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March 2, 2012

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

Dear Ms. Walli:

**Re: Atikokan Hydro Inc.  
2012 Cost of Service Board Staff and VECC Interrogatories (EB-2011-0293)**

Atikokan Hydro Inc. is pleased to submit its responses to Board Staff and VECC Interrogatories regarding EB-2011-0293 Cost of Service study.

The Application includes the following Exhibits

Atikokan\_Hydro\_Cos\_BdStf\_IRs\_20120301.pdf  
VECC\_IR\_Atikokan\_20120203\_EB-2011-0293  
Atikokan\_Cos\_2012\_Tracking\_Sheet\_20120301\_BdStf\_IR\_58.xls  
Atikokan\_COS\_2012\_Rate\_Design\_Model\_20120301\_BdStf\_IR.xls  
Atikokan\_Cos\_2012\_Smart\_Meter\_Rate\_Rider\_by\_Class\_20120301\_BdStf\_IR\_42b.xls  
Atikokan\_Cos\_2012\_Cost\_Allocation\_Model\_V2\_VECC\_IR\_21.xls  
Atikokan\_Cos\_2012\_EDDVAR\_Continuity\_Schedule\_20120301\_BrdStf\_31a.xls  
Atikokan\_CoS\_2012\_IR\_Rev\_Reqt\_Work\_Form\_20120301\_BdStf\_IR\_57.XLS  
Atikokan\_Cos\_2012\_Revenue\_Requirement\_MIFRS + PPE + OMERS + SM\_updates\_  
Model\_20120301\_BdStf\_IR\_57.xls  
Atikokan\_CoS\_2012\_RTISR\_Adjustment\_Work\_Form\_newUTR\_20120301.xls  
Atikokan\_Cos\_2012\_smart\_meter\_model\_20120301..xls

These responses have been filed electronically with the Board today and two (2) paper copies will be delivered to the Board Secretary.

If you require further information please contact me.

Regards,

A handwritten signature in black ink that reads "Wilf Thorburn". The signature is written in a cursive, flowing style.

**Wilf Thorburn  
CEO Secretary/Treasurer  
Atikokan Hydro Inc**

**Atikokan Hydro Inc.**  
**2012 Cost of Service Rates Application**  
**EB-2011-0293**

**Board staff Interrogatories**

***Exhibit 1 – Administration***

**1. Responses to Letters of Comment**

Following publication of the Notice of Application, the Board received no letters of comment. Please confirm whether Atikokan Hydro has received any letters of comment. If so, please confirm whether a reply was sent from the applicant to the author of the letter. If confirmed, please file that reply with the Board. Please ensure that the author's contact information, except for the name, is redacted. In the alternative, please explain why a response was not sent and confirm if the applicant intends to respond.

**Response:**

Atikokan Hydro did not receive any letters of comment.

**2. Conditions of Service**

- a) Please identify any rates and charges that are included in Atikokan Hydro's Conditions of Service, but do not appear on the Board-approved tariff sheet, and provide an explanation for the nature of the costs being recovered.
- b) Please provide a schedule outlining the revenues recovered from these rates and charges from 2006 to 2009 and the revenue forecasted for the 2010 bridge and 2011 test years.
- c) Please explain whether, in Atikokan Hydro's view, these rates and charges should be included on its approved Tariff of Rates and Charges.

**Response**

- a) There are no rates and charges in Atikokan Hydro's Conditions of Service that do not appear on the Board approved tariff sheet.
- b) Not applicable
- c) Not Applicable

**Exhibit 2 – Rate Base**

**3. Ref: Exhibit 2/Tab 2/Schedule 1/page 7/Table 2-14 – 2010 Capital Projects**

For 2010 capital additions, under Account 1908, Atikokan Hydro documents \$31,180 for “Old Garage Siding & Insulation” and \$42,118 for “Old Garage Inside & Lighting”.

- a) Please confirm that the old garage is still in service for Atikokan Hydro.
- b) What is the age of the old garage and its expected remaining life?
- c) Please explain the purpose(s) for each of the old garage and the new garage that came into service in 2009.

**Response:**

- a) The old garage is still in service for Atikokan Hydro.
- b) The “old garage” is 56 years old and with the additions will have another 25 years life.
- c) The new garage houses the main large pieces of equipment – bucket trucks and digger derrick truck as well as some warehousing of material, and a repair area. The old garage stores material previously stored in a building that was removed to accommodate the new garage, as well as minor equipment and warehouse materials not stored in the new garage

## ***Green Energy Plan***

### **4. Ref: Exhibit 2/Appendix B – Green Energy Act Plan**

On page 11 of its Green Energy Act Plan, Atikokan Hydro states that its system is designed with a basic calculation of 3 kW per residential customer, which makes it physically impossible to install a microFIT of more than 5 or 6 kW for most residential connections.

- a) Please provide a further description of the design constraint that creates this capacity limit per residential connection.
- b) Are there any similar constraints with respect to the capacity for a microFIT connection for a GS < 50 kW customer?
- c) Please explain the reasons for any differences in the capacity constraints for microFIT connections between Residential and GS < 50 kW customers.
- d) Please explain what work would be needed to remove the constraints on microFIT connections within Atikokan Hydro's distribution system, and any available estimates of the costs for such work.

### **Response:**

- a) As per our "2010 Final Annual Report, CDM Third Tranche Funding, Atikokan Hydro Inc. filed 09/02/2010, Atikokan Hydro had been working on system optimization. The original distribution system was designed on a 3 kW per residential connection criteria. As noted in our optimization efforts, we are able to reduce line loss by combining smaller transformers and their customers to a larger transformer. As an example, a 75 kVA transformer will support 25 residential connections. If all 25 homes added 10 kW of microfit generation, the effect could be to try and feed 250 kW through a 75 kVA transformer which would result in dramatic equipment failure.
- b) There are similar constraints with respect to the capacity for a microFIT connection for a GS < 50 kW customer in some areas. Some areas may be able to accept the 10 kW. The overall governing factor would be to ensure that total generation did not exceed transformation capacity to avoid equipment failure.

- c) Any differences in the capacity constraints for microFIT connections between Residential and GS < 50 kW customers would be location specific. The overall governing factor would be to ensure that generation in either residential or commercial areas did not overload the infrastructure and cause equipment failure.
- d) A basic system redesign would be required. This has not been anticipated at this point in time, so there are no estimates for such work. Again, each application will be considered on its own impact to the system.

***Exhibit 3 – Operating Revenues***

**5. Ref: Exhibit 3/Tab 3/Schedule 3/page 1/Table 3-31 and Appendix 2-C – Other Operating Revenues**

For Specific Service Charges, Atikokan Hydro shows \$32,896 in revenues in 2009 compared to \$5,322 in 2008. In Tables 3-32, 3-33 and 3-34, for 2010 actuals and forecasts for the 2011 bridge and 2012 test years, Atikokan Hydro documents the Specific Service Charge revenues declining to within the range of \$6,000 to \$7,100. Please provide an explanation for the high level of Specific Service Charge revenues in 2009 relative to prior and subsequent years.

**Response:**

For Specific Service Charges, Atikokan Hydro shows \$32,896 in 2009 revenues which includes Specific Service Charges of \$6,744 and \$26,152 of inventory sold. In 2008, the \$5,322 only included Specific Service Charges. For 2010 actuals and forecasts for the 2011 bridge and 2012 test years, Atikokan Hydro documents the Specific Service Charge revenues declining to within the range of \$6,000 to \$7,100 since these years are consistent with 2008 and only include Specific Service Charges without any revenues from the sale of inventory.

**6. Ref: Exhibit 3/Tab 3/Schedule 3 and Appendix 2-C – Other Operating Revenues**

The following is a copy of Appendix 2-C as filed by Atikokan Hydro. Board staff has highlighted certain rows to aid in understanding the issue.

**Other Operating Revenue**

USoA #	USoA Description	Actual 2008	2009	2010	Bridge 2011	Test 2012
4235	Specific Service Charges	\$ 5,322	\$ 32,896	\$ 6,745	\$ 7,100	\$ 7,100
4225	Late Payment Charges	\$ 5,624	\$ 7,043	\$ 6,024	\$ 6,024	\$ 6,024
4080	SSS Admin Charges	\$ 4,816	\$ 7,189	\$ 4,788	\$ 4,654	\$ 4,200
4082	Retailer Service Revenues	\$ 4,062	\$ 3,648	\$ 7,234	\$ 4,000	\$ 4,000
4084	Retailer Processing Revenues	\$ 6,113	\$ 6,324	\$ 2,250	\$ 1,000	\$ 1,000
4210	Elec Prop Rentals	\$ 35,045	\$ 38,196	\$ 34,911	\$ 34,911	\$ 34,911
4355	Gain Disposal	\$ -	\$ -	\$ -	\$ -	\$ -
4360	Loss Disposal	-\$ 5,526	\$ -	\$ -	-\$ 2,942	\$ -
4375	Revenue Non Utility	\$ 30,350	\$ 171,460	\$ 232,108	\$ 232,000	\$ 232,000
4380	Expense Non Utility	-\$ 30,463	-\$ 171,460	-\$ 232,108	-\$ 232,000	-\$ 232,000
4390	Misc Income	\$ 4,152	\$ 1,878	\$ 93,568	\$ 59,000	\$ 59,000
4405	Interest /Dividend	\$ 11,341	\$ 9,542	\$ 14,799	\$ 9,000	\$ 9,000
<b>Specific Service Charges</b>		\$ 5,322	\$ 32,896	\$ 6,745	\$ 7,100	\$ 7,100
<b>Late Payment Charges</b>		\$ 5,624	\$ 7,043	\$ 6,024	\$ 6,024	\$ 6,024
<b>Other Operating Revenues</b>		\$ 50,036	\$ 55,357	\$ 49,183	\$ 44,565	\$ 44,111
<b>Other Income or Deductions</b>		9,854	11,420	108,367	65,058	68,000
<b>Total</b>		\$ 70,836	\$ 106,717	\$ 170,318	\$ 122,747	\$ 125,235

<sup>1</sup> List and specify any other interest revenue

Revenues or costs (including interest) associated with deferral and variance accounts should not be included in Other Revenue.

4390	Misc Revenue	Actual 2008	2009	2010	Bridge 2011	Test 2012
	Misc sales	\$ 33	\$ 1,838			
	Sale of Cunningham power lines	\$ 2,279				
	Pst Compensation	\$ 40	\$ 40	\$ 40	\$ -	\$ -
	Misc services	\$ 300		\$ 89,845	\$ 57,100	\$ 57,500
	Payments rec'd on closed accounts	\$ 1,500		\$ 1,153	\$ 400	
	OPA incentives			\$ 2,530	\$ 1,500	\$ 1,500
<b>Total</b>		\$ 4,152	\$ 1,878	\$ 93,568	\$ 59,000	\$ 59,000

4405 - Interest and Dividend Income	Actual 2008	2009	2010	Bridge 2011	Test 2012
Bank Deposit Interest	\$ 5,678	\$ 1,823	\$ 1,388	\$ 1,179	\$ 1,388
Miscellaneous Interest Revenue	\$ 5,663	\$ 7,719	\$ 13,411	\$ 7,821	\$ 7,612
<b>Total</b>	\$ 11,341	\$ 9,542	\$ 14,799	\$ 9,000	\$ 9,000

With respect to Accounts 4375 – Revenue Non-utility and 4380 – Expense Non-utility, please explain:

- a) the increase in revenues and expenses from 2009 onwards; and
- b) the reason that non-utility expenses fully offset revenues.



**Response:**

- a) The increase in revenues and expenses from 2009 onward reflect the LDC Program Administration Budgets (PAB) as provided by the OPA to administer the province wide OPA programs.
- b) The reason that non-utility expenses fully offset revenues is that any PAB monies not used are returned to the OPA.

**7. Ref: Exhibit 3/Tab 3/Schedule 3 and Appendix 2-C – Other Operating Revenues**

With respect to Appendix 2-C (as shown in the preceding interrogatory), for Miscellaneous Service Revenues, Atikokan Hydro shows \$89,845 in 2010 and forecasts of \$57,100 for the 2011 bridge year and \$57,500 for the 2012 test year. In E3/T3/S3/page 2/Table 3-32, Atikokan Hydro shows a 2010 actual for Merchandise & Jobbing of \$86,125, and explains the increase as recording the amounts as revenues in 2010 rather than as an offset to expenses.

- a) Please explain the difference of \$86,125 shown in Table 3-32 for 2010 and \$89,845 shown in Appendix 2-C.
- b) Please describe what work these revenues were for.
- c) Please explain why Atikokan Hydro forecasts these Miscellaneous Service revenues to decrease to around \$57K in each of 2011 and 2012.
- d) What were Atikokan Hydro's unaudited actuals for 2011 for Account 4990?

**Response:**

- a) The difference of \$86,125 shown in Table 3-32 for 2010 and \$89,845 shown in Appendix 2-C is \$3,720 which relates to a one time job for trenching charged to the customer. This revenue was reflected in Appendix 2-C but not in Table 3-32. The correct amount is \$89,845.
- b) The work associated with these revenues include:
  - Outside work completed for other companies such as installation of poles and/or service either for replacement, new or damaged due to accident.
  - Rental of equipment and operator for use of individuals.
  - Sale of some line materials to individual contractors.
- c) In the past Atikokan Hydro has received revenues by Atikokan Enercom hiring Atikokan Hydro staff and equipment to do recoverable work for a local sawmill. This sawmill is now closed, sold and dismantled and will no longer be a source of revenue in 2011 and 2012.
- d) Board staff advised that the referenced account 4990 should be account 4390. Atikokan Hydro's unaudited actuals for 2011 for Account 4390 is \$1,999.

**8. Ref: Exhibit 3/Tab 3/Schedule 1/Table 3-27 – Throughput Revenue**

Please provide an update of Table 3-27 including columns for 2011 unaudited actuals and the variance between 2010 actuals and 2011 unaudited actuals.

**Response:**

Table 3-27: Comparison 2011 Unaudited to 2010 Actual								
Billing Quantities	Customer/Conenction			kWh		kW		Volumetric Difference
	2010 Actual	2011 Unaudited	Difference	2010 Actual	2011 Unaudited	2010 Actual	2011 Unaudited	
Residential	1424	1413	-11	9,926,568	10,357,342			430,774
GS <50	238	232	-6	5,016,254	5,875,840			859,586
GS >50	21	22	1			22,208	18,624	-3,584
Intermediate								
Sentinel Lights								
Street Lighting	623	635	12			1,449	1,450	1
Unmetered Scattered Load								
<b>Total</b>	<b>2306</b>	<b>2302</b>	<b>-13</b>	<b>14,942,822</b>	<b>16,233,182</b>	<b>23,657</b>	<b>20,074</b>	

## ***Load Forecast***

### **9. Ref: Exhibit 3/Tab 2/Schedule 1**

In its application, Atikokan Hydro documents the number of customers and connections by class and by year in Table 3-7 of this exhibit.

Analysis indicates that Atikokan Hydro has a ratio of streetlight connections to metered customers of about 1:2.67. The ratio of streetlight connections to residential customers is above 1:2. These ratios would seem high relative to those of other utilities and for the industry as a whole. For example, Kenora Hydro, in its 2010 EDR Cost of Service application, documented approximately 2700 residential customers, 702 GS < 50 kW customers and 75 GS > 50 kW customers versus 550 street lighting connections.

- a) Please explain how Atikokan Hydro has defined and counted its street lighting connections.
- b) What characteristics of Atikokan Hydro's service area or of its distribution network design drive the significantly higher ratio of streetlighting connections to metered customers?
- c) Are all streetlights separate connections or are there configurations where streetlights are connected in a daisy chain (i.e., the demarcation point is at a connection to one street light, often with a photovoltaic cell to activate the streetlights based on external light levels, with a number of streetlights connected and controlled from this connection point)?

### **Response:**

- a) Atikokan Hydro has defined and counted its street lighting connections on an individual basis; that is each street light is a separate connection.
- b) The characteristics of Atikokan Hydro's service area or of its distribution network design that drive the significantly higher ratio of street lighting connections to metered customers is best explained by the map in EB-2011-0293 Exhibit 1 Tab 1 Appendix A

Page 1 of 1 [included as exhibit "A"]. The following table provides further data indicating that our high ratio is primarily a fact of geography. Atikokan, while picturesque, does not have the luxury of all back to back street construction, thus will have a higher ratio of street lights per customer, km of sidewalk per customer, km of roads per customer, and poles per customer.

Town	# of customers	# of street lights	St lights / customer
Atikokan	1667	635	0.381
Fort Frances	3795	1054	0.278
Sioux Lookout	2750	532	0.193

- c) All Street lights are separate connections. During the early 1990s Atikokan Township moved away from the daisy chain method for a safety / cost saving measure. If one street light failed , it did not cause an extreme safety hazard, but if a failed street light took the relay out, it could put most of the town in darkness [depending on the relay], and that would result in the police calling out the line crew on overtime to affect repairs.

**10. Ref: Exhibit 3/Tab 2/Schedule 1 – Consumption per Customer/Connection**

In Tables 3-10 and 3-12, Atikokan Hydro provides the actual and forecasted average consumption (kWh) per customer, by customer class. Atikokan Hydro explains that it calculated the average forecasted consumption by applying the geometric mean for the period 2003 to 2010 to the 2010 data, and this was done on a class-specific basis. The annual percentage changes in per customer consumption by class is shown in Table 3-11.

Board staff observes that the class-specific annual percentage changes show significant swings. However, the geometric means seem reasonable and may reflect typical energy efficiency and conservation efforts, while variation may largely be driven by weather and economic factors.

However, the geometric mean of a (1.5%) change (reduction) for the Streetlighting class means that the average annual consumption is reduced to 768 kWh for 2011 Bridge year and 757 kWh for the 2012 Test year.

- a) Please explain what initiatives have been undertaken in recent years or are proposed for the 2012 Test year that would support the forecasted reductions in the average annual consumption per Streetlight connection.
- b) Please update Tables 3-10 and 3-11 showing 2011 actual results.
- c) Please explain any material differences between the 2011 Bridge year forecast and the 2011 actual results from part b).

**Response:**

- a) Atikokan Hydro is not aware of any initiatives that have been undertaken in recent years or are proposed for the 2012 Test year to reduce consumption for the Street lighting class.
- b) The updated Tables 3-10 and 3-11 showing 2011 actual results are shown below.

<b>Table 3-10: Historical Annual Usage per Customer</b>				
<b>Year</b>	<b>Residential</b>	<b>GS&lt;50 kW</b>	<b>GS&gt;50 kW</b>	<b>Street Lighting</b>
<b>Annual kWh Usage Per Customer/Connection</b>				
2003	7,449	22,838	348,713	864
2004	7,323	22,133	340,763	842
2005	7,586	23,026	352,275	816
2006	7,392	22,344	346,738	785
2007	7,592	23,258	361,076	819
2008	7,216	22,680	351,523	789
2009	6,798	20,749	394,872	800
2010	6,973	21,121	356,612	779
2011 Bridge	6,908	20,887	357,755	768
2011 Actual	6,655	20,885	321,062	740

<b>Table 3-11: Growth Rate in Usage Per Customer/Connection</b>				
<b>Year</b>	<b>Residential</b>	<b>GS&lt;50 kW</b>	<b>GS&gt;50 kW</b>	<b>Street Lighting</b>
<b>Growth Rate in Customer/Connection</b>				
2003				
2004	(1.7%)	(3.1%)	(2.3%)	(2.5%)
2005	3.6%	4.0%	3.4%	(3.1%)
2006	(2.6%)	(3.0%)	(1.6%)	(3.9%)
2007	2.7%	4.1%	4.1%	4.4%
2008	(5.0%)	(2.5%)	(2.6%)	(3.6%)
2009	(5.8%)	(8.5%)	12.3%	1.4%
2010	2.6%	1.8%	(9.7%)	(2.6%)
2011	(4.6%)	(1.1%)	(10.0%)	(5.1%)
<b>Geometric Mean</b>	<b>(1.4%)</b>	<b>(1.1%)</b>	<b>(1.0%)</b>	<b>(1.9%)</b>

- c) In all rate classes, the 2011 Bridge year forecast is higher than the 2011 actual results. The significant difference in the GS > 50 kW class reflects the economic conditions which continues to decline in Atikokan.



**Exhibit 4 – Operating Expenses**

**11. Ref: Exhibit 3/Tab 3/Schedule 3/Tables 3-33 and 3-34**

For Merchandise & Jobbing, Atikokan Hydro documents 2010 actual revenues of \$86,125, but forecasts revenues of \$55,000 for each of the 2011 Bridge and 2012 Test years.

- a) Please provide unaudited actuals for Merchandise & Jobbing revenues for 2011. Please provide a description of the work performed for which these revenues pertain to.
- b) Please explain any material difference between the 2011 forecast and the 2011 unaudited actuals.
- c) Please provide further explanation of why Atikokan Hydro is forecasting a decline in Merchandise & Jobbing revenues for 2012.

**Response:**

- a) Unaudited actuals for Merchandise and Jobbing revenues 2011 are \$80,561. Revenues received are for one time job costs for recoverable work for light installation at a local commercial business, installation of a tower for Atikokan Enercom; one time work moving line/poles to accommodate a private garage. Since we are a small town Atikokan Hydro recoverable work most often occurs from use of our equipment. Atikokan Hydro does not rent out equipment without operators which means labour costs are also recoverable and produce revenue.
- b) The material difference between the 2011 forecast and the 2011 unaudited actuals are an increase of one time jobs not anticipated. To arrive at our estimated revenues we took the June 30<sup>th</sup> balance and doubled it
- c) Atikokan Hydro is forecasting a decline in Merchandise and Jobbing revenues for 2012 because more time is necessary to work on own infrastructure, poles, and lines. The 2012 forecast reflects the fact that there are no constant jobbing opportunities available. As a result, the forecasted revenues are Atikokan

Hydro's best estimate of these "one-time" events in 2012 that will result in additional revenues.

**12. Ref: Exhibit 4/Tab 2/Schedule 3/Table 4-21 and Appendix 2-H – Regulatory Costs**

Atikokan Hydro has proposed to include \$50,000 in operating expenses, calculated as  $\frac{1}{4}$  of \$200,000 budgeted for the preparation of this Application. In Appendix 2-H, Atikokan Hydro shows \$50,000 as the 2012 portion, fully allocated to external consulting costs. No estimate for intervenors' costs is shown.

Please provide a breakdown, and the basis for the estimate, of regulatory costs budgeted for this Application with respect to:

- a) legal costs;
- b) consulting costs;
- c) intervenor costs; and
- d) OEB costs.

**Response:**

The \$200,000 budgeted for the preparation of this Application includes the following estimated costs

- a) \$30,000 in legal costs ;
- b) \$140,000 in consulting costs;
- c) \$20,000 in intervenor costs; and
- d) \$10,000 in OEB costs.

**13. Ref: Exhibit 4/Tab 2/Schedule 6 – Employee Count and Compensation**

In E4/T2/S6 and Table 4-24, Atikokan Hydro provides information on the number of employees and compensation from its last rebasing in 2008. With respect to the 2012 Test year compared to the 2011 Bridge year, Atikokan Hydro states, at pages 5-6:

Atikokan Hydro's increase in full time employees is dependent on a few factors. Atikokan Hydro may have another retiree [sic] in 2012 and will require to hire an apprentice if the employee chooses to retiree [sic]. Atikokan Hydro estimates this to cost an additional \$30,000. Furthermore, if the demands of the smart meters continue, another employee will be required on a full time basis. This is expected to be another \$30,000 to Atikokan Hydro. (Currently, Atikokan Hydro has one part-time employee; less than three, who is considered to be Full-Time for purposes of this application) These factors have been taken into consideration when forecasting the total 2012 test year employee costs. Further, the April 1, 2012 wage increases were also taken into consideration by taking 2011 wages adding 2.5% as per the collective agreement.

In Table 4-24, there is documented an increase of FTEs of 1 (from 8 to 9) and a change in compensation of \$73,876 from 2011 to 2012.

- a) Please explain how Atikokan Hydro has estimated an incremental cost of \$30,000 for the 2012 test year for the expected retirement.
- b) Atikokan Hydro's evidence reads as if this potential retirement could be voluntary or discretionary. Has the retirement occurred or been confirmed?
- c) Will Atikokan Hydro find itself in a similar situation regarding succession planning for its workforce in subsequent years (i.e., are retirements likely to continue in 2013, 2014, etc.), or is 2012 a one-time occurrence?
- d) Please explain what smart meter-related demands Atikokan Hydro is referring to as justifying a \$30,000 increase in compensation and an increase in work force.
- e) Atikokan Hydro has documented an increase in staffing from 7 to 9 employees from 2008 to 2012, and also notes increased costs for outside services. At the same time,

Atikokan Hydro documents a decline in the number of customers and in the energy consumption. Please provide further explanation of the increases in the number of employees and compensation and the increase in outside services used, given a reduction in demand.

**Response:**

- a) Atikokan has estimated an incremental cost of \$30,000 for the 2012 test year for the expected retirement associated with hiring a lineman in training prior to the expected retirement. This estimation is based on an entry level position and consideration of Atikokan Hydro's current collective agreement; hiring mid-year of 2012.
- b) Atikokan Hydro's evidence reads potential retirement because at the time of Atikokan's Cost of Service submission; the retirement was not confirmed as the employer had not formally been given written notice of an exit date of retirement. The retirement has now been confirmed and is expected December of 2012.
- c) Atikokan Hydro may find itself in a situation regarding succession planning for two other employees in its workforce potentially within the next ten years.
- d) Listed in Atikokan's Cost of Service application was a \$30,000 increase in compensation and an increase in workforce as a result of smart-meter related demands. During the filing of the Cost Of Service, Atikokan had not fully adopted smart-meter time-of-use billing. For this reason, it was unknown what the full demands of the new billing would require. From time-of-use testing and discussions with the Northwest Group, Atikokan believed the meter reading processing changes require substantially more attention to the read and verification processes in preparation of actually billing the customer. Atikokan currently employs a permanent part-time position to help with the new billing system demands but felt it should be budgeted to hire the position full-time if necessary as a result of further demands from time-of-use.
- e) The staffing increase from 7 to 9 employees from 2008 to 2012 represents retirees, new hires including a new permanent part-time position and a lineman

in training. The increase in outside services is a result of the 2010 IRM filing and the 2012 Cost of Service Filing.

**14. Ref: Exhibit 4/Tab 2/Schedule 7/page 1 – Asset Retirement Obligations**

- a) Please confirm that Atikokan Hydro has not recognized any asset retirement obligations.
- b) Please confirm that Atikokan Hydro will not seek recovery of any asset retirement obligations in the future.

**Response:**

- c) Atikokan Hydro has not recognized any asset retirement obligations
- d) Atikokan Hydro does not anticipate recovery of any asset retirement obligations in the future.

**15. Ref: Exhibit 4/Tab 2/Schedule 1 – Efficiencies**

On page 4 of E4/T2/S1, Atikokan Hydro states:

Meter reading is completed using Savage Data for smart meters with the exception of a few customers who have smart meters with demand that have to be read and reset by line crew. The time spent meter reading has significantly been reduced. There is no cost savings to Atikokan Hydro as the meter reading has always been completed by in-house staff; line crew. This however does allot more available to complete other OM&A activities.

- a) Please explain Atikokan Hydro's statement that this does not result in cost savings. Does the automation of most of this not mean that staff is available to work on other matters such as maintenance and operations, to improve reliability and safety and to reduce load losses? Would this mean that overtime expenses should be, or have been, reduced as a result?
- b) Please explain how this re-deployment of staff for other OM&A expenses has been factored into Atikokan Hydro's 2012 Test year forecast

**Response:**

- a) The automation of most of this makes staff available to work on other matters such as maintenance and operations, to improve reliability and safety, The cost to operate the automatic system [Hosted AMI services] as well as the various maintenance agreements to maintain the system are in fact greater than the value of the manual meter reading costs [once again for small LDCs].It is not possible to quantify such benefits as savings at this time. Atikokan Hydro is unable to estimate how this would impact on overtime expenses since the major contributor to these expenses is weather related call outs.
- b) Atikokan Hydro expects that time spent previously to read meters will be used to work on capital programs that will support the asset management plan.



**16. Ref: Exhibit 4/Tab2/Schedule 6 – Ontario Municipal Employees Retirement System Pension Costs**

On page 1 of E4/T2/S6, Atikokan Hydro states that all full-time staff participate in the OMERS pension plan. OMERS has announced a three-year contribution rate increase for its members and employers for the years 2011, 2012, and 2013. Please state whether or not Atikokan Hydro's proposed pension costs include this increase. If so, please provide the forecasted increase by years and the documentation to support the increases. If not, please state how Atikokan Hydro proposes to deal with this increase.

**Response:**

Atikokan Hydro projected pension costs for 2012 factored pension cost increases. The contribution calculated was based on using an 2011 projection plus an additional 2.5%. The projected 2011 pension costs was based on the actual employer contributions for the first 15 pays of the year and factoring the remainder of the year's contributions; 11 remaining pay's. Atikokan notes, \$44,143 was the projected 2011 pension amount and unaudited 2011 pension amount is actually \$44,437. 2012 is further forecasted at \$45,229 which is the amount included in the application. For 2013, Atikokan Hydro expects pension costs to further increase but has not reflected any costs associated with 2013 in the application considering rate mitigation is needed with the 2012 cost structure to alleviate some bill impacts.

**17. Exhibit 4 – Donations**

Please identify whether or not Atikokan Hydro has included any charitable or political donations as part of its forecast OM&A expense for the 2012 Test Year. If yes, please identify the amounts and the account in which the donations are recorded, and whether the amounts are compliant with Section 2.7.2.5 of the *Filing Requirements for Transmission and Distribution Applications*, issued June 22, 2011

**Response:**

Atikokan Hydro has not included any charitable or political donations as part of its forecast OM&A expense for the 2012 Test Year. Atikokan Hydro does not make either charitable donations or political contributions.

**PILs**

**18. Ref: Taxes/PILs Excel Model**

- a) On Sheet "L. Sch. 7-1 Loss C fwd Bridge", Atikokan Hydro shows that it is applying the historical loss carry-forward of \$4382 to the 2011 Bridge year to reduce taxable income. However, it appears from other sheets, that Atikokan Hydro has a negative net taxable income before taxes. Please confirm and explain that the loss carry-forward is applicable for the 2011 Bridge year.
- b) On Sheet "M. Adj. Taxable Income Bridge", there is no entry in cell E8 "Income before taxes/PILs". Please confirm that the 2011 Bridge year amount should be \$nil. If not, please correct.
- c) If there are adjustments above that would affect the estimated taxes or PILs payable for the 2012 Test year, please revise the Taxes/PILs spreadsheet for the 2012 Test Year.

**Response:**

- a) Yes Atikokan confirms the loss carry-forward is applicable for the 2011 Bridge year; however, Atikokan anticipates a loss for the 2011 Bridge Year; therefore, the loss carry-forward will not likely be applied.
- b) Atikokan confirms cell E8 for the 2011 Bridge year should be \$nil.
- c) Consistent with the Board's Decision on a similar issue in Atikokan Hydro 2008 cost of service application (EB-2008-0014), Atikokan Hydro has not made any adjustments to the 2012 Test year PILs for any loss carry-forward from previous years.

***Exhibit 5 – Cost of Capital***

**19. Ref: Exhibit 5/Tab 1/Appendix A – Long-term Affiliated Debt**

Please provide copies of the following documents:

- a) Loan with Town of Atikokan, with a December 31, 2010 principal of \$1,282,096;
- b) Loan with Atikokan Enercom Inc., with a December 31, 2010 principal of \$400,000;  
and
- c) Copy of Resolution 389 dated January 21, 2009.

**Response:**

- a) A copy of the loan with Town of Atikokan, with a December 31, 2010 principal of \$1,282,096 is provided below.



## Town of Atikokan

Box 1330, 120 Marks Street  
Atikokan, Ontario P0T 1C0

Office of the Mayor  
807-597-1234 x235  
Administration/Accounting  
807-597-1234  
Community Services  
807-597-1234 x232 or x229  
Director of Public Works  
807-597-1234 x231  
Fire/Building  
807-597-1234 x228  
Office Fax: 807-597-6186  
[www.atikokan.ca](http://www.atikokan.ca)

March 24, 2011

Wilf Thorburn  
Atikokan Hydro  
Atikokan, Ontario  
P0T 1C0

Dear Wilf:

I confirm the outstanding balance of the Atikokan Hydro loan as at December 31, 2010 is \$1,282,096.59. I also confirm the annual interest rate of 5.0% and the monthly payment which includes interest of principal is \$6,300.00.

Please do not hesitate to contact me if you have any questions or concerns.

Regards,

A handwritten signature in black ink, appearing to read 'André Morin', is written over a horizontal line.

André Morin  
CAO/Treasurer

- b) A copy of the loan with Atikokan Enercom Inc., with a December 31, 2010 principal of \$400,000 is provided below



117 Gorrie Street, Box 1480  
Atikokan, Ontario P0T 1C0

Telephone (807)597-6600  
Fax (807)597-6988  
e-mail wilf.thorburn@athydro.com


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### Atikokan Hydro Loan Agreement with Atikokan Enercom

Atikokan Enercom agreed by resolution on January 21, 2009 to loan Atikokan Hydro up to \$400,000.00 at one half percent above prime. The loan is for interim financing of capital projects carried forward from last year and smart meters.

The loan will be repaid with interest at the above noted rate upon completion of the above items.

CEO:   
Wilf Thorburn

President:   
Herb Roehrig

Resolution <sup>\*</sup> 389

c) A copy of Resolution 389 dated January 21, 2009 is provided below.

**ATIKOKAN ENERCOM INC.**

Jan 21 2009

MOVED BY: *V Proschul*

SECONDED BY: *M Ramak*

RESOLVED:

That Atikokan Enercom loan up to \$400,000.00 to Atikokan Hydro Inc for interim financing in various capital projects. Interest to be paid at a rate ~~greater than the investment by \_\_\_\_\_%~~

*1/2 % above prime*

RESOLUTION NO. 389 CARRIED BY *J. Huber*

**20. Ref: Exhibit 5/Tab 1/Schedule 1/page 2 – Long-term Debt**

E5/T1/Appendix A states that three of the debt instruments, including the debt due to Atikokan Enercom Inc. and the two loans due to TD Canada Trust, have variable rates set at “prime +”.

- a) E5/T1/S1/page 2/line 4 provides a table with the forecasted rates for all instruments. Please provide the estimate of the prime rate used for the forecasts of each of the TD Canada Trust loans and for the Atikokan Enercom Inc. loan. Please provide the date of the prime rate used and the source.
- b) How frequently is the applicable rate updated for each loan?
- c) If the rates have been updated since the filing of the Application on September 29, 2011, please provide the updated rates and the date of the update.

**Response:**

- a) The prime rate was taken from TD Canada Trust Web site. The prime rate has been 3% since Sep 9, 2010. The first TD Canada Trust loan is prime plus 1% and the second TD loan is prime plus 1.25. The Atikokan Enercom loan is prime plus 0.5%. For the purpose of this application Atikokan Hydro has made an assumption that the Atikokan Enercom loan assumes a prime rate of 3.25. Atikokan Hydro understands that the assumed prime rate for the TD loan and the Atikokan Enercom is not consistent but the difference is immaterial.
- b) This rate is updated to follow posted bank prime rates. The prime rate has not changed since Sep 9<sup>th</sup>, 2010.
- c) The rates have not changed since the filing of the Application on September 29, 2011.



## ***Exhibit 8 – Rate Design***

### ***Transformer Allowance Credit***

#### **21. Ref: Exhibit 8/Tab 1/Schedule 4 – Transformer Allowance Credit**

In Exhibit 8/Tab 1/Schedule 1, Atikokan Hydro states:

Currently, Atikokan Hydro provides a Transformer Allowance to those customers that own their transformation facilities. Atikokan Hydro proposes to maintain the current approved transformer ownership allowance of 10% of the distribution volumetric rate for the GS > 50 kW class (i.e. \$0.17 per kW). The Transformer Allowance is intended to reflect the costs to a distributor of providing step down transformation facilities to the customer's utilization voltage level. Since the distributor provides electricity at utilization voltage, the cost of this transformation is captured in and recovered through the distribution rates. Therefore, when a customer provides its own step down transformation from primary to secondary, it should receive a credit of these costs already included in the distribution rates.

Establishing the Transformer Allowance Credit at 10% of the volumetric rate for the customer class that the customer was in was determined by the Board in its consideration of Atikokan Hydro's application for 2006 rates. In its Decision with respect to with respect to that application, the Board stated:

The Board finds the current situation of the utility, whereby the transformer allowance credit exceeds the distribution volumetric charge, is not sustainable. To maintain the financial integrity of Atikokan Hydro while providing some compensation and incentive to customers who have purchased or may be considering purchasing their own transformers, the Board authorizes the transformer ownership credit for Atikokan Hydro to be equal to 10% of the distribution volumetric charge applicable to the customer.

- a) Since Atikokan Hydro is proposing an increased volumetric rate for customers in the

- GS > 50 kW class of \$2.1813/kW, why is the Transformer Allowance Credit not proposed to increase to \$0.21813/kW?
- b) Please recalculate the transformer allowance credit and the adjustment to the GS > 50 kW class assuming that the Transformer Allowance Credit is set equal to 10% of the volumetric rate.
  - c) With the consolidation of the previous GS 50 to 999 kW and GS 1,000 to 4,999 kW classes approved by the Board in Atikokan Hydro's last Cost of Service rebasing application, the volumetric rate for the GS > 50 kW class is significantly higher than \$0.60/kW. Board staff also observes that Sheet O3.1 would support a Transformer Allowance Credit of \$0.31/kW. Please provide Atikokan Hydro's views on the appropriateness of adopting a Transformer Allowance Credit of \$0.31/kW based on the cost allocation model results and the fact that the class volumetric rate is significantly higher than any TAC.

**Response:**

- a) In the application, Atikokan Hydro is proposing an increased volumetric rate for customers in the GS > 50 kW class of \$2.3684/kW. As a result, the Transformer Allowance Credit should have been proposed to increase to \$0.24/kW
- b) The recalculated transformer allowance credit and the adjustment to the GS > 50 kW class assuming that the Transformer Allowance Credit is set equal to 10% of the volumetric rate is \$1,604 (i.e. 6,684 kW times \$0.24/kW) as compared to \$1,147 shown in the application.
- c) In Atikokan Hydro's view, it would be appropriate to adopt a Transformer Allowance Credit of \$0.31/kW based on the cost allocation model results and the fact that the class volumetric rate is significantly higher than any TAC. Atikokan Hydro would seek direction from the Board in this regard.

**Loss Factors**

**22. Ref: Exhibit 8/Tab 1/Schedule 3**

In Table 8-9, Atikokan Hydro shows the following distribution system loss factors, by year:

	Historical Years					5-year average
	2006	2007	2008	2009	2010	
Loss Factor in Distributor's System	1.0624	1.0536	1.0949	1.1014	1.0733	1.0730

Board staff observes a significant increase in distribution system losses, calculated on a percentage basis, in 2008. Early in 2008, Atikokan Hydro had a reduction in load due to loss of a major customer, and the utility has noted the decline in customer base and demand in its evidence in Exhibit 3 of the Application.

Atikokan Hydro also documents that another factor contributing to its losses is the presence of 23 km of 44 kV sub-transmission line owned and operated by the utility to deliver electricity from Hydro One's Moose Lake TS to the distribution network in the Town of Atikokan.

Nonetheless, distribution system losses of the magnitude calculated by Atikokan Hydro are significantly higher than for most utilities, and result in increased costs being borne by Atikokan Hydro's ratepayers.

