0.0046
kW	General Service > 50 to 4999 kW	4068	4716	11,973	\$1.7937	11,949	\$1.8199
kWh	Unmetered Scattered Load	4068	4716	19,713	\$0.0045	19,713	\$0.0046
kW	Street Lighting	4068	4716	967	\$1.3866	967	\$1.4068
	TOTAL			20,778,889	116,264	20,737,638	118,440
Wholesale Market Service	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	rate (\$/kWh): \$0.00520	Volume	rate (\$/kWh): \$0.00520
kWh	Residential	4062	4708	15,711,211	\$0.0052	15,679,990	\$0.0052
kWh	General Service < 50 kW	4062	4708	5,035,024	\$0.0052	5,025,018	\$0.0052
kWh	General Service > 50 to 4999 kW	4062	4708	4,992,358	\$0.0052	4,982,437	\$0.0052
kWh	Unmetered Scattered Load	4062	4708	19,713	\$0.0052	19,713	\$0.0052
kWh	Street Lighting	4062	4708	369,727	\$0.0052	369,727	\$0.0052
	TOTAL			26,128,034	135,866	26,076,886	135,600
Rural Rate Protection	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	rate (\$/kWh): \$0.00130	Volume	rate (\$/kWh): \$0.00130
kWh	Residential	4062	4730	15,711,211	\$0.0013	15,679,990	\$0.0013
kWh	General Service < 50 kW	4062	4730	5,035,024	\$0.0013	5,025,018	\$0.0013
kWh	General Service > 50 to 4999 kW	4062	4730	4,992,358	\$0.0013	4,982,437	\$0.0013
kWh	Unmetered Scattered Load	4062	4730	19,713	\$0.0013	19,713	\$0.0013
kWh	Street Lighting	4062	4730	369,727	\$0.0013	369,727	\$0.0013
	TOTAL			26,128,034	33,966	26,076,886	33,900
Debt Retirement Charge	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	rate (\$/kWh): \$0.00700	Volume	rate (\$/kWh): \$0.00700
	TOTAL						
Low Voltage Charges	Customer Class Name	Revenue USA #	Expense USA #	2011		2012	
				Volume	Rate	Volume	Rate
kWh	Residential	4075	4750	14,732,944	\$0.0042	14,703,667	\$0.0042
kWh	General Service < 50 kW	4075	4750	4,721,515	\$0.0042	4,712,132	\$0.0042
kW	General Service > 50 to 4999 kW	4075	4750	11,973	\$1.5507	11,949	\$1.5507
kWh	Unmetered Scattered Load	4075	4750	18,486	\$0.0042	18,486	\$0.0042
kW	Street Lighting	4075	4750	967	\$1.1988	967	\$1.1988
	TOTAL			19,485,885	101,512	19,447,201	101,313
GRAND TOTAL					2,272,240		2,435,314