- a) Please explain the drivers of the increased system losses since 2007.
- b) Please explain in some detail what efforts Atikokan Hydro has undertaken in recent years, or has planned for the 2012 Test year, for system refurbishment, replacement, or maintenance to address the level of distribution system losses. If Atikokan Hydro is not trying to address this as a capital or operational priority, please explain why.

**Response:**

- a) With the movement to a new billing system in 2009 Atikokan Hydro no longer has the detailed information to investigate the reasons for the loss factor in 2006 and 2007. As a result, Atikokan Hydro is unable to explain the drivers for the increased system losses since 2007 since it is unable to fully investigate the 2007 value.
- b) Please refer to the map included as exhibit "B."
- i. This is similar to the map outlined in the application at Exhibit 1 Tab 1 Appendix C Page 1 of 1 Filed: September 29, 2011. This map is from MNR [Ministry of Natural Resources] as it relates to our land user permits. Let us consider the items that make up our distribution system and how they contribute to the loss factor. Atikokan Hydro's wholesale metering [registered with the IESO], is located adjacent to Moose Lake TS. Our distribution system is further broken down into two basic components: the 44 kV portions which deliver the electricity to our sub stations; and our normal distribution system [2400 /4160 in the Caland area and 8320 / 4800 in the remaining areas]. Normal losses will occur in the distribution system from the distribution lines and transformers. While 44 kV lines have been declared as distribution assets, the MNR still classifies them as transmission assets [they are actually sub transmission in purpose]. The green squares are substations or transformer stations, but have been labelled to indicate purpose. If one was to assume a 4.3% loss for an LDC as sparse as Atikokan Hydro, then it would be reasonable to assume 3% for the 44 kV line. The loss attributed to the 44 kV lines is accumulated on the wholesale meters prior to the power reaching any of our customers.
  - ii. Note on the map MacKenzie TS [not to be confused with MacKenzie DS]. The MacKenzie TS is a 230 kV TS owned by Hydro One, that has a 115 kV tertiary winding that often supplies Moose Lake TS[Atikokan Hydro's present supply point]. In the 1993 – 1995 period, Atikokan Hydro did preliminary investigation towards building a DS in close proximity to the MacKenzie TS as opposed to purchasing the two 44 kV lines from Ontario Hydro. The preliminary cost of such an investment was between 2 and 3 million dollars, plus stranded asset costs from Moose Lake TS that Atikokan Hydro would need to absorb.

- iii. Assume a cost of \$2 million for a new substation, and assume a 5% interest rate. This would require \$100,000 per year for interest on the debt without consideration for principal. Assume electricity sales of \$2 million, and apply a 3% line loss savings [if the 44 kV lines were removed from the system]. This would yield a \$60,000 yearly savings. The savings to be passed back to the customers would not even cover the interest charges on the investment, thus rendering such an investment as not in the best interest of Atikokan Hydro's customers.
  
- iv. Just as the number of poles per customer and number of street lights per customer is a higher ratio than the provincial average, our line losses will be different than in other places, even though the higher losses prove to be the least cost method of operation.

***Proposed Tariff of Rates and Charges***

**23. Ref: Exhibit 8/Tab 1/Schedule 6 and Exhibit 8/Tab 1/Schedule 7 – Proposed Tariff and Revenue Reconciliation**

E8/T1/S6 provides the proposed Tariff of Rates and Charges. E8/T1/S7 provides the reconciliation of the class revenue requirement and the revenues recovered from proposed rates. Table 8-11 replicates Appendix.2\_U\_Rev\_Reconciliation of the Appendices to *Chapter 2 of the Filing Requirements for Transmission and Distribution Applications*, issued June 22, 2011.

Board staff observes that the revenue reconciliation nets to \$nil as Atikokan Hydro has not rounded the proposed monthly service charge and volumetric rates to what it is showing on the proposed Tariff of Rates and Charges. All proposed rates should be rounded to correspond with what the utility will be authorized to charge if the Application is approved as filed.

If, as a result of responses to all other interrogatories, Atikokan Hydro is revising its proposed rates, please provide updates of the proposed Tariff of Rates and Charges and of Table 8-11 and App.2-U\_Rev\_Reconciliation.

**Response:**

As outlined in response to Board Staff IR#57, Atikokan Hydro is revising its proposed rates resulting from the response to Board Staff and VECC interrogatories. The updated proposed Tariff of Rates and Charges is provided in Appendix "A" The revised Table 8-11 and App.2-U\_Rev\_Reconciliation is provided below

Rate Class	Customers/ Connections	Number of Customers/ Connections	Test Year Consumption		Proposed Rates		
		Average	kWh	kW	Monthly Service Charge	Volumetric kWh	kW
Residential	Customers	1,424	11,395,913		\$ 41.35	\$0.0164	
GS < 50 kW	Customers	235	6,387,021		\$ 87.79	\$0.0112	
GS > 50 to 4,999 kW	Customers	15		14,205	\$607.88		\$ 2.3684
Sentinel Lighting	Connections	623		1,316	\$ 13.45		\$ 16.5828
<b>Total</b>							

Revenues at Proposed Rates	Service Revenue Requirement	Transformer Allowance Credit	Total	Difference
\$ 893,234	\$ 892,873		\$ 892,873	-\$ 361
\$ 319,055	\$ 318,779		\$ 318,779	-\$ 275
\$ 142,034	\$ 140,431	\$ 1,604	\$ 142,035	\$ 1
\$ 122,446	\$ 122,417		\$ 122,417	-\$ 30
<b>\$ 1,476,769</b>	<b>\$ 1,474,500</b>	<b>\$ 1,604</b>	<b>\$ 1,476,104</b>	<b>-\$ 665</b>

**24. Ref: Exhibit 8/Tab 1/Schedule 8 and Exhibit 3/Tab 2/Schedule 1/Table 3-10 – Bill Impacts and Rate Mitigation**

In E8/T1/S8, Atikokan Hydro documents the bill impacts resulting if its Application is approved as filed. This includes the proposed rate mitigation of deferring disposition of Groups 1 and 2 Deferral and Variance account balances to 2013 and inclusion of a rate rider of a credit of \$0.0034/kWh to reduce the bill impact on a residential customer to under 10%.

From Atikokan Hydro's evidence in Table 3-10 in Exhibit 3, Atikokan Hydro shows a 2012 test year average annual consumption of 6973 kWh. This works out to an average monthly consumption of 581 kWh, significantly below the commonly accepted "normal" residential monthly consumption of 800 kWh.

What this suggests is that, based on the estimated bill impacts for Residential customers with 500 kWh and 680 kWh consumptions, the overall bill impacts will still exceed 10% for a typical residential customer in Atikokan.

- a) Please provide Atikokan Hydro's perspective on what is a "typical" residential bill, and whether the mitigation proposal based on the 800 kWh Residential customer bill impact being limited to 10% will still result in significant bill increases for the majority of customers.
- b) Please provide Atikokan Hydro's perspective on whether further mitigation may be warranted to address significant bill impacts over 10% if necessary. If Atikokan Hydro believes that further mitigation efforts may be necessary, please provide Atikokan Hydro's proposal.
- c) Please provide evidence on the percentage of customers with typical monthly consumption in the following ranges:
  - i. Less than 500 kWh;
  - ii. 500 to 600 kWh;
  - iii. 600 to 700 kWh;
  - iv. 700 to 800 kWh;
  - v. 800 to 1000 kWh; and
  - vi. Greater than 1000 kWh.

**Response:**



a) Atikokan Hydro has considered the information provided in the preamble to the this interrogatory and is revising it's mitigation proposal to define the "typical" residential bill as being at 581 kWh per month to ensure the typical residential customer in Atikokan will not see a total bill increase of more than 10%.

b) Based on the response to a) Atikokan Hydro is proposing that further mitigation is warranted to address bill impacts over 10% for the typical residential customer in Atikokan. Atikokan Hydro revised mitigation proposal is as follows.

- Step 1: Provide a rate mitigation rate rider for Residential customer of (\$0.0086) per kWh to limit the bill impacts to just under 10% for a Residential customer using 581 kWh per month. This rider will defer about \$98,000 in distribution revenue for one year and Atikokan Hydro is proposing to book this amount in account 1574 Deferred Rate Impact Amounts for future recovery.
- Step 2: Defer the disposition of the 2010 Group 1 and 2 deferral and variance account balances until the 2013 IRM application. By the time Atikokan Hydro is preparing its 2013 IRM application, the audited 2011 balances for deferral and variances account should be known. In order to support the rate mitigation plan Atikokan Hydro is seeking approval from the Board to bring forward its audited 2011 Group 1 and 2 deferral and variances accounts balance for disposition in its 2013 IRM application.

It should be noted that one of main reason for the increase in the mitigation amount results from higher retail transmission rates arising from higher Uniform Transmission Rate recently approved by the Board.

- c) The following provides the percentage of customers with typical monthly consumption in the following ranges.

Residential average 30 day consumption for 2010				
Consumption		Total	Count	Percent
From	To	Consumption		
0	500	239,376	702	29.84
501	600	105,466	194	13.15
601	700	109,937	170	13.70
701	800	86,172	115	10.74
801	1,000	115,713	128	14.42
Greater than 1000		145,552	99	18.14

Residential average 30 day consumption for 2011				
Consumption		Total	Count	Percent
From	To	Consumption		
0	500	239,134	701	28.23
501	600	107,452	195	12.69
601	700	106,681	165	12.59
701	800	99,488	133	11.75
801	1,000	124,340	120	14.68
Greater than 1000		169,957	99	20.06

***Exhibit 9 – Deferral and Variance Accounts***

***Deferral and Variance Accounts Other than Accounts 1562, 1555 and 1556***

**25. Ref: Exhibit 9/Tab 1/Schedule 2/page 1**

In its application, Atikokan Hydro states:

In addition, at the time this application was being prepared Atikokan Hydro's 2010 deferral and variance account balances were under an audit review by Board staff from the Regulatory Audit & Accounting department. The outcome of this audit could impact the 2010 balances which suggest to Atikokan Hydro that seeking disposition of these amounts would not be prudent at this time.

Board staff would like to clarify that the Board's Regulatory Audit and Accounting department has not undertaken an audit review of Atikokan Hydro's 2010 deferral and variance account ("DVA") balances. Board staff understands that Atikokan Hydro has had discussions with Regulatory Audit and Accounting staff in June 2011, where the latter provided some guidance regarding regulatory accounting treatment of deferral and variance accounts. The guidance included references to Article 490 of the Accounting Procedures Handbook and the accounting procedures for recording the balances in the DVAs. Please confirm that Atikokan Hydro has the same understanding of its discussions and interactions with the Board's Regulatory Audit and Accounting department.

**Response:**

Atikokan Hydro has the same understanding of its discussions and interactions with the Board's Regulatory Audit and Accounting department.

**26. Ref: Exhibit 9 and Deferral and Variance Account Continuity Schedule**

Has Atikokan Hydro made any adjustments to deferral and variance account balances that were previously approved by the Board, subsequent to the balance sheet date that are proposed to be cleared in the current application? If yes, please provide explanations for the nature and amounts of the adjustments and include supporting documentation.

**Response:**

Atikokan has not made adjustments to the deferral and variance account balances that were previously approved by the Board. Atikokan withdrew the request to dispose of balances in the 2008 Cost of Service Application.

**27. Ref: Page 6 of Revised Evidence for Accounts 1592 filed on December 14, 2011, Chapter 2 of Filing Requirements for Transmission and Distribution Applications, issued June 22, 2011**

Page 47 of the Chapter 2 of the revised *Filing Requirements for Transmission and Distribution Applications*, issued June 22, 2011, states that:

The Board expects distributors to file for disposition of account 1592 in their cost of service applications.

In this Application, Atikokan Hydro states that:

Consistent with the rate mitigation plan set out in the Atikokan Hydro's 2012 cost of service rate application, Atikokan Hydro is seeking to defer the disposition of the balance in account 1592 until the 2013 IRM application.

Independent of its proposal, and in the case that the Board does consider disposition of Atikokan Hydro's DVA balances, please complete and file Appendix 2-T from Chapter 2 of the Filing Requirements published June 22, 2011 in support of the request for the disposition of account 1592.

**Response:**

The completed Appendix 2-T from Chapter 2 of the Filing Requirements published June 22, 2011 that supports the 1592 additional evidence filed by Atikokan Hydro on December 14, 2011 is provided below

**Appendix 2-T  
 Deferred PILs Account 1592 Balances**

Tax Item	Principal as of April 30, 2012
2010 PST/HST Adjustment	\$5,105
2010 Carrying Charges	\$14
2011 PST/HST Adjustment	\$8,215
2011 Carrying Charges	\$135
2012 PST/HST Adjustment	\$1,890
2012 Carrying Charges	\$72
<b>Total</b>	<b>\$15,431</b>

**28. Ref: Page 6 of Revised Evidence for Account 1592 filed on December 14, 2011**

The Provincial Sales Tax (“PST”) and the Federal Goods and Services Tax were harmonized into the Harmonized Sales Tax (“HST”) effective July 1, 2010. As a result of this harmonization, applicants may benefit from an overall net reduction in costs in the form of Input Tax Credits (“ITCs”). This arises due to cost decreases from the receipt of additional ITCs on the purchases of goods and services previously subject to PST that have become subject to the HST. These cost decreases may be partially offset by cost increases on certain items that were not previously subject to PST but become subject to the HST with no additional ITCs having been granted (i.e., these items are subject to recaptured ITC requirements).

During the 2010 IRM application process, the Board directed electricity distributors to record in deferral account 1592 (PILs and Tax Variances, Sub-account HST/OVAT Input Tax Credits (“ITCs”)), beginning July 1, 2010, the incremental ITCs received on distribution revenue requirement items that were previously subject to PST and became subject to HST.

In December 2010, as part of its Frequently Asked Questions on the *Accounting Procedures Handbook* for electricity distributors, the Board provided accounting guidance on this matter and provided a simplified approach designed to facilitate administrative cost-saving opportunities.

No additional amounts should be recorded in Account 1592 (PILs and Tax Variances, Sub-account HST/OVAT ITCs) for the Test Year and going forward, as the impact of the HST and associated ITCs on capital and operating costs in the Test Year should be reflected in the applied-for revenue requirement. For the 2012 Test Year, for example, entries to record variances in the sub-account of Account 1592 would cover the period from July 1, 2010 to December 31, 2011 since the Test Year would include the HST impacts in rates going forward.

- a) Please confirm that zero amounts will be recorded in Account 1592, sub-account HST/OVAT ITCs for the 2012 Test Year and going forward. If this is not the case, please explain.
- b) Please confirm that only the balance in Account 1592 “Sub-account HST / OVAT ITCs” is being requested for disposition, and not the contra account Account 1592

“HST/OVAT Contra Account”, which is used only for RRR reporting purposes. If this is not the case, please explain.

**Response:**

- a) Atikokan Hydro confirms that zero amounts will be recorded in Account 1592, sub-account HST/OVAT ITCs for the 2012 Test Year and going forward.
- b) Atikokan Hydro confirms that only the balance in Account 1592 “Sub-account HST / OVAT ITCs” is being reviewed as part of this application for possible requested for disposition, and not the contra account 1592 “HST/OVAT Contra Account”.

**29. Ref: Exhibit 9/Tab 1/Schedule 1/Table 9-1 Account 1521**

According to the Board's letter of April 23, 2010 with respect to the Special Purpose Charge:

In accordance with section 9 of the SPC Regulation, recovery of your SPC assessment is to be spread over a one-year period, starting from the date on which you begin billing to recover your assessment. The request for disposition of the balance in "Sub-account 2010 SPC Variance" and "Sub-account 2010 SPC Assessment Carrying Charge" should be made after that one-year period has come to an end, and all bills that include amounts on account of that assessment have come due for payment.

In accordance with section 8 of the SPC Regulation, you are required to apply to the Board no later than April 15, 2012 for an order authorizing you to clear any debit or credit balance in "Sub-account 2010 SPC Variance.

- a) Please confirm that Atikokan Hydro is requesting disposition of Account 1521 in compliance of the Board's requirement. In the alternative, please explain.
- b) Please provide the timing of the completion of the recovery period.
- c) Please provide the principal balance in account 1521, "Sub-account 2010 SPC Variance" as of the completion of the recovery period.
- d) Please provide the forecasted carrying charges in "Sub-account 2010 SPC Assessment Carrying Charges" as of April 30, 2012.
- e) Please provide a copy of the original invoice of the amount Atikokan Hydro has paid with respect to the SPC Assessment.
- f) Please confirm Atikokan Hydro's beginning and ending billing dates to customers for the SPC Assessment.



g) 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	Carrying Charges for 2012 (Jan 1 to April 30)	Total for Disposition (Principal & Interest)

**Response:**

- a) In the context of the rate mitigation plan Atikokan Hydro expects to be requesting disposition of Account 1521 as part of its 2013 IRM application.
- b) The timing of the completion of the recovery period is April 30, 2011.
- c) The principal balance in account 1521, "Sub-account 2010 SPC Variance" as of April 30, 2011 is \$1,592.22.
- d) The forecasted carrying charges in "Sub-account 2010 SPC Assessment Carrying Charges" as of April 30, 2012 is 138.31.
- e) A copy of the original invoice of the amount Atikokan Hydro has paid with respect to the SPC Assessment is provided below

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

**To:** Atikokan Hydro Inc.  
 117 Gorrie Street  
 Atikokan, ON P0T 1C0  
 Attn: W. Thorburn, CEO/Secretary/Treasurer

**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 2962
Customer Site No./ N° d'emplacement du client 1060841
Invoice Date/Date de la facture April 16, 2010 Invoice No./ N° de la facture 50001
Due Date/ Date d'échéance July 30, 2010
Payment Amount/ Montant remis <b>CAD \$ 10,059</b>

*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. 27<sup>th</sup> 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<sup>e</sup> 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.*

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

CEO: W. Thorburn  
 56340100

- f) Atikokan Hydro's beginning and ending billing dates to customers for the SPC Assessment were May 1, 2010 through April 30, 2011.

g) The requested table has been completed.

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	Carrying Charges for 2012 (Jan 1 to April 30)	Total for Disposition (Principal & Interest)
10059.00	-4477.23	33.13	5581.77	33.13	-3989.55	77.66	1592.22	110.79	27.52	1730.53

**30. Account 1588 RSVA Power and 1588 RSVA Sub-account Global Adjustment**

- a) Does Atikokan Hydro pro-rate IESO Charge Type 146 Global Adjustment into the RPP and non-RPP portions? If not, why not? If so, please provide the supporting spreadsheet for the year 2010 showing the pro-ration of the IESO Charge Type 146 Global Adjustment into RPP and non-RPP portions.
- b) Is the RPP portion included in the Account 4705 control account and then incorporated into the variance reported in Account 1588 control account? If not, why not? If so, please provide the journal entries for the month of December 2010 to record the RPP portion of global adjustment in Account 4705 control account and incorporate it into the variance reported in Account 1588 control account.
- c) Is the non-RPP portion included in Account 4705 sub-account Global Adjustment and then incorporated into the variance reported in Account 1588 sub-account Global Adjustment? If not, why not? If so, please provide journal entries for the month of December 2010 to record the non-RPP portion of global adjustment in Account 4705 sub-account Global Adjustment and incorporate it into the variance reported in Account 1588 sub-account Global Adjustment.
- d) If any of the responses to parts a), b), or c) above indicate that this process is not being followed, please make appropriate adjustments and file the updated evidence. Please provide explanations for any changes made.

**Response:**

- a) Atikokan Hydro does pro-rate IESO Charge Type 146 Global Adjustment into the RPP and non-RPP portions. The supporting spreadsheet for the year 2010 showing the pro-ration of the IESO Charge Type 146 Global Adjustment into RPP and non-RPP portions are provided below.

Charges for settlement statements issued : Dec 1-30 2010		paid jan 2011		Power bill	
Charge Type	Description	Amount			
				50020100	Energy Rpp
				50020101	Energy Nonrpp
0101	Net Energy Market Settlement for Non-Dispatchabl	86765.97	0.03472	50020300	line 142
0142	Regulated Price Plan Settlement Amount	2239.31			
0146	Global Adjustment Settlement Amount	80643.82	0.03227	50020400	global Rpp
				50030100	global nonrpp
				47050101	54138.90
				47050102	32627.07
				47050103	2239.31 50020300
				47050105	
				15880300	
				kwh	1,559,300.19 wiff spread sheet
					0.03472 d5
					54138.9026 rpp portion POWER
				1,559,300.19	
0753	Rural Rate Settlement Charge	3248.28	2,498,676.92	0.03227	
	Rra rate prior .001			50318.61713	RPP portion global
	RRA change may 1 2010power .0013				
				30,325.20	non rpp 50020101
				50318.62	rpp global 50020400
Invoice Total		229827.72		80,643.82	should =c7

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Note: Atikokan divides the Rural Rate assistance dollar amount (line 0753 from the IESO power bill) by the constant rate of .0013 to compute the total kWh's (2,498,676.92 shown above) from the IESO power bill. The total kWh's are further divided into RPP and non-RPP components based on information from the billing system. The RPP and non-RPP kWhs are multiplied by the monthly global adjustment rate of \$0.03227/kWh to determine the prorated dollar amounts for the month.

Charges for settlement statements issued : Nov1-30, 2010				Power bill	
Charge Type	Description	Amount			
0101	Net Energy Market Settlement for Non-Dispatchabl	72659.08	0.03250	50020100	Energy Rpp
0142	Regulated Price Plan Settlement Amount	1026.28		50020101	Energy Nonrpp
0146	Global Adjustment Settlement Amount	76346.40	0.03415	50020300	line 142
				50020400	global Rpp
				50030100	global nonrpp
				47050101	40736.68
				47050102	31922.40
				47050103	1026.28
					50020300
				47050105	
				15880300	
				kwh	1,253,436.45 wlf spread sheet
					0.03250 d5
					40736.68463 rpp portion POWER
				1,253,436.45	
				0.03415	
0753	Rural Rate Settlement Charge	2906.36	2,235,661.54	42804.85477	RPP portion global
	Rra rate prior .001				
	RRA change may 1 2010power .0013				
				33,541.55	non rpp 50020101
				42804.85	rpp global 50020400
Invoice Total		202776.89		76,346.40	should =c7

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Charges for settlement statements issued : Oct 1-31				Power bill	
Charge Type	Description	Amount			
0101	Net Energy Market Settlement for Non-Dispatchabl	55689.56	0.03011	50020100	Energy Rpp
0142	Regulated Price Plan Settlement Amount	25113.72		50020101	Energy Nonrpp
0146	Global Adjustment Settlement Amount	74635.97	0.04035	50020300	line 142
				50020400	global Rpp
				50030100	global nonrpp
				47050101	33432.10
				47050102	22257.46
				47050103	25113.72
					50020300
				47050105	
				15880300	
				x kwh	1,110,331.97 wlf spread sheet
					0.03011 d5
					33432.09562 rpp portion POWER
				1,110,331.97	
				0.04035	
0753	Rural Rate Settlement Charge	2404.77	1,849,823.08	44801.89499	RPP portion global
	Rra rate prior .001				
	RRA change may 1 2010power .0013				
				29,834.08	non rpp 50020101
				44801.89	rpp global 50020400
Invoice Total		204007.96		74,635.97	should =c7

Charges for settlement statements issued Sep1-30				Power bill	
Charge Type	Description	Amount			
0101	Net Energy Market Settlement for Non-Dispatchable	61373.83	0.03364	50020100	Energy Rpp
0142	Regulated Price Plan Settlement Amount	-656.83		50020101	Energy Nonrpp
0146	Global Adjustment Settlement Amount	51846.63	0.02842	50020300	line 142
				50020400	global Rpp
				50030100	global nonrpp
				47050101	34314.11
				47050102	27059.72
				47050103	-656.83
					50020300
				47050105	
				15880300	
			x kwh	1,020,038.92	wilf spread sheet
				0.03364	d5
				34314.10927	rpp portion POWER
				1,020,038.92	
				0.02842	
0753	Rural Rate Settlement Charge	2371.74	1,824,415.38	28989.50611	RPP portion global
	Rra rate prior .001				
	RRA change may 1 2010power.0013				
				22,857.12	non rpp
				28989.51	rpp global
					50020101
					50020400
<b>Invoice Total</b>		<b>155384.58</b>		<b>51,846.63</b>	<b>should =c7</b>

Charges for settlement statements issued Aug 1=31				Power bill	
Charge Type	Description	Amount			
0101	Net Energy Market Settlement for Non-Dispatchable	89843.37	0.04659	50020100	Energy Rpp
0142	Regulated Price Plan Settlement Amount	162.40		50020101	Energy Nonrpp
0146	Global Adjustment Settlement Amount	23625.04	0.01225	50020300	line 142
				50020400	global Rpp
				50030100	global nonrpp
				47050101	56696.29
				47050102	33147.08
				47050103	162.40
					50020300
				47050105	
				15880300	
			x kwh	1,216,919.77	wilf spread sheet
				0.04659	d5
				56696.29208	rpp portion POWER
				1,216,919.77	
				0.01225	
0753	Rural Rate Settlement Charge	2506.77	1,928,284.62	14907.26718	RPP portion global
	Rra rate prior .001				
	RRA change may 1 2010power.0013				
				8,717.77	non rpp
				14907.27	rpp global
					50020101
					50020400
<b>Invoice Total</b>		<b>160853.38</b>		<b>23,625.04</b>	<b>should =c7</b>

Charges for settlement statements issued : Jul 1-31				Power bill	
Charge Type	Description	Amount			
				50020100	Energy Rpp
				50020101	Energy Nonrpp
0101	Net Energy Market Settlement for Non-Dispatchabl	108298.05	0.05356	50020300	line 142
0142	Regulated Price Plan Settlement Amount	3425.20			
0146	Global Adjustment Settlement Amount	15161.00	0.00750	50020400	global Rpp
				50030100	global nonrpp
				47050101	62594.01
				47050102	45704.04
				47050103	3425.20 50020300
				47050105	
				15880300	
			x kwh	1,168,670.83	wiif spread sheet
				0.05356	d5
				62594.00965	rpp portion POWER
				1,168,670.83	
0753	Rural Rate Settlement Charge	2628.40	2,021,846.15	0.00750	
	Rra rate prior .001			8765.031225	RPP portion global
	RRA change may 1 2010power .0013				
				6,395.97	non rpp 50020101
				8765.03	rpp global 50020400
<b>Invoice Total</b>		<b>176886.61</b>		<b>15,161.00</b>	<b>should =c7</b>

Charges for settlement statements issued : Jun 1-30				Paid Jul 19	
Charge Type	Description	Amount			
				50020100	Energy Rpp
				50020101	Energy Nonrpp
0101	Net Energy Market Settlement for Non-Dispatchabl	69405.42	0.04145	50020300	line 142
0142	Regulated Price Plan Settlement Amount	2404.61			
0146	Global Adjustment Settlement Amount	41308.44	0.02467	50020400	global Rpp
				50030100	global nonrpp
				47050101	39179.19
				47050102	30226.23
				47050103	2404.61 50020300
				47050105	
				15880300	
			x kwh	945,215.65	wiif spread sheet
				0.04145	d5
				39179.18869	rpp portion POWER
				945,215.65	
0753	Rural Rate Settlement Charge	2177.01	1,674,623.08	0.02467	
	Rra rate prior .001			23318.47009	RPP portion global
	RRA change may 1 2010power .0013				
				17,989.97	non rpp 50020101
				23318.47	rpp global 50020400
<b>Invoice Total</b>		<b>144146.45</b>		<b>41,308.44</b>	<b>should =c7</b>



Charges for settlement statements issued : May 1-31		Paid Jun		Power bill	
Charge Type	Description	Amount			
				50020100	Energy Rpp
				50020101	Energy Nonrpp
0101	Net Energy Market Settlement for Non-Dispatchabl	71044.29	0.04005	50020300	line 142
0142	Regulated Price Plan Settlement Amount	-7549.29			
0146	Global Adjustment Settlement Amount	43142.71	0.02432	50020400	global Rpp
				50030100	global nonrpp
				47050101	40128.90
				47050102	30915.39
				47050103	-7549.29 50020300
				47050105	
				15880300	
			x kwh	1,001,970.05	wilf spread sheet
				0.04005	d5
				40128.9005	rpp portion POWER
				1,001,970.05	
				0.02432	
0753	Rural Rate Settlement Charge	2305.90	1,773,769.23	24367.91162	RPP portion global
	Rra rate prior .001				
	RRA change may 1 2010power.0013				
				18,774.80	non rpp 50020101
				24367.91	rpp global 50020400
<b>Invoice Total</b>		<b>138927.56</b>		<b>43,142.71</b>	<b>should =c7</b>

Charges for settlement statements issued : April 1-30		Paid May		Power bill	
Charge Type	Description	Amount			
				47050101	Energy Rpp
				47050102	Energy Nonrpp
0101	Net Energy Market Settlement for Non-Dispatchabl	63257.45	0.03166	47050103	line 142
0142	Regulated Price Plan Settlement Amount	-8132.68			
0146	Global Adjustment Settlement Amount	70380.45	0.03523	47050105	global Rpp
				15880300	global nonrpp
				47050101	47199.01
				47050102	16058.44
				47050103	-8132.68
				47050105	
				15880300	
			xx kwh	1,490,808.77	wilf spread sheet
				0.03166	d5
				47199.00566	rpp portion POWER
				1,490,808.77	
				0.03523	
0753	Rural Rate Settlement Charge	2597.25	1,997,884.62	52521.19297	RPP portion global
	Rra rate prior .001				
	RRA change may 1 2010power.0013				
				17,859.26	non rpp
				52521.19	rpp global
<b>Invoice Total</b>		<b>\$ 159,393.25</b>		<b>70,380.45</b>	<b>should =c7</b>

Charges for settlement statements issued :		Mar 1-31	Pd in April		Power bill	
Charge Type	Description	Amount				
0101	Net Energy Market Settlement for Non-Dispatchabl	60066.99	0.02870		47050101 Energy Rpp	
0142	Regulated Price Plan Settlement Amount	-19769.20			47050102 Energy Nonrpp	
0146	Global Adjustment Settlement Amount	81772.95	0.03907		47050103 line 142	
					47050105 global Rpp	
					15880300 global nonrpp	
					47050101	25435.93
					47050102	34631.06
					47050103	-19769.20
					47050105	
					15880300	
				kwh	886,269.28	wilf spread sheet
					0.02870	d5
					25435.92834	rpp portion POWER
					886,269.28	
0753	Rural Rate Settlement Charge	2721.16	2,093,200.00		0.03907	
	Rra rate prior .001				34626.54077	RPP portion global
	RRA change may 1 2009power .0013					
					47,146.41	non rpp
					34626.54	rpp global
<b>Invoice Total</b>		<b>158191.54</b>			<b>81,772.95</b>	<b>should =c7</b>

Charges for settlement statements issued :		Feb 1-28 POWER	PD IN MARCH		Power bill	
Charge Type	Description	Amount				
0101	Net Energy Market Settlement for Non-Dispatchabl	80930.49	0.03636		47050101 Energy Rpp	
0142	Regulated Price Plan Settlement Amount	-5799.64			47050102 Energy Nonrpp	
0146	Global Adjustment Settlement Amount	57701.51	0.02592		47050103 line 142	
					47050105 global Rpp	
					15880300 global nonrpp	
					47050101	49135.86
					47050102	31794.63
					47050103	-5799.64
					47050105	
					15880300	
				kwh	1,351,371.35	wilf spread sheet
					0.03636	d5
					49135.86229	rpp portion POWER
					1,351,371.35	
0753	Rural Rate Settlement Charge	2893.66	2,225,892.31		0.02592	
	Rra rate prior .001				35027.54539	RPP portion global
	RRA change may 1 2010power .0013					
					22,673.96	non rpp
					35027.55	rpp global
<b>Invoice Total</b>		<b>\$ 171,430.26</b>			<b>57,701.51</b>	<b>should =c7</b>

Note, the below schedule further calculates the quarterly RPP and non-RPP amounts to be posted to the 4705 control and sub-accounts and the 1588 control and sub-accounts.

October, November, and December for both the RPP and non-RPP are summed allowing the journal entry in response 'c' to be posted.

	Date	Description	Purchase	Sales	Variance	Interest	Principal	Interest	Balance	
Global		Reverse Unbilled	-34697.51	38800.83	4103.32					
	Jan-10	non rpp global	34697.51 non RPP GA	-37739.06	-3041.55	-14.53	open balan	-30392.34	-2125.96	-32518.3
	Feb-10	non rpp global	29608.20 non RPP GA	-26139.78	3468.42	-15.92	1st Qtr	1422.49	-43.39	-31139.2
	Mar-10	non rpp global	22673.96 non RPP GA	-25781.66	-3107.70	-12.94				
	Apr-10	non rpp global	47146.41 non RPP GA	-23842.57	23303.84	-15.95	2nd Qtr	27506.5	2353.81	-1278.89
Disposal 2010		principal			31083.00	-3.85				
		interest				2400.00				
	May-10	non rpp global	17859.26 non RPP GA	-43126.54	-25267.28	-0.28				
	Jun-10	non rpp global	18774.80 non RPP GA	-20387.86	-1613.06	-26.11				
	Jul-10	non rpp global	17989.97 non RPP GA	-14350.53	3639.44	-24.71	3rd Qtr	-15153.78	-77.38	-16510.1
	Aug-10	non rpp global	6395.97 non RPP GA	-17653.96	-11257.99	-20.81				
	Sep-10	non rpp global	8717.77 non RPP GA	-16253.00	-7535.23	-31.86				
	Oct-10	non rpp global	22857.12 non RPP GA	-9466.92	13390.20	-39.24	4th Qtr	26242.95	-77.65	9655.25
	Nov-10	non rpp global	29834.08 non RPP GA	-18232.86	11601.22	-18.31				
	Dec-10	non rpp global unbilled	33541.55 non RPP GA	-38261.05	-4719.50	-20.10				
		unbilled	30325.20	-24354.17	5971.03					
							40018.16			
							9655.25			

	Date	Description	Purchase	Sales	Variance	Interest	Principal	Interest	Balance	
Power		Reverse Unbilled	-128536.48		38696.31					
	Jan-10	4705+4706	128536.48 all power + global	-140706.02	-12169.54	26.32	open	27041.9	20498.56	47540.46
	Feb-10	4705+4706	129998.15 all power + global	-118757.99	11240.16	20.75	1st Qtr	29806.04	35.16	77381.66
	Mar-10	4705+4706	110158.40 all power + global	-119541.78	-9383.38	31.48				
	Apr-10	4705+4706	74924.33 all power + global	-99397.15	-24472.82	22.02	2nd Qtr	-86792.44	-14469	-23879.8
		4705+4706	107645.96 all power + global	-120153.95	-12507.99	15.11				
Disposal 2010		4705+4706				20.59				
		principal only				-78303				
		interest only				-16871				
	May-10	4705+4706	87862.91 all power + global	-86878.04	984.87	-9.56	3rd Qtr	-27906.12	57.98	-51728
	Jun-10	4705+4706	95128.50 all power + global	-85914.54	9213.96	42.6				
	Jul-10	4705+4706	120488.28 all power + global	-122052.30	-1564.02	43.33				
	Aug-10	4705+4706	104943.04 all power + global	-125345.32	-20402.28	49.43	4th Qtr	62703.9	69.71	11045.66
	Sep-10	4705+4706	89706.51 all power + global	-92676.52	-2970.01	55.87				
	Oct-10	4705+4706	125605.17 all power + global	-95273.79	30331.38	37.03				
	Nov-10	4705+4706	116490.21 all power + global	-118001.93	-1511.72	54.46				
	Dec-10	4705+4706 unbilled	139323.90	-128712.60	10611.3					
							-62206.78			
							1390.41			

- b) Yes the RPP portion of the IESO Charge Type 146 Global Adjustment is included in the Account 4705 control account and then incorporated into the variance report in Account 1588 control account. See the following response to 'c' for the journal entry recording the RPP portion of Global Adjustment in account 4705 and into the variance reported in account 1588.
- c) Yes the non-RPP portion of the IESO Charge Type 146 Global Adjustment is included in the Account 4705 sub- account Global Adjustment and then incorporated into the variance report in Account 1588 sub-account. The journal entry below (posted the month of December 2010), supports the recording of both the RPP and non-RPP Global

Adjustment into control/sub account 4705 and recording to the variance account 1588. Note Atikokan Hydro records in the spreadsheets supported in above response 'a' on a monthly basis. The entry is posted quarterly. The below December entry therefore is for the fourth quarter (October through December) and includes the unbilled portion of December's consumption from the IESO power bill received January 2011.

31-Dec-10	Record Variance Oct - Dec for Power and Global Adjustment including unbilled	
158801	RSVA Power Variance - RPP	36,460.95
470501	Power Purchase Variance Adjust - RPP	36,460.95
158803	RSVA Global Adjust Variance - Non-RPP	26,242.95
470504	Global Variance Adjust - Non-RPP	26,242.95
		62,703.90
		62,703.90

d) Not Applicable

**31. Ref: Exhibit 9/Tab 1/Schedule 1/Page 3, Accounts 1580, 1584 and 1586, Board Decision EB-2010-0064, Deferral/Variance Account Work Form – Continuity Schedule, Tab 2 , 2012 Continuity Schedule**

In this Application, Atikokan Hydro states:

The variance for these accounts between the RRR 2.1.7 Trial Balance and the Continuity Statement results from the 2009 Deferral and Variance account balances not being moved into sub account 1595 in the RRR 2.1.7 Trial Balance. **However, this movement has been assumed in the Continuity Statements to reflect the Board's decision in EB-2010-0064** for Atikokan Hydro's 2011 rates in regards to 2008 and 2009 Group 1 balances.

In its Decision EB-2010-0064, the Board stated,

In EB-2010-0064, Atikokan Hydro proposed the following approach to address the disposition of the 2008 and 2009 Group 1 Deferral and Variance Account balances.

A) For the 2008 Group 1 account balances, the approved 2010 (EB-2009-0212) rate riders would continue until April 30, 2012. These rate riders are expected to refund Atikokan Hydro's customers \$120,510 (approved on interim basis in EB-2009-0212) of the \$247,027 (revised in EB-2010-0064) owed to them.

B) For the 2009 Group 1 account balances, the \$138,360 owed by customers would not be disposed until after April 30, 2012. As of May 1, 2012 the remaining amount of the 2008 balances owed to the customers (i.e. \$247,027 minus \$120,510 = \$126,517) would be used to offset the 2009 balances of \$138,360 owed to Atikokan Hydro.

Board staff noted that Atikokan Hydro already has approved rate riders in place to refund \$120,510 to customers of the 2008 Group 1 account credit balance of \$247,027 by April 30, 2012. This means that Atikokan Hydro will still owe its customers \$126,517 related to the 2008 Group 1 accounts once the existing rate riders are discontinued. If the Board approves the proposed approach and allows Atikokan Hydro to use the additional money

owed to ratepayers in the amount of \$126,517 (related to the 2008 Deferral and Variance accounts) to offset the 2009 Group 1 account balance of \$138,360, the projected amount owed to Atikokan Hydro as of December 31, 2009 is only \$11,843 (which would be below the Board's established disposition threshold). Board staff submitted that, from the customer's prospective [sic], this proposal would ensure no rate impacts related to 2008 and 2009 Deferral and Variance account disposition in the 2011 rate year as the current rate riders would continue to be in effect until April 30, 2012 and **no new rate riders would be needed to recover the 2009 Group 1 account balances. Board staff noted that Atikokan Hydro will file a Cost of Service application in 2012 and all Deferral and Variance account balances will be disposed at that time including any residual amounts from prior periods.**

For the reasons set out above, Board staff supported Atikokan Hydro's proposal for Group 1 account disposition. **Board staff submitted that it understands that the difference between the 2008 interim balances versus the 2008 final balances, and the 2009 account balances would be dealt with at the account level.**

The Board agrees with Atikokan Hydro and Board staff that the approach proposed by Atikokan Hydro is practical given the distributor's unique situation. The Board is of the view that although the approach is not conventional, it stabilizes rate fluctuations for Atikokan Hydro's customers. The Board will therefore approve Atikokan Hydro's proposed approach. **The Board directs Atikokan Hydro to track the residual balance (i.e. the difference between the 2008 interim balances versus the 2008 final balances, and the 2009 account balances) at the account level such that the future disposition of the residual amounts by account will reflect the allocation methodology prescribed in the EDDVAR Report,** and the disposition of the global adjustment sub-account balance will apply to non-RPP customers only. [Emphasis added]

- a) Please explain why Atikokan Hydro would transfer the Group 1 account balances to Account 1595 Disposition and Recovery of Regulatory balance sub-account (2009), given the Board's directions that no new rate riders would be needed to recover the

2009 Group 1 account balances and Atikokan Hydro should track the 2009 account balances at the account level?

- b) In Decision EB-2010-0064, the Board directed Atikokan Hydro to track the residual balance (i.e. the difference between the 2008 interim balances versus the 2008 final balances, and the 2009 account balances) at the account level. Please confirm that Atikokan Hydro has followed the Board direction in this regard? In the alternative, please provide an explanation for deviating from the Board's direction.
- c) Please complete the information in the following table per the Board Decision EB-2010-0064.

Account	Residual Balance as of December 31, 2010	Projected Interest for the Residual Balance as of April 30, 2012
1580		
1584		
1586		
1588 excluding global adjustment		
1588 global adjustment		
1590		

- d) Please enter the amount shown in the above table in the Continuity Schedule in column BI for the principal amount related to the residual balance as of December 31, 2010 for each account, and in column BN for the projected interest for the residual balance as of April 30, 2012 for each account, per the Board Decision EB-2010-0064.

**Response:**

- a) Atikokan Hydro misinterpreted the Board's Decision EB-2010-0064 regarding the treatment of 2008 and 2009 account balances. The Deferral/Variance

Account Work Form has been updated to reflect the Board’s Decision EB-2010-0064 as outlined above and has been provided in appendix “C”. In particular, Atikokan Hydro has updated the work form to track the residual balance (i.e. the difference between the 2008 interim balances versus the 2008 final balances, and the 2009 account balances) at the account level such that the future disposition of the residual amounts by account will reflect the allocation methodology prescribed in the EDDVAR Report

- b) See response to a).
- c) The following table has been completed per the Board Decision EB-2010-0064. This incorporated the 2008 Interim, 2008 Final and 2009 Final tables from EB-2010- 0064.

<b>Account</b>	<b>Residual Balance as of December 31, 2010</b>	<b>Interest December 31, 2010</b>	<b>Projected Interest for the Residual Balance as of April 30, 2012</b>
1580	-15,404	15,724	-301.92
1584	3,499	907	68.60
1586	9,796	12,553	192
1588 excluding global adjustment	-13,432	-378	-263.29
1588 global adjustment	691	103	13.56
1590	1,274	-615	24.97

- d) As outlined in response to a), the Deferral/Variance Account Work Form, 2012 Continuity Schedule has been updated to better reflect the Board Decision EB-2010-0064. Specifically, in column BE the principal amount related to the 2008 interim amount have been included and in column BM the interest associated with 2008 interim amount has been entered. Based on discussions with Board staff, it is Atikokan Hydro’s understanding that this will



allow the balance as of December 31, 2010 shown in columns BJ and BO to reflect the residual balance on an account basis.

**32. Ref: Exhibit 9/Tab 1/Schedule 1/Page 4, Disposition and Recovery of Regulatory Balances (2009)**

**Exhibit 9/Tab 1/Schedule 1/Page 6/Table 9-4 2009 Group 1 Deferral and Variance Account Balances EB-2010-0064**

**Deferral/Variance Account Work Form – Continuity Schedule, Tab 2 , 2012 Continuity Schedule**

Please explain why (\$139,879) was entered in the continuity schedule cell BE32 as the disposition to Account 1595. If this amount should not be entered in cell BE32, please remove the amount and re-file the DVA Continuity Schedule.

**Response:**

Please see response to Board staff IR#31 a)

**33. Deferral/Variance Account Work Form – Continuity Schedule, Tab 2 , 2012**

**Continuity Schedule**

**Board Decision EB-2010-0064**

**Board Decision EB-2009-0212**

Board staff notes that the Board's Decision EB-2010-0064 with respect to Atikokan Hydro's 2011 IRM application stated that no new rate riders would be needed to recover the 2009 Group 1 account balances.

- a) Please provide the supporting documents and the Board direction for the amount (\$70,428) entered as the "principal disposition during 2011" in cell BP 31 for account 1595.
- b) Please provide the supporting documents and the Board direction for the amount \$219,265 entered as the "principal disposition during 2010" in cell BE 31 for account 1595.
- c) Please identify where Atikokan Hydro has entered the disposition of the balances as of December 31, 2008 plus interest to April 30, 2010, as approved in the Board's decisions EB-2009-0212 and EB-2010-0064.
- d) As necessary based on the responses to a), b), and c), please enter the disposition of the balances as of December 31, 2008 plus interest to April 30, 2010 in Column BE of the continuity schedule and re-file the DVA Continuity Schedule.

**Response:**

- a) Please see response to Board staff IR#31 a)
- b) Please see response to Board staff IR#31 a)
- c) Please see response to Board staff IR#31 a)
- d) Please see response to Board staff IR#31 a)

**34. Ref: Exhibit 1/Tab 3/Appendix F/Audited Financial Statements for the year ended December 31, 2010**

**Exhibit 9/Tab 1/Schedule 1/pages 3-4, Account 1588 RSVA-Power (excluding GA) and Account 1588 RSVA-Power sub-account GA**

On pages 3 and 4 of E9/T1/S1, Atikokan Hydro states:

The variance between RRR 2.1.7 Trial Balance and the Continuity Statement above is (\$15,115). Adjustments were made to RPP and non-RPP balances as a result of the OEB 1598 Audit completed in 2010. These net adjustments are included in the Continuity Statements to reflect the 2010 year-end adjustments made to true-up reconciliation for the period of 2005 through the period ending October 2010. The true-up required was to address OEB's concerns:

- *“Our review of the 1598 claims process indicated that Atikokan Hydro Inc. (AHI) used the estimated instead of the actual global adjustment (GA) in the true-up reconciliation for December 2005, November and December 2006, all of 2007, June to December 2008, all of 2009 and from January to May 2010.*
- *Additionally, we noted that incorrect kWhs were also used for the November and December 2005 true-up reconciliation and*
- *An incorrect RPP rates for the May and November 2006 true-up reconciliation.”*  
[Emphasis in original]

- a) Board staff is unaware of such 2010 audit performed by the Board's Regulatory Audit and Accounting. Please confirm if the audit was conducted by the Board's Regulatory Audit and Accounting staff or by the Ministry of Finance.
- b) Atikokan Hydro states that the variance between RRR 2.1.7 Trial Balance and the Continuity Statement above is a credit of \$15,115 due to adjustments that were made to RPP and non-RPP balances as a result of the 1598 Audit completed in 2010. Please confirm if the adjustments were reviewed by Atikokan Hydro's external auditors or in the alternative, please identify the authority that conducted the audit.

- c) Please provide a breakdown of Sales of Energy and Energy Cost, as reported in the audited financial statements, by USoA account number for 2010. Please link these numbers to the audited financial statements.
- d) Board staff notes that Statements of Operations and Deficit shows a difference between the Sales of Energy and Energy Cost reported numbers. Please explain why Atikokan Hydro is making a profit or loss on the commodity, when the utility and its customers are kept whole?

**Response:**

- a) The audit was conducted by the Ministry of Finance.
- b) The adjustments were reviewed by Atikokan Hydro's external auditors
- c) The following is a breakdown of Sales of Energy and Costs of Energy by USoA account number for 2010 Sales. These amounts are in Atikokan Hydro's financial statements under Revenue `Sale of Energy` and Purchase of Energy under `Expenses` in Statement of Operations and Deficit 2010.

Account	Energy Sales	Financial Statement
4006	-632,675	
4025	-32,142	
4035	-821,532	
4050	58,404	
4055	-129,366	
4062	-144,696	
4066	-125,045	
4068	-79,990	
<b>TOTAL</b>	<b>-1,907,041</b>	<b>1,907,041</b>

**Energy Costs**

Account	Energy Costs	Financial Statement
4705	1,562,937	
4708	144,832	
<b>4714</b>	<b>126,466</b>	
4716	78,905	
<b>TOTAL</b>	<b>1,913,140</b>	<b>1,913,140</b>

- d) Atikokan Hydro was informed earlier this year by Board Staff that in fact Atikokan Hydro was not in compliance with article 490 in its Sales of Energy and Energy

Cost reporting. Atikokan Hydro reviewed this situation with Board Staff, and with our external auditors. Atikokan Hydro will follow article 490 on a going forward basis so that reported sales of energy will equal cost of energy.

**35. Ref: Exhibit 9/Tab 1/Schedule 1/page 2 - Account 1518 and Account 1548 Retail Service Charges**

The difference between revenue collected from retailers for retail settlement activities and the costs incurred to provide the services is recorded in the retail cost variance accounts 1518 and 1548.

- a) Please identify the drivers for the balances in each of Accounts 1518 and 1548.
- b) Please provide a schedule identifying all revenues and expenses, listed by Uniform System of Account (USoA) number, that are incorporated into the variances recorded in Accounts 1518 and 1548 for 2010, the actual/forecast for 2011 and a forecast for 2012.
- c) Please confirm whether or not Atikokan Hydro has followed Article 490, Retail Services and Settlement Variances of the Accounting *Procedures Handbook*, for Accounts 1518 and 1548. In other words, please confirm that the higher of the relevant revenues (i.e. account 4082, Retail Services Revenue and account 4084, STR Revenue) and the incremental expenses in the associated expense accounts (i.e. account 5315, Customer Billing, and possibly 5305, Supervision and 5340, Miscellaneous Customer Accounts Expenses) is reduced (i.e. revenues debited or expenses credited) at the end of each period, with an offsetting entry to the variance account. Please explain if the applicant has not complied with Article 490.
- d) Please confirm that all costs incorporated into the variances reported in Account 1518 and Account 1548 are incremental costs of providing retail services.

**Response:**

- a) The Cost Drivers for Retail and Processing Costs are Atikokan Hydro Labour, Hub Support and Bank charges and interest.
- b) The following provides a schedule identifying the source of all revenues and expenses, listed by USoA from 2010 to 2012 test year:



<i>Account</i>	<i>4082</i>	<i>5305</i>	<i>5315</i>	<i>4405</i>	
<i>2010</i>	<i>-3,793.60</i>	<i>6034.16</i>	<i>1200.00</i>	<i>28.96</i>	
<i>2011</i>	<i>-2992.00</i>	<i>2888.75</i>	<i>3233.41</i>	<i>105.05</i>	
<i>2012</i>	<i>2992.00</i>	<i>3233.41</i>	<i>1200.00</i>	<i>147.12</i>	
<i>Account</i>	<i>4084</i>	<i>5305</i>	<i>5315</i>	<i>5605</i>	
<i>2010</i>	<i>-53.25</i>	<i>1650.00</i>	<i>600.00</i>	<i>139.66</i>	
<i>2011</i>	<i>-27.50</i>	<i>1200.00</i>	<i>600.00</i>	<i>28.90</i>	
<i>2012</i>	<i>-27.50</i>	<i>1200.00</i>	<i>600.00</i>	<i>31.54</i>	

- c) Atikokan Hydro follows Article 490 posting the higher of revenues or costs each month.
- d) Atikokan Hydro confirms that all costs incorporated into the variances in Account 1518 and Account 1548 are incremental costs of providing retailer services.

**36. Ref: Exhibit 9/Tab 1/Schedule 1/page 2, Account 1508 Other Regulatory Assets  
Cost Assessment and Account 1508 OMERS**

In its decision with respect to Atikokan Hydro's 2008 Cost of Service application (EB-2008-0014), the Board directed Atikokan Hydro to include in its rate order a rate rider and supporting rate schedules to clear the balance in account 1508 over a one year period.

Article 220 of Accounting Procedures Handbook, pages 16 and 17, Note A state:

Effective May 1, 2006, OEB cost assessments were incorporated in the distribution rates of distributors that filed rate applications for the 2006-07 rate year.

Effective May 1, 2006, pension cost contributions to OMERS were incorporated in the distribution rates of distributors that filed rate applications for the 2006-07 rate year.

- a) Please explain the nature of the balances recorded in the 1508 sub-account OEB Cost Assessment and sub-account OMERS.
- b) Please explain why Atikokan Hydro still has balances in Account 1508 sub- account OEB Cost Assessment and sub-account OMERS when the costs have already been incorporated in the distribution rates effective May 1, 2006.

**Response:**

- a) Atikokan Hydro has recorded principal amounts and interest charges for OEB Cost Assessment from 2006 to 2009. Costs associated with OMERS have been recorded from 2006 to 2011.
- b) It was Atikokan Hydro's understanding that the direction from the OEB was to cease recording in these accounts once the costs were included in the distribution rates. These costs were **not** included in Atikokan Hydro's 2008 Cost of Service Rate application or the approved 2008 rates. However, for 2012 the

OEB Cost Assessment charges have been recorded in account 5655 and the OMERS cost included in account 5645.

**37. Ref: Exhibit 1/Tab 3/Appendix F/Audited Financial Statements for the year ended December 31, 2010**

Board staff observes the “Going Concern” note from the Audited Financial Statements for the year ended December 31, 2010:

The continuation of the Corporation is dependent upon the continuing availability of operating and long term financing and achieving a profitable level of operation through the ability to increase rates that are currently regulated by the Minister of Energy and the Ontario Energy Board.

- a) Please explain what specific actions Atikokan Hydro has taken or is taking to address the “going concern” issue.
- b) Atikokan Hydro is proposing to defer the disposition of a debit balance of \$702,336 (RSVA account balance of \$50,003 and Non-RSVA account balance of \$652,333) representing the 2010 Group 1 and 2 DVA balances in the current rate proceeding. Please assess the impact of this proposed deferment on the utility’s going concern with respect to issues such as cash flow, financial ratios, ability to borrow, etc.

**Response**

- a) Prior to the 2008 cost of service, Atikokan Hydro experienced a going concern note. The results of the 2008 COS and the foregone revenue amounts gave Atikokan Hydro a much more positive position in 2009. Recently, Atikokan Hydro temporarily increased a short term financial instrument [overdraft protection from 250,000 to 500,000] to ensure cash flow is sufficient to bridge the time period until the new rates are established. This instrument reverts to its normal \$250,000.00 at the end of Q3 2012. The addition of the smart meters with their value in effect being in a variance account and not being fully addressed by present rates was the main cause of the “going concern” note. The revenue requirement model (updated as per IR#58) indicates that Atikokan Hydro will forecast a 38k gain for 2011 assuming MIFRS and a 249k net income for 2012, based on the rates being approved in this application [prior to rate mitigation]. However, Atikokan would like to note that the 2011 Financial

Statements will be closed using CGAAP. Therefore, realistically as per Atikokan Hydro's original application, Atikokan Hydro is forecasted to have a 7k loss for the 2011 fiscal year.

- b) Atikokan Hydro was proposing to defer the (RSVA account balance of \$50,003 and Non-RSVA account balance of \$652,333) excluding accounts 1555 and 1556 which have a value of \$463,557. As a result, \$238,780 would actually be the amount deferred until Atikokan Hydro filed its 2013 IRM. The proposed rate mitigation will impact on Atikokan Hydro's ability to take on more debt; however Atikokan Hydro does not anticipate the need to borrow for 2012 capital projects. Atikokan Hydro's traditional mode of capital improvements is to fund them out of current revenue.

## **Smart Meters**

### **38. Ref: Exhibit 9/Tab 2/Schedule 2 and Excel Smart Meter Model**

In its Application, Atikokan Hydro is seeking disposition and recovery of smart meter costs for installed smart meters. Atikokan Hydro is seeking actual and forecasted costs to December 31, 2011 of \$507,378 for capital and \$149,136 for operating expenses. Atikokan Hydro has provided a Microsoft Excel spreadsheet documenting the derivation of the deferred revenue requirement.

Board staff observes that the filed model does not contain sufficient detail and appears to use a different methodology than that which has been submitted by other utilities in recent applications and which have been approved by the Board. Further, on December 15, 2011, the Board issued *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*, accessible at

[http://www.ontarioenergyboard.ca/OEB/ Documents/Regulatory/OEB\\_Guideline\\_G-2011-0001\\_SmartMeters.pdf](http://www.ontarioenergyboard.ca/OEB/ Documents/Regulatory/OEB_Guideline_G-2011-0001_SmartMeters.pdf) .

The Board has also issued a Microsoft Excel spreadsheet Smart Meter Model (Version 2.17) to aid utilities in filing for cost recovery. The model can be accessed at

[http://www.ontarioenergyboard.ca/OEB/ Documents/2012EDR/2012\\_smart\\_meter\\_model.xls](http://www.ontarioenergyboard.ca/OEB/ Documents/2012EDR/2012_smart_meter_model.xls)

Please re-submit Atikokan Hydro's smart meter model using the Board-issued version 2.17 Microsoft Excel model. When filing, please submit the model as a working Microsoft Excel spreadsheet.

In completing the model, please provide the necessary detail. For example, smart meter costs, computer hardware, computer software, and other equipment and assets should be separately documented. Atikokan Hydro should also distinguish between costs meeting minimum functionality and those exceeding minimum functionality, in accordance with Guideline G-2011-0001.

For the Cost of Capital, for each year, the deemed capitalization and the cost of capital parameters should correspond those approved in the utility's most current Cost of Service

rebasing application to that point in time. Similarly, taxes and PILs should reflect what was in effect in each historical year.

To aid in the process, Board staff has populated a draft of the Smart Meter Model Version 2.17 based on staff's interpretation of the data that Atikokan Hydro provided in its model. Atikokan Hydro should use this version and correct or update the data as necessary and in accordance with Guideline G-2011-0001.

**Response:**

In preparing the response to this interrogatory Atikokan Hydro has reviewed and revised the costs associated with smart meters. The revised costs have been entered into the Smart Meter Model Version 2.17. Atikokan Hydro believes no further adjustments are needed to the data to be in accordance with Guideline G-2011-0001. The revised smart meter model indicates that the smart meter disposition rate rider should be \$3.78 per metered customer which will be collected over a 3 year period. A live version of the revised smart meter model has been filed as part of these interrogatories. The name of revised model is Atikokan\_Cos 2012\_smart\_meter\_model\_20120301.xls. It will be attached as appendix "D" In the preparation of this model the total smart meter capital decrease from the original value of \$507,378 to \$506,697 which is a immaterial difference of \$681.

**39. Ref: Exhibit 9/Tab 2/Schedule 2 and Smart Meter Model**

For Smart Meter OM&A expenses, Atikokan Hydro documents \$48,942 in 2009, \$30,741 in 2010 and \$69,453 in 2011.

Please provide further detail with respect to the OM&A expenses for each year, including:

- a) a disaggregation of expenses by major categories (e.g. maintenance, operations, licensing, etc.)
- b) a detailed description of the nature of the expenses in each category and for each year; and
- c) identification of the quantum and nature of OM&A expenses that are “beyond minimum functionality” as defined in Guideline G-2011-0001.



**Response:**

a) The disaggregation of expenses for the OM&A expense is as per the following tables:  
 2009

The original amount for 2009 was \$48,942. Upon further investigation, the combined CIS & AMI services, the Elster support invoice as well as some training and Thunder Bay Telephone modem operating costs have changed this amount to \$61,874.

Driver	2009 Application	2009 Adjustment
	48,942	
<b>2.1 AMCD</b>		
Operations		
Combined CIS & AMI		41,432
<b>2.3 AMCC</b>		
Maintenance		
Software [Elster software maintenance]		16,836
<b>2.4 WAN</b>		
WAN OP		1,800
<b>2.5 Other AMI OM&amp;A costs min fun</b>		
Customer communications		1,806
<b>Total</b>		<b>61,874</b>

**2010**

The drivers for the 2010 amount of \$30,741 are operational costs including the AMI & CIS support / services has also changed and the amounts have been redeployed within the model. The operations include AMI, & CIS services and various ODS services. The installation of the GS<50 amount has been moved to the appropriate installation area of the model, as have the customer premises items. This amount is now \$84,080

Driver	2010 Application	2010 Adjustment
	30,741	
<b>2.1 AMCD</b>		
Operations		
Combined CS & AMI		55,027
ODS for VEE		3,471
<b>2.3 AMCC</b>		
Maintenance		
Software [Elster software maintenance]		7,540
<b>2.4 WAN</b>		
WAN OP		3,600
<b>2.5 Other Minimum Functionality</b>		
business process changes		14,442
		<b>84,080</b>

2011

The drivers for 2011, originally \$69,453, are now based on unaudited actuals. Operations which consist of AMI, ODS, & CIS support, Maintenance, and admin are now entered as \$78,253. This also includes the first stage of a security audit encompassing the WAN section.

Driver	2011 Application	2011 Adjustment
	69,453	
<b>2.1 AMCD</b>		
Operations		
Combined CS & AMI		51,919
ODS for VEE		4,228
<b>2.3 AMCC</b>		
Maintenance		
Software [Elster software maintenance]		7,199
<b>2.4 WAN</b>		
WAN OP		3,600
<b>2.5 Other Minimum Functionality</b>		
Security audit		11,307
		78,253.

c) There are no OM&A expenses that are “beyond minimum functionality” as defined in Guideline G-2011-0001 in the present application.

**40. Ref: Exhibit 9/Tab 2/Schedule 1 and Exhibit 9/Tab 2/Schedule 2/Table 9-5**

In its application, Atikokan Hydro provides the following data on smart meter costs per customer in Table 9-5:

<b>Table 9-5: Smart Meter Capital and Operating Expenses as of December 31, 2011</b>		
<b>Description</b>	<b>Total Cost</b>	<b>Cost per Meter</b>
Smart Meter and Related Fixed Assets	\$507,378	\$303
Incremental Operating Expenses	\$149,136	\$89
Total Cost per Meter		\$392

Atikokan Hydro also states that it has not incurred costs for functionality “beyond minimum functionality” per O.Reg. 425/06.

- a) Please provide a copy of the letter from the Fairness Commissioner referenced on pages 2-3 of E9/T2/S1.
- b) While Atikokan Hydro states that it has not incurred costs for functionality “beyond minimum functionality” in E9/T2/S2, in E9/T2/S1, the utility documents the status of its smart meter program and various activities, including a transition to TOU pricing and consumer education. These latter activities are “beyond minimum functionality” per O.Reg. 425/06 and as accepted by the Board in its Decision with Reasons EB-2007-0063 with respect to the combined smart meter proceeding that reviewed the smart meter costs of distributors then authorized for smart meter activities in the summer of 2007. More recently, Guideline G-2011-0001 confirmed this definition of what constitutes “minimum functionality” and three categories of “beyond minimum functionality.” A utility is required to document any costs “beyond minimum functionality” by each of the categories.
  - i. Do the costs documented in Table 9-5 include capital or operating costs for TOU implementation, consumer education, or other “beyond minimum functionality” back-office activities as identified in section 3.4 of Guideline G-2011-0001? If so, please identify the quantum of costs and document them.
  - ii. Please confirm that smart meter deployment has only involved Residential and GS < 50 kW customers. Smart Meters deployed to other classes (e.g. GS > 50

kW) are “beyond minimum functionality.” If there are any smart meters deployed for customers other than Residential and GS < 50 kW, please identify the number of meters deployed and the smart meter costs involved, disaggregated by capital and operating expenses.

- c) Atikokan Hydro’s documented capital cost of \$303 per meter and \$392 total cost per meter would appear to be significantly larger than unit costs that the Board has seen in evidence in applications to date. In Appendix A of Decision with Reasons EB-2007-0063, the ranges for the per meter cost (total capital and operating) for the thirteen distributors then authorized for smart meter deployment ranged from \$123.59 (Newmarket Hydro) to \$189.96 (Middlesex Power) for urban utilities, with only Hydro One Networks showing higher unitized costs at \$479.47. Admittedly, costs were based on very limited data at that time. However, in individual applications since then, unitized costs in the range of \$120 to about \$200 (total capital and operating) have been seen.
- i. Atikokan Hydro documents that it was part of a group of utilities (Thunder Bay and the Northwestern group) that cooperated together. Please provide any evidence in Atikokan Hydro’s possession with respect to the per meter costs of Thunder Bay Hydro and other Northwestern electricity distributors.
  - ii. To the extent possible, please document the drivers for any significant differences in the per meter costs between Atikokan Hydro and other members of the Northwestern group. Please provide a variation on Table 9-5 breaking out the capital and operating costs by the categories shown on Sheet 2 of the Smart Meter Model Version 2.17 (e.g. Smart Meter costs, installation costs, etc.)
- d) Please provide a variation on Table 9-5 breaking out the capital and operating costs by the categories shown on Sheet 2 of the Smart Meter Model Version 2.17 (e.g. Smart Meter costs, installation costs, etc.)

**Response:**

- a) A copy of the letter from the Fairness Commissioner referenced on pages 2-3 of E9/T2/S1 is provided below.



**PRP International, Inc.**  
*Fairness Advisory Services*

May 30, 2008

Mr. Wilf Thorburn  
CEO and Secretary Treasurer  
Atikokan Hydro Inc.  
P.O. Box 1480  
Atikokan, ON P0T 1C0

Dear Mr. Thorburn:

Subject: Attestation of the Fairness Commissioner  
Advanced Metering Infrastructure RFP, August 2007  
London Hydro & Consortium of LDCs Smartmetering Project

PRP International, Inc. is pleased to submit its letter report of the Fairness Commissioner for the noted Request for Proposal (RFP) evaluation and selection phase. This judgment is being provided for the information and use of each Consortium LDC Sponsor, in their consideration of the report from the Evaluation Phase, for this competitive transaction.

*"It is the judgment of PRP International, Inc., as the Fairness Commissioner, that the determinations of the two (2) highest ranked Proponents for the "Group of the Northern Five LDCs" (Atikokan Hydro Inc., Fort Francis Hydro Power Corporation, Kenora Hydro Electric Corporation Ltd, Sioux Lookout Hydro Inc., and Thunder Bay Hydro Electricity Distribution) requirements are:*

- *Elster Metering, as the recommended Preferred Proponent, based on its highest ranking, and*
- *KTI/Sensus Limited being the second ranked Proponent.*

*These determinations were made in a fair (objective and competent) manner and consistent with the evaluation and selection processes set out in the RFP, issued August 14, 2007."*

A detailed report for your records will be submitted to you, by August 31, 2008. Should you have any questions or require clarification of any matter contained in this letter report, please contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read "Peter Sorensen", written over a light blue horizontal line.

Peter Sorensen  
President  
cc: Mr. Gary Rains, RFP Project Director

**b)**

- i. The costs documented in Table 9-5 do not include capital or operating costs for TOU implementation, consumer education, or other “beyond minimum functionality” back-office activities as identified in section 3.4 of Guideline G-2011-0001
- ii. Atikokan Hydro confirms that only smart meters deployed and noted in table 9-5 as presented in the application, has involved Residential and GS < 50 kW customers. Smart Meters deployed to other classes (e.g. GS > 50 kW) are “beyond minimum functionality.” These meters will be added to the revised smart meter model being filed and as such are included in the revised 9-5 tables used in the responses to interrogatories.

**c)**

- i. Atikokan Hydro is not in possession of any evidence with respect to the per meter costs of Thunder Bay Hydro and other Northwestern electricity distributors.
- ii. All services in consortiums or entities similar to the Northwest group are entered into as equal partners, not on a per customer basis. The cost of the MAS [EnergyAxis Metering Automation Server] server for Atikokan Hydro is exactly the same cost as the one for Thunder Bay Hydro. It is spread across 1673 customer in Atikokan and 50,000 in Thunder Bay. The savings to Atikokan Hydro or any other participating LDC in the Northwest Group are in the combined installation charges [Elster’s technicians could provide service for all 5 servers at one location during set up]. During operation of the smart meter networks, one central operation and staff provide services to 5 entities. Without participating as a joint venture, Atikokan Hydro would need to hire at least one additional full time staff person [12.5% increases in staffing].

- d) The table below is a variant of table 9-5.
- i. The capital costs are broken out by the categories shown on Sheet 2 of the Smart Meter Model Version 2.17 [Atikokan\_2012\_smart\_meter\_model\_20120301], and are further disseminated by customer class to arrive at a cost per installed meter by customer class.
  - ii. As can be seen in the OM&A section of Atikokan\_2012\_smart\_meter\_model\_20120301, there are no OM&A drivers specific to customer class. This results in the value of \$134.02 OM&A per meter, which translates to \$413.78 residential, \$515.27 GS<50 and \$1,137.12 GS>50.

<b>Smart Meter Cost Comparison</b>			
Types of meters - customer classes	Customer count	Cost	Average cost per meter
<b>Total cost of meters including GS&gt;50</b>		<b>506,697.13</b>	
cost GS>50 A3RL meters		17,170.70	
Installation of A3RL meters [>50]		4,897.52	
<b>Total cost or A3RL [GS&gt;50] meters + installation</b>		<b>22,068.22</b>	
Cost GS <50 A3TL meters		33,496.04	
Installation of A3TL meters [<50]		7,421.54	
<b>Total cost or A3TL [GS&lt;50] meters + installation</b>		<b>40,917.58</b>	
<b>Cost of GS&lt;50 Rex 2 meters</b>		<b>44,483.04</b>	
<b>Total Cost of GS&lt;50</b>		<b>85,400.62</b>	
<b>Total Cost of Residential Rex 2 meters installed</b>		<b>399,228.29</b>	
Total cost of residential and Commercial Rex 2 meters		443,711.33	
Total number of meters installed	1673		
Total Rex 2 meters installed -residential & commercial	1586		
Total Rex 2 meters installed for Residential	1427		
Total Rex 2 meters installed for GS<50	159		
Total A3TL commercial customers	65		
Total number of GS<50 meters installed	224		
Total A3RL commercial customers GS>50	22		
Cost / meter for residential & commercial Rex 2 meters			279.77
Total cost per meter for GS<50			381.25
Cost / meter for GS >50 with A3RL meters			1,003.10
Operating Expenses		224,207.13	
Cost per meter			134.02



Total Cost per meter			
Residential			413.78
GS<50 kW			515.27
GS> 50 kW			1,137.12

**41. Ref: Exhibit 9/Tab 2/Schedule 1 – TOU Implementation**

As Board staff understands Atikokan Hydro’s evidence on pages 11 and 12 of E9/T2/S1, Atikokan Hydro expected to implement TOU pricing by October 2011, and thus the utility should have fully implemented smart meter deployment and TOU pricing, with the exception of web presentment. With respect to the latter, Atikokan Hydro documented that the expected capital and operating expenses would work out to about \$0.40/month per customer.

- a) Please confirm whether Atikokan Hydro has implemented TOU pricing. If so, please indicate the date. In the alternative, please provide an explanation for any delay and a forecast for when Atikokan Hydro expects to implement TOU pricing.
- b) Board staff understands the estimate of ongoing operational expenses for web presentment by Whitecap Canada Inc. as follows:

Description		<b>Annual cost per metered customer for 1673 metered customers</b>	<b>Monthly cost per metered customer</b>
Licensing Costs	\$7400 per annum	\$4.42	\$0.37
Per customer cost			\$0.035
Total			\$0.40

It appears that the majority of the costs are for the annual licensing fee rather than the cost for the customer data web storage and presentation. Please provide further documentation of the basis for the Whitecap Canada annual licensing fee and the services being received.

**Response:**

- a) Atikokan Hydro has implemented TOU pricing for all energy consumed after October 1, 2011.
- b) While the majority of the costs are for the yearly licencing fee in the Whitecap proposal, it is a yearly recurring licensing fee that is required to provide the customers with Whitecap’s solution for web presentment of day old consumption patterns. Atikokan Hydro has not entered into an agreement with Whitecap; Atikokan Hydro has only investigated the costs. Subsequent to the filing, Whitecap has reduced the cost slightly. The cost is now 32.5 cents per month per customer as noted in the table below, whether the customer uses the service or not. This cost would need to be considered as a revenue requirement. Similarly to the cost of smart meters, flat rate LDC specific costs are more noticeable when they are spread across smaller numbers of customers. While the amount may not seem significant, Atikokan Hydro tries to keep costs as low as possible for customers.

Description		<b>Annual cost per metered customer for 1673 metered customers</b>	<b>Monthly cost per metered customer</b>
Licensing Costs	\$6000 per annum	\$3.59	\$0.30
Per customer cost			\$0.025
Total			\$0.325

**42. Ref: Exhibit 9/Tab 2/Schedule 2 – Smart Meter Cost Allocation**

In its original application, Atikokan Hydro has proposed a uniform Smart Meter Disposition Rider of \$3.54/month for 36 months.

In *Guideline G-2008-0002: Smart Meter Funding and Cost Recovery*, issued October 22, 2008, the Board stated that the applicant should consider “the methodology for allocating the disposition rider to different customer classes.” In recent cases, the Board has considered and approved class-specific SMDRs. In its decisions with respect to PowerStream’s 2010 and 2011 applications<sup>1</sup> for disposition of smart meter costs, the Board approved approaches that deal with the allocation of costs, adjusted for SMFA revenues, based on principles of cost causality. Whether class-specific SMDRs are warranted is also determined on the basis of data availability and quality, and on materiality.

*Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*, issued December 15, 2011, further states:

The SMFA was calculated and applied as a uniform monthly charge collected from all metered customers. In early decisions, the SMDR and, if applicable, the SMIRR, were calculated similarly on a uniform basis. However, more recently, the issue of differential costs for smart meters by classes of customers has arisen. While the Board notes that utilities have not been specifically directed to record all costs on a class-specific basis, in some cases there may be class specific information available.

In the Board’s decision with respect to PowerStream’s 2011 Smart Meter Disposition Application (EB-2011-0128), the Board approved an allocation methodology based on a class-specific revenue requirement, offset by class specific revenues. The Board noted that this approach may not be appropriate or feasible for all distributors as the necessary data may not be readily available [footnote omitted].

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<sup>1</sup> Decision and Order (Corrected), [EB-2010-0209], November 19, 2010 and Decision and Order [EB-2011-0128], November 21, 2011

The Board views that, where practical and where the data is available, class specific SMDRs should be calculated based on full cost causality. The methodology approved by the Board in EB-2011-0128 should serve as a suitable guide. A uniform SMDR would be suitable only where adequate data is not available.<sup>2</sup>

- a) Please provide Atikokan Hydro's views as to whether there are differences in the costs of smart meters deployed between the Residential and GS < 50 kW customer classes.
- b) If there are material differences between the costs per meter between the Residential and GS < 50 kW classes, please provide a proposal for allocating the costs between classes based on cost causality and calculating class-specific SMDRs. One potential approach is described below:
  - (i) Allocate the total revenue requirement for the historical years, as revised per the previous interrogatory, using the following cost allocation methodology:
    - Allocate the return (deemed interest plus return on equity) and amortization based on the allocation of Account 1860 in the cost allocation model (CWMC in the cost allocation model filed in this application);
    - Allocate the OM&A based on the number of meters installed for each class;
    - Allocate PILs based on the revenue requirement allocated to each class before PILs;
  - (ii) Sum the allocated amounts and calculate the percentages of costs allocated to customer rate classes;
  - (iii) Subtract the revenues generated from the smart meter funding adder from the overall revenue requirement;
  - (iv) Allocate the amount calculated in part (iii) by using the allocation factors derived in part (ii);

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<sup>2</sup> *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*, December 15, 2011, pp. 19-20.

(v) To calculate the smart meter disposition rider, divide the allocated amount by rate class derived in part (iv) by the number of customers in each class, and then divide by 12; and

(vi) If the proposed disposition period is greater than 1 year, divide the result of part (v) by the proposed number of years.

Please show all calculations.

**Response:**

a) Atikokan Hydro submits that there are differences in the costs of smart meters deployed between the Residential, GS < 50 kW and GS > 50 kW customer classes. The table below summarizes the differences in cost by customer class and type of meter installed.

<b>Residential, GS&lt;50 kW, and GS&gt;50 kW meter cost comparison</b>			Average cost per meter
Types of meters - customer classes	Customer count	Cost	
Total cost of meters including GS>50		506,697.13	
cost GS>50 A3RL meters		17,170.70	
Installation of A3RL meters [>50]		4,897.52	
<b>Total cost or A3RL [GS&gt;50] meters + installation</b>		<b>22,068.22</b>	
cost GS <50 A3TL meters		33,496.04	
Installation of A3TL meters [<50]		7,421.54	
<b>Total cost or A3TL [GS&lt;50] meters + installation</b>		<b>40,917.58</b>	
Total cost of residential and Commercial Rex 2 meters		443,711.33	
Total number of meters installed	1673		
Total Rex 2 meters installed -residential & commercial	1586		
Cost / meter for residential & commercial Rex 2 meters			279.77
Total A3TL commercial customers	65		
Cost / meter for GS <50 with A3TL meters			629.50
Total A3RL commercial customers GS>50	22		
Cost / meter for GS >50 with A3RL meters			1,003.10

b) The table below outlines Atikokan Hydro's calculation of the class specific smart meter disposition rider using a similar approach outlined in the question which reflects the Board's decision with respect to PowerStream's 2011 Smart Meter Disposition Application (EB-2011-0128). The allocation of the return (deemed interest plus return on equity) and amortization is based on a CWMC (i.e. Customer Weighted Meter Cost) that reflects the average actual cost of smart meters for the Residential, General Service <50kW and General Service > 50 kW using information outlined in response to part a). This same information will be used in Atikokan Hydro's revised cost allocation model which will be filed as part of these interrogatories.

<b>Smart Meter Actual Cost Recovery Rate Rider - SMDR</b>				
<b>Calculated by Rate Class</b>				
	<b>Total</b>	<b>Residential</b>	<b>GS &lt; 50</b>	<b>GS &gt; 50</b>
<b>Atikokan Hydro Smart Meter Unit Cost</b>				
Rex 2 Meters		\$ 279.77	\$ 279.77	
A3TL meters			\$ 629.50	
A3RL meters				\$ 1,003.10
<b>Number of meters installed</b>				
Rex 2 Meters	1,586	1,427	159	
A3TL meters	65		65	
A3RL meters	22			22
<b>Total number of meters installed</b>	<b>1,673</b>	<b>1,427</b>	<b>224</b>	<b>22</b>
<b>Smart Meter Cost</b>	<b>\$ 506,697</b>	<b>\$ 399,228</b>	<b>\$ 85,401</b>	<b>\$ 22,068</b>
<b>Allocation of Smart Meter Costs</b>	<b>100.00%</b>	<b>78.79%</b>	<b>16.85%</b>	<b>4.36%</b>
<b>Allocation of Number of meters installed</b>	<b>100.00%</b>	<b>85.30%</b>	<b>13.39%</b>	<b>1.32%</b>
<b>Total Return (deemed interest plus return on equity)</b>	<b>\$ 71,158</b>	<b>\$ 56,066</b>	<b>\$ 11,993</b>	<b>\$ 3,099</b>
<b>Amortization</b>	<b>\$ 80,132</b>	<b>\$ 63,136</b>	<b>\$ 13,506</b>	<b>\$ 3,490</b>
<b>OM&amp;A</b>	<b>\$ 224,207</b>	<b>\$ 191,239</b>	<b>\$ 30,019</b>	<b>\$ 2,948</b>
<b>Total Before PILs</b>	<b>\$ 375,497</b>	<b>\$ 310,442</b>	<b>\$ 55,518</b>	<b>\$ 9,537</b>
<b>PILs</b>	<b>\$ 6,004</b>	<b>\$ 4,964</b>	<b>\$ 888</b>	<b>\$ 152</b>
<b>Total Revenue Requirement</b>	<b>\$ 381,501</b>	<b>\$ 315,405</b>	<b>\$ 56,406</b>	<b>\$ 9,690</b>
	<b>100.00%</b>	<b>82.67%</b>	<b>14.79%</b>	<b>2.54%</b>
<b>Smart Meter Rate Adder Revenues</b>	<b>(\$155,935)</b>			
<b>Total Carrying Charge</b>	<b>\$1,893</b>			
<b>Smart Meter True-up</b>	<b>\$ 227,459</b>	<b>\$ 188,051</b>	<b>\$ 33,631</b>	<b>\$ 5,777</b>
<b>Metered Customers</b>	<b>1,673</b>	<b>1,427</b>	<b>224</b>	<b>22</b>
<b>Rate Rider to Recover Smart Meter Costs - 3 yrs</b>	<b>\$ 3.78</b>	<b>\$ 3.66</b>	<b>\$ 4.17</b>	<b>\$ 7.29</b>



**43. Ref: Exhibit 9/Tab 2/Schedule 1 – Operational Data Store and Operational Efficiencies due to Smart Meter Deployment and Operationalization**

On page 9 of E9/T2/S1, Atikokan Hydro identifies as one of the functional requirements of its Operational Data Store “Meter Event Monitoring”, which is documented as: “Dashboard visibility to report meter events and indicators such as outages, restorations, tampers, voltage changes, etc., many of which will afford Atikokan Hydro the opportunity to improve the safety and reliability of the distribution system.” On the same page, Atikokan Hydro identifies “Outage Reporting”, defined as “Real-time outage information to facilitate faster response time, and therefore improved system reliability” as being another feature of the ODS.

What changes has Atikokan Hydro done, or intend to do, to improve its recording, reporting and responding to service interruptions and outages due to the implementation of its ODS?

**Response:**

The main benefit will be to ensure tampering does not occur and that meters do not stop – it could be a prevention of revenue leakage benefit more than an operational tool. Should Atikokan Hydro reverse its shrinkage status and return to its size prior to the closure of the Steep Rock Iron Mine, the Caland Ore Mine, the Charleson Mine, and the demise of the logging industry; data from the ODS may enhance and reduce the cost of a SCADA system.

**44. Ref: Exhibit 9/Tab 2/Schedule 3 – Stranded Meter Costs**

In its application, Atikokan Hydro has noted that it disposed of 1659 conventional meters replaced by smart meters through Greenport Environmental for a fee of \$1,122. In Table 9-7, Atikokan Hydro documents a GBV for the removed smart meters of \$104,713, accumulated depreciation to December 31, 2011 of a credit of \$81,338 and thus a remaining NBV of \$23,375. Atikokan Hydro proposes recovery over a 36 month period, amounting to \$0.39/month for each of its 1673 metered customers.

- a) Please confirm that there were no net proceeds from the salvage of the removed conventional meters.
- b) How has Atikokan Hydro factored in the disposal fee of \$1,122 into the stranded meter costs to be recovered from customers?

**Response:**

- a) Disposing of the meters in a deemed “environmentally” responsible method was a cost to Atikokan Hydro and there were no net proceeds from disposing the conventional meters.
- b) Atikokan Hydro did not factor in the disposal fee of \$1,122 into the stranded meter costs to be recovered from customers. This disposal fee was recorded in 1555; as a 2009 smart meter costs. Therefore, this fee is incorporated in the revenue requirement used to determine the smart meter disposition rider.

***IFRS – Rate Base***

**45. Ref: Letter of the Board, issued on November 8, 2010 “Transition to IFRS – Amendment to Board Policy”**

There are a number of tables in the application that should be confirmed and/or updated to ensure that the evidentiary record on MIFRS and an understanding of its impact on the Board’s financial statement are current and complete. The comparison requires that 2011 and 2012 be completed on both a CGAAP and MIFRS basis.

Please file financial information for the 2011 Bridge and 2012 Test years in both CGAAP and MIFRS, as per section 9.1.3 of the letter of the Board issued on November 8, 2010, and update the evidence listed below. Please provide a reconciliation and explanation between CGAAP and MIFRS for both 2011 and 2012.

- a) Exhibit 2/Tab 1/Schedule 1/Page 1/Table 2-1 Summary of Rate Base;
- b) Exhibit 2/Tab 1/Schedule 1/Page 2/Table 2-2 Summary of Working Capital Calculation;
- c) Exhibit 2/Tab 1/Schedule 2/Page 1/Table 2-5 - Rate Base;
- d) Exhibit 2/Tab 1/Schedule 2/Page 3/Table 2-8 - Capital Additions;
- e) Exhibit 2/Tab 2/Schedule 1/Page 8/Table 2-15 - 2011 Fixed Asset Continuity Schedule;
- f) Exhibit 2/Tab 2/Schedule 1/Page 10/Table 2-17 - 2012 Fixed Asset Continuity Schedule;
- g) Exhibit 2/Tab 2/Schedule 1/Page 11/Table 2-18. Please also provide the depreciation expense reconciliation between CGAAP and MIFRS for 2011; and
- h) Exhibit 2/Tab 3/Schedule 1/Page 2/Table 2-22 – Detailed Working Capital Calculations.

**Response:**

- a) The following is a table similar to Exhibit 2/Tab 1/Schedule 1/Page 1/Table 2-1 Summary of Rate Base showing 2010 as a base along with 2011 and 2012 in CGAAP and MIFRS. The difference between CGAAP and MIFRS relates only to change in depreciation rates.

Description	2010 Actual	2011 Bridge Year CGAAP	2011 Bridge Year MIFRS	2012 Test Year CGAAP	2012 Test Year MIFRS
<b>Gross Fixed Assets</b>	5,169,638	5,239,138	5,239,138	5,750,922	5,750,922
<b>Accumulated Depreciation</b>	2,936,882	3,117,804	3,083,802	3,319,549	3,250,890
<b>Net Book Value</b>	2,232,756	2,121,334	2,155,336	2,431,373	2,500,032
<b>Average Net Book Value</b>	2,103,465	2,177,045	2,194,046	2,477,949	2,529,279
Working Capital	2,913,853	3,172,906	3,172,906	3,415,637	3,415,637
<b>Working Capital Allowance</b>	437,078	475,936	475,936	512,346	512,346
Rate Base	2,540,543	2,652,981	2,669,982	2,990,294	3,041,625

- b) As shown in the above the working capital and the resulting working capital allowance are the same between CGAAP and MIFRS which means an update to Exhibit 2/Tab 1/Schedule 1/Page 2/Table 2-2 Summary of Working Capital Calculation is not needed. The working capital is the same for CGAAP and MIFRS since there is no change to OM&A with the movement to MIFRS.
- c) The following is a table similar to Exhibit 2/Tab 1/Schedule 2/Page 1/Table 2-5 - Rate Base; showing the difference in rate base for 2011 and 2012 between in CGAAP and MIFRS. The difference between CGAAP and MIFRS relates only to change in depreciation rates.

Description	2011 Bridge Year CGAAP	2011 Bridge Year MIFRS	Variance	2012 Test Year CGAAP	2012 Test Year MIFRS	Variance
<b>Gross Fixed Assets</b>	5,239,138	5,239,138	0	5,750,922	5,750,922	0
<b>Accumulated Depreciation</b>	3,117,804	3,083,802	(34,002)	3,319,549	3,250,890	(68,659)
<b>Net Book Value</b>	2,121,334	2,155,336	34,002	2,431,373	2,500,032	68,659
<b>Average Net Book Value</b>	2,177,045	2,194,046	17,001	2,477,949	2,529,279	51,330
Working Capital	3,172,906	3,172,906	0	3,415,637	3,415,637	0
<b>Working Capital Allowance</b>	475,936	475,936	0	512,346	512,346	0
Rate Base	2,652,981	2,669,982	17,001	2,990,294	3,041,625	51,330

- d) No changes are required to Exhibit 2/Tab 1/Schedule 2/Page 3/Table 2-8 - Capital Additions since the movement to MIFRS does not impact Capital Additions for Atikokan Hydro.
- e) The following are two tables similar to Exhibit 2/Tab 2/Schedule 1/Page 8/Table 2-15 - 2011 Fixed Asset Continuity Schedule assuming CGAAP and MIFRS.

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2011 - CGAAP

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	486,618	17,000	0	503,618	318,968	14,728	0	333,696	169,922
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,047,785	43,800	5,000	2,086,585	1,108,703	86,709	5,000	1,190,412	896,172
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	494,776	5,000	1,000	498,776	362,696	13,003	1,000	374,699	124,077
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	307,776	0	0	307,776	108,362	16,390	0	124,752	183,023
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	680,682	8,500	3,800	685,382	265,940	24,559	3,800	286,699	398,683
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	61,120	0	0	61,120	44,333	3,775	0	48,109	13,011
10	1920	Computer Equipment - Hardware	47,590	1,500	0	49,090	42,214	2,909	0	45,123	3,967
12	1925	Computer Software	178,186	0	0	178,186	176,988	1,199	0	178,187	(1)
10	1930	Transportation Equipment	762,757	0	0	762,757	442,507	22,996	0	465,502	297,255
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	86,760	3,500	0	90,260	66,169	4,454	0	70,624	19,636
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>5,169,638</b>	<b>79,300</b>	<b>9,800</b>	<b>5,239,138</b>	<b>2,936,882</b>	<b>190,722</b>	<b>9,800</b>	<b>3,117,804</b>	<b>2,121,334</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>5,169,638</b>	<b>79,300</b>	<b>9,800</b>	<b>5,239,138</b>	<b>2,936,882</b>	<b>190,722</b>	<b>9,800</b>	<b>3,117,804</b>	<b>2,121,334</b>

Less: Fully Allocated Depreciation  
 Transportation  
 Communication  
 Net Depreciation 190,722

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2011 - MIFRS

Adjusted for IFRS

CCA Class	OEB	Description	Cost				Accumulated Depreciation				
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	486,618	17,000	0	503,618	318,968	15,038	0	334,006	169,612
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,047,785	43,800	5,000	2,086,585	1,108,703	61,592	5,000	1,165,295	921,289
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	494,776	5,000	1,000	498,776	362,696	3,808	1,000	365,504	133,272
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	307,776	0	0	307,776	108,362	16,390	0	124,752	183,023
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	680,682	8,500	3,800	685,382	265,940	24,559	3,800	286,699	398,683
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	61,120	0	0	61,120	44,333	3,775	0	48,109	13,011
10	1920	Computer Equipment - Hardware	47,590	1,500	0	49,090	42,214	2,909	0	45,123	3,967
12	1925	Computer Software	178,186	0	0	178,186	176,988	1,199	0	178,187	(1)
10	1930	Transportation Equipment	762,757	0	0	762,757	442,507	22,996	0	465,502	297,255
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	86,760	3,500	0	90,260	66,169	4,454	0	70,624	19,636
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>5,169,638</b>	<b>79,300</b>	<b>9,800</b>	<b>5,239,138</b>	<b>2,936,882</b>	<b>156,720</b>	<b>9,800</b>	<b>3,083,802</b>	<b>2,155,336</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>5,169,638</b>	<b>79,300</b>	<b>9,800</b>	<b>5,239,138</b>	<b>2,936,882</b>	<b>156,720</b>	<b>9,800</b>	<b>3,083,802</b>	<b>2,155,336</b>

Less: Fully Allocated Depreciation  
 Transportation \_\_\_\_\_  
 Communication \_\_\_\_\_  
 Net Depreciation 156,720

f) The following are two tables similar to Exhibit 2/Tab 2/Schedule 1/Page 10/Table 2-17 - 2012 Fixed Asset Continuity Schedule assuming CGAAP and MIFRS. NTD: Will need to be updated with final run

**Fixed Asset Continuity Schedule (Distribution & Operations)**  
As at December 31, 2012 - CGAAP

Adjusted for Smart Meters

Cost							Accumulated Depreciation				
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	503,618	8,000	0	511,618	333,696	14,888	0	348,584	163,034
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,086,585	58,800	5,000	2,140,385	1,190,412	87,885	5,000	1,273,297	867,088
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	498,776	7,000	1,000	504,776	374,699	13,143	1,000	386,842	117,935
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	701,321	0	0	701,321	119,327	34,928	0	154,255	547,066
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	685,382	8,500	0	693,882	286,699	24,729	0	311,428	382,454
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	61,120	0	0	61,120	48,109	3,132	0	51,241	9,879
10	1920	Computer Equipment - Hardware	57,529	12,000	2,000	67,529	49,343	3,145	2,000	50,488	17,041
12	1925	Computer Software	178,186	8,000	1,000	185,186	178,187	2,000	1,000	179,187	5,999
10	1930	Transportation Equipment	762,757	0	0	762,757	465,502	22,822	0	488,324	274,433
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	90,260	16,500	0	106,760	70,624	5,279	0	75,903	30,857
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
2005		Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>5,641,122</b>	<b>118,800</b>	<b>9,000</b>	<b>5,750,922</b>	<b>3,116,598</b>	<b>211,951</b>	<b>9,000</b>	<b>3,319,549</b>	<b>2,431,373</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>5,641,122</b>	<b>118,800</b>	<b>9,000</b>	<b>5,750,922</b>	<b>3,116,598</b>	<b>211,951</b>	<b>9,000</b>	<b>3,319,549</b>	<b>2,431,373</b>

Less: Fully Allocated Depreciation  
Transportation  
Communication  
Net Depreciation 211,951

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2012 - MIRFS

Adjusted for IFRS  
Adjusted for Smart Meters

CCA Class	OEB	Description	Cost			Accumulated Depreciation					Net Book Value
			Opening Balance	Additions	Disposals	Opening Balance	Additions	Disposals	Closing Balance		
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	503,618	8,000	0	511,618	334,006	15,127	0	349,133	162,485
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,086,585	58,800	5,000	2,140,385	1,165,295	62,245	5,000	1,222,540	917,844
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	498,776	7,000	1,000	504,776	365,504	3,886	1,000	368,390	136,386
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	701,321	0	0	701,321	119,327	34,928	0	154,255	547,066
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	685,382	8,500	0	693,882	286,699	24,729	0	311,428	382,454
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	61,120	0	0	61,120	48,109	3,132	0	51,241	9,879
10	1920	Computer Equipment - Hardware	57,529	12,000	2,000	67,529	49,343	3,145	2,000	50,488	17,041
12	1925	Computer Software	178,186	8,000	1,000	185,186	178,187	2,000	1,000	179,187	5,999
10	1930	Transportation Equipment	762,757	0	0	762,757	465,502	22,822	0	488,324	274,433
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	90,260	16,500	0	106,760	70,624	5,279	0	75,903	30,857
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>5,641,122</b>	<b>118,800</b>	<b>9,000</b>	<b>5,750,922</b>	<b>3,082,596</b>	<b>177,294</b>	<b>9,000</b>	<b>3,250,890</b>	<b>2,500,032</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>5,641,122</b>	<b>118,800</b>	<b>9,000</b>	<b>5,750,922</b>	<b>3,082,596</b>	<b>177,294</b>	<b>9,000</b>	<b>3,250,890</b>	<b>2,500,032</b>

Less: Fully Allocated Depreciation  
Transportation  
PP&E Adjustment 10,431  
Net Depreciation 166,863

g) The following provides the depreciation expense reconciliation between CGAAP and MIFRS for 2011 and 2012. The 2012 values have been updated to reflect a 45 year useful life of new capital additions.

USoA	Description	CGAAP 2011 Value	MIFRS Adjustment for 45 Year Useful Life	MIFRS 2011 Value
1820	Distribution Station Equipment	\$14,728	\$310	\$15,038
1830	Poles, Towers and Fixtures	\$87,885	(\$26,293)	\$61,592
1850	Line Transformers	\$13,143	(\$9,335)	\$3,808



<b>USoA</b>	<b>Description</b>	<b>CGAAP 2012 Value</b>	<b>MIFRS Adjustment for 45 Year Useful Life</b>	<b>MIFRS 2012 Value</b>
1820	Distribution Station Equipment	\$14,888	\$239	\$15,127
1830	Poles, Towers and Fixtures	\$87,885	(\$25,640)	\$62,245
1850	Line Transformers	\$13,143	(\$9,257)	\$3,886

- h) No changes are required to Exhibit 2/Tab 3/Schedule 1/Page 2/Table 2-22 – Detailed Working Capital Calculations. The working capital is the same for CGAAP and MIFRS since there is no change to OM&A with the movement to MIFRS.

**46. Ref: Exhibit 2/Tab 1/Schedule 1/page 2**

On page 2 of E2/T1/S1, Atikokan Hydro states:

In 2010, Atikokan Hydro changed its capitalization policy to no longer capitalize expenses that were not directly related to the installation of capital. This caused an increase in 2010 administration and general expense. However, the revised capitalization policy is aligned with the IFRS standard. As a result, with Atikokan Hydro's movement to IFRS in 2012 there is no impact on 2012 capital additions or OM&A expenses.

The note "New Accounting Pronouncement" on page 11 of Atikokan Hydro's 2010 Audited Financial Statement states:

The Corporation has an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its consolidated financial statements. At this time, the impact on the Corporation's future financial position and the results of operations is not reasonably determinable or estimable.

- a) Has Atikokan Hydro consulted with its external auditors regarding the change in capitalization of overhead within IFRS requirements? If yes, please provide supporting documentation. If not, please identify any plans for so doing in the near future.
- b) Please identify all overhead related items (e.g. indirect costs, corporate centre costs) that are impacted. Please identify all items that are ineligible and how much overhead in total has been removed from capitalization for ineligible costs for the 2011 Bridge and 2012 Test years.

**Response:**

- a) Atikokan has consulted with its external auditors. Their comments are as follows:

*“The following is an excerpt of the handbook for IFRS re: Property, Plant and Equipment*

*15 An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.*

*Elements of cost*

*16 The cost of an item of property, plant and equipment comprises:*

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.*
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.*
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.*

*17 Examples of directly attributable costs are:*

- (a) costs of employee benefits (as defined in IAS 19 Employee Benefits) arising directly from the construction or acquisition of the item of property, plant and equipment;*
- (b) costs of site preparation;*
- (c) initial delivery and handling costs;*
- (d) installation and assembly costs;*
- (e) costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment); and*
- (f) professional fees.*

*18 An entity applies IAS 2 Inventories to the costs of obligations for dismantling, removing and restoring the site on which an item is located that are incurred during a particular period as a consequence of having used the item to produce inventories during that period. The obligations for costs accounted for in accordance with IAS 2 or IAS 16 are recognised and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.*

*19 Examples of costs that are not costs of an item of property, plant and equipment are:*

- (a) costs of opening a new facility;*
- (b) costs of introducing a new product or service (including costs of advertising and promotional activities);*
- (c) costs of conducting business in a new location or with a new class of customer (including costs of staff training); and*
- (d) administration and other general overhead costs.*

*As you can see from above, overhead and admin costs are not part of cost under IFRS. I believe you changed your accounting policy in the prior year to conform to rules above. Going forward I do not believe you will have to change your*

*capitalization policy any further; however, there are still decisions being made between the OEB and CICA on certain rules so this could change.”*

- b) Atikokan realizes the prior year's changes in its capitalization policy impacts OM&A for the 2012 revenue requirement; however, In Atikokan's Cost of Service Application, no further dollar amounts have been removed from capitalization for the 2011 Bridge and 2012 Test Year as a result of IFRS. Atikokan's 2011 fiscal year has not been audited at this time; however, it is not anticipated to have further increases to OM&A as a result of capitalization adjustments (ineligible costs) similar to those that created an increase to both 2009 and 2010 OM&A. These increases were outlined in the Cost of Service Table 4-11;OM&A Cost Drivers. (E4/T2/S3).

**47. Ref: Exhibit 2/Tab 1/Schedule 1/page 7 – Capitalization Policy**

On Page 7 of E2/T1/S1, Atikokan Hydro states that it “does not have a formal written capitalization policy.” Atikokan Hydro further states that it “changed its capitalization practices in 2010 which in turn allowed the capitalization policy to be aligned with IFRS standards for 2012.”

- a) In the absence of a capitalization policy, what are the changes of Atikokan Hydro’s capital practice since its last rebasing application for 2008 rates? Please identify and quantify the changes, and identify the drivers of the changes.
- b) Please provide the overall revenue requirement impact of all changes in the capitalization practice for the 2011 Bridge and 2012 Test years.
- c) If changes were made for other reasons as well, please provide the overall revenue requirement impacts for the 2011 Bridge and 2012 Test years arising solely from the transition to MIFRS.
- d) Please provide the following information in detail for overhead costs on self-constructed assets for the bridge and test years:

Nature of the overhead costs on self-constructed assets	Dollar Impact Bridge Year	Dollar Impact Test Year	Directly attributable? (Y/N)	Reasons why the costs are allowed to be capitalized under MIFRS given the more stringent limitations on capitalized overhead

- e) When does Atikokan Hydro plan to develop a formal capitalization policy?

**Response:**

- a) Atikokan no longer capitalizes ineligible costs (indirect costs) including labour, materials and overhead used in the operations and maintenance of the utility. The driver of this change was based on advice from its external auditors in 2009 and 2010. As indicated in the application this change allowed Atikokan Hydro to have capitalization standards consistent with IFRS standards for 2012. Table 4-11OM&A Cost Drivers of the application identifies the impact for a total of \$169,035.
- b) As outlined in the explanation to Table 4-11OM&A Cost Drivers, the change in capitalization policy impacted OM&A in 2009 by \$93,565 and in 2010 by \$75,470 for total of \$169,035. Atikokan Hydro estimates that the impact on 2012 revenue requirement as a result of the capitalization change to be around \$132,500 when the reduction in capital and the resulting rate base is taken into consideration
- c) In Atikokan Hydro's case, the impact of moving from CGAAP to MIFRS only impacts depreciation. The overall impact on the 2012 revenue requirement with this movement is a reduction of about \$37,000.
- d) With the changes discussed above in part a), Atikokan Hydro does not have any overhead costs that are attributable to capital. As a result, there are no overhead or indirect costs assigned to capital.
- e) Atikokan Hydro plans to develop a formal capitalization policy upon completion of CoS Application in 2012.

**48. Ref: Exhibit 2/Tab 1/Schedule 1/page 7**

On page 7 of E2/T1/S1, Atikokan Hydro states that it “does not capitalize interest on funds used during construction as capital projects are budgeted for and completed in the fiscal year.”

- a) Please confirm whether the borrowing costs are directly attributable to the construction.
- b) If the answer to part a) is yes, please explain why the borrowing costs are not capitalized.
- c) Please quantify the borrowing costs that are not capitalized on construction.
- d) Please confirm if Atikokan Hydro capitalizes the directly attributable borrowing cost for capital projects begun but that do not go into service in the fiscal year.
- e) If the answer to part d) is no, please explain and quantify the borrowing costs that are not capitalized.

**Response:**

To clarify Atikokan Hydro’s position on the issue of capitalizing interest on funds used during construction, Atikokan Hydro does not capitalize such interest since Atikokan Hydro does not incur any interest charges on funds used for construction. It is Atikokan Hydro’s practice to fund construction with cash from operations. As a result, Atikokan Hydro believes the answer to all parts of this interrogatory is not applicable since Atikokan Hydro does not have borrowing costs associated with construction.

**49. Ref: Exhibit 2/Tab 2/Schedule 1/Page 10 and Exhibit 2/Appendix A/ page 12 –  
Useful Life and Depreciation Rate Changes in Conversion to IFRS**

On page 10 of E2/T2/S10, Atikokan Hydro states that: “Table 2-18 provides the adjustments made to CGAAP depreciation to reflect modified IFRS under a useful life assumption of 45 years.”

On page 12 of E2/Appendix A, Atikokan Hydro states that: “[g]iven the data received from the CGAAP to IFRS conversion exercise, Atikokan Hydro has chosen a useful life of 45 years for distribution equipment and has deemed 10 years remaining on older assets.”

- a) Please explain how Atikokan Hydro has determined the useful life of 45 years for distribution equipment, and a deemed 10 years remaining on older assets.
- b) Please confirm if Atikokan Hydro has used the Kinectrics Report in developing the useful service lives of the assets. If so, please provide a reference to Atikokan Hydro’s choice of useful life of 45 years for distribution equipment and deemed 10 years remaining on older assets. Please identify all exceptions from the Typical Useful Lives (“TUL”) in the Kinectrics Report and provide detailed justification for using service lives that are different from the TULs in the Kinectrics Report.
- c) Please confirm that significant parts or components of each item of PP&E are being depreciated separately, in accordance with IFRS. If not, please explain.

**Response:**

- a) Atikokan Hydro reviewed the Kinectrics study that was issued by the OEB and identified any significant components that are installed in our distribution system. For a full breakdown of the individual components, see the response below. As for the deemed remaining life of assets installed prior to 1965 (which have consumed their full lives under the new 45 year useful life), Atikokan Hydro has determined that those assets will likely be replaced over the next 10 years and therefore, the nominal value assigned to those assets will be continue to be depreciated over the next 10 years. If any of those assets get decommissioned prior to 10 years, Atikokan Hydro



- will account for the asset disposal and record an entry to dispose the asset, as required under IFRS.
- b) Atikokan Hydro reviewed the major components within its distribution system and identified a useful life based on those components and their useful life per the Kinectrics report:
- i. Poles – 45 year useful life as per TUL
  - ii. OH Conductor – Atikokan Hydro selected the same useful life as the poles (45 years) as it was determined with the help of the operations department that conductor would typically be replaced at the same time as the pole. Therefore, Atikokan Hydro has decided to have the same useful life as the pole account since these two components would be installed or decommissioned at the same time.
  - iii. Transformers – based on discussion with the operations department, it was determined that a useful life of 45 years is more typical of the expected usage that Atikokan Hydro would make of its transformers. Therefore, Atikokan Hydro selected a useful life slightly superior to the TUL of 40 years.
  - iv. Distribution Station – Atikokan Hydro identified the significant components installed at the stations, which include the structures, station transformers and switches. Since the NBV of the distribution stations and those components individually are relatively low, Atikokan Hydro computed an average useful life of 45 years for the station components. When new components are installed at the stations, Atikokan Hydro intends on depreciating the major components separately based on their typical useful lives per the Kinectrics report.
- c) Atikokan Hydro has reviewed all assets in the system to identify any significant components which have a material cost in relation to other assets in the account or that have different useful lives from the remainder of the assets.
- For any identified significant components, Atikokan Hydro has decided to separately depreciate these components in every PP&E account. The significant items identified fall within the distribution system assets (1800 accounts).
- For non-significant components, the amounts and/or the difference in useful lives were not material and therefore were not separated under IFRS.

**50. Ref: June 13, 2011 Addendum to Report of the Board: Implementing International Financial Reporting Standards in an Incentive Rate Mechanism Environment, Appendix A**

Pages 31-32 of the above referenced Report of the Board state the following:

Issue 2: The Board authorizes the creation of a generic IFRS transition PP&E deferral account to record differences arising as a result of accounting policy changes caused by the transition from CGAAP to MIFRS

Amortization of the adjusting amount, up or down, shall be reflected in any applicable rate application as an adjustment to depreciation expense (the refund or recovery of the amount of the adjustment over time) and the return on rate base calculation on the unamortized balance shall be included in applicable revenue requirement calculations in the same way as for any other component of rate base.

Atikokan Hydro has not provided a calculation or balance in the Board-approved PP&E Deferral Account.

- a) Please provide a breakdown of the amount recorded in the PP&E deferral account on the transition date to MIFRS that is effective as of January 1, 2011. Please provide the supporting analysis of the amounts in this account. Please provide an analysis similar to that documented in Appendix A of the March 31, 2011 Staff Discussion Paper – Transition to IFRS ([http://www.ontarioenergyboard.ca/OEB/Documents/EB-2008-0408/Discussion\\_paper\\_Transition\\_to\\_IFRS\\_20110331.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/EB-2008-0408/Discussion_paper_Transition_to_IFRS_20110331.pdf)).
- b) Please update the evidence to clear the PP&E Deferral Account as an adjustment to depreciation expense in the 2012 Test year and provide an update to the revenue requirement for the 2012 Test year.

**Response:**

- a) The requested information with regards to the PP&E deferral account is provided in the following table

	2009 CGAAP	2010 CGAAP	2011 CGAAP				
Opening Net PPE	1,929,992	1,974,174	2,232,756				
Additions	183,821	364,742	79,300				
Depreciation	139,638	106,159	190,722				
Closing PPE	1,974,174	2,232,756	2,121,334				
	2009 CGAAP	2010 CGAAP	2011 MIFRS				
Opening Net PPE	1,929,992	1,974,174	2,232,756				
Additions	183,821	364,742	79,300				
Depreciation	139,638	106,159	156,720				
Closing PPE	1,974,174	2,232,756	2,155,336				
<b>Difference in Closing net PP&amp;E, CGAAP vs MIFRS</b>			34,002				
Amortization Period			4				
Rate of Return			6.49%				
<b>Deferral Account - Rebasing in 2012 under MIFRS</b>			<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Opening			0	34,002	25,501	17,001	8,500
Additions			34,002	0	0	0	0
Amortization			0	8,500	8,500	8,500	8,500
Closing			34,002	25,501	17,001	8,500	0
Average				29,751			
Return				1,931			
Amortization				8,500			
<b>Amount included in Revenue Requirement</b>				10,431			

- b) Atikokan Hydro's evidence has been updated to clear the PP&E Deferral Account as an adjustment to depreciation expense in the 2012 Test year. Please refer to response to Board Staff IR#58 which provides the updated impact on the revenue requirement for the 2012 Test year.

**51. Ref: EB-2008-0408 Report of the Board -Transition to International Financial Reporting Standards, July 28, 2009**

The above referenced Report of the Board states, at page 19:

**Asset reclassifications from PP&E to intangible assets**

The staff proposal for asset reclassifications read:

IFRS requires certain assets to be recorded as intangible assets (e.g. computer software and land rights) that were previously included in PP&E. Utilities shall include such intangible assets in rate base and the amortization expense in depreciation expense for determining the revenue requirement. This reclassification is also necessary to preserve continuity of the rate base.

The Board therefore accepts staff's proposal.

Has Atikokan Hydro identified the accounting policy change on asset reclassification from PP&E to intangible assets? If so, please provide the accounting policy change and quantify the changes due to the adoption of IFRS for the test year and bridge year. If not, please provide the reasons and the plan when this is to be addressed.

**Response:**

Atikokan Hydro does not have land right assets and computer software assets, excluding software assets associated with smart meters, have a net book value of zero. As a result, Atikokan Hydro did not reclassify any assets from PP&E to intangible assets for the purposes of this application. However, Atikokan Hydro plans to address this issue when the actual financial results are moved to an IFRS standard in 2012.

***IFRS - Operating Costs***

**52. Ref: Letter of the Board, issued on November 8, 2010, “Transition to IFRS – Amendment to Board Policy”**

There are a number of tables in the application that should be confirmed and/or updated to ensure that the evidentiary record on MIFRS and an understanding of its impact is current and complete. The comparison requires that 2011 and 2012 be completed on both a CGAAP and MIFRS basis.

Please file financial information for the bridge year (2011) and test year (2012) in both CGAAP and MIFRS as per section 9.1.3 of the letter of the Board issued on November 8, 2010, for the following tables:

- a) Exhibit 4/Tab 1/Schedule 1/Table 4.1 - Summary of OM&A Expenses; and
- b) Exhibit 4/Tab 2/Schedule 2/Tables 4-7, 4-8, 4-9 and 4-10 – OM&A Detailed Costs.

Please provide a reconciliation and explanation between CGAAP and MIFRS amounts shown in these tables.

**Response:**

As outlined in response to Board staff 45b), the movement to MIFRS does not impact OM&A. As a result, the above noted tables remain the same under CGAAP and MIFRS and do not need to be updated.

**53. Ref: Exhibit 2/Appendix A /Page 4 – One-Time Administrative Costs of Transition of IFRS**

On page 4 of E2/Appendix A, Atikokan Hydro states:

Our accounting system for our major assets will be moving from Canadian Generally Accepted Accounting Practices [CGAAP] to the International Financial Reporting System [IFRS] as of January 1, 2012. Atikokan Hydro has taken the opportunity to do a detailed analysis of its major assets including value, age and amortization policy as part of the conversion from CGAAP to IFRS. The firm of BDO was hired to assist with the conversion process.

- a) Please confirm whether Atikokan Hydro has incurred and recorded the One-Time Administrative Costs of Transition of IFRS.
- b) If the answer to part a) is yes, please:
  - i. Identify which USoA deferral account the One-Time Administrative Costs of Transition of IFRS balance is recorded in.
  - ii. Provide the breakdown of the costs recorded in the IFRS deferral account.
  - iii. Provide explanations for each category of costs recorded in the IFRS deferral account and indicate how the costs recorded meet the criteria of one-time IFRS administrative incremental costs.
- c) If the answer to part a) is no, please explain why there are no costs incurred on the transition of IFRS, and how Atikokan Hydro is satisfied that the financial information provided for 2012 is on a MIFRS basis.

**Response:**

- a) Atikokan Hydro confirms it has incurred and recorded the One-Time Administrative Cost of Transition of IFRS

b)

- i. Atikokan Hydro is using account 1575 for Administrative Costs of Transition to IFRS
- ii. The breakdown of costs in account 1575 are:

Hydro Staff	\$14,723
Outside Professional Services	\$23,355

- iii. Deferral Account 1575 has been used for labour of Atikokan Hydro staff gathering information for Atikokan Hydro and BDO, the external auditor, to assist in converting our CGAAP assets to IFRS.

c) Not applicable

***Disposition of Account 1562 – Deferred Taxes/PILs.***

**54. Ref: PILs Continuity Schedule – PILs Proxy Entitlements**

In its PILs 1562 continuity schedule, Atikokan Hydro recorded its entitlement to the 2001 PILs proxy starting on October 1, 2001 and the 2002 PILs proxy on January 1, 2002.

Atikokan Hydro submitted a revised 2002 rate application dated March 28 and April 3, 2002. Due to its amended application for rate adjustment, the effective date of the 2002 rates including the 2001 and 2002 proxies was delayed to May 1, 2002 at the request of Atikokan Hydro.

- a) What regulatory reference supports starting the PILs entitlements earlier than May 1, 2002?  
Please explain.
- b) Did Atikokan Hydro consider that its entitlement to the 2001 and 2002 PILs proxy should not begin before May 1, 2002 given the delay caused by filing a revised application?

**Response:**

In the Board's Decision RP-2002-0028; EB-2002-0037 for Atikokan Hydro's 2002 rates the Board approved the 2001 deferred Payments in Lieu of Taxes (PILs) of \$7,668 and the 2002 Payments in Lieu of Taxes (PILs) of \$32,754. However, Atikokan Hydro's rates did not become effective until May 1, 2002 and this was not reflected in the 1562 PILs Continuity Schedule filed originally filed. This oversight has been corrected and the revised 1562 PILs Continuity Schedule is provided below assuming collection of the approved PILs begins May 1, 2002.



	A	B	C	D	E	F	G	H	I	J	K	L	M
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		31/12/2006
10													
11	Opening balance:	=	0		7,668		14,011		16,765		21,582		24,653
12	Board-approved PILs tax proxy from Decisions	+/-	7,668		32,754		40,422		34,671		38,463		13,455
13	True-up Variance Adjustment	+/-			80		282		645		378		47
14	Deferral Account Variance Adjustment	+/-			-		-		(845)		(840)		
15	Changes in Tax Legislation (repeal of Federal LCT)												
16	Carrying charges	+/-			\$291		\$1,050		\$1,227		\$1,443		\$1,156
17	PILs billed to (collected from) customers	-	0		(\$26,781)		(\$39,001)		(\$30,882)		(\$36,373)		(\$12,448)
18	Settlement Adjustment												
19													
20	Ending balance: # 1562		7,668		14,011		16,765		21,582		24,653		26,863
	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
8	01/01/2007		01/01/2008		01/01/2009		01/01/2010		01/01/2011		01/01/2012		
9	31/12/2007		31/12/2008		31/12/2009		31/12/2010		31/12/2011		30/04/2012		Total
10													
11	26,863		27,889		28,752		28,999		29,172		29,491		0
12													167,433
13													1,432
14													(1,685)
15													-
16	\$1,026		\$864		\$247		\$173		\$319		\$106		7,901
17													(145,485)
18													-
19													
20	27,889		28,752		28,999		29,172		29,491		29,597		29,597

**55. Ref: 2001 to 2005 SIMPIL models – Interest Expense**

*Interest Portion of True-up*

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 Atikokan Hydro have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements?
- b) Did Atikokan Hydro 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.
- c) Did Atikokan Hydro include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation?
- d) Did Atikokan Hydro include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns?
- e) Did Atikokan Hydro include interest expense on IESO prudentials in interest expense?
- f) Did Atikokan Hydro include interest carrying charges on regulatory assets or liabilities in interest expense?
- g) Did Atikokan Hydro include the amortization of debt issue costs, debt discounts or debt premiums in interest expense? If the answer is yes, did Atikokan Hydro also include the difference between the accounting and tax amortization amounts in the interest true-up calculations? Please explain.
- h) Did Atikokan Hydro deduct capitalized interest in deriving the interest expense disclosed in its financial statements? If the answer is yes, did Atikokan Hydro add back the capitalized interest to the actual interest expense amount for purposes of the interest true-up calculations? Please explain.

- i) Please provide Atikokan Hydro's views on which types of interest income and interest expense should be included in the excess interest true-up calculations.
- j) Please provide a table for the years 2001 to 2005 that shows all of the components of Atikokan Hydro's interest expense and the amount associated with each type of interest.

**Response:**

- a) Atikokan Hydro did not have interest expense related to liabilities other than debt that is disclosed as interest expense in its financial statements.
- b) Atikokan Hydro did not net interest income against interest expense in deriving the amount it shows as interest expense in its financial statements and tax returns.
- c) Atikokan Hydro did not include interest expense on customer security deposits in interest expense for purposes of the interest true-up calculation.
- d) Atikokan Hydro did not include interest income on customer security deposits in the disclosed amount of interest expense in its financial statements and tax returns.
- e) Atikokan Hydro did not include interest expense on IESO prudentials in interest expense.
- f) Atikokan Hydro did not include interest carrying charges on regulatory assets or liabilities in interest expense
- g) Atikokan Hydro does not have any costs associated with the amortization of debt issue costs, debt discounts or debt premiums.
- h) Atikokan Hydro does not capitalize interest as outlined in response to OEB staff IR#48.
- i) Atikokan Hydro believes the actual interest expense items included in excess true-up calculations should be consistent with the items that are included in the deemed interest amount that the actual interest is compared to in the true-up calculations.
- j) The following provides a table for the years 2001 to 2005 that shows the components of Atikokan Hydro's interest expense and the amount associated with each type of interest.

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Interest on long-term debt	16,421	65,551	65,036	65,878	
Other interest expense	831	1,083	1,098	863	1,270
Total	17,252	66,634	66,134	66,741	1,270

**56. Ref: 2001 to 2005 Tax Returns – Tax Years – Statute-barred**

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

**Response:**

Atikokan Hydro confirms that to the best of its knowledge all tax years from 2001 to 2005 are now statute-barred

***General – Updating of Evidence***

**57. Updated RRWF**

Upon completing all interrogatories from Board staff and intervenors, please provide an updated RRWF with any corrections or adjustments that Atikokan Hydro wishes to make to the amounts in the previous version of the RRWF included in the middle column. Please include documentation of the corrections and adjustments, such as a reference to an interrogatory response or an explanatory note.

**Response:**

The updated RRWF is included as appendix "E", and in live working file as as Atikokan\_Cos 2012\_Revenue\_Requirement\_MIFRS + PPE + OMERS + SM\_updates\_Model\_20120301\_BdStf\_IR\_57.xls

Response to Board Staff IR#58 provides the details of the changes

## 58. Updated Revenue Requirement

Upon completion of responses to all interrogatories, please identify any adjustments to the proposed service and base revenue requirements that Atikokan Hydro wishes to make relative to the original application.

### Response:

The following table outlines a tracking sheet outlining the adjustments to the proposed service and base revenue requirements that Atikokan Hydro wishes to make relative to the original application based on the responses to the interrogatories.

Reference	Item	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILS	OM&A	Service Revenue Requirement	Revenue Offsets	Base Revenue Requirement	Gross Revenue Deficiency
	<b>Submission</b>	<b>189,083</b>	<b>6.49%</b>	<b>2,913,786</b>	<b>3,370,408</b>	<b>505,561</b>	<b>197,456</b>	<b>17,914</b>	<b>1,175,151</b>	<b>1,579,603</b>	<b>125,235</b>	<b>1,454,368</b>	<b>364,011</b>
OEB #45	Update 2011 to MIFRS	191,348	6.49%	2,948,701	3,370,408	505,561	195,630	17,824	1,175,151	1,579,954	125,235	1,454,719	364,362
	Change	2,266	0.00%	34,914	0	0	(1,825)	(89)	0	351	0	351	351
OEB #50	Update for PPE	191,348	6.49%	2,948,701	3,370,408	505,561	185,199	17,824	1,175,151	1,569,523	125,235	1,444,288	353,931
	Change	0	0.00%	0	0	0	(10,431)	(0)	0	(10,431)	0	(10,431)	(10,431)
OEB #36	Update for OMERS	191,789	6.49%	2,955,485	3,415,637	512,346	185,199	17,872	1,220,380	1,615,240	125,235	1,490,005	399,648
	Change	440	0.00%	6,784	45,229	6,784	0	48	45,229	45,717	0	45,717	45,717
OEB #38	Update for Smart Meter Costs	197,378	6.49%	3,041,625	3,415,637	512,346	166,863	15,114	1,220,380	1,599,735	125,235	1,474,500	384,143
	Change	5,590	0.00%	86,140	0	0	(18,337)	(2,758)	0	(15,505)	0	(15,505)	(15,505)

In addition, Atikokan Hydro is proposing the following additional rate related changes be made to the original application based on the responses to the interrogatories

- Revise the Transformation Allowance Credit to be 10% of the proposed volumetric rate of GS > 50 kW
- Update the typical usage amount from 800 kWh to 581 kWh per month for the purposes of determining the rate mitigation amount for Residential customers.
- Revise the RTSRs using the Board's model and the recently approved 2012 UTRs
- Update the Smart Meter Disposition Rider to be on a class-specific basis.
- Update the Deferral/Variance Account Work Form to reflect the Board's Decision EB-2010-0064 regarding the treatment of 2008 and 2009 account balances.
- Revise the 1562 PILs Continuity Schedule to reflect the collection of the approved PILs

beginning May 1, 2002 which results in balance for account 1562 of \$29,597.



# FORT FRANCES DISTRICT DIGITAL DATA CONTROL MAP



Notes:  
This map should not be relied on as a precise indicator of routes or locations, nor as a guide to navigation. The Ontario Ministry of Natural Resources (OMNR) shall not be liable in any way for the use of, or reliance upon, this map or any information on this map.

Sources of Information:  
Ontario Ministry of Natural Resources - Natural Resources Values Information System (NRVIS) - compiled from field survey data, historical records, stakeholder information, reports from public and data from other ministries.

Map Intent:  
Depends on Sensitivity of data - Internal or External Distribution

c. 2012 Queen's Printer for Ontario  
Printed in Ontario, Canada

UTM NAD83 CNT Zone 15

1:40,000



Map Produced: January 31, 2012

## Legend

### Atikokan\_Hydro\_Inc\_transmission\_distribution\_lines

#### DESCR

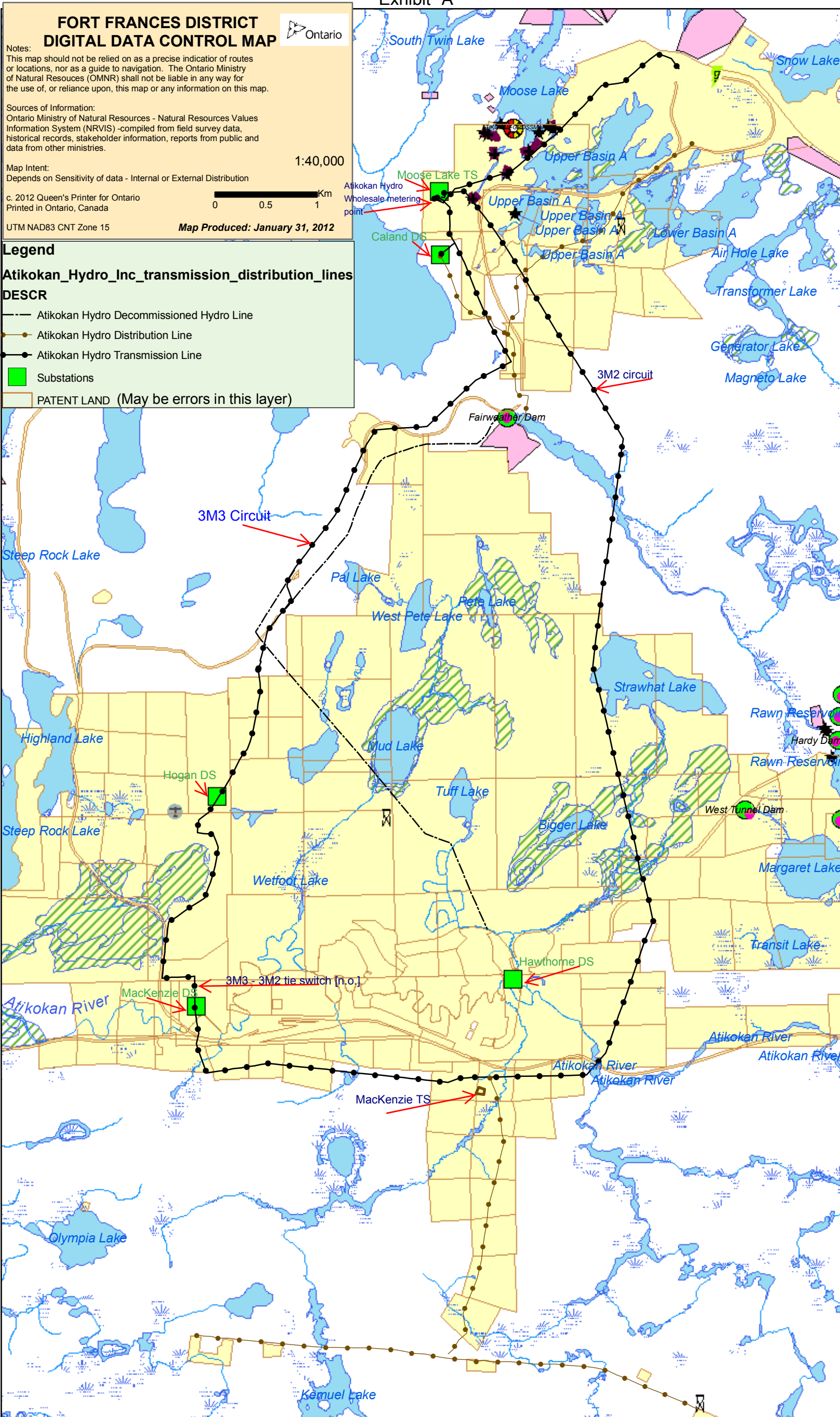
--- Atikokan Hydro Decommissioned Hydro Line

—●— Atikokan Hydro Distribution Line

—●— Atikokan Hydro Transmission Line

■ Substations

▭ PATENT LAND (May be errors in this layer)



Atikokan Hydro Wholesale metering point

Moose Lake TS

Caland DS

Fairweather Dam

3M3 Circuit

3M2 circuit

Hogan DS

MacKenzie DS

Hawthorne DS

MacKenzie TS

3M3 - 3M2 tie switch [n.o.]

West Tunnel Dam

Hardy Dam

Rawns Reservoir

Rawns Reservoir

Margaret Lake

Transit Lake

Strawhat Lake

Bigger Lake

Tuff Lake

West Pete Lake

Peta Lake

Pal Lake

Steep Rock Lake

Highland Lake

Wetfoot Lake

Mud Lake

Upper Basin A

Upper Basin A

Upper Basin A

Upper Basin A

Lower Basin A

Air Hole Lake

Transformer Lake

Generator Lake

Magneto Lake

Snow Lake

South Twin Lake

Moose Lake





Township of Atikokan  
P.O. Box 1330  
120 Marks St.  
Ontario P0T 1C0

Public Works  
Engineering  
Office  
(807) 597-1026  
Director of Public Works  
(807) 597-2390  
Fax: (807) 597-6186

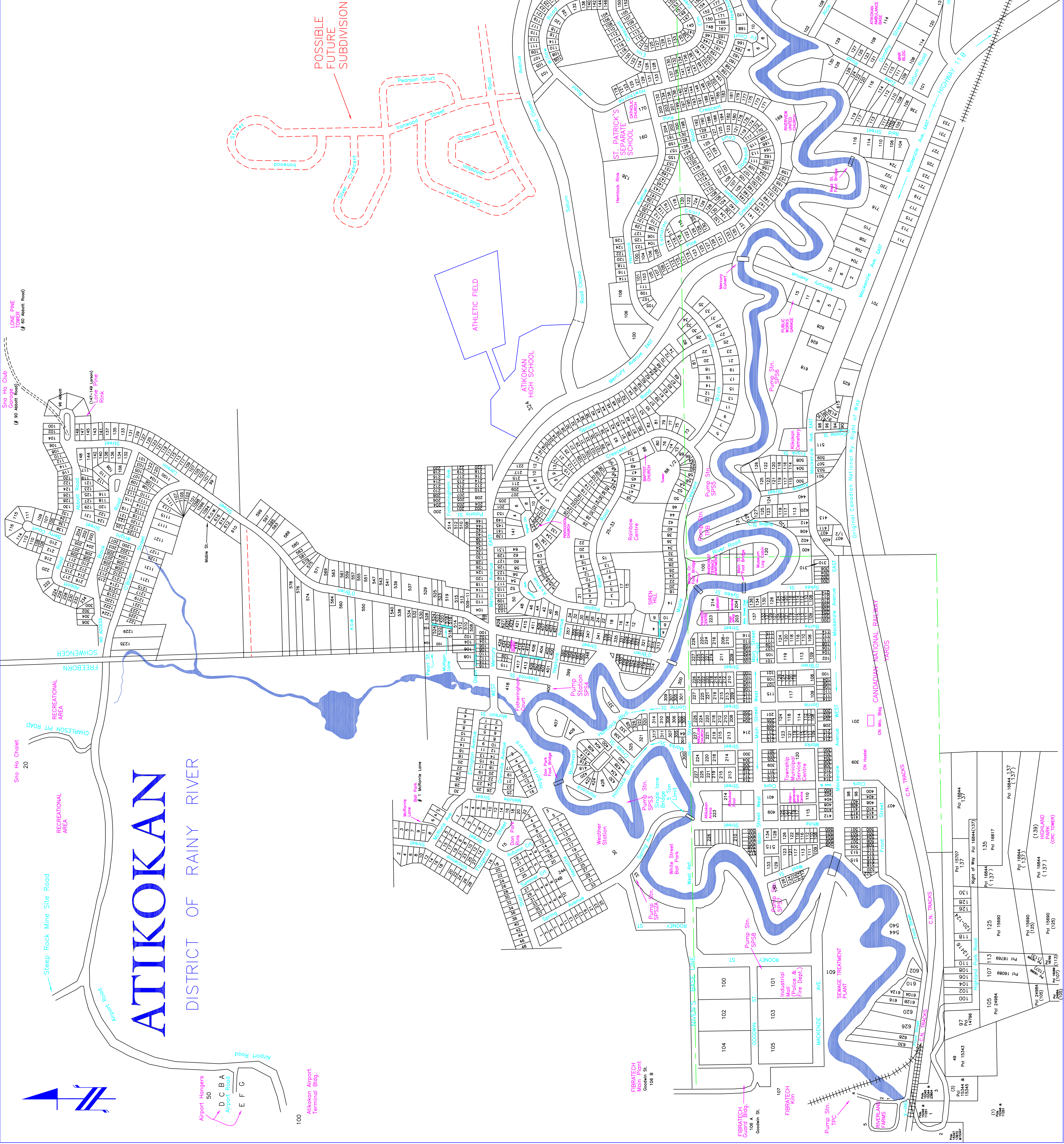
### PLAN OF HOUSE NUMBERS

SCALE: 1" = 400'

#### "NOTE"

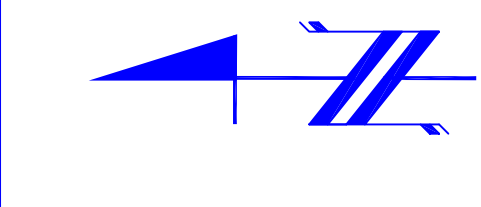
"Property lines shown not necessarily representative of legal survey or structure location"

REVISION DATES	REVISION BY
- Jan. 7, 2004	- B. Donohue
- Dec. 15, 2004	- B. Donohue
- Dec. 20, 2004	- B. DONOHUE
-	- B. DONOHUE



# ATIKOKAN

DISTRICT OF RAINY RIVER



100  
Atikokan Airport  
Terminal Bldg.  
50  
D C B A  
E F G  
Airport Road

106 A  
106 B  
FIBRATECH  
Main Plant  
FIBRATECH  
Guard Bldg.

100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
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**Atikokan Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date May 1, 2012**

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

EB-2011-0293

## RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	41.35
Smart Meter Cost Recovery Rider – effective until April 30, 2015	\$	3.66
Stranded Meter Rate Rider - effective until April 30, 2015	\$	0.39
Distribution Volumetric Rate	\$/kWh	0.0164
Rate Mitigation Rate Rider - effective until April 30, 2013	\$/kWh	(0.0086)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Atikokan Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective Date May 1, 2012

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

EB-2011-0293

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	87.79
Smart Meter Cost Recovery Rider – effective until April 30, 2015	\$	4.17
Stranded Meter Rate Rider - effective until April 30, 2015	\$	0.39
Distribution Volumetric Rate	\$/kWh	0.0112
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0056
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0032

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Atikokan Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective Date May 1, 2012

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

EB-2011-0293

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	607.88
Smart Meter Cost Recovery Rider – effective until April 30, 2015	\$	7.29
Stranded Meter Rate Rider - effective until April 30, 2015	\$	0.39
Distribution Volumetric Rate	\$/kW	2.3684
Retail Transmission Rate – Network Service Rate	\$/kW	2.2668
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2627
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.3956

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Atikokan Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective Date May 1, 2012

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

EB-2011-0293

## STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	13.45
Distribution Volumetric Rate	\$/kW	16.5828
Retail Transmission Rate – Network Service Rate	\$/kW	1.7097
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.9760

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Atikokan Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective Date May 1, 2012

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

EB-2011-0293

## microFIT GENERATOR SERVICE CLASSIFICATION

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

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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### ALLOWANCES

Transformer Allowance for Ownership – per kW of billing demand/month – customer shall be credited at a rate of 10% of the applicable Distribution Volumetric Rate		
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

# Atikokan Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective Date May 1, 2012

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

EB-2011-0293

## SPECIFIC SERVICE CHARGES

### APPLICATION

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration	
Returned Cheque charge (plus bank charges)	\$ 25.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$ 25.00
Special Meter reads	\$ 25.00
Non-Payment of Account	
Late Payment - per month	% 1.50
Late Payment - per annum	% 19.56
Collection of account charge – no disconnection	\$ 25.00
Disconnect/Reconnect at Meter – during regular hours	\$ 28.00
Disconnect/Reconnect at Meter – after regular hours	\$ 315.00
Disconnect/Reconnect at Pole – during regular hours	\$ 28.00
Disconnect/Reconnect at Pole – after regular hours	\$ 315.00
Specific Charge for Access to the Power Poles – per pole/year	\$ 22.35

## RETAIL SERVICE CHARGES (if applicable)

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.



# Atikokan Hydro Inc.

## TARIFF OF RATES AND CHARGES

### Effective Date May 1, 2012

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

EB-2011-0293

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

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

## LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customers	1.0778
Total Loss Factor – Primary Metered Customers	1.0671

## Appendix "B"

**V2.0**

**Ontario Energy Board**  
**RTSR WORK FORM FOR  
ELECTRICITY DISTRIBUTORS**

<b>Choose Your Utility:</b> Algoma Power Inc. Atikokan Hydro Inc.	<b>Application Type:</b> CoS <b>OEB Application #:</b> <b>LDC Licence #:</b> ED-2003-0001	<b>Last COS OEB Application #:</b> EB-2005-0371 <b>Last COS Re-Basing Year:</b> 2006
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### Application Contact Information

**Name:**

**Title:**

**Phone Number:**

**Email Address:**

### Copyright

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

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[4. RRR Data](#)

[5. UTRs and Sub-Transmission](#)

[6. Historical Wholesale](#)

[7. Current Wholesale](#)

[8. Forecast Wholesale](#)

[9. Adj Network to Current WS](#)

[10. Adj Conn. to Current WS](#)

[11. Adj Network to Forecast WS](#)

[12. Adj Conn. to Forecast WS](#)





Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

In the green shaded cells, enter the most recent reported RRR billing determinants. Please ensure that billing determinants are non-loss adjusted.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	9,930,844	-	1.0753		10,678,637	-
General Service Less Than 50 kW	kWh	5,011,859	-	1.0753		5,389,252	-
General Service 50 to 4,999 kW	kW	6,891,450	19,211		49.17%	6,891,450	19,211
General Service 50 to 4,999 kW – Interval Metered	kW	597,408	2,997		27.32%	597,408	2,997
Street Lighting	kW	485,587	1,449		45.93%	485,587	1,449



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

<b>Uniform Transmission Rates</b>	<b>Unit</b>	<b>Effective January 1, 2010</b>	<b>Effective January 1, 2011</b>	<b>Effective January 1, 2012</b>
<b>Rate Description</b>		<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
Network Service Rate	kW	\$ 2.97	\$ 3.22	\$ 3.57
Line Connection Service Rate	kW	\$ 0.73	\$ 0.79	\$ 0.80
Transformation Connection Service Rate	kW	\$ 1.71	\$ 1.77	\$ 1.86

<b>Hydro One Sub-Transmission Rates</b>	<b>Unit</b>	<b>Effective January 1, 2010</b>	<b>Effective January 1, 2011</b>	<b>Effective January 1, 2012</b>
<b>Rate Description</b>		<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
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

<b>Hydro One Sub-Transmission Rate Rider 6A</b>	<b>Unit</b>	<b>Effective January 1, 2010</b>	<b>Effective January 1, 2011</b>	<b>Effective January 1, 2012</b>
<b>Rate Description</b>		<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
RSVA Transmission network - 4714 - which affects 1584	kW	\$ 0.0470	\$ 0.0470	\$ 0.0470
RSVA Transmission connection - 4716 - which affects 1586	kW	-\$ 0.0250	-\$ 0.0250	-\$ 0.0250
RSVA LV - 4750 - which affects 1550	kW	\$ 0.0580	\$ 0.0580	\$ 0.0580
RARA 1 - 2252 - which affects 1590	kW	-\$ 0.0750	-\$ 0.0750	-\$ 0.0750
Hydro One Sub-Transmission Rate Rider 6A	kW	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS


In the green shaded cells, enter billing detail for wholesale transmission for the same reporting period as the billing determinants on Sheet "4. RRR Data". For Hydro One Sub-transmission Rates, if you are charged a combined Line and Transformer connection rate, please ensure that both the line connection and transformer connection columns are completed.

IESO	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	3,884	\$2.97	\$ 11,534	-	\$0.00		4,599	\$1.71	\$ 7,864	\$ 7,864
February	4,342	\$2.97	\$ 12,896	-	\$0.00		4,549	\$1.71	\$ 7,779	\$ 7,779
March	4,057	\$2.97	\$ 12,049	-	\$0.00		4,148	\$1.71	\$ 7,093	\$ 7,093
April	3,516	\$2.97	\$ 10,443	-	\$0.00		3,682	\$1.71	\$ 6,296	\$ 6,296
May	3,297	\$2.97	\$ 9,792	-	\$0.00		3,579	\$1.71	\$ 6,120	\$ 6,120
June	3,235	\$2.97	\$ 9,608	-	\$0.00		3,806	\$1.71	\$ 6,508	\$ 6,508
July	3,066	\$2.97	\$ 9,106	-	\$0.00		3,101	\$1.71	\$ 5,303	\$ 5,303
August	3,436	\$2.97	\$ 10,205	-	\$0.00		4,042	\$1.71	\$ 6,912	\$ 6,912
September	3,664	\$2.97	\$ 10,882	-	\$0.00		3,961	\$1.71	\$ 6,773	\$ 6,773
October	2,906	\$2.97	\$ 8,631	-	\$0.00		3,419	\$1.71	\$ 5,846	\$ 5,846
November	3,041	\$2.97	\$ 9,032	-	\$0.00		3,311	\$1.71	\$ 5,662	\$ 5,662
December	3,677	\$2.97	\$ 10,921	-	\$0.00		4,138	\$1.71	\$ 7,076	\$ 7,076
<b>Total</b>	42,121	\$ 2.97	\$ 125,098	-	\$ -	\$ -	46,335	\$ 1.71	\$ 79,233	\$ 79,233

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		\$0.00			\$0.00			\$0.00			\$ -
February		\$0.00			\$0.00			\$0.00			\$ -
March		\$0.00			\$0.00			\$0.00			\$ -
April		\$0.00			\$0.00			\$0.00			\$ -
May		\$0.00			\$0.00			\$0.00			\$ -
June		\$0.00			\$0.00			\$0.00			\$ -
July		\$0.00			\$0.00			\$0.00			\$ -
August		\$0.00			\$0.00			\$0.00			\$ -
September		\$0.00			\$0.00			\$0.00			\$ -
October		\$0.00			\$0.00			\$0.00			\$ -
November		\$0.00			\$0.00			\$0.00			\$ -
December		\$0.00			\$0.00			\$0.00			\$ -
<b>Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	3,884	\$2.97	\$ 11,534	-	\$0.00	\$ -	4,599	\$1.71	\$ 7,864	\$ 7,864
February	4,342	\$2.97	\$ 12,896	-	\$0.00	\$ -	4,549	\$1.71	\$ 7,779	\$ 7,779
March	4,057	\$2.97	\$ 12,049	-	\$0.00	\$ -	4,148	\$1.71	\$ 7,093	\$ 7,093
April	3,516	\$2.97	\$ 10,443	-	\$0.00	\$ -	3,682	\$1.71	\$ 6,296	\$ 6,296
May	3,297	\$2.97	\$ 9,792	-	\$0.00	\$ -	3,579	\$1.71	\$ 6,120	\$ 6,120
June	3,235	\$2.97	\$ 9,608	-	\$0.00	\$ -	3,806	\$1.71	\$ 6,508	\$ 6,508
July	3,066	\$2.97	\$ 9,106	-	\$0.00	\$ -	3,101	\$1.71	\$ 5,303	\$ 5,303
August	3,436	\$2.97	\$ 10,205	-	\$0.00	\$ -	4,042	\$1.71	\$ 6,912	\$ 6,912
September	3,664	\$2.97	\$ 10,882	-	\$0.00	\$ -	3,961	\$1.71	\$ 6,773	\$ 6,773
October	2,906	\$2.97	\$ 8,631	-	\$0.00	\$ -	3,419	\$1.71	\$ 5,846	\$ 5,846
November	3,041	\$2.97	\$ 9,032	-	\$0.00	\$ -	3,311	\$1.71	\$ 5,662	\$ 5,662
December	3,677	\$2.97	\$ 10,921	-	\$0.00	\$ -	4,138	\$1.71	\$ 7,076	\$ 7,076
<b>Total</b>	42,121	\$ 2.97	\$ 125,098	-	\$ -	\$ -	46,335	\$ 1.71	\$ 79,233	\$ 79,233




**Ontario Energy Board**  
**RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

The purpose of this sheet is to calculate the expected billing when current 2011 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	3,884	\$ 3.2200	\$ 12,506	-	\$ 0.7900	\$ -	4,599	\$ 1.7700	\$ 8,140	\$ 8,140
February	4,342	\$ 3.2200	\$ 13,981	-	\$ 0.7900	\$ -	4,549	\$ 1.7700	\$ 8,052	\$ 8,052
March	4,057	\$ 3.2200	\$ 13,064	-	\$ 0.7900	\$ -	4,148	\$ 1.7700	\$ 7,342	\$ 7,342
April	3,516	\$ 3.2200	\$ 11,322	-	\$ 0.7900	\$ -	3,682	\$ 1.7700	\$ 6,517	\$ 6,517
May	3,297	\$ 3.2200	\$ 10,616	-	\$ 0.7900	\$ -	3,579	\$ 1.7700	\$ 6,335	\$ 6,335
June	3,235	\$ 3.2200	\$ 10,417	-	\$ 0.7900	\$ -	3,806	\$ 1.7700	\$ 6,737	\$ 6,737
July	3,066	\$ 3.2200	\$ 9,873	-	\$ 0.7900	\$ -	3,101	\$ 1.7700	\$ 5,489	\$ 5,489
August	3,436	\$ 3.2200	\$ 11,064	-	\$ 0.7900	\$ -	4,042	\$ 1.7700	\$ 7,154	\$ 7,154
September	3,664	\$ 3.2200	\$ 11,798	-	\$ 0.7900	\$ -	3,961	\$ 1.7700	\$ 7,011	\$ 7,011
October	2,906	\$ 3.2200	\$ 9,357	-	\$ 0.7900	\$ -	3,419	\$ 1.7700	\$ 6,052	\$ 6,052
November	3,041	\$ 3.2200	\$ 9,792	-	\$ 0.7900	\$ -	3,311	\$ 1.7700	\$ 5,860	\$ 5,860
December	3,677	\$ 3.2200	\$ 11,840	-	\$ 0.7900	\$ -	4,138	\$ 1.7700	\$ 7,324	\$ 7,324
<b>Total</b>	<b>42,121</b>	<b>\$ 3.22</b>	<b>\$ 135,630</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>46,335</b>	<b>\$ 1.77</b>	<b>\$ 82,013</b>	<b>\$ 82,013</b>

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
February	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
March	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
April	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
May	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
June	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
July	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
August	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
September	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
October	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
November	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
December	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -	\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

TOTAL	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	3,884	\$ 3.22	\$ 12,506	-	\$ -	\$ -	4,599	\$ 1.77	\$ 8,140	\$ 8,140
February	4,342	\$ 3.22	\$ 13,981	-	\$ -	\$ -	4,549	\$ 1.77	\$ 8,052	\$ 8,052
March	4,057	\$ 3.22	\$ 13,064	-	\$ -	\$ -	4,148	\$ 1.77	\$ 7,342	\$ 7,342
April	3,516	\$ 3.22	\$ 11,322	-	\$ -	\$ -	3,682	\$ 1.77	\$ 6,517	\$ 6,517
May	3,297	\$ 3.22	\$ 10,616	-	\$ -	\$ -	3,579	\$ 1.77	\$ 6,335	\$ 6,335
June	3,235	\$ 3.22	\$ 10,417	-	\$ -	\$ -	3,806	\$ 1.77	\$ 6,737	\$ 6,737
July	3,066	\$ 3.22	\$ 9,873	-	\$ -	\$ -	3,101	\$ 1.77	\$ 5,489	\$ 5,489
August	3,436	\$ 3.22	\$ 11,064	-	\$ -	\$ -	4,042	\$ 1.77	\$ 7,154	\$ 7,154
September	3,664	\$ 3.22	\$ 11,798	-	\$ -	\$ -	3,961	\$ 1.77	\$ 7,011	\$ 7,011
October	2,906	\$ 3.22	\$ 9,357	-	\$ -	\$ -	3,419	\$ 1.77	\$ 6,052	\$ 6,052
November	3,041	\$ 3.22	\$ 9,792	-	\$ -	\$ -	3,311	\$ 1.77	\$ 5,860	\$ 5,860
December	3,677	\$ 3.22	\$ 11,840	-	\$ -	\$ -	4,138	\$ 1.77	\$ 7,324	\$ 7,324
<b>Total</b>	<b>42,121</b>	<b>\$ 3.22</b>	<b>\$ 135,630</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>46,335</b>	<b>\$ 1.77</b>	<b>\$ 82,013</b>	<b>\$ 82,013</b>





Atikokan Hydro Inc. - - CoS

The purpose of this sheet is to calculate the expected billing when forecasted 2012 Uniform Transmission Rates are applied against historical 2010 transmission units.

IESO	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	3,884	\$ 3.5700	\$ 13,866	-	\$ 0.8000	\$ -	4,599	\$ 1.8600	\$ 8,554	\$ 8,554
February	4,342	\$ 3.5700	\$ 15,501	-	\$ 0.8000	\$ -	4,549	\$ 1.8600	\$ 8,461	\$ 8,461
March	4,057	\$ 3.5700	\$ 14,483	-	\$ 0.8000	\$ -	4,148	\$ 1.8600	\$ 7,715	\$ 7,715
April	3,516	\$ 3.5700	\$ 12,552	-	\$ 0.8000	\$ -	3,682	\$ 1.8600	\$ 6,849	\$ 6,849
May	3,297	\$ 3.5700	\$ 11,770	-	\$ 0.8000	\$ -	3,579	\$ 1.8600	\$ 6,657	\$ 6,657
June	3,235	\$ 3.5700	\$ 11,549	-	\$ 0.8000	\$ -	3,806	\$ 1.8600	\$ 7,079	\$ 7,079
July	3,066	\$ 3.5700	\$ 10,946	-	\$ 0.8000	\$ -	3,101	\$ 1.8600	\$ 5,768	\$ 5,768
August	3,436	\$ 3.5700	\$ 12,267	-	\$ 0.8000	\$ -	4,042	\$ 1.8600	\$ 7,518	\$ 7,518
September	3,664	\$ 3.5700	\$ 13,080	-	\$ 0.8000	\$ -	3,961	\$ 1.8600	\$ 7,367	\$ 7,367
October	2,906	\$ 3.5700	\$ 10,374	-	\$ 0.8000	\$ -	3,419	\$ 1.8600	\$ 6,359	\$ 6,359
November	3,041	\$ 3.5700	\$ 10,856	-	\$ 0.8000	\$ -	3,311	\$ 1.8600	\$ 6,158	\$ 6,158
December	3,677	\$ 3.5700	\$ 13,127	-	\$ 0.8000	\$ -	4,138	\$ 1.8600	\$ 7,697	\$ 7,697
<b>Total</b>	<b>42,121</b>	<b>\$ 3.57</b>	<b>\$ 150,372</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>46,335</b>	<b>\$ 1.86</b>	<b>\$ 86,183</b>	<b>\$ 86,183</b>

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
February	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
March	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
April	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
May	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
June	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
July	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
August	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
September	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
October	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
November	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
December	-	\$ 2.6970	\$ -	-	\$ 0.6150	\$ -	-	\$ 1.5000	\$ -	\$ -
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

TOTAL	Network			Line Connection			Transformation Connection			Total Line
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	3,884	\$ 3.57	\$ 13,866	-	\$ -	\$ -	4,599	\$ 1.86	\$ 8,554	\$ 8,554
February	4,342	\$ 3.57	\$ 15,501	-	\$ -	\$ -	4,549	\$ 1.86	\$ 8,461	\$ 8,461
March	4,057	\$ 3.57	\$ 14,483	-	\$ -	\$ -	4,148	\$ 1.86	\$ 7,715	\$ 7,715
April	3,516	\$ 3.57	\$ 12,552	-	\$ -	\$ -	3,682	\$ 1.86	\$ 6,849	\$ 6,849
May	3,297	\$ 3.57	\$ 11,770	-	\$ -	\$ -	3,579	\$ 1.86	\$ 6,657	\$ 6,657
June	3,235	\$ 3.57	\$ 11,549	-	\$ -	\$ -	3,806	\$ 1.86	\$ 7,079	\$ 7,079
July	3,066	\$ 3.57	\$ 10,946	-	\$ -	\$ -	3,101	\$ 1.86	\$ 5,768	\$ 5,768
August	3,436	\$ 3.57	\$ 12,267	-	\$ -	\$ -	4,042	\$ 1.86	\$ 7,518	\$ 7,518
September	3,664	\$ 3.57	\$ 13,080	-	\$ -	\$ -	3,961	\$ 1.86	\$ 7,367	\$ 7,367
October	2,906	\$ 3.57	\$ 10,374	-	\$ -	\$ -	3,419	\$ 1.86	\$ 6,359	\$ 6,359
November	3,041	\$ 3.57	\$ 10,856	-	\$ -	\$ -	3,311	\$ 1.86	\$ 6,158	\$ 6,158
December	3,677	\$ 3.57	\$ 13,127	-	\$ -	\$ -	4,138	\$ 1.86	\$ 7,697	\$ 7,697
<b>Total</b>	<b>42,121</b>	<b>\$ 3.57</b>	<b>\$ 150,372</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>46,335</b>	<b>\$ 1.86</b>	<b>\$ 86,183</b>	<b>\$ 86,183</b>



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

The purpose of this sheet is to re-align the current RTS Network Rates to recover current wholesale network costs.

Rate Class	Unit	Current RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential	kWh	\$ 0.0060	10,678,637	-	\$ 64,072	44.4%	\$ 60,251	\$ 0.0056
General Service Less Than 50 kW	kWh	\$ 0.0054	5,389,252	-	\$ 29,102	20.2%	\$ 27,366	\$ 0.0051
General Service 50 to 4,999 kW	kW	\$ 2.1742	6,891,450	19,211	\$ 41,769	29.0%	\$ 39,278	\$ 2.0445
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.3066	597,408	2,997	\$ 6,913	4.8%	\$ 6,501	\$ 2.1690
Street Lighting	kW	\$ 1.6399	485,587	1,449	\$ 2,376	1.6%	\$ 2,235	\$ 1.5421
					<b>\$ 144,231</b>			



# Ontario Energy Board

## RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Atikokan Hydro Inc. - - CoS

The purpose of this sheet is to re-align the current RTS Connection Rates to recover current wholesale connection costs.

Rate Class	Unit	Current RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Connection
Residential	kWh	\$ 0.0037	10,678,637	-	\$ 39,511	45.5%	\$ 37,316	\$ 0.0035
General Service Less Than 50 kW	kWh	\$ 0.0032	5,389,252	-	\$ 17,246	19.9%	\$ 16,287	\$ 0.0030
General Service 50 to 4,999 kW	kW	\$ 1.2723	6,891,450	19,211	\$ 24,442	28.1%	\$ 23,084	\$ 1.2016
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 1.4062	597,408	2,997	\$ 4,214	4.9%	\$ 3,980	\$ 1.3281
Street Lighting	kW	\$ 0.9834	485,587	1,449	\$ 1,425	1.6%	\$ 1,346	\$ 0.9288
					<b>\$ 86,838</b>			



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

The purpose of this sheet is to update the re-align RTS Network Rates to recover forecast wholesale network costs.

Rate Class	Unit	Adjusted RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	\$ 0.0056	10,678,637	-	\$ 60,251	44.4%	\$ 66,800	\$ 0.0063
General Service Less Than 50 kW	kWh	\$ 0.0051	5,389,252	-	\$ 27,366	20.2%	\$ 30,341	\$ 0.0056
General Service 50 to 4,999 kW	kW	\$ 2.0445	6,891,450	19,211	\$ 39,278	29.0%	\$ 43,547	\$ 2.2668
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.1690	597,408	2,997	\$ 6,501	4.8%	\$ 7,207	\$ 2.4048
Street Lighting	kW	\$ 1.5421	485,587	1,449	\$ 2,235	1.6%	\$ 2,477	\$ 1.7097
					<b>\$ 135,630</b>			



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

The purpose of this sheet is to update the re-aligned RTS Connection Rates to recover forecast wholesale connection costs.

Rate Class	Unit	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	\$ 0.0035	10,678,637	-	\$ 37,316	45.5%	\$ 39,213	\$ 0.0037
General Service Less Than 50 kW	kWh	\$ 0.0030	5,389,252	-	\$ 16,287	19.9%	\$ 17,116	\$ 0.0032
General Service 50 to 4,999 kW	kW	\$ 1.2016	6,891,450	19,211	\$ 23,084	28.1%	\$ 24,258	\$ 1.2627
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 1.3281	597,408	2,997	\$ 3,980	4.9%	\$ 4,183	\$ 1.3956
Street Lighting	kW	\$ 0.9288	485,587	1,449	\$ 1,346	1.6%	\$ 1,414	\$ 0.9760
					<b>\$ 82,013</b>			



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Atikokan Hydro Inc. - - CoS

For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.

For IRM applicants, please enter these rates into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	\$ 0.0063	\$ 0.0037
General Service Less Than 50 kW	kWh	\$ 0.0056	\$ 0.0032
General Service 50 to 4,999 kW	kW	\$ 2.2668	\$ 1.2627
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.4048	\$ 1.3956
Street Lighting	kW	\$ 1.7097	\$ 0.9760

## Appendix "C"

 Ontario Energy Board <b>Deferral / Variance Account Work Form</b>		
<b>Choose Your Utility:</b> Algoma Power Inc. <input type="text"/> Atikokan Hydro Inc. <input type="text"/> Attawapiskat Power Corp. <input type="text"/>	<b>File Number:</b> EB-2011-0293	<b>Rate Year:</b> 2012

### Application Contact Information

Name:

Title:

Phone Number:

Email Address:

### General Notes

1. Please ensure that your macros have been enabled. (Tools -> Macro -> Security)
2. Due to the time lag of deferral/variance account dispositions, this model assumes that all opening balances include previously disposed of amounts. Accordingly, all "Board Approved Dispositions" are deducted from the opening balance.
3. Please provide information in this model since the last time your balances were disposed.
4. For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

### Copyright

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of preparing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to*

		<b>2005</b>									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-05
<b>Group 1 Accounts</b>											
LV Variance Account	1550					\$ -					\$ -
RSVA - Wholesale Market Service Charge	1580	\$ 27,551			\$ 60,473	\$ 88,024		\$ 4,315			\$ 4,315
RSVA - Retail Transmission Network Charge	1584	\$ 13,408			\$ 49,430	\$ 62,838		\$ 3,610			\$ 3,610
RSVA - Retail Transmission Connection Charge	1586	\$ 72,795			\$ 220,863	\$ 293,658		\$ 15,444			\$ 15,444
RSVA - Power (excluding Global Adjustment)	1588	\$ 83,353			\$ 162,483	\$ 245,836		\$ 11,340			\$ 11,340
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 10,118			\$ -	\$ 10,118		\$ 218			\$ 218
Recovery of Regulatory Asset Balances	1590	\$ 40,246			\$ -	\$ 40,246		\$ 3,225			\$ 3,225
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595					\$ -					\$ -
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595					\$ -					\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		\$ -	\$ 25,663	\$ -	\$ 47,337	\$ 73,000	\$ -	\$ 6,842	\$ -	\$ -	\$ 6,842
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		\$ -	\$ 15,545	\$ -	\$ 47,337	\$ 62,882	\$ -	\$ 6,624	\$ -	\$ -	\$ 6,624
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ -	\$ 10,118	\$ -	\$ -	\$ 10,118	\$ -	\$ 218	\$ -	\$ -	\$ 218



Account Descriptions	Account Number	2005									
		Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-05
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 982	\$ 2,705	\$ -	\$ -	\$ 3,687	\$ 16	\$ 118		\$ 134	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -	\$ 28,904	\$ -	\$ -	\$ 28,904	\$ -	\$ 515		\$ 515	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508										
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508										
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508										
Retail Cost Variance Account - Retail	1518										
Misc. Deferred Debits	1525										
Renewable Generation Connection Capital Deferral Account	1531										
Renewable Generation Connection OM&A Deferral Account	1532										
Renewable Generation Connection Funding Adder Deferral Account	1533										
Smart Grid Capital Deferral Account	1534										
Smart Grid OM&A Deferral Account	1535										
Smart Grid Funding Adder Deferral Account	1536										
Retail Cost Variance Account - STR	1548										
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555										
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555										
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555										
Smart Meter OM&A Variance	1556										
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565										
CDM Contra	1566										
Qualifying Transition Costs <sup>5</sup>	1570										
Pre-market Opening Energy Variance <sup>5</sup>	1571										
Extra-Ordinary Event Costs	1572										
Deferred Rate Impact Amounts	1574										
RSVA - One-time	1582										
Other Deferred Credits	2425										
<b>Group 2 Sub-Total</b>		\$ 982	\$ 31,609	\$ -	\$ -	\$ 32,591	\$ 16	\$ 633	\$ -	\$ 649	
Deferred Payments in Lieu of Taxes	1562										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		\$ 982	\$ 5,946	\$ -	\$ 47,337	\$ 40,409	\$ 16	\$ 6,209	\$ -	\$ 6,193	
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>										
<b>Total including Account 1521<sup>1</sup></b>		\$ 982	\$ 5,946	\$ -	\$ 47,337	\$ 40,409	\$ 16	\$ 6,209	\$ -	\$ 6,193	
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>8</sup>	1563										
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592										
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595										

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g: debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.**

<sup>1</sup> Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board

<sup>2</sup> Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.

<sup>3</sup> Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of the 2006 EDR and account 1595 during the 2008 EDR and subsequent years as ordered by the Board.

<sup>4</sup> Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

<sup>5</sup> Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 and 29.

<sup>6</sup> Closed April 30, 2002

<sup>7</sup> For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

<sup>8</sup> Please describe "other" components of 1508 and add more component lines if necessary.

<sup>9</sup> 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

<sup>10</sup> If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2011 on the December 31, 2010 balance. The projected interest is recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board in the 2011 rate decision.

<sup>11</sup> Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has been completed, and the audited financial statements support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include the balances in Account 1595 on a memo basis only (line 82).



		2006									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions Debit/(Credit) during 2006 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2006 <sup>2,2A</sup>	Adjustments during 2006 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 <sup>2,2A</sup>	Adjustments during 2006 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-06
<b>Group 1 Accounts</b>											
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -
RSVA - Wholesale Market Service Charge	1580	\$ 88,024	\$ -102,548			\$ -14,524	\$ 4,315	\$ 4,123			\$ 8,438
RSVA - Retail Transmission Network Charge	1584	\$ -62,838	\$ 31,649			\$ -31,189	\$ -3,610	\$ -3,308			\$ -6,918
RSVA - Retail Transmission Connection Charge	1586	\$ -293,658	\$ 201,130			\$ -92,528	\$ 15,444	\$ -14,770			\$ -30,214
RSVA - Power (excluding Global Adjustment)	1588	\$ 245,836	\$ -326,045			\$ -80,209	\$ 11,340	\$ 12,866			\$ 24,206
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ -10,118	\$ 1,308			\$ -11,426	\$ 218	\$ 468			\$ 686
Recovery of Regulatory Asset Balances	1590	\$ -40,246	\$ 44,724	\$ -50,753	\$ -51,577	\$ 3,654	\$ -3,225	\$ -840	\$ -825		\$ -3,240
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		\$ -73,000	\$ -152,398	\$ -50,753	\$ -51,577	\$ -226,222	\$ 6,842	\$ 2,397	\$ 825	\$ -	\$ -8,414
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		\$ -62,882	\$ -151,090	\$ -50,753	\$ -51,577	\$ -214,796	\$ 6,624	\$ 1,929	\$ 825	\$ -	\$ -7,728
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ -10,118	\$ 1,308	\$ -	\$ -	\$ -11,426	\$ 218	\$ 468	\$ -	\$ -	\$ -686

		2006									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions Debit/(Credit) during 2006 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2006 <sup>2,2A</sup>	Adjustments during 2006 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 <sup>2,2A</sup>	Adjustments during 2006 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-06
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 3,687	\$ 1,991	\$ -	\$ -	\$ 5,678	\$ 134	\$ 256	\$ -	\$ -	\$ 390
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 28,904	\$ 32,921	\$ -	\$ -	\$ 61,825	\$ 515	\$ 1,683	\$ -	\$ -	\$ 2,199
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Retail	1518	\$ -	\$ 530	\$ -	\$ -	\$ 530	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Deferred Debits	1525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Capital Deferral Account	1531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection OM&A Deferral Account	1532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Capital Deferral Account	1534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid OM&A Deferral Account	1535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Funding Adder Deferral Account	1536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - STR	1548	\$ -	\$ 750	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter OM&A Variance	1556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM Contra	1566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-market Opening Energy Variance <sup>5</sup>	1571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Costs	1572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - One-time	1582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Group 2 Sub-Total</b>		\$ 32,591	\$ 35,132	\$ -	\$ -	\$ 67,723	\$ 649	\$ 1,940	\$ -	\$ -	\$ 2,589
Deferred Payments in Lieu of Taxes	1562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Input Tax Credits (ITCs)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 40,409	-\$ 117,266	-\$ 50,753	-\$ 51,577	-\$ 158,499	-\$ 6,193	-\$ 457	\$ 825	\$ -	-\$ 5,825
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>										
<b>Total including Account 1521<sup>1</sup></b>		-\$ 40,409	-\$ 117,266	-\$ 50,753	-\$ 51,577	-\$ 158,499	-\$ 6,193	-\$ 457	\$ 825	\$ -	-\$ 5,825
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>8</sup>	1563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board-Approved CDM Variance Account	1567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of it. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28 through 30. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 through 30. Closed April 30, 2002.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions and describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the rate year for the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Deferral

C

Atikokan Hydro Inc.

		2007										
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-07	Transactions Debit/(Credit) during 2007 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-07	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	-\$ 14,524	-\$ 46,859			-\$ 61,383	\$ 8,438	-\$ 1,266			\$ 7,172	
RSVA - Retail Transmission Network Charge	1584	-\$ 31,189	\$ 12,418			-\$ 18,771	-\$ 6,918	-\$ 1,396			-\$ 8,314	
RSVA - Retail Transmission Connection Charge	1586	-\$ 92,528	\$ 48,441			-\$ 44,087	-\$ 30,214	-\$ 3,564			-\$ 33,778	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 80,209	-\$ 14,382			-\$ 94,591	-\$ 24,206	-\$ 4,412			-\$ 19,794	
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$ 11,426	-\$ 6,915			-\$ 18,341	-\$ 686	-\$ 568			-\$ 1,254	
Recovery of Regulatory Asset Balances	1590	\$ 3,654	\$ 675			\$ 4,329	-\$ 3,240	\$ 215			-\$ 3,025	
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 226,222	-\$ 6,622	\$ -	\$ -	-\$ 232,844	-\$ 8,414	-\$ 10,991	\$ -	\$ -	-\$ 19,405	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 214,796	\$ 293	\$ -	\$ -	-\$ 214,503	-\$ 7,728	-\$ 10,423	\$ -	\$ -	-\$ 18,151	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	-\$ 11,426	-\$ 6,915	\$ -	\$ -	-\$ 18,341	-\$ 686	-\$ 568	\$ -	\$ -	-\$ 1,254	

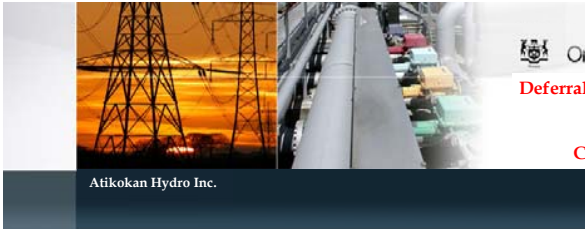
		2007									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-07	Transactions Debit/(Credit) during 2007 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-07
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 5,678	\$ 3,256	\$ -	\$ -	\$ 8,933	\$ 390	\$ 377	\$ -	\$ -	\$ 767
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 61,825	\$ 32,566	\$ -	\$ -	\$ 94,391	\$ 2,199	\$ 3,650	\$ -	\$ -	\$ 5,848
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Retail	1518	-\$ 530	\$ 258	\$ -	\$ -	-\$ 272	\$ -	-\$ 24	\$ -	\$ -	-\$ 24
Misc. Deferred Debits	1525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Capital Deferral Account	1531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection OM&A Deferral Account	1532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Capital Deferral Account	1534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid OM&A Deferral Account	1535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Funding Adder Deferral Account	1536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - STR	1548	\$ 750	\$ 5,491	\$ -	\$ -	\$ 6,241	\$ -	\$ 57	\$ -	\$ -	\$ 57
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -	\$ 4,822	\$ -	\$ -	\$ 4,822	\$ -	\$ 26	\$ -	\$ -	\$ 26
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -	-\$ 7,824	\$ -	\$ -	-\$ 7,824	\$ -	-\$ 242	\$ -	\$ -	-\$ 242
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter OM&A Variance	1556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM Contra	1566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-market Opening Energy Variance <sup>5</sup>	1571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Costs	1572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - One-time	1582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Group 2 Sub-Total</b>		\$ 67,723	\$ 38,568	\$ -	\$ -	\$ 106,291	\$ 2,589	\$ 3,843	\$ -	\$ -	\$ 6,432
Deferred Payments in Lieu of Taxes	1562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Input Tax Credits (ITCs)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 158,499	\$ 31,946	\$ -	\$ -	-\$ 126,553	-\$ 5,825	\$ 7,148	\$ -	\$ -	-\$ 12,973
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>										
<b>Total including Account 1521<sup>1</sup></b>		-\$ 158,499	\$ 31,946	\$ -	\$ -	-\$ 126,553	-\$ 5,825	\$ 7,148	\$ -	\$ -	-\$ 12,973
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>8</sup>	1563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board-Approved CDM Variance Account	1567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions and describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the rate year for the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, in support of the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Deferral

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Atikokan Hydro Inc.

		2008										
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-08	Transactions Debit/(Credit) during 2008 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-08	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	-\$ 61,383	-\$ 20,255			-\$ 81,638	\$ 7,172	-\$ 2,761			\$ 4,411	
RSVA - Retail Transmission Network Charge	1584	-\$ 18,771	-\$ 25,068			-\$ 43,839	-\$ 8,314	-\$ 783			-\$ 9,097	
RSVA - Retail Transmission Connection Charge	1586	-\$ 44,087	\$ 28,426			-\$ 15,661	-\$ 33,778	-\$ 1,121			-\$ 34,899	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 94,591	\$ 30,672			-\$ 63,919	-\$ 19,794	-\$ 3,950			\$ 15,844	
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$ 18,341	\$ 4,956			-\$ 13,385	-\$ 1,254	-\$ 717			-\$ 1,971	
Recovery of Regulatory Asset Balances	1590	\$ 4,329	-\$ 5,153			-\$ 824	-\$ 3,025	\$ 3,850			\$ 825	
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 232,844	\$ 13,578	\$ -	\$ -	-\$ 219,266	-\$ 19,405	-\$ 5,482	\$ -	\$ -	-\$ 24,887	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 214,503	\$ 8,622	\$ -	\$ -	-\$ 205,881	-\$ 18,151	-\$ 4,765	\$ -	\$ -	-\$ 22,916	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	-\$ 18,341	\$ 4,956	\$ -	\$ -	-\$ 13,385	-\$ 1,254	-\$ 717	\$ -	\$ -	-\$ 1,971	

		2008									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-08	Transactions Debit/(Credit) during 2008 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-08
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 8,933	\$ 2,951	\$ 5,677	\$ -	\$ 6,207	\$ 767	\$ 405	\$ 390	\$ -	\$ 782
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 94,391	\$ 34,002	\$ 61,825	\$ -	\$ 66,568	\$ 5,848	\$ 3,937	\$ 2,198	\$ -	\$ 7,586
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Retail	1518	-\$ 272	\$ 2,114	\$ -	\$ -	\$ 1,842	-\$ 24	-\$ 5	\$ -	\$ -	-\$ 29
Misc. Deferred Debits	1525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Capital Deferral Account	1531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection OM&A Deferral Account	1532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Capital Deferral Account	1534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid OM&A Deferral Account	1535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Funding Adder Deferral Account	1536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - STR	1548	\$ 6,241	\$ 5,615	\$ -	\$ -	\$ 11,856	\$ 57	\$ 235	\$ -	\$ -	\$ 292
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ 4,822	\$ -	\$ -	\$ -	\$ 4,822	\$ 26	\$ 193	\$ -	\$ -	\$ 218
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	-\$ 7,824	-\$ 5,111	\$ -	\$ -	\$ 12,935	-\$ 242	-\$ 404	\$ -	\$ -	-\$ 646
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter OM&A Variance	1556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM Contra	1566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-market Opening Energy Variance <sup>5</sup>	1571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Costs	1572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - One-time	1582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Group 2 Sub-Total</b>		\$ 106,291	\$ 39,571	\$ 67,503	\$ -	\$ 78,359	\$ 6,432	\$ 4,360	\$ 2,588	\$ -	\$ 8,204
Deferred Payments in Lieu of Taxes	1562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 126,553	\$ 53,149	\$ 67,503	\$ -	-\$ 140,907	-\$ 12,973	\$ 1,122	\$ 2,588	\$ -	-\$ 16,684
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>										
<b>Total including Account 1521<sup>1</sup></b>		-\$ 126,553	\$ 53,149	\$ 67,503	\$ -	-\$ 140,907	-\$ 12,973	\$ 1,122	\$ 2,588	\$ -	-\$ 16,684
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>8</sup>	1563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board-Approved CDM Variance Account	1567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of it. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28 through 31. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 through 31. Closed April 30, 2002.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions and adjustments. Please describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the rate year for the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



		<b>2009</b>										
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit/ (Credit) during 2009 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-09	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	-\$ 81,638	\$ 458			-\$ 81,180	\$ 4,411	-\$ 999			\$ 3,412	
RSVA - Retail Transmission Network Charge	1584	-\$ 43,839	\$ 4,279			-\$ 39,560	\$ 9,097	-\$ 438			\$ 9,535	
RSVA - Retail Transmission Connection Charge	1586	-\$ 15,661	\$ 22,087			\$ 6,426	\$ 34,899	\$ 220			-\$ 34,679	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 63,919	\$ 128,790			\$ 64,871	\$ 15,844	\$ 649			\$ 16,493	
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$ 13,385	\$ 17,007			-\$ 30,392	\$ 1,971	-\$ 326			-\$ 2,297	
Recovery of Regulatory Asset Balances	1590	-\$ 824	\$ 1,274			\$ 450	\$ 825	-\$ 626			\$ 199	
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 219,266	\$ 139,881	\$ -	\$ -	-\$ 79,385	\$ 24,887	-\$ 1,520	\$ -	\$ -	-\$ 26,407	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 205,881	\$ 156,888	\$ -	\$ -	-\$ 48,993	\$ 22,916	-\$ 1,194	\$ -	\$ -	-\$ 24,110	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	-\$ 13,385	\$ 17,007	\$ -	\$ -	-\$ 30,392	\$ 1,971	-\$ 326	\$ -	\$ -	-\$ 2,297	



		2009									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit/(Credit) during 2009 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>3</sup>	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-09
<b>Group 2 Accounts</b>											
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 6,207	\$ 2,855	\$ -	\$ -	\$ 9,061	\$ 782	\$ 142	\$ -	\$ -	\$ 924
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 66,568	\$ 33,316	\$ -	\$ -	\$ 99,884	\$ 7,586	\$ 775	\$ -	\$ -	\$ 8,361
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Retail	1518	\$ 1,842	\$ 1,597	\$ -	\$ -	\$ 3,438	\$ 29	\$ 22	\$ -	\$ -	\$ 7
Misc. Deferred Debits	1525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Capital Deferral Account	1531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection OM&A Deferral Account	1532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Capital Deferral Account	1534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid OM&A Deferral Account	1535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Grid Funding Adder Deferral Account	1536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - STR	1548	\$ 11,856	\$ 6,241	\$ -	\$ -	\$ 18,096	\$ 292	\$ 131	\$ -	\$ -	\$ 423
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ 4,822	\$ 436,941	\$ -	\$ -	\$ 441,762	\$ 218	\$ 55	\$ -	\$ -	\$ 273
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ 12,935	\$ 13,378	\$ -	\$ -	\$ 26,313	\$ 646	\$ 178	\$ -	\$ -	\$ 824
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter OM&A Variance	1556	\$ -	\$ 7,325	\$ -	\$ -	\$ 7,325	\$ -	\$ 26	\$ -	\$ -	\$ 26
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM Contra	1566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-market Opening Energy Variance <sup>5</sup>	1571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Costs	1572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - One-time	1582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Group 2 Sub-Total</b>		\$ 78,359	\$ 474,896	\$ -	\$ -	\$ 553,255	\$ 8,204	\$ 974	\$ -	\$ -	\$ 9,177
Deferred Payments in Lieu of Taxes	1562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Input Tax Credits (ITCs)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		-\$ 140,907	\$ 614,777	\$ -	\$ -	\$ 473,870	-\$ 16,684	\$ 546	\$ -	\$ -	-\$ 17,230
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>										
<b>Total including Account 1521<sup>1</sup></b>		-\$ 140,907	\$ 614,777	\$ -	\$ -	\$ 473,870	-\$ 16,684	\$ 546	\$ -	\$ -	-\$ 17,230
<b>The following is not included in the total claim but are included on a memo basis:</b>											
Deferred PILs Contra Account <sup>8</sup>	1563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board-Approved CDM Variance Account	1567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of it. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28 through 30. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 through 30. Closed April 30, 2002.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions. Please describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the rate year for the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Deferral

C

2010

Account Descriptions	Account Number	2010												
		Opening Principal Amounts as of Jan-1-10	Transactions Debit/(Credit) during 2010 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2010	Other <sup>3</sup> Adjustments during Q1 2010	Other <sup>3</sup> Adjustments during Q2 2010	Other <sup>3</sup> Adjustments during Q3 2010	Other <sup>3</sup> Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-10
<b>Group 1 Accounts</b>														
LV Variance Account	1550	\$ -						\$ -	\$ -					\$ -
RSVA - Wholesale Market Service Charge	1580	-\$ 81,180	-\$ 21,531	-\$ 65,776				-\$ 36,935	\$ 3,412	-\$ 724	-\$ 12,312			\$ 15,000
RSVA - Retail Transmission Network Charge	1584	-\$ 39,560	\$ 4,774	-\$ 43,059				\$ 8,273	-\$ 9,535	-\$ 305	-\$ 10,442			\$ 602
RSVA - Retail Transmission Connection Charge	1586	\$ 6,426	\$ 25,161	-\$ 3,370				\$ 34,957	-\$ 34,679	\$ 174	-\$ 47,232			\$ 12,727
RSVA - Power (excluding Global Adjustment)	1588	\$ 64,871	\$ 7,722	\$ 78,303				-\$ 5,710	\$ 16,493	\$ 8,745	\$ 16,871			\$ 8,367
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$ 30,392	\$ 8,935	-\$ 31,083				\$ 9,626	-\$ 2,297	-\$ 234	-\$ 2,400			-\$ 131
Recovery of Regulatory Asset Balances	1590	\$ 450	\$ -	\$ 824				\$ 1,274	\$ 199		\$ 814			-\$ 615
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	\$ -	\$ -	\$ 65,809				-\$ 65,809	\$ -		\$ 54,701			-\$ 54,701
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595	\$ -						\$ -	\$ -					\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 79,385	\$ 25,061	\$ -	\$ -	\$ -	\$ -	-\$ 54,324	-\$ 26,407	\$ 7,657	\$ -	\$ -	\$ -	-\$ 18,750
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 48,993	\$ 16,126	\$ 31,083	\$ -	\$ -	\$ -	-\$ 63,950	-\$ 24,110	\$ 7,890	\$ 2,400	\$ -	\$ -	-\$ 18,620
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	-\$ 30,392	\$ 8,935	-\$ 31,083	\$ -	\$ -	\$ -	\$ 9,626	-\$ 2,297	-\$ 234	-\$ 2,400	\$ -	\$ -	-\$ 131

		2010													
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit/(Credit) during 2010 excluding interest and adjustments <sup>6</sup>	Board-Approved Disposition during 2010	Other <sup>3</sup> Adjustments during Q1 2010	Other <sup>3</sup> Adjustments during Q2 2010	Other <sup>3</sup> Adjustments during Q3 2010	Other <sup>3</sup> Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-10	
<b>Group 2 Accounts</b>															
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 9,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,061	\$ 924	\$ -	\$ -	\$ -	\$ 924	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 99,884	\$ -	\$ -	\$ 8,450	\$ 9,248	\$ 9,055	\$ 10,642	\$ 137,278	\$ 8,361	\$ 885	\$ -	\$ -	\$ 9,247	
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - Retail	1518	\$ 3,438	\$ -	\$ -	\$ 4,100	\$ 11	\$ -	\$ 288	\$ 6,879	\$ -	\$ 7	\$ 29	\$ -	\$ 22	
Misc. Deferred Debits	1525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Renewable Generation Connection Capital Deferral Account	1531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Renewable Generation Connection OM&A Deferral Account	1532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Renewable Generation Connection Funding Adder Deferral Account	1533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Grid Capital Deferral Account	1534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Grid OM&A Deferral Account	1535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Grid Funding Adder Deferral Account	1536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - STR	1548	\$ 18,096	\$ -	\$ -	\$ 492	\$ 807	\$ 448	\$ 449	\$ 20,293	\$ 423	\$ 140	\$ -	\$ -	\$ 563	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ 441,762	\$ -	\$ -	\$ 1,612	\$ 7,652	\$ 5,120	\$ -	\$ 456,146	\$ 273	\$ 5,010	\$ -	\$ -	\$ 5,283	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -	\$ 26,313	\$ -	\$ -	\$ 5,120	\$ 5,616	\$ 9,347	\$ 65,282	\$ 824	\$ 330	\$ -	\$ -	\$ 1,154	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Smart Meter OM&A Variance	1556	\$ 7,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,124	\$ 68,449	\$ 26	\$ 89	\$ -	\$ -	\$ 115	
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CDM Contra	1566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Qualifying Transition Costs <sup>5</sup>	1570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Pre-market Opening Energy Variance <sup>5</sup>	1571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Extra-Ordinary Event Costs	1572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deferred Rate Impact Amounts	1574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
RSVA - One-time	1582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Deferred Credits	2425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Group 2 Sub-Total</b>		\$ 553,255	\$ -	\$ -	\$ 7,922	\$ 6,040	\$ 7,520	\$ 58,088	\$ 632,825	\$ 9,177	\$ 5,823	\$ -	\$ -	\$ 15,001	
Deferred Payments in Lieu of Taxes	1562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Input Tax Credits (ITCs)	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		\$ 473,870	\$ 25,061	\$ -	\$ 7,922	\$ 6,040	\$ 7,520	\$ 58,088	\$ 578,501	\$ 17,230	\$ 13,480	\$ -	\$ -	\$ 3,750	
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>	\$ -	\$ 4,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,477	\$ -	\$ 33	\$ -	\$ -	\$ 33	
<b>Total including Account 1521<sup>1</sup></b>		\$ 473,870	\$ 29,538	\$ -	\$ 7,922	\$ 6,040	\$ 7,520	\$ 58,088	\$ 582,978	\$ 17,230	\$ 13,513	\$ -	\$ -	\$ 3,717	
<b>The following is not included in the total claim but are included on a memo basis:</b>															
Deferred PILs Contra Account <sup>8</sup>	1563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Board-Approved CDM Variance Account	1567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595	\$ -	\$ -	\$ -	\$ -	\$ 38,115	\$ -	\$ -	\$ 38,115	\$ -	\$ -	\$ -	\$ -	\$ -	

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of it. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28 through 30. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 through 30. Closed April 30, 2002.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions and components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the rate year for the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



		<b>2011</b>			
Account Descriptions	Account Number	Principal Disposition during 2011 - instructed by Board	Interest Disposition during 2011 - instructed by Board	Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition
<b>Group 1 Accounts</b>					
LV Variance Account	1550			\$ -	\$ -
RSVA - Wholesale Market Service Charge	1580			-\$ 36,935	\$ 15,000
RSVA - Retail Transmission Network Charge	1584			\$ 8,273	\$ 602
RSVA - Retail Transmission Connection Charge	1586			\$ 34,957	\$ 12,727
RSVA - Power (excluding Global Adjustment)	1588			-\$ 5,710	\$ 8,367
RSVA - Power - Sub-Account - Global Adjustment	1588			\$ 9,626	-\$ 131
Recovery of Regulatory Asset Balances	1590			\$ 1,274	-\$ 615
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595			-\$ 65,809	-\$ 54,701
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595			\$ -	\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		\$ -	\$ -	-\$ 54,324	-\$ 18,750
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		\$ -	\$ -	-\$ 63,950	-\$ 18,620
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ -	\$ -	\$ 9,626	-\$ 131

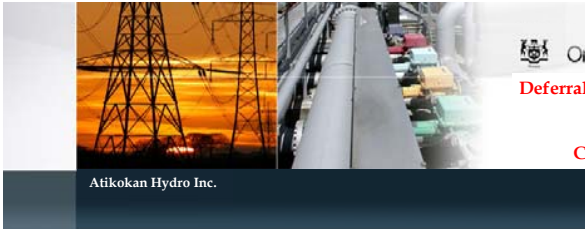
		2011			
Account Descriptions	Account Number	Principal Disposition during 2011 - instructed by Board	Interest Disposition during 2011 - instructed by Board	Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition
<b>Group 2 Accounts</b>					
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -	\$ -	\$ 9,061	\$ 924
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -	\$ -	\$ 137,278	\$ 9,247
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$ -	\$ -
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508			\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508			\$ -	\$ -
Retail Cost Variance Account - Retail	1518			\$ 6,879	\$ 22
Misc. Deferred Debits	1525			\$ -	\$ -
Renewable Generation Connection Capital Deferral Account	1531				
Renewable Generation Connection OM&A Deferral Account	1532				
Renewable Generation Connection Funding Adder Deferral Account	1533				
Smart Grid Capital Deferral Account	1534				
Smart Grid OM&A Deferral Account	1535				
Smart Grid Funding Adder Deferral Account	1536				
Retail Cost Variance Account - STR	1548			\$ 20,293	\$ 563
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555			\$ 456,146	\$ 5,283
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555			\$ 65,282	\$ 1,154
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555			\$ -	\$ -
Smart Meter OM&A Variance	1556			\$ 68,449	\$ 115
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565			\$ -	\$ -
CDM Contra	1566			\$ -	\$ -
Qualifying Transition Costs <sup>5</sup>	1570			\$ -	\$ -
Pre-market Opening Energy Variance <sup>6</sup>	1571			\$ -	\$ -
Extra-Ordinary Event Costs	1572			\$ -	\$ -
Deferred Rate Impact Amounts	1574			\$ -	\$ -
RSVA - One-time	1582			\$ -	\$ -
Other Deferred Credits	2425			\$ -	\$ -
<b>Group 2 Sub-Total</b>		\$ -	\$ -	\$ 632,825	\$ 15,001
Deferred Payments in Lieu of Taxes	1562			\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$ -	\$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			\$ -	\$ -
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		\$ -	\$ -	\$ 578,501	\$ 3,750
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>				
<b>Total including Account 1521<sup>1</sup></b>		\$ -	\$ -	\$ 578,501	\$ 3,750
<b>The following is not included in the total claim but are included on a memo basis:</b>					
Deferred PILs Contra Account <sup>8</sup>	1563				
Board-Approved CDM Variance Account	1567				
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592				
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595				

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of it. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved adjustments, please provide a breakdown in rows 28 through 30. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 through 30. Closed April 30, 2002.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions. Please describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the rate year for the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Account Descriptions	Account Number	Projected Interest on Dec-31-10 Balances			2.1.7 RRR	Variance RRR vs. 2010 Balance (Principal + Interest)
		Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 <sup>9</sup>	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 <sup>9,10</sup>	Total Claim	As of Dec 31-10 <sup>4</sup>	
<b>Group 1 Accounts</b>						
LV Variance Account	1550		\$	-	\$	-
RSVA - Wholesale Market Service Charge	1580	-\$ 543	-\$ 181	22,659	-\$ 21,938	-\$ 3
RSVA - Retail Transmission Network Charge	1584	\$ 122	\$ 41	9,038	\$ 8,830	\$ 44
RSVA - Retail Transmission Connection Charge	1586	\$ 514	\$ 171	48,368	\$ 47,460	\$ 223
RSVA - Power (excluding Global Adjustment)	1588	-\$ 84	-\$ 28	2,546	-\$ 1,352	1,305
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 142	\$ 47	9,685	\$ 9,666	\$ 171
Recovery of Regulatory Asset Balances	1590	-\$ 19	-\$ 6	634	-\$	659
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	-\$ 407	-\$ 136	121,053	-\$ 82,976	\$ 37,534
Disposition and Recovery of Regulatory Balances (2009) <sup>10</sup>	1595		\$	-	\$	-
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 275	-\$ 92	73,441	-\$ 37,605	\$ 35,469
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 417	-\$ 139	83,126	-\$ 47,272	\$ 35,298
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ 142	\$ 47	9,685	\$ 9,666	\$ 171

Account Descriptions	Account Number	Projected Interest on Dec-31-10 Balances			2.1.7 RRR		Variance RRR vs. 2010 Balance (Principal + Interest)
		Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 <sup>9</sup>	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 <sup>9,10</sup>	Total Claim	As of Dec 31-10 <sup>4</sup>		
<b>Group 2 Accounts</b>							
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ -	\$ -	\$ 9,985	\$ 9,985	\$ -	0
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 1,896	\$ 632	\$ 149,054	\$ 146,525	\$ -	-
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508			\$ -	\$ -	\$ -	-
Other Regulatory Assets - Sub-Account - Incremental Capital Charges	1508			\$ -	\$ -	\$ -	-
Other Regulatory Assets - Sub-Account - Other <sup>7</sup>	1508			\$ -	\$ -	\$ -	-
Retail Cost Variance Account - Retail	1518	\$ 101	\$ 34	\$ 7,036	\$ 6,901	\$ -	-
Misc. Deferred Debits	1525			\$ -	\$ -	\$ -	-
Renewable Generation Connection Capital Deferral Account	1531			\$ -	\$ -	\$ -	-
Renewable Generation Connection OM&A Deferral Account	1532			\$ -	\$ -	\$ -	-
Renewable Generation Connection Funding Adder Deferral Account	1533			\$ -	\$ -	\$ -	-
Smart Grid Capital Deferral Account	1534			\$ -	\$ -	\$ -	-
Smart Grid OM&A Deferral Account	1535			\$ -	\$ -	\$ -	-
Smart Grid Funding Adder Deferral Account	1536			\$ -	\$ -	\$ -	-
Retail Cost Variance Account - STR	1548	\$ 29	\$ 10	\$ 20,894	\$ 20,856	\$ -	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ 5,321	\$ 1,774	\$ 468,525	\$ 461,430	\$ -	-
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	-\$ 786	-\$ 262	\$ 67,484	-\$ 66,436	\$ -	0
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555			\$ -	\$ -	\$ -	-
Smart Meter OM&A Variance	1556	\$ 58	\$ 19	\$ 68,642	\$ 68,564	\$ -	0
Conservation and Demand Management (CDM) Expenditures and Recoveries	1565			\$ -	\$ -	\$ -	-
CDM Contra	1566			\$ -	\$ -	\$ -	-
Qualifying Transition Costs <sup>5</sup>	1570			\$ -	\$ -	\$ -	-
Pre-market Opening Energy Variance <sup>5</sup>	1571			\$ -	\$ -	\$ -	-
Extra-Ordinary Event Costs	1572			\$ -	\$ -	\$ -	-
Deferred Rate Impact Amounts	1574			\$ -	\$ -	\$ -	-
RSVA - One-time	1582			\$ -	\$ -	\$ -	-
Other Deferred Credits	2425			\$ -	\$ -	\$ -	-
<b>Group 2 Sub-Total</b>		\$ 6,619	\$ 2,207	\$ 656,651	\$ 647,825	\$ -	0
Deferred Payments in Lieu of Taxes	1562			\$ -	\$ -	\$ -	-
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592			\$ -	\$ -	\$ -	-
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592			\$ -	\$ -	\$ -	-
<b>Total of Group 1 and Group 2 Accounts (including 1562 and 1592)</b>		\$ 6,344	\$ 2,115	\$ 583,210	\$ 610,220	\$ -	-
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>	\$ 78	\$ 28	\$ 4,616	\$ 5,615	\$ -	1,105
<b>Total including Account 1521<sup>1</sup></b>		\$ 6,422	\$ 2,143	\$ 587,826	\$ 615,835	\$ -	1,105
<b>The following is not included in the total claim but are included on a memo basis:</b>							
Deferred PILs Contra Account <sup>8</sup>	1563			\$ -	\$ -	\$ -	-
Board-Approved CDM Variance Account	1567			\$ -	\$ -	\$ -	-
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592			\$ -	\$ -	\$ -	-
Disposition and Recovery of Regulatory Balances <sup>10</sup>	1595			\$ 38,115	\$ -	\$ 38,115	-

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign as the related Board decision.**

Applicants may wish to propose kWh as the allocator for account 1521 appending a final decision of the Board. Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs adjustments instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of it. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28 through 31. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 through 31. Closed April 30, 2002

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions. Please describe "other" components of 1508 and add more component lines if necessary.

1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to April 30, 2012, in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved by the Board. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, including the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Ontario Energy Board

**Deferral/Variance Account Work Form**

**Variance Explanations**

Atikokan Hydro Inc.

Accounts that produced a variance on the 2012 continuity schedule are listed below.

Account Descriptions	Account Number	Variance RRR vs. 2010 Balance (Principal + Interest)	Explanation
<b>Group 1 Accounts</b>			
RSVA - Wholesale Market Service Charge	1580	\$ (3.47)	
RSVA - Retail Transmission Network Charge	1584	\$ (44.45)	
RSVA - Retail Transmission Connection Charge	1586	\$ (223.34)	
RSVA - Power (excluding Global Adjustment)	1588	\$ (1,305.23)	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 170.69	
Recovery of Regulatory Asset Balances	1590	\$ (659.00)	
Disposition and Recovery of Regulatory Balances (2008) <sup>10</sup>	1595	\$ 37,533.90	
<b>Group 2 Accounts</b>			
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ (0.31)	
Retail Cost Variance Account - STR	1548	\$ (0.10)	
Smart Meter OM&A Variance	1556	\$ (0.09)	
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>	<b>\$ 1,105.00</b>	



# Appendix "D"

V 2.17



Ontario Energy Board

Smart Meter Model



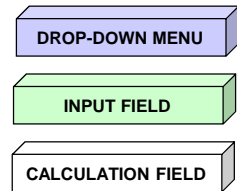
## Choose Your Utility:

Algonia Power Inc.	•
Atikokan Hydro Inc.	•

## Application Contact Information

Name:	Wilf Thorburn
Title:	CEO / Sec / Treas
Phone Number:	807-597-6600
Email Address:	wilf.thorburn@athydro.com
We are applying for rates effective:	May 1, 2012
Last COS Re-based Year	2008

## Legend



## Copyright

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results. The use of any models and spreadsheets does not automatically imply Board approval. The onus is on the distributor to prepare, document and support its application. Board-issued Excel models and spreadsheets are offered to assist parties in providing the necessary information so as to facilitate an expeditious review of an application. The onus remains on the applicant to ensure the accuracy of the data and the results.*



Ontario Energy Board

**Smart Meter Model**

**Atikokan Hydro Inc.**

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable rate case. Those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate costs in revenue requirement.

For 2012, distributors that have completed their deployments by the end of 2011 are not expected to enter any capital costs. However, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meter programs.

**Smart Meter Capital Cost and Operational Expense Data**

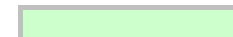
2006

Audited Actual

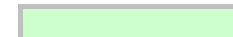
**Smart Meter Installation Plan**

Actual/Planned number of Smart Meters installed during the Calendar Year

Residential



General Service < 50 kW



Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)



0

Percentage of Residential and GS < 50 kW Smart Meter Installations Completed 0.00%

Actual/Planned number of GS > 50 kW meters installed

Other (please identify)

Total Number of Smart Meters installed or planned to be installed 0

**1 Capital Costs**

**1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)**

**Asset Type**  
*Asset type must be selected to enable calculations*

Audited Actual

1.1.1 Smart Meters *(may include new meters and modules, etc.)*

1.1.2 Installation Costs *(may include socket kits, labour, vehicle, benefits, etc.)*

1.1.3a Workforce Automation Hardware *(may include fieldwork handhelds, barcode hardware, etc.)*

1.1.3b Workforce Automation Software *(may include fieldwork handhelds, barcode hardware, etc.)*

**Total Advanced Metering Communications Devices (AMCD)** \$ -

**Asset Type**

Audited Actual

1.2.1 Collectors

1.2.2 Repeaters *(may include radio licence, etc.)*

1.2.3 Installation *(may include meter seals and rings, collector computer hardware, etc.)*

**Total Advanced Metering Regional Collector (AMRC) (Includes LAN)** \$ -

**1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)**

1.3.1 Computer Hardware

1.3.2 Computer Software

1.3.3 Computer Software Licences & Installation (includes hardware and software)  
*(may include AS/400 disk space, backup and recovery computer, UPS, etc.)*

**Total Advanced Metering Control Computer (AMCC)**

Asset Type	Audited Actual
Smart Meter	
Smart Meter	
Smart Meter	
	\$ -

**1.4 WIDE AREA NETWORK (WAN)**

1.4.1 Activation Fees

**Total Wide Area Network (WAN)**

Asset Type	Audited Actual
	\$ -

**1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY**

1.5.1 Customer Equipment *(including repair of damaged equipment)*

1.5.2 AMI Interface to CIS

1.5.3 Professional Fees

1.5.4 Integration

1.5.5 Program Management

1.5.6 Other AMI Capital

**Total Other AMI Capital Costs Related to Minimum Functionality**

Asset Type	Audited Actual
Smart Meter	
Smart Meter	
Smart Meter	
Smart Meter	
	\$ -

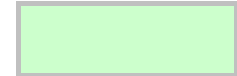
**Total Capital Costs Related to Minimum Functionality**

\_\_\_\_\_  
\$ -  
\_\_\_\_\_

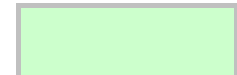
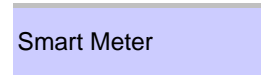
**1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY**

*(Please provide a descriptive title and identify nature of beyond minimum functionality costs)*

1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06



1.6.2 Costs for deployment of smart meters to customers other than residential and small general service



1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.



**Total Capital Costs Beyond Minimum Functionality**

\_\_\_\_\_  
\$ -  
\_\_\_\_\_

**Total Smart Meter Capital Costs**

\_\_\_\_\_  
\$ -  
\_\_\_\_\_

**Asset Type**

Audited Actual

## 2 OM&A Expenses

### 2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

Audited Actual

2.1.1 Maintenance *(may include meter reverification costs, etc.)*

2.1.2 Other *(please specify)*

CIS & AMI systems

#### Total Incremental AMCD OM&A Costs

\$ -

### 2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

2.2.1 Maintenance

2.2.2 Other *(please specify)*

#### Total Incremental AMRC OM&A Costs

\$ -

### 2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance *(may include server support, etc.)*

2.3.2 Software Maintenance *(may include maintenance support, etc.)*

2.3.2 Other *(please specify)*

#### Total Incremental AMCC OM&A Costs

\$ -

### 2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other *(please specify)*

WAN operating costs

#### Total Incremental AMRC OM&A Costs

\$ -

### 2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2.5.2 Customer Communication (may include project communication, etc.)

2.5.3 Program Management

2.5.4 Change Management (may include training, etc.)

2.5.5 Administration Costs

2.5.6 Other AMI Expenses

*(please specify)*

**Total Other AMI OM&A Costs Related to Minimum Functionality**

€ -

**TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY**

\$ -

**2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY**

*(Please provide a descriptive title and identify nature of beyond minimum functionality costs)*

Audited Actual

2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06

2.6.2 Costs for deployment of smart meters to customers other than residential and small general service

2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

**Total OM&A Costs Beyond Minimum Functionality**

\$ -

**Total Smart Meter OM&A Costs**

€ -

### 3 Aggregate Smart Meter Costs by Category

<b>3.1</b>	<b>Capital</b>		
3.1.1	Smart Meter	\$	-
3.1.2	Computer Hardware	\$	-
3.1.3	Computer Software	\$	-
3.1.4	Tools & Equipment	\$	-
3.1.5	Other Equipment	\$	-
3.1.6	Applications Software	\$	-
<b>3.1.7</b>	<b>Total Capital Costs</b>	<u>\$</u>	<u>-</u>
<b>3.2</b>	<b>OM&amp;A Costs</b>		
<b>3.2.1</b>	<b>Total OM&amp;A Costs</b>	<u>\$</u>	<u>-</u>





... tabs except for  
... base and OM&A

... for OM&A,  
... ters in service.

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012 and later</b>	<b>Total</b>
Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast	
		1,427				1427
		159	65			224
<u>0</u>	<u>0</u>	<u>1586</u>	<u>65</u>	<u>0</u>	<u>0</u>	<u>1651</u>

0.00%	0.00%	96.06%	100.00%	0.00%	100.00%	100.00%
				22		22
						0
<u>0</u>	<u>0</u>	<u>1586</u>	<u>65</u>	<u>22</u>	<u>0</u>	<u>1673</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast	
		164,748	33,496	1,266		\$ 199,511
		38,834	4,933	2,488		\$ 46,255
		8,439				\$ 8,439
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,021</u>	<u>\$ 38,429</u>	<u>\$ 3,755</u>	<u>\$ -</u>	<u>\$ 254,205</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast	
		13,864		2,244		\$ 16,108
			735			\$ 735
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,864</u>	<u>\$ 735</u>	<u>\$ 2,244</u>	<u>\$ -</u>	<u>\$ 16,843</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast		
		13,181	476			\$	13,657
		53,119				\$	53,119
		26,829				\$	26,829
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,129</u>	<u>\$ 476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>93,606</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast		
						\$	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>-</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast		
		1,458				\$	1,458
						\$	-
		4,171				\$	4,171
						\$	-
		46,752		14,176		\$	60,928
		53,418				\$	53,418
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,799</u>	<u>\$ -</u>	<u>\$ 14,176</u>	<u>\$ -</u>	<u>\$</u>	<u>119,975</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast	
						\$ -
			17,171	4,898		\$ 22,068
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,171</u>	<u>\$ 4,898</u>	<u>\$ -</u>	<u>\$ 22,068</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,813</u>	<u>\$ 56,812</u>	<u>\$ 25,073</u>	<u>\$ -</u>	<u>\$ 506,697</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,813</u>	<u>\$ 39,641</u>	<u>\$ 20,175</u>	<u>\$ -</u>	<u>\$ 484,629</u>

Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual	Forecast	
						\$ -
		41,432	58,498	67,455		\$ 167,384
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,432</u>	<u>\$ 58,498</u>	<u>\$ 67,455</u>	<u>\$ -</u>	<u>\$ 167,384</u>

						\$ -
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

						\$ -
		16,836	7,540	7,199		\$ 31,575
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,836</u>	<u>\$ 7,540</u>	<u>\$ 7,199</u>	<u>\$ -</u>	<u>\$ 31,575</u>

						\$ -
		1,800	3,600	3,600		\$ 9,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 3,600</u>	<u>\$ 3,600</u>	<u>\$ -</u>	<u>\$ 9,000</u>

			14,442			\$ 14,442
		1,806				\$ 1,806
						\$ -
						\$ -
						\$ -
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,806</u>	<u>\$ 14,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,248</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,874</u>	<u>\$ 84,080</u>	<u>\$ 78,253</u>	<u>\$ -</u>	<u>\$ 224,207</u>
Audited Actual	Audited Actual	Audited Actual	Audited Actual	Unaudited Actual		
						\$ -
						\$ -
						\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,874</u>	<u>\$ 84,080</u>	<u>\$ 78,253</u>	<u>\$ -</u>	<u>\$ 224,207</u>

\$	-	\$	-	\$	416,374	\$	56,812	\$	25,073	\$	-	\$	498,258
\$	-	\$	-	\$	8,439	\$	-	\$	-	\$	-	\$	8,439
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>424,813</u>	<u>\$</u>	<u>56,812</u>	<u>\$</u>	<u>25,073</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>506,697</u>
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>61,874</u>	<u>\$</u>	<u>84,080</u>	<u>\$</u>	<u>78,253</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>224,207</u>



Ontario Energy Board

Smart Meter Model

Atikokan Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
<b>Cost of Capital</b>							
<b>Capital Structure<sup>1</sup></b>							
Deemed Short-term Debt Capitalization			4.0%	4.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	49.3%	52.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares							
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Capital Parameters</b>							
Deemed Short-term Debt Rate			4.47%	4.47%	4.47%	4.47%	2.46%
Deemed Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>	5.00%	5.00%	5.15%	5.15%	5.15%	5.15%	4.57%
Target Return on Equity (ROE)	9.0%	9.00%	8.57%	8.57%	8.57%	8.57%	9.58%
Return on Preferred Shares							
<b>WACC</b>	7.00%	7.00%	6.72%	6.60%	6.49%	6.49%	6.49%
<b>Working Capital Allowance</b>							
Working Capital Allowance Rate <i>(% of the sum of Cost of Power + controllable expenses)</i>	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
<b>Taxes/PILs</b>							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	16.50%	16.00%	15.50%	15.50%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
<b>Depreciation Rates</b> <i>(expressed as expected useful life in years)</i>							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years							
- rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tools & Equipment - years							
- rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Equipment - years							
- rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>CCA Rates</b>							
Smart Meters - CCA Class	47	47	47	47	47	47	47
Smart Meters - CCA Rate	8%	8%	8%	8%	8%	8%	8%
Computer Equipment - CCA Class	50	50	50	50	50	50	50
Computer Equipment - CCA Rate	55%	55%	55%	55%	55%	55%	55%
General Equipment - CCA Class							
General Equipment - CCA Rate							
Applications Software - CCA Class							
Applications Software - CCA Rate							

**Assumptions**

<sup>1</sup> Planned smart meter installations occur evenly throughout the year.

<sup>2</sup> Fiscal calendar year (January 1 to December 31) used.

<sup>3</sup> Amortization is done on a straight line basis and has the "half-year" rule applied.









## Atikokan Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
<b>Average Net Fixed Asset Values (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 201,247	\$ 416,074	\$ 426,000	\$ 405,737
Computer Hardware	\$ -	\$ -	\$ -	\$ 3,798	\$ 6,751	\$ 5,064	\$ 3,376
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Net Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205,045</b>	<b>\$ 422,826</b>	<b>\$ 431,063</b>	<b>\$ 409,112</b>
<b>Working Capital</b>							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ 61,874	\$ 84,080	\$ 78,253	\$ -
Working Capital Factor (from Sheet 3)	15%	15%	15%	15%	15%	15%	15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ 9,281	\$ 12,612	\$ 11,738	\$ -
<b>Incremental Smart Meter Rate Base</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 214,326</b>	<b>\$ 435,438</b>	<b>\$ 442,801</b>	<b>\$ 409,112</b>
<b>Return on Rate Base</b>							
<b>Capital Structure</b>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ 8,573	\$ 17,418	\$ 17,712	\$ 16,364
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 112,950	\$ 243,845	\$ 247,969	\$ 229,103
Equity	\$ -	\$ -	\$ -	\$ 92,803	\$ 174,175	\$ 177,121	\$ 163,645
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capitalization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 214,326</b>	<b>\$ 435,438</b>	<b>\$ 442,801</b>	<b>\$ 409,112</b>
<b>Return on</b>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ 383	\$ 779	\$ 792	\$ 403
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 5,817	\$ 12,558	\$ 12,770	\$ 10,470
Equity	\$ -	\$ -	\$ -	\$ 7,953	\$ 14,927	\$ 15,179	\$ 15,677
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Return on Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,153</b>	<b>\$ 28,263</b>	<b>\$ 28,741</b>	<b>\$ 26,550</b>
<b>Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61,874</b>	<b>\$ 84,080</b>	<b>\$ 78,253</b>	<b>\$ -</b>
<b>Amortization Expenses (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 13,879	\$ 29,652	\$ 32,381	\$ 33,217
Computer Hardware	\$ -	\$ -	\$ -	\$ 844	\$ 1,688	\$ 1,688	\$ 1,688
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Amortization Expense in Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,723</b>	<b>\$ 31,340</b>	<b>\$ 34,069</b>	<b>\$ 34,905</b>
<b>Incremental Revenue Requirement before Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,750</b>	<b>\$ 143,683</b>	<b>\$ 141,064</b>	<b>\$ 61,455</b>
<b>Calculation of Taxable Income</b>							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ 61,874	\$ 84,080	\$ 78,253	\$ -
Amortization Expense	\$ -	\$ -	\$ -	\$ 14,723	\$ 31,340	\$ 34,069	\$ 34,905
Interest Expense	\$ -	\$ -	\$ -	\$ 6,200	\$ 13,337	\$ 13,562	\$ 10,873
<b>Net Income for Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,953</b>	<b>\$ 14,927</b>	<b>\$ 15,179</b>	<b>\$ 15,677</b>
<b>Grossed-up Taxes/PILs (from Sheet 7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,653.95</b>	<b>\$ 1,974.58</b>	<b>\$ 2,375.24</b>	<b>\$ 3,099.15</b>
<b>Revenue Requirement, including Grossed-up Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,404</b>	<b>\$ 145,658</b>	<b>\$ 143,439</b>	<b>\$ 64,554</b>





Ontario Energy Board

Smart Meter Model



Atikokan Hydro Inc.

## PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Unaudited Actual	2012 and later Forecast
<b>INCOME TAX</b>							
Net Income	\$ -	\$ -	\$ -	\$ 7,953.23	\$ 14,926.81	\$ 15,179.23	\$ 15,677.19
Amortization	\$ -	\$ -	\$ -	\$ 14,723.05	\$ 31,339.82	\$ 34,069.29	\$ 34,905.04
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ -	\$ 16,654.95	\$ -	\$ 33,005.41
CCA - Computers	\$ -	\$ -	\$ -	\$ 2,320.79	\$ 3,365.14	\$ 1,514.31	\$ 681.44
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ -	\$ 3,700.54	\$ 8,651.51	\$ 12,948.87	\$ 16,895.38
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	16.50%	16.00%	15.50%	15.50%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 610.59	\$ 1,384.24	\$ 2,007.07	\$ 2,618.78
<b>ONTARIO CAPITAL TAX</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 402,494.59	\$ 429,654.28	\$ 422,345.37	\$ 389,128.18
Computer Hardware	\$ -	\$ -	\$ -	\$ 7,595.31	\$ 5,907.46	\$ 4,219.61	\$ 2,531.77
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 410,089.90	\$ 435,561.74	\$ 426,564.98	\$ 391,659.94
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 410,089.90	\$ 435,561.74	\$ 426,564.98	\$ 391,659.94
Ontario Capital Tax Rate (from Sheet 3)	0.3000%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 922.70	\$ 326.67	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 610.59	\$ 1,384.24	\$ 2,007.07	\$ 2,618.78
Change in OCT	\$ -	\$ -	\$ -	\$ 922.70	\$ 326.67	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 1,533.29	\$ 1,710.91	\$ 2,007.07	\$ 2,618.78
<b>Gross Up PILs</b>							
Tax Rate	36.12%	36.12%	33.50%	16.50%	16.00%	15.50%	15.50%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 731.24	\$ 1,647.91	\$ 2,375.24	\$ 3,099.15
Change in OCT	\$ -	\$ -	\$ -	\$ 922.70	\$ 326.67	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 1,653.95	\$ 1,974.58	\$ 2,375.24	\$ 3,099.15



Atikokan Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 0.58	4.14%	\$ -	\$ 0.58		
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 0.58	\$ 152.34	4.14%	\$ -	\$ 152.92		
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 152.92	\$ 417.12	4.59%	\$ 0.58	\$ 570.62		
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 570.04	\$ 406.12	4.59%	\$ 2.18	\$ 978.34		
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 976.16	\$ 453.75	4.59%	\$ 3.73	\$ 1,433.64		
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 1,429.91	\$ 405.75	4.59%	\$ 5.47	\$ 1,841.13		
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 1,835.66	\$ 452.25	4.59%	\$ 7.02	\$ 2,294.93		
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 2,287.91	\$ 402.75	4.59%	\$ 8.75	\$ 2,699.41	\$ 2,718.39	
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 2,690.66	\$ 453.99	4.59%	\$ 10.29	\$ 3,154.94		
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 3,144.65	\$ 397.50	4.59%	\$ 12.03	\$ 3,554.18		
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 3,542.15	\$ 452.25	4.59%	\$ 13.55	\$ 4,007.95		
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 3,994.40	\$ 404.50	4.59%	\$ 15.28	\$ 4,414.18		
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 4,398.90	\$ 452.75	4.59%	\$ 16.83	\$ 4,868.48		
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 4,851.65	\$ 403.87	4.59%	\$ 18.56	\$ 5,274.08		
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 5,255.52	\$ 454.00	4.59%	\$ 20.10	\$ 5,729.62		
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 5,709.52	\$ 403.00	4.59%	\$ 21.84	\$ 6,134.36		
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 6,112.52	\$ 450.50	4.59%	\$ 23.38	\$ 6,586.40		
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 6,563.02	\$ 404.00	5.14%	\$ 28.11	\$ 6,995.13		
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 6,967.02	\$ 453.75	5.14%	\$ 29.84	\$ 7,450.61		
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 7,420.77	\$ 403.25	5.14%	\$ 31.79	\$ 7,855.81	\$ 5,374.96	
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 7,824.02	\$ 448.50	5.14%	\$ 33.51	\$ 8,306.03		
2012 Q2		4.29%	Feb-08	2008	Q1	\$ 8,272.52	\$ 403.00	5.14%	\$ 35.43	\$ 8,710.95		
2012 Q3		4.29%	Mar-08	2008	Q1	\$ 8,675.52	\$ 451.00	5.14%	\$ 37.16	\$ 9,163.68		
2012 Q4		4.29%	Apr-08	2008	Q2	\$ 9,126.52	\$ 401.75	4.08%	\$ 31.03	\$ 9,569.30		
			May-08	2008	Q2	\$ 9,528.27	\$ 450.50	4.08%	\$ 32.40	\$ 10,011.17		
			Jun-08	2008	Q2	\$ 9,978.77	\$ 404.50	4.08%	\$ 33.93	\$ 10,417.20		
			Jul-08	2008	Q3	\$ 10,383.27	\$ 449.50	3.35%	\$ 28.99	\$ 10,861.76		
			Aug-08	2008	Q3	\$ 10,832.77	\$ 404.00	3.35%	\$ 30.24	\$ 11,267.01		
			Sep-08	2008	Q3	\$ 11,236.77	\$ 452.00	3.35%	\$ 31.37	\$ 11,720.14		
			Oct-08	2008	Q4	\$ 11,688.77	\$ 398.75	3.35%	\$ 32.63	\$ 12,120.15		
			Nov-08	2008	Q4	\$ 12,087.52	\$ 447.50	3.35%	\$ 33.74	\$ 12,568.76		
			Dec-08	2008	Q4	\$ 12,535.02	\$ 399.50	3.35%	\$ 34.99	\$ 12,969.51	\$ 5,505.92	
			Jan-09	2009	Q1	\$ 12,934.52	\$ 601.25	2.45%	\$ 26.41	\$ 13,562.18		
			Feb-09	2009	Q1	\$ 13,535.77	\$ 259.32	2.45%	\$ 27.64	\$ 13,822.73		
			Mar-09	2009	Q1	\$ 13,795.09	\$ 461.75	2.45%	\$ 28.16	\$ 14,285.00		
			Apr-09	2009	Q2	\$ 14,256.84	\$ 401.00	1.00%	\$ 11.88	\$ 14,669.72		
			May-09	2009	Q2	\$ 14,657.84	\$ 453.56	1.00%	\$ 12.21	\$ 15,123.61		
			Jun-09	2009	Q2	\$ 15,111.40	\$ 1,146.06	1.00%	\$ 12.59	\$ 16,270.05		
			Jul-09	2009	Q3	\$ 16,257.46	\$ 1,783.00	0.55%	\$ 7.45	\$ 18,047.91		
			Aug-09	2009	Q3	\$ 18,040.46	\$ 1,570.13	0.55%	\$ 8.27	\$ 19,618.86		
			Sep-09	2009	Q3	\$ 19,610.59	\$ 1,790.74	0.55%	\$ 8.99	\$ 21,410.32		
			Oct-09	2009	Q4	\$ 21,401.33	\$ 1,558.67	0.55%	\$ 9.81	\$ 22,969.81		
			Nov-09	2009	Q4	\$ 22,960.00	\$ 1,782.77	0.55%	\$ 10.52	\$ 24,753.29		
			Dec-09	2009	Q4	\$ 24,742.77	\$ 1,579.72	0.55%	\$ 11.34	\$ 26,333.83	\$ 13,563.24	
			Jan-10	2010	Q1	\$ 26,322.49	\$ 1,778.61	0.55%	\$ 12.06	\$ 28,113.16		
			Feb-10	2010	Q1	\$ 28,101.10	\$ 1,559.82	0.55%	\$ 12.88	\$ 29,673.80		
			Mar-10	2010	Q1	\$ 29,660.92	\$ 1,781.38	0.55%	\$ 13.59	\$ 31,455.89		
			Apr-10	2010	Q2	\$ 31,442.30	\$ 1,547.72	0.55%	\$ 14.41	\$ 33,004.43		
			May-10	2010	Q2	\$ 32,990.02	\$ 2,381.91	0.55%	\$ 15.12	\$ 35,387.05		
			Jun-10	2010	Q2	\$ 35,371.93	\$ 1,684.27	0.55%	\$ 16.21	\$ 37,072.41		
			Jul-10	2010	Q3	\$ 37,056.20	\$ 1,660.19	0.89%	\$ 27.48	\$ 38,743.87		
			Aug-10	2010	Q3	\$ 38,716.39	\$ 1,675.58	0.89%	\$ 28.71	\$ 40,420.68		
			Sep-10	2010	Q3	\$ 40,391.97	\$ 6,011.47	0.89%	\$ 29.96	\$ 46,433.40		
			Oct-10	2010	Q4	\$ 46,403.44	\$ 6,221.43	1.20%	\$ 46.40	\$ 52,671.27		
			Nov-10	2010	Q4	\$ 52,624.87	\$ 6,356.47	1.20%	\$ 52.62	\$ 59,033.96		
			Dec-10	2010	Q4	\$ 58,981.34	\$ 6,309.04	1.20%	\$ 58.98	\$ 65,349.36	\$ 39,296.31	
			Jan-11	2011	Q1	\$ 65,290.38	\$ 5,100.79	1.47%	\$ 79.98	\$ 70,471.15		
			Feb-11	2011	Q1	\$ 70,391.17	\$ 5,175.53	1.47%	\$ 86.23	\$ 75,652.93		
			Mar-11	2011	Q1	\$ 75,566.70	\$ 4,702.09	1.47%	\$ 92.57	\$ 80,361.36		
			Apr-11	2011	Q2	\$ 80,268.79	\$ 5,820.50	1.47%	\$ 98.33	\$ 86,187.62		
			May-11	2011	Q2	\$ 86,089.29	\$ 5,820.50	1.47%	\$ 105.46	\$ 92,015.25		
			Jun-11	2011	Q2	\$ 91,909.79	\$ 5,820.50	1.47%	\$ 112.59	\$ 97,842.88		
			Jul-11	2011	Q3	\$ 97,730.29	\$ 5,820.50	1.47%	\$ 119.72	\$ 103,670.51		
			Aug-11	2011	Q3	\$ 103,550.79	\$ 5,820.50	1.47%	\$ 126.85	\$ 109,498.14		
			Sep-11	2011	Q3	\$ 109,371.29	\$ 5,820.50	1.47%	\$ 133.98	\$ 115,325.77		
			Oct-11	2011	Q4	\$ 115,191.79	\$ 5,820.50	1.47%	\$ 141.11	\$ 121,153.40		
			Nov-11	2011	Q4	\$ 121,012.29	\$ 5,820.50	1.47%	\$ 148.24	\$ 126,981.03		
			Dec-11	2011	Q4	\$ 126,832.79	\$ 5,820.50	1.47%	\$ 155.37	\$ 132,808.66	\$ 68,763.34	
			Jan-12	2012	Q1	\$ 132,653.29	\$ 5,820.50	1.47%	\$ 162.50	\$ 138,636.29		
			Feb-12	2012	Q1	\$ 138,473.79	\$ 5,820.50	1.47%	\$ 169.63	\$ 144,463.92		



Atikokan Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
			Mar-12	2012	Q1	\$ 144,294.29	\$ 5,820.50	1.47%	\$ 176.76	\$ 150,291.55		
			Apr-12	2012	Q2	\$ 150,114.79	\$ 5,820.50	1.47%	\$ 183.89	\$ 156,119.18		
			May-12	2012	Q2	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Jun-12	2012	Q2	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Jul-12	2012	Q3	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Aug-12	2012	Q3	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Sep-12	2012	Q3	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Oct-12	2012	Q4	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Nov-12	2012	Q4	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29		
			Dec-12	2012	Q4	\$ 155,935.29		0.00%	\$ -	\$ 155,935.29	\$ 23,974.78	
<b>Total Funding Adder Revenues Collected</b>						\$	155,935.29		\$ 3,261.65	\$ 159,196.94	\$ 159,196.94	



Ontario Energy Board

Smart Meter Model

Atikokan Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, based on monthly data.

Account 1556 - Sub-accounts Operating Expenses, Amortization Expenses, Carrying Charges

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	OM&A Expenses	Amortization / Depreciation Expense	Closing Balance (Principal)	(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -			-	0.00%	-	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	-			-	0.00%	-	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	-			-	0.00%	-	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	-			-	4.14%	-	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	-			-	4.14%	-	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-			-	4.14%	-	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-			-	4.59%	-	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-			-	4.59%	-	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-			-	4.59%	-	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-			-	4.59%	-	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-			-	4.59%	-	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-			-	4.59%	-	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-			-	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-			-	4.59%	-	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-			-	4.59%	-	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-			-	4.59%	-	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-			-	4.59%	-	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-			-	4.59%	-	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	-			-	4.59%	-	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	-			-	4.59%	-	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-			-	4.59%	-	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-			-	5.14%	-	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-			-	5.14%	-	-
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	-			-	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	-			-	5.14%	-	-
2012 Q2	0.00%	4.29%	Feb-08	2008	Q1	-			-	5.14%	-	-
2012 Q3	0.00%	4.29%	Mar-08	2008	Q1	-			-	5.14%	-	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	-			-	4.08%	-	-
			May-08	2008	Q2	-			-	4.08%	-	-
			Jun-08	2008	Q2	-			-	4.08%	-	-
			Jul-08	2008	Q3	-			-	3.35%	-	-
			Aug-08	2008	Q3	-			-	3.35%	-	-
			Sep-08	2008	Q3	-			-	3.35%	-	-
			Oct-08	2008	Q4	-			-	3.35%	-	-
			Nov-08	2008	Q4	-			-	3.35%	-	-
			Dec-08	2008	Q4	-			-	3.35%	-	-
			Jan-09	2009	Q1	-			-	2.45%	-	-
			Feb-09	2009	Q1	-			-	2.45%	-	-
			Mar-09	2009	Q1	-			-	2.45%	-	-
			Apr-09	2009	Q2	-			-	1.00%	-	-
			May-09	2009	Q2	-			-	1.00%	-	-
			Jun-09	2009	Q2	-			-	1.00%	-	-
			Jul-09	2009	Q3	-			-	0.55%	-	-
			Aug-09	2009	Q3	-			-	0.55%	-	-
			Sep-09	2009	Q3	-			-	0.55%	-	-
			Oct-09	2009	Q4	-			-	0.55%	-	-
			Nov-09	2009	Q4	-			-	0.55%	-	-
			Dec-09	2009	Q4	-			-	0.55%	-	-
			Jan-10	2010	Q1	-			-	0.55%	-	-
			Feb-10	2010	Q1	-			-	0.55%	-	-
			Mar-10	2010	Q1	-			-	0.55%	-	-
			Apr-10	2010	Q2	-			-	0.55%	-	-
			May-10	2010	Q2	-			-	0.55%	-	-
			Jun-10	2010	Q2	-			-	0.55%	-	-
			Jul-10	2010	Q3	-			-	0.89%	-	-
			Aug-10	2010	Q3	-			-	0.89%	-	-
			Sep-10	2010	Q3	-			-	0.89%	-	-
			Oct-10	2010	Q4	-			-	1.20%	-	-
			Nov-10	2010	Q4	-			-	1.20%	-	-
			Dec-10	2010	Q4	-			-	1.20%	-	-
			Jan-11	2011	Q1	-			-	1.47%	-	-
			Feb-11	2011	Q1	-			-	1.47%	-	-
			Mar-11	2011	Q1	-			-	1.47%	-	-
			Apr-11	2011	Q2	-			-	1.47%	-	-
			May-11	2011	Q2	-			-	1.47%	-	-
			Jun-11	2011	Q2	-			-	1.47%	-	-
			Jul-11	2011	Q3	-			-	1.47%	-	-
			Aug-11	2011	Q3	-			-	1.47%	-	-
			Sep-11	2011	Q3	-			-	1.47%	-	-
			Oct-11	2011	Q4	-			-	1.47%	-	-
			Nov-11	2011	Q4	-			-	1.47%	-	-
			Dec-11	2011	Q4	-			-	1.47%	-	-
			Jan-12	2012	Q1	-			-	1.47%	-	-
			Feb-12	2012	Q1	-			-	1.47%	-	-
			Mar-12	2012	Q1	-			-	1.47%	-	-
			Apr-12	2012	Q2	-			-	1.47%	-	-
			May-12	2012	Q2	-			-	0.00%	-	-
			Jun-12	2012	Q2	-			-	0.00%	-	-
			Jul-12	2012	Q3	-			-	0.00%	-	-
			Aug-12	2012	Q3	-			-	0.00%	-	-
			Sep-12	2012	Q3	-			-	0.00%	-	-
			Oct-12	2012	Q4	-			-	0.00%	-	-
			Nov-12	2012	Q4	-			-	0.00%	-	-
			Dec-12	2012	Q4	-			-	0.00%	-	-
						\$ -			\$ -			



Appendix "E"

**Revenue Requirement Rebasing Model**

**Name of Applicant:** ATIKOKAN HYDRO INC

**License Number** ED-2003-0001

**File Number** EB-2011-0293

**Contact:** **Name:** WILF THORBURN  
**E-mail:** [wilf.thorburn@athydro.com](mailto:wilf.thorburn@athydro.com)  
**Telephone:** (807)597-6600

**Date of Application:**

**Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2008**

		Cost				Accumulated Depreciation					
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
1	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
1	1820	Distribution Station Equipment - Normally Primary	477,888	881	0	478,769	283,898	6,396	0	290,294	188,475
	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
1	1830	Poles, Towers and Fixtures	2,052,199	65,465	19,423	2,098,241	881,961	90,134	3,667	968,428	1,129,813
1	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
1	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
1	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
1	1850	Line Transformers	464,836	65,579	31,025	499,390	334,718	14,000	7,625	341,092	158,297
1	1855	Services	0	0	0	0	0	0	0	0	0
1	1860	Meters	398,765	515	300	398,980	180,479	14,509	300	194,688	204,292
	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
1	1908	Buildings and Fixtures	328,271	43,211	609	370,874	205,852	13,287	0	219,139	151,734
	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	53,801	12,243	15,164	50,880	41,118	4,073	10,627	34,564	16,317
45	1920	Computer Equipment - Hardware	55,981	3,364	16,675	42,670	44,196	4,351	15,676	32,871	9,800
12	1925	Computer Software	170,183	882	0	171,065	169,430	1,194	0	170,624	441
10	1930	Transportation Equipment	445,006	0	24,586	420,420	384,806	19,304	22,242	381,867	38,553
10	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	74,342	5,972	6,115	74,199	57,828	5,155	5,466	57,517	16,682
	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
10	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
1	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>4,536,860</b>	<b>198,112</b>	<b>113,896</b>	<b>4,621,076</b>	<b>2,584,286</b>	<b>172,402</b>	<b>65,604</b>	<b>2,691,084</b>	<b>1,929,992</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>4,536,860</b>	<b>198,112</b>	<b>113,896</b>	<b>4,621,076</b>	<b>2,584,286</b>	<b>172,402</b>	<b>65,604</b>	<b>2,691,084</b>	<b>1,929,992</b>

10	1935	Transportation		84,216							
10	1955	Communication Equipment									

Less: Fully Allocated Depreciation  
 Transportation 19,304  
 Communication  
 Net Depreciation 153,098

**Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2009**

**Cost**

**Accumulated Depreciation**

CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	478,769	7,049	0	485,818	290,294	14,626	0	304,920	180,898
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,098,241	55,918	4,798	2,149,361	968,428	88,944	4,798	1,052,574	1,096,787
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	499,390	1,937	450	500,876	341,092	14,077	450	354,719	146,157
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	398,980	13,953	133,950	278,983	194,688	16,508	47,444	163,752	115,231
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	370,874	221,611	0	592,484	219,139	21,635	0	240,774	351,710
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	50,880	9,012	0	59,892	34,564	4,960	0	39,524	20,368
10	1920	Computer Equipment - Hardware	42,670	4,919	0	47,590	32,871	5,744	0	38,615	8,975
12	1925	Computer Software	171,065	4,724	0	175,788	170,624	2,803	0	173,427	2,361
10	1930	Transportation Equipment	420,420	0	0	420,420	381,867	18,909	0	400,776	19,644
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	74,199	3,897	0	78,095	57,517	4,124	0	61,641	16,454
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
0	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>4,621,076</b>	<b>323,019</b>	<b>139,198</b>	<b>4,804,897</b>	<b>2,691,084</b>	<b>192,330</b>	<b>52,692</b>	<b>2,830,723</b>	<b>1,974,174</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>4,621,076</b>	<b>323,019</b>	<b>139,198</b>	<b>4,804,897</b>	<b>2,691,084</b>	<b>192,330</b>	<b>52,692</b>	<b>2,830,723</b>	<b>1,974,174</b>

183,821

1925	Transportation
1930	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	18,909
Communication	2,845 organization expense
Net Depreciation	<u>170,576</u>

ATIKOKAN HYDRO INC

License Number ED-2003-0001, File Number EB-2011-0293

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2010

Cost

Accumulated Depreciation

CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	485,818	800	0	486,618	304,920	14,048	0	318,968	167,650
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,149,361	133	101,709	2,047,785	1,052,574	86,823	30,694	1,108,703	939,081
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	500,876	0	6,100	494,776	354,719	14,077	6,100	362,696	132,080
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	278,983	33,068	4,275	307,776	163,752	23,513	78,903	108,362	199,413
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	592,484	88,197	0	680,682	240,774	25,165	0	265,940	414,742
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	59,892	1,228	0	61,120	39,524	4,810	0	44,333	16,787
10	1920	Computer Equipment - Hardware	47,590	0	0	47,590	38,615	3,599	0	42,214	5,376
12	1925	Computer Software	175,788	2,398	0	178,186	173,427	3,561	0	176,988	1,198
10	1930	Transportation Equipment	420,420	342,337	0	762,757	400,776	41,731	0	442,507	320,250
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	78,095	8,665	0	86,760	61,641	4,528	0	66,169	20,591
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>4,804,897</b>	<b>476,826</b>	<b>112,084</b>	<b>5,169,638</b>	<b>2,830,723</b>	<b>221,856</b>	<b>115,697</b>	<b>2,936,882</b>	<b>2,232,756</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>4,804,897</b>	<b>476,826</b>	<b>112,084</b>	<b>5,169,638</b>	<b>2,830,723</b>	<b>221,856</b>	<b>115,697</b>	<b>2,936,882</b>	<b>2,232,756</b>

364,742

Less: Fully Allocated Depreciation  
Transportation 768  
Communication  
Net Depreciation 221,088

1925	Transportation
1930	Stores Equipment

Fixed Asset Continuity Schedule (Distribution & Operations)  
As at December 31, 2011

Adjusted for IFRS

Cost

Accumulated Depreciation

CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	486,618	17,000	0	503,618	318,968	15,038	0	334,006	169,612
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,047,785	43,800	5,000	2,086,585	1,108,703	61,592	5,000	1,165,295	921,289
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	494,776	5,000	1,000	498,776	362,696	3,808	1,000	365,504	133,272
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	307,776	0	0	307,776	108,362	16,390	0	124,752	183,023
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	680,682	8,500	3,800	685,382	265,940	24,559	3,800	286,699	398,683
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	61,120	0	0	61,120	44,333	3,775	0	48,109	13,011
10	1920	Computer Equipment - Hardware	47,590	1,500	0	49,090	42,214	2,909	0	45,123	3,967
12	1925	Computer Software	178,186	0	0	178,186	176,988	1,199	0	178,187	(1)
10	1930	Transportation Equipment	762,757	0	0	762,757	442,507	22,996	0	465,502	297,255
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	86,760	3,500	0	90,260	66,169	4,454	0	70,624	19,636
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>5,169,638</b>	<b>79,300</b>	<b>9,800</b>	<b>5,239,138</b>	<b>2,936,882</b>	<b>156,720</b>	<b>9,800</b>	<b>3,083,802</b>	<b>2,155,336</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>5,169,638</b>	<b>79,300</b>	<b>9,800</b>	<b>5,239,138</b>	<b>2,936,882</b>	<b>156,720</b>	<b>9,800</b>	<b>3,083,802</b>	<b>2,155,336</b>

1925	Transportation
1930	Stores Equipment

Less: Fully Allocated Depreciation  
 Transportation  
 Communication  
 Net Depreciation 156,720

Fixed Asset Continuity Schedule (Distribution & Operations)  
 As at December 31, 2012 - MIRFS

Adjusted for IFRS  
 Adjusted for Smart Meters

CCA Class	OEB	Description	Cost				Accumulated Depreciation				Net Book Value
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
N/A	1805	Land	0	0	0	0	0	0	0	0	0
CEC	1806	Land Rights	0	0	0	0	0	0	0	0	0
47	1808	Buildings and Fixtures	0	0	0	0	0	0	0	0	0
13	1810	Leasehold Improvements	0	0	0	0	0	0	0	0	0
47	1815	Transformer Station Equipment - Normally Primary	0	0	0	0	0	0	0	0	0
47	1820	Distribution Station Equipment - Normally Primary	503,618	8,000	0	511,618	334,006	15,127	0	349,133	162,485
47	1825	Storage Battery Equipment	0	0	0	0	0	0	0	0	0
47	1830	Poles, Towers and Fixtures	2,086,585	58,800	5,000	2,140,385	1,165,295	62,245	5,000	1,222,540	917,844
47	1835	Overhead Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1840	Underground Conduit	0	0	0	0	0	0	0	0	0
47	1845	Underground Conductors and Devices	0	0	0	0	0	0	0	0	0
47	1850	Line Transformers	498,776	7,000	1,000	504,776	365,504	3,886	1,000	368,390	136,386
47	1855	Services	0	0	0	0	0	0	0	0	0
47	1860	Meters	701,321	0	0	701,321	119,327	34,928	0	154,255	547,066
N/A	1865	Other Installations on Customer's Premises	0	0	0	0	0	0	0	0	0
N/A	1905	Land	15,588	0	0	15,588	0	0	0	0	15,588
CEC	1906	Land Rights	0	0	0	0	0	0	0	0	0
47	1908	Buildings and Fixtures	685,382	8,500	0	693,882	286,699	24,729	0	311,428	382,454
13	1910	Leasehold Improvements	0	0	0	0	0	0	0	0	0
8	1915	Office Furniture and Equipment	61,120	0	0	61,120	48,109	3,132	0	51,241	9,879
10	1920	Computer Equipment - Hardware	57,529	12,000	2,000	67,529	49,343	3,145	2,000	50,488	17,041
12	1925	Computer Software	178,186	8,000	1,000	185,186	178,187	2,000	1,000	179,187	5,999
10	1930	Transportation Equipment	762,757	0	0	762,757	465,502	22,822	0	488,324	274,433
8	1935	Stores Equipment	0	0	0	0	0	0	0	0	0
8	1940	Tools, Shop and Garage Equipment	90,260	16,500	0	106,760	70,624	5,279	0	75,903	30,857
8	1945	Measurement and Testing Equipment	0	0	0	0	0	0	0	0	0
8	1950	Power Operated Equipment	0	0	0	0	0	0	0	0	0
8	1955	Communication Equipment	0	0	0	0	0	0	0	0	0
8	1960	Miscellaneous Equipment	0	0	0	0	0	0	0	0	0
47	1970	Load Management Controls - Customer Premises	0	0	0	0	0	0	0	0	0
47	1975	Load Management Controls - Utility Premises	0	0	0	0	0	0	0	0	0
47	1980	System Supervisory Equipment	0	0	0	0	0	0	0	0	0
47	1985	Sentinel Lighting Rentals	0	0	0	0	0	0	0	0	0
47	1990	Other Tangible Property	0	0	0	0	0	0	0	0	0
47	1995	Contributions and Grants	0	0	0	0	0	0	0	0	0
	2005	Property under Capital Lease	0	0	0	0	0	0	0	0	0
		<b>Total before Work in Process</b>	<b>5,641,122</b>	<b>118,800</b>	<b>9,000</b>	<b>5,750,922</b>	<b>3,082,596</b>	<b>177,294</b>	<b>9,000</b>	<b>3,250,890</b>	<b>2,500,032</b>
WIP		Work in Process	0	0	0	0	0	0	0	0	0
		<b>Total after Work in Process</b>	<b>5,641,122</b>	<b>118,800</b>	<b>9,000</b>	<b>5,750,922</b>	<b>3,082,596</b>	<b>177,294</b>	<b>9,000</b>	<b>3,250,890</b>	<b>2,500,032</b>


Less: Fully Allocated Depreciation  
 Transportation  
 PP&E Adjustment 10,431  
 Net Depreciation 166,863

**Atikokan Hydro  
Depreciation Analysis**

Economic Useful life of 45 Years, 10 year remaining

Account #	Asset Class	Sub- Class	Depreciation Expense Per 2010 Statements	Depreciation Expense Per IFRS Analysis	Difference	Variance
18200000	Distribution Stations		\$14,048	\$14,660	\$612	
18300100	Poles & Conductors	Feeder 1-6	\$52,677	\$36,010	(\$16,667)	
18300200	Poles & Conductors	3M2 Line	\$22,444	\$21,292	(\$1,152)	
18300300	Poles & Conductors	3M3 Line	\$11,702	\$5,183	(\$6,519)	
1850000	Line Transformers		\$14,077	\$4,971	(\$9,106)	
			<u>\$114,948</u>	<u>\$82,116</u>	<u>(\$32,832)</u>	-29%

	2009		
	CGAAP	2010 CGAAP	2011 CGAAP
Opening Net PPE	1,929,992	1,974,174	2,232,756
Additions	183,821	364,742	79,300
Depreciation	139,638	106,159	190,722
Closing PPE	1,974,174	2,232,756	2,121,334

	2009 CGAAP	2010 CGAAP	2011 MIFRS
Opening Net PPE	1,929,992	1,974,174	2,232,756
Additions	183,821	364,742	79,300
Depreciation	139,638	106,159	156,720
Closing PPE	1,974,174	2,232,756	2,155,336

Difference in Closing net PP&E, CGAAP vs MIFRS 34,002

Amortization Period 4

Rate of Return 6.49%

Deferral Account - Rebasing in 2012 under MIFRS	2011	2012	2013	2014	2015
Opening	0	34,002	25,501	17,001	8,500
Additions	34,002	0	0	0	0
Amortization	0	8,500	8,500	8,500	8,500
Closing	34,002	25,501	17,001	8,500	0

Average 29,751

Return 1,931

Amortization 8,500

Amount included in Revenue Requirement 10,431



**Summary OEB Adjusted Trial Balance**

OEB No	OEB Account Name	2008 Actual	2009 Actual	2010 Actual
	<b>Current Assets</b>			
1005	Cash	295,907	46,301	89,248
1010	Cash Advances and Working Funds	500	500	500
1020	Interest Special Deposits	0	0	0
1030	Dividend Special Deposits	0	0	0
1040	Other Special Deposits	0	0	0
1060	Term Deposits	0	0	0
1070	Current Investments	0	0	0
1100	Customer Accounts Receivable	61,502	228,102	243,143
1102	Accounts Receivable - Services	0	0	0
1104	Accounts Receivable - Recoverable Work	29,468	63,980	64,046
1105	Accounts Receivable - Merchandise, Jobbing, etc.	0	0	0
1110	Other Accounts Receivable	7,359	38,000	25,935
1120	Accrued Utility Revenues	375,354	367,149	301,457
1130	Accumulated Provision for Uncollectable Accounts -- Credit	0	(6,000)	(6,000)
1140	Interest and Dividends Receivable	0	0	0
1150	Rents Receivable	0	0	0
1170	Notes Receivable	0	0	0
1180	Prepayments	25,873	349,296	28,358
1190	Miscellaneous Current and Accrued Assets	0	0	0
1200	Accounts Receivable from Associated Companies	0	0	0
1210	Notes Receivable from Associated Companies	0	0	0
	<b>Inventory</b>			
1305	Fuel Stock	0	0	0
1330	Plant Materials and Operating Supplies	93,894	102,578	108,062
1340	Merchandise	0	0	0
1350	Other Material and Supplies	0	0	0
	<b>Non-Current Assets</b>			
1405	Long Term Investments in Non-Associated Companies	0	0	0
1408	Long Term Receivable - Street Lighting Transfer	0	0	0
1410	Other Special or Collateral Funds	0	0	0
1415	Sinking Funds	0	0	0
1425	Unamortized Debt Expense	0	0	0
1445	Unamortized Discount on Long-Term Debt--Debit	0	0	0
1455	Unamortized Deferred Foreign Currency Translation Gains and Losses	0	0	0
1460	Other Non-Current Assets	96,819	83,742	95,966
1465	O.M.E.R.S. Past Service Costs	0	0	0
1470	Past Service Costs - Employee Future Benefits	0	0	0
1475	Past Service Costs -Other Pension Plans	0	0	0
1480	Portfolio Investments - Associated Companies	0	0	0
1485	Investment In Subsidiary Companies - Significant Influence	0	0	0
1490	Investment in Subsidiary Companies	0	0	0
	<b>Other Assets and Deferred Charges</b>			
1505	Unrecovered Plant and Regulatory Study Costs	0	0	0
1508	Other Regulatory Assets	0	118,230	156,510
1510	Preliminary Survey and Investigation Charges	0	0	0
1515	Emission Allowance Inventory	0	0	0
1516	Emission Allowance Withheld	0	0	0
1518	RCVA Retail	0	0	6,901
1521	Special Purpose Charge Assessment Variance	0	0	5,615
1525	Miscellaneous Deferred Debits	0	0	0
1530	Deferred Losses from Disposition of Utility Plant	0	0	0
1540	Deferred Losses from Disposition of Utility Plant	0	0	0
1545	Development Charge Deposits/ Receivables	0	0	0
1548	RCVA - Service Transaction Request (STR)	0	0	20,856
1550	LV Charges - Variance	0	0	0
1555	Smart Meters Recovery	0	416,378	394,994
1556	Smart Meters OM & A	0	7,352	68,564
1562	Deferred PILs	0	0	0
1563	Deferred PILs - Contra	0	0	0
1565	C & DM Costs	0	0	0
1566	C & DM Costs Contra	0	0	0
1570	Qualifying Transition Costs	0	0	0
1571	Pre Market CoP Variance	0	0	0
1572	Extraordinary Event Losses	0	0	0
1574	Deferred Rate Impact Amounts	0	0	0
1580	RSVA - Wholesale Market Services	0	0	0
1582	RSVA - One-Time	0	0	0
1584	RSVA - Network Charges	0	0	8,830
1586	RSVA - Connection Charges	0	0	47,460
1588	RSVA - Commodity (Power)	0	0	11,019
1590	Recovery of Regulatory Assets (25% of 2002 bal.)	0	0	0
1592	PILs and Tax Variance for 2006 & Subsequent Years	0	0	0
1595	Disposition and Recovery of Regulatory Balances	0	0	0
1606	<b>Intangible plant</b>	<b>10,664</b>	<b>7,819</b>	<b>4,974</b>
	<b>Fixed Assets</b>			
1805	Land	0	0	0
1806	Land Rights	0	0	0
1808	Buildings and Fixtures	0	0	0
1810	Leasehold Improvements	0	0	0

OEB No	OEB Account Name	2008 Actual	2009 Actual	2010 Actual
1815	Transformer Station Equipment - Normally Primary above 50 kv	0	0	0
1820	Distribution Station Equipment - Normally Primary below 50 kv	478,769	485,818	486,618
1825	Storage Battery Equipment	0	0	0
1830	Poles, Towers and Fixtures	2,098,241	2,149,361	2,047,785
1835	Overhead Conductors and Devices	0	0	0
1840	Underground Conduit	0	0	0
1845	Underground Conductors and Devices	0	0	0
1850	Line Transformers	499,390	500,876	494,776
1855	Services	0	0	0
1860	Meters	398,980	278,983	307,776
1865	Other Installations on Customer's Premises	0	0	0
1905	Land	15,588	15,588	15,588
1906	Land Rights	0	0	0
1908	Buildings and Fixtures	370,874	592,484	680,682
1910	Leasehold Improvements	0	0	0
1915	Office Furniture and Equipment	50,880	59,892	61,120
1920	Computer Equipment - Hardware	42,670	47,590	47,590
1925	Computer Software	171,065	175,788	178,186
1930	Transportation Equipment	420,420	420,420	762,757
1935	Stores Equipment	0	0	0
1940	Tools, Shop and Garage Equipment	74,199	78,095	86,760
1945	Measurement and Testing Equipment	0	0	0
1950	Power Operated Equipment	0	0	0
1955	Communication Equipment	0	0	0
1960	Miscellaneous Equipment	0	0	0
1970	Load Management Controls - Customer Premises	0	0	0
1975	Load Management Controls - Utility Premises	0	0	0
1980	System Supervision Equipment	0	0	0
1985	Sentinel Lighting Rentals	0	0	0
1990	Other Tangible Property	0	0	0
1995	Contributions and Grants	0	0	0
<b>Other Capital Assets</b>		N/A	N/A	N/A
2005	Property Under Capital Leases	0	0	0
2010	Electric Plant Purchased or Sold	0	0	0
2020	Experimental Electric Plant Unclassified	0	0	0
2030	Electric Plant and Equipment Leased to Others	0	0	0
2040	Electric Plant Held for Future Use	0	0	0
2050	Completed Construction Not Classified—Electric	0	0	0
2055	Construction Work in Progress—Electric	0	0	0
2060	Electric Plant Acquisition Adjustment	0	0	0
2065	Other Electric Plant Adjustment	0	0	0
2070	Other Utility Plant	0	0	0
2075	Non-Utility Property Owned or Under Capital Lease	0	0	0
<b>Accumulated Amortization</b>				
2105	Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(2,691,084)	(2,830,723)	(2,936,882)
2120	Accumulated Amortization of Electric Utility Plant - Intangibles	0	0	0
2140	Accumulated Amortization of Electric Plant Acquisition Adjustment	0	0	0
2160	Accumulated Amortization of Other Utility Plant	0	0	0
2180	Accumulated Amortization of Non-Utility Property	0	0	0
<b>Current Liabilities</b>				
2205	Accounts Payable	(482,107)	(440,272)	(470,251)
2208	Customer Credit Balances	0	0	0
2210	Current Portion of Customer Deposits	(8,232)	(10,836)	(11,402)
2215	Dividends Declared	0	0	0
2220	Miscellaneous Current and Accrued Liabilities	0	0	0
2225	Notes and Loans Payable	0	0	0
2240	Accounts Payable to Associated Companies	0	0	0
2242	Notes Payable to Associated Companies	0	0	0
2250	Debt Retirement Charges (DRC) Payable	0	0	0
2252	Transmission Charges Payable	0	0	0
2254	Electric Safety Authority Fees Payable	0	0	0
2256	Independent Market Operator Fees and Penalties Payable	0	0	0
2260	Current Portion of Long Term Debt	(36,194)	(49,559)	(48,281)
2262	Ontario Hydro Debt - Current Portion	0	0	0
2264	Pensions and Employee Benefits - Current Portion	0	0	0
2268	Accrued Interest on Long Term Debt	0	0	0
2270	Matured Long Term Debt	0	0	0
2272	Matured Interest on Long Term Debt	0	0	0
2285	Obligations Under Capital Leases—Current	0	0	0
2290	Commodity Taxes	0	0	0
2292	Payroll Deductions / Expenses Payable	0	0	0
2294	Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	0	(22,229)	0
2296	Future Income Taxes - Current	0	0	0
<b>Non-Current Liabilities</b>				
2305	Accumulated Provision for Injuries and Damages	0	0	0
2306	Employee Future Benefits	0	0	0
2308	Other Pensions - Past Service Liability	0	0	0
2310	Vested Sick Leave Liability	0	0	0
2315	Accumulated Provision for Rate Refunds	0	0	(280)
2320	Other Miscellaneous Non-Current Liabilities	0	0	0
2325	Obligations Under Capital Lease—Non-Current	0	0	0
2330	Development Charge Fund	0	0	0
2335	Long Term Customer Deposits	(74,084)	(97,529)	(102,618)

OEB No	OEB Account Name	2008 Actual	2009 Actual	2010 Actual
2340	Collateral Funds Liability	0	0	0
2345	Unamortized Premium on Long Term Debt	0	0	0
2348	O.M.E.R.S. - Past Service Liability - Long Term Portion	0	0	0
2350	Future Income Tax - Non-Current	0	0	0
<b>Other Liabilities and Deferred Credits</b>				
2405	Other Regulatory Liabilities	(98,143)	(169,638)	(180,436)
2410	Deferred Gains From Disposition of Utility Plant	0	0	0
2415	Unamortized Gain on Reacquired Debt	0	0	0
2425	Other Deferred Credits	0	(5,121)	0
2435	Accrued Rate-Payer Benefit	0	0	0
<b>Long Term Debt</b>				
2505	Debentures Outstanding - Long Term Portion	0	0	0
2510	Debenture Advances	0	0	0
2515	Required Bonds	0	0	0
2520	Other Long Term Debt	(1,273,103)	(1,245,539)	(1,233,816)
2525	Term Bank Loans - Long Term Portion	(20,183)	(819,731)	(533,956)
2530	Ontario Hydro Debt Outstanding - Long Term Portion	0	0	0
2550	Advances from Associated Companies	0	0	(400,000)
<b>Shareholders' Equity</b>				
3005	Common Shares Issued	(1,277,900)	(1,277,900)	(1,277,900)
3008	Preference Shares Issued	0	0	0
3010	Contributed Surplus	0	0	0
3020	Donations Received	0	0	0
3022	Development Charges Transferred to Equity	0	0	0
3026	Capital Stock Held in Treasury	0	0	0
3030	Miscellaneous Paid-In Capital	0	0	0
3035	Installments Received on Capital Stock	0	0	0
3040	Appropriated Retained Earnings	0	0	0
3045	Unappropriated Retained Earnings	374,672	506,709	340,754
3046	Balance Transferred From Income	0	0	0
3047	Appropriations of Retained Earnings - Current Period	0	0	0
3048	Dividends Payable-Preference Shares	0	0	0
3049	Dividends Payable-Common Shares	0	0	0
3055	Adjustment to Retained Earnings	0	0	0
3065	Unappropriated Undistributed Subsidiary Earnings	0	0	0
<b>Sales of Electricity</b>				
4006	Residential Energy Sales	(542,627)	(529,164)	(632,675)
4010	Commercial Energy Sales	0	0	0
4015	Industrial Energy Sales	0	0	0
4020	Energy Sales to Large Users	(67,483)	0	0
4025	Street Lighting Energy Sales	(23,372)	(26,701)	(32,142)
4030	Sentinel Energy Sales	(123)	(9)	0
4035	General Energy Sales	(771,286)	(831,547)	(821,532)
4040	Other Energy Sales to Public Authorities	0	0	0
4045	Energy Sales to Railroads and Railways	0	0	0
4050	Revenue Adjustment	(70,919)	47,672	58,404
4055	Energy Sales for Resale	(51,499)	(84,095)	(129,366)
4060	Interdepartmental Energy Sales	0	0	0
4062	WMS	(150,160)	(175,256)	(144,696)
4064	Billed WMS-One Time	0	0	0
4066	NS	(101,547)	(125,916)	(125,045)
4068	CS	(78,630)	(81,579)	(79,990)
4075	LV Charges	0	0	0
<b>Revenues From Services - Distribution</b>				
4080	Distribution Services Revenue	(922,462)	(1,234,365)	(1,146,051)
4082	RS Rev	(4,062)	(3,648)	(7,234)
4084	Serv Tx Requests	(6,113)	(6,324)	(2,250)
4090	Electric Services Incidental to Energy Sales	0	0	0
<b>Other Operating Revenues</b>				
4205	Interdepartmental Rents	0	0	0
4210	Rent from Electric Property	(35,045)	(38,196)	(34,911)
4215	Other Utility Operating Income	0	0	0
4220	Other Electric Revenues	0	0	0
4225	Late Payment Charges	(5,624)	(7,043)	(6,024)
4230	Sales of Water and Water Power	0	0	0
4235	Miscellaneous Service Revenues	(5,322)	(32,896)	(6,745)
4240	Provision for Rate Refunds	0	0	0
4245	Government Assistance Directly Credited to Income	0	0	0
<b>Other Income/ Deductions</b>				
4305	Regulatory Debits	0	0	0
4310	Regulatory Credits	0	0	0
4315	Revenues from Electric Plant Leased to Others	0	0	0
4320	Expenses of Electric Plant Leased to Others	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc.	0	0	(110,239)
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	0	0	24,114
4335	Profits and Losses from Financial Instrument Hedges	0	0	0
4340	Profits and Losses from Financial Instrument Investments	0	0	0
4345	Gains from Disposition of Future Use Utility Plant	0	0	0
4350	Losses from Disposition of Future Use Utility Plant	0	0	0
4355	Gain on Disposition of Utility and Other Property	0	0	0
4360	Loss on Disposition of Utility and Other Property	5,526	0	0
4365	Gains from Disposition of Allowances for Emission	0	0	0
4370	Losses from Disposition of Allowances for Emission	0	0	0

OEB No	OEB Account Name	2008 Actual	2009 Actual	2010 Actual
4375	Revenues from Non-Utility Operations	(30,350)	(171,460)	(232,108)
4380	Expenses of Non-Utility Operations	30,463	171,460	232,108
4385	Expenses of Non-Utility Operations	0	0	0
4390	Miscellaneous Non-Operating Income	(4,152)	(1,878)	(7,443)
4395	Rate-Payer Benefits Including Interest	0	0	0
4398	Foreign Exchange Gains and Losses, Including Amortization	0	0	0
<b>Investment Income</b>				
4405	Interest and Dividend Income	(11,341)	(9,542)	(14,799)
4415	Equity in Earnings of Subsidiary Companies	0	0	0
<b>Other Power Supply Expenses</b>				
4705	Power Purchased	1,460,469	1,478,562	1,562,937
4708	WMS	150,160	156,758	144,832
4710	Cost of Power Adjustments	0	0	0
4712		0	0	0
4714	NW	101,545	113,805	126,466
4715	System Control and Load Dispatching	0	0	0
4716	NCN	78,630	75,087	78,905
4720	Other Expenses	0	0	0
4725	Competition Transition Expense	0	0	0
4730	Rural Rate Assistance Expense	0	0	0
4750	LV Charges	0	0	0
<b>Distribution Expenses - Operation</b>				
5005	Operation Supervision and Engineering	0	0	0
5010	Load Dispatching	0	0	0
5012	Station Buildings and Fixtures Expense	0	0	0
5014	Transformer Station Equipment - Operation Labour	0	0	0
5015	Transformer Station Equipment - Operation Supplies and Expenses	0	0	0
5016	Distribution Station Equipment - Operation Labour	15,455	3,989	0
5017	Distribution Station Equipment - Operation Supplies and Expenses	1,873	470	0
5020	Overhead Distribution Lines and Feeders - Operation Labour	221,989	229,359	261,114
5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	42,189	57,381	27,341
5030	Overhead Subtransmission Feeders - Operation	9,898	30,272	42,657
5035	Overhead Distribution Transformers - Operation	3,941	65	0
5040	Underground Distribution Lines and Feeders - Operation Labour	0	0	0
5045	Underground Distribution Lines and Feeders - Operation Supplies and Expenses	0	0	0
5050	Underground Subtransmission Feeders - Operation	0	0	0
5055	Underground Distribution Transformers - Operation	0	0	0
5060	Street Lighting and Signal System Expense	0	0	0
5065	Meter Expense	159	21	1,000
5070	Customer Premises - Operation Labour	0	0	0
5075	Customer Premises - Materials and Expenses	0	0	0
5085	Miscellaneous Distribution Expense	0	0	0
5090	Underground Distribution Lines and Feeders - Rental Paid	0	0	0
5095	Overhead Distribution Lines and Feeders - Rental Paid	617	448	0
5096	Other Rent	0	0	0
<b>Distribution Expenses - Maintenance</b>				
5105	Maintenance Supervision and Engineering	0	0	0
5110	Maintenance of Structures	0	0	0
5112	Maintenance of Transformer Station Equipment	0	0	0
5114	Maint Dist Stn Equip	3,804	1,072	585
5120	Maintenance of Poles, Towers and Fixtures	0	0	0
5125	Maintenance of Overhead Conductors and Devices	748	1,416	20,406
5130	Maintenance of Overhead Services	9,784	0	222
5135	Overhead Distribution Lines and Feeders - Right of Way	51,058	27,718	29,522
5145	Maintenance of Underground Conduit	0	0	0
5150	Maintenance of Underground Conductors and Devices	0	0	0
5155	Maintenance of Underground Services	0	0	0
5160	Maintenance of Line Transformers	19,523	27	250
5165	Maintenance of Street Lighting and Signal Systems	0	0	0
5170	Sentinel Lights - Labour	0	0	0
5172	Sentinel Lights - Materials and Expenses	0	0	0
5175	Maintenance of Meters	3,899	730	680
5178	Customer Installations Expenses - Leased Property	0	0	0
5195	Maintenance of Other Installations on Customer Premises	0	10,966	0
<b>Other Expenses</b>				
5205	Purchase of Transmission and System Services	0	0	0
5210	Transmission Charges	0	0	0
5215	Transmission Charges Recovered	0	0	0
<b>Billing and Collecting</b>				
5305	Supervision	4,043	3,139	7,700
5310	Meter Reading Expense	45,772	51,303	32,118
5315	Customer Billing	110,711	97,640	87,381
5320	Collecting	0	0	0
5325	Collecting - Cash Over and Short	50	311	(338)
5330	Collection Charges	(5,200)	(1,300)	0
5335	Bad Debt Expense	6,355	5,655	3,924
5340	Miscellaneous Customer Accounts Expenses	7,250	3,013	0
<b>Community Relations</b>				
5405	Supervision	0	0	0
5410	Community Relations - Sundry	0	0	0
5415	Energy Conservation	0	0	0
5420	Community Safety Program	0	0	0
5425	Miscellaneous Customer Service and Informational Expenses	0	0	0

OEB No	OEB Account Name	2008 Actual	2009 Actual	2010 Actual
<b>Sales Expenses</b>				
5505	Supervision	0	0	0
5510	Demonstrating and Selling Expense	0	0	0
5515	Advertising Expense	0	0	0
5520	Miscellaneous Sales Expense	0	0	0
<b>Administrative and General Expenses</b>				
5605	Executive Salaries and Expenses	6,000	6,000	6,000
5610	Management Salaries and Expenses	11,639	105,204	116,180
5615	General Administrative Salaries and Expenses	17,205	48,937	124,407
5620	Office Supplies and Expenses	6,244	8,450	7,416
5625	Administrative Expense Transferred-Credit	0	0	0
5630	Outside Services Employed	153,350	85,873	135,076
5635	Property Insurance	7,271	8,379	8,604
5640	Injuries and Damages	0	0	0
5645	Employee Pensions and Benefits	0	1,480	0
5650	Franchise Requirements	0	0	0
5655	Regulatory Expenses	11,522	5,142	13,149
5660	General Advertising Expenses	617	977	1,649
5665	Miscellaneous Expenses	41,225	44,060	35,845
5670	Rent	0	0	0
5675	Maintenance of General Plant	36,034	41,646	35,905
5680	Electrical Safety Authority Fees	0	1,862	1,920
5685	Independent Market Operator Fees and Penalties	0	0	0
5695	OM&A Contra Account	0	0	0
<b>Amortization Expense</b>				
5705	Amortization Expense - Property, Plant and Equipment	153,098	170,576	221,088
5710	Amortization of Limited Term Electric Plant	0	0	0
5715	Amortization of Intangibles and Other Electric Plant	2,845	0	0
5720	Amortization of Electric Plant Acquisition Adjustments	0	0	0
5725	Miscellaneous Amortization	0	0	0
5730	Amortization of Unrecovered Plant and Regulatory Study Costs	0	0	0
5735	Amortization of Deferred Development Costs	0	0	0
5740	Amortization of Deferred Charges	0	0	0
<b>Interest Expense</b>				
6005	Interest on Long Term Debt	2,323	66,410	70,738
6010	Amortization of Debt Discount and Expense	0	0	0
6015	Amortization of Premium on Debt-Credit	0	0	0
6020	Amortization of Loss on Reacquired Debt	0	0	0
6025	Amortization of Gain on Reacquired Debt-Credit	0	0	0
6030	Interest on Debt to Associated Companies	0	0	12,310
6035	Other Interest Expense	10,884	9,422	10,885
6040	Allowance for Borrowed Funds Used During Construction-Credit	0	0	0
6042	Allowance for Other Funds Used During Construction	0	0	0
6045	Interest Expense on Capital Lease Obligations	0	0	0
<b>Taxes</b>				
6105	Taxes Other Than Income Taxes	0	0	0
6110	Income Taxes	0	0	(1,063)
6115	Provision for Future Income Taxes	9,090	22,229	0
<b>Other Deductions</b>				
6205	Donations	0	0	0
6210	Life Insurance	0	0	0
6215	Penalties	0	0	0
6225	Other Deductions	0	0	0
<b>Extraordinary Items</b>				
6305	Extraordinary Income	0	0	0
6310	Extraordinary Deductions	0	0	0
6315	Income Taxes, Extraordinary Items	0	0	0
<b>Other Accounts</b>				
<b>TOTALS</b>		<b>1</b>	<b>1</b>	<b>(2)</b>

**ATIKOKAN HYDRO INC  
 2008 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	295,907
1010-Cash Advances and Working Funds	500
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	61,502
1102-Accounts Receivable - Services	0
1104-Accounts Receivable - Recoverable Work	29,468
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	7,359
1120-Accrued Utility Revenues	375,354
1130-Accumulated Provision for Uncollectable Accounts -- Credit	0
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	25,873
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>795,963</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	93,894
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>93,894</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	96,819
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>96,819</b>

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	0
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	0
1555-Smart Meters Recovery	0
1556-Smart Meters OM & A	0
1562-Deferred PILs	0
1563-Deferred PILs - Contra	0
1565-C & DM Costs	0
1566-C & DM Costs Contra	0
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	0
1582-RSVA - One-Time	0
1584-RSVA - Network Charges	0
1586-RSVA - Connection Charges	0
1588-RSVA - Commodity (Power)	0
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	0
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
1606-Intangible plant	10,664
<b>1200-Other Assets and Deferred Charges Total</b>	<b>10,664</b>

<b>1450-Distribution Plant</b>	
1805-Land	0
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	478,769
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	2,098,241
1835-Overhead Conductors and Devices	0
1840-Underground Conduit	0
1845-Underground Conductors and Devices	0
1850-Line Transformers	499,390
1855-Services	0
1860-Meters	398,980
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>3,475,379</b>

Account Description	Total
<b>1500-General Plant</b>	
1905-Land	15,588
1906-Land Rights	0
1908-Buildings and Fixtures	370,874
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	50,880
1920-Computer Equipment - Hardware	42,670
1925-Computer Software	171,065
1930-Transportation Equipment	420,420
1935-Stores Equipment	0
1940-Tools, Shop and Garage Equipment	74,199
1945-Measurement and Testing Equipment	0
1950-Power Operated Equipment	0
1955-Communication Equipment	0
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	0
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	0
<b>1500-General Plant Total</b>	<b>1,145,697</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(2,691,084)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(2,691,084)</b>

<b>Total Assets</b>	<b>2,927,332</b>
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Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	482,107
2208-Customer Credit Balances	0
2210-Current Portion of Customer Deposits	8,232
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	0
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	36,194
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	0
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	0
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>526,532</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	0
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	0
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Development Charge Fund	0
2335-Long Term Customer Deposits	74,084
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	0
2405-Other Regulatory Liabilities	98,143
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>172,227</b>

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	1,273,103
2525-Term Bank Loans - Long Term Portion	20,183
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>1,293,286</b>

<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	1,277,900
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Development Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	(374,672)
3046-Balance Transferred From Income	32,058
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	0
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>935,286</b>

<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>2,927,331</b>
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<b>Balance Sheet Total</b>	<b>1</b>
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**ATIKOKAN HYDRO INC  
2008 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(542,627)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	(67,483)
4025-Street Lighting Energy Sales	(23,372)
4030-Sentinel Energy Sales	(123)
4035-General Energy Sales	(771,286)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(70,919)
4055-Energy Sales for Resale	(51,499)
4060-Interdepartmental Energy Sales	0
4062-WMS	(150,160)
4064-Billed WMS-One Time	0
4066-NS	(101,547)
4068-CS	(78,630)
4075-LV Charges	0
<b>3000-Sales of Electricity Total</b>	<b>(1,857,645)</b>
<b>3050-Revenues From Services - Distribution</b>	
4080-Distribution Services Revenue	(922,462)
4082-RS Rev	(4,062)
4084-Serv Tx Requests	(6,113)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distribution Total</b>	<b>(932,637)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(35,045)
4215-Other Utility Operating Income	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(5,624)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(5,322)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(45,991)</b>

Account Description	Total
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	5,526
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(30,350)
4380-Expenses of Non-Utility Operations	30,463
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(4,152)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>1,487</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(11,341)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(11,341)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	1,460,469
4708-WMS	150,160
4710-Cost of Power Adjustments	0
4712-0	0
4714-NW	101,545
4715-System Control and Load Dispatching	0
4716-NCN	78,630
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	0
<b>3350-Power Supply Expenses Total</b>	<b>1,790,804</b>

<b>Account Description</b>	<b>Total</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	15,455
5017-Distribution Station Equipment - Operation Supplies and Expenses	1,873
5020-Overhead Distribution Lines and Feeders - Operation Labour	221,989
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	42,189
5030-Overhead Subtransmission Feeders - Operation	9,898
5035-Overhead Distribution Transformers - Operation	3,941
5040-Underground Distribution Lines and Feeders - Operation Labour	0
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	0
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	159
5070-Customer Premises - Operation Labour	0
5075-Customer Premises - Materials and Expenses	0
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	617
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>296,121</b>

Account Description	Total
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	3,804
5120-Maintenance of Poles, Towers and Fixtures	0
5125-Maintenance of Overhead Conductors and Devices	748
5130-Maintenance of Overhead Services	9,784
5135-Overhead Distribution Lines and Feeders - Right of Way	51,058
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	0
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	19,523
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	3,899
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>88,816</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	4,043
5310-Meter Reading Expense	45,772
5315-Customer Billing	110,711
5320-Collecting	0
5325-Collecting - Cash Over and Short	50
5330-Collection Charges	(5,200)
5335-Bad Debt Expense	6,355
5340-Miscellaneous Customer Accounts Expenses	7,250
<b>3650-Billing and Collecting Total</b>	<b>168,981</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>0</b>

Account Description	Total
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	6,000
5610-Management Salaries and Expenses	11,639
5615-General Administrative Salaries and Expenses	17,205
5620-Office Supplies and Expenses	6,244
5625-Administrative Expense Transferred-Credit	0
5630-Outside Services Employed	153,350
5635-Property Insurance	7,271
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	0
5650-Franchise Requirements	0
5655-Regulatory Expenses	11,522
5660-General Advertising Expenses	617
5665-Miscellaneous Expenses	41,225
5670-Rent	0
5675-Maintenance of General Plant	36,034
5680-Electrical Safety Authority Fees	0
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>291,106</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	153,098
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	2,845
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>155,943</b>

Account Description	Total
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	2,323
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	10,884
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>13,207</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	0
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>0</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	0
6115-Provision for Future Income Taxes	9,090
<b>4000-Income Taxes Total</b>	<b>9,090</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(32,058)</b>



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**ATIKOKAN HYDRO INC  
2009 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	46,301
1010-Cash Advances and Working Funds	500
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	228,102
1102-Accounts Receivable - Services	0
1104-Accounts Receivable - Recoverable Work	63,980
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	38,000
1120-Accrued Utility Revenues	367,149
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(6,000)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	349,296
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>1,087,328</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	102,578
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>102,578</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	83,742
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>83,742</b>

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	118,230
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	0
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	0
1550-LV Charges - Variance	0
1555-Smart Meters Recovery	416,378
1556-Smart Meters OM & A	7,352
1562-Deferred PILs	0
1563-Deferred PILs - Contra	0
1565-C & DM Costs	0
1566-C & DM Costs Contra	0
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	0
1582-RSVA - One-Time	0
1584-RSVA - Network Charges	0
1586-RSVA - Connection Charges	0
1588-RSVA - Commodity (Power)	0
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	0
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
1606-Intangible plant	7,819
<b>1200-Other Assets and Deferred Charges Total</b>	<b>549,779</b>

<b>1450-Distribution Plant</b>	
1805-Land	0
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	485,818
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	2,149,361
1835-Overhead Conductors and Devices	0
1840-Underground Conduit	0
1845-Underground Conductors and Devices	0
1850-Line Transformers	500,876
1855-Services	0
1860-Meters	278,983
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>3,415,038</b>



Account Description	Total
<b>1500-General Plant</b>	
1905-Land	15,588
1906-Land Rights	0
1908-Buildings and Fixtures	592,484
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	59,892
1920-Computer Equipment - Hardware	47,590
1925-Computer Software	175,788
1930-Transportation Equipment	420,420
1935-Stores Equipment	0
1940-Tools, Shop and Garage Equipment	78,095
1945-Measurement and Testing Equipment	0
1950-Power Operated Equipment	0
1955-Communication Equipment	0
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	0
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	0
<b>1500-General Plant Total</b>	<b>1,389,858</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(2,830,723)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(2,830,723)</b>

<b>Total Assets</b>	<b>3,797,601</b>
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Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	440,272
2208-Customer Credit Balances	0
2210-Current Portion of Customer Deposits	10,836
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	0
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	49,559
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	0
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	22,229
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>522,896</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	0
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	0
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Development Charge Fund	0
2335-Long Term Customer Deposits	97,529
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	0
2405-Other Regulatory Liabilities	169,638
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	5,121
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>272,288</b>

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	1,245,539
2525-Term Bank Loans - Long Term Portion	819,731
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	0
<b>1800-Long-Term Debt Total</b>	<b>2,065,270</b>
<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	1,277,900
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Devolpment Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	(506,709)
3046-Balance Transferred From Income	165,955
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	0
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>937,146</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>3,797,600</b>
<b>Balance Sheet Total</b>	<b>1</b>

**ATIKOKAN HYDRO INC  
2009 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(529,164)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	0
4025-Street Lighting Energy Sales	(26,701)
4030-Sentinel Energy Sales	(9)
4035-General Energy Sales	(831,547)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	47,672
4055-Energy Sales for Resale	(84,095)
4060-Interdepartmental Energy Sales	0
4062-WMS	(175,256)
4064-Billed WMS-One Time	0
4066-NS	(125,916)
4068-CS	(81,579)
4075-LV Charges	0
<b>3000-Sales of Electricity Total</b>	<b>(1,806,595)</b>
<b>3050-Revenues From Services - Distribution</b>	
4080-Distribution Services Revenue	(1,234,365)
4082-RS Rev	(3,648)
4084-Serv Tx Requests	(6,324)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distribution Total</b>	<b>(1,244,337)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(38,196)
4215-Other Utility Operating Income	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(7,043)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(32,896)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(78,136)</b>

Account Description	Total
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	0
4330-Costs and Expenses of Merchandising, Jobbing, Etc	0
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(171,460)
4380-Expenses of Non-Utility Operations	171,460
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(1,878)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(1,877)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(9,542)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(9,542)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	1,478,562
4708-WMS	156,758
4710-Cost of Power Adjustments	0
4712-0	0
4714-NW	113,805
4715-System Control and Load Dispatching	0
4716-NCN	75,087
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	0
<b>3350-Power Supply Expenses Total</b>	<b>1,824,212</b>

<b>Account Description</b>	<b>Total</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	3,989
5017-Distribution Station Equipment - Operation Supplies and Expenses	470
5020-Overhead Distribution Lines and Feeders - Operation Labour	229,359
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	57,381
5030-Overhead Subtransmission Feeders - Operation	30,272
5035-Overhead Distribution Transformers - Operation	65
5040-Underground Distribution Lines and Feeders - Operation Labour	0
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	0
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	21
5070-Customer Premises - Operation Labour	0
5075-Customer Premises - Materials and Expenses	0
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	448
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>322,006</b>

Account Description	Total
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	1,072
5120-Maintenance of Poles, Towers and Fixtures	0
5125-Maintenance of Overhead Conductors and Devices	1,416
5130-Maintenance of Overhead Services	0
5135-Overhead Distribution Lines and Feeders - Right of Way	27,718
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	0
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	27
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	730
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	10,966
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>41,928</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	3,139
5310-Meter Reading Expense	51,303
5315-Customer Billing	97,640
5320-Collecting	0
5325-Collecting - Cash Over and Short	311
5330-Collection Charges	(1,300)
5335-Bad Debt Expense	5,655
5340-Miscellaneous Customer Accounts Expenses	3,013
<b>3650-Billing and Collecting Total</b>	<b>159,760</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>0</b>

Account Description	Total
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	6,000
5610-Management Salaries and Expenses	105,204
5615-General Administrative Salaries and Expenses	48,937
5620-Office Supplies and Expenses	8,450
5625-Administrative Expense Transferred-Credit	0
5630-Outside Services Employed	85,873
5635-Property Insurance	8,379
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	1,460
5650-Franchise Requirements	0
5655-Regulatory Expenses	5,142
5660-General Advertising Expenses	977
5665-Miscellaneous Expenses	44,060
5670-Rent	0
5675-Maintenance of General Plant	41,646
5680-Electrical Safety Authority Fees	1,862
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>357,989</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	170,576
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>170,576</b>



Account Description	Total
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	66,410
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	0
6035-Other Interest Expense	9,422
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>75,833</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	0
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>0</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	0
6115-Provision for Future Income Taxes	22,229
<b>4000-Income Taxes Total</b>	<b>22,229</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(165,955)</b>

**ATIKOKAN HYDRO INC  
2010 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	89,248
1010-Cash Advances and Working Funds	500
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	243,143
1102-Accounts Receivable - Services	0
1104-Accounts Receivable - Recoverable Work	64,046
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	25,935
1120-Accrued Utility Revenues	301,457
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(6,000)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	28,358
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>746,687</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	108,062
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>108,062</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	95,966
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>95,966</b>

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	156,510
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	6,901
1521-Special Purpose Charge Assessment Variance	5,615
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	20,856
1550-LV Charges - Variance	0
1555-Smart Meters Recovery	394,994
1556-Smart Meters OM & A	68,564
1562-Deferred PILs	0
1563-Deferred PILs - Contra	0
1565-C & DM Costs	0
1566-C & DM Costs Contra	0
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	0
1582-RSVA - One-Time	0
1584-RSVA - Network Charges	8,830
1586-RSVA - Connection Charges	47,460
1588-RSVA - Commodity (Power)	11,019
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	0
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	0
1606-Intangible plant	4,974
<b>1200-Other Assets and Deferred Charges Total</b>	<b>725,723</b>

<b>1450-Distribution Plant</b>	
1805-Land	0
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	486,618
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	2,047,785
1835-Overhead Conductors and Devices	0
1840-Underground Conduit	0
1845-Underground Conductors and Devices	0
1850-Line Transformers	494,776
1855-Services	0
1860-Meters	307,776
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>3,336,955</b>

Account Description	Total
<b>1500-General Plant</b>	
1905-Land	15,588
1906-Land Rights	0
1908-Buildings and Fixtures	680,682
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	61,120
1920-Computer Equipment - Hardware	47,590
1925-Computer Software	178,186
1930-Transportation Equipment	762,757
1935-Stores Equipment	0
1940-Tools, Shop and Garage Equipment	86,760
1945-Measurement and Testing Equipment	0
1950-Power Operated Equipment	0
1955-Communication Equipment	0
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	0
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	0
<b>1500-General Plant Total</b>	<b>1,832,683</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(2,936,882)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(2,936,882)</b>

<b>Total Assets</b>	<b>3,909,194</b>
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Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	470,531
2208-Customer Credit Balances	0
2210-Current Portion of Customer Deposits	11,402
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	0
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	48,281
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	0
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	0
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>530,214</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	0
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	0
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Development Charge Fund	0
2335-Long Term Customer Deposits	102,618
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	0
2405-Other Regulatory Liabilities	180,436
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>283,054</b>

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	1,233,816
2525-Term Bank Loans - Long Term Portion	533,956
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	400,000
<b>1800-Long-Term Debt Total</b>	<b>2,167,772</b>
<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	1,277,900
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Devolpment Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	(340,754)
3046-Balance Transferred From Income	(8,989)
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	0
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>928,157</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>3,909,197</b>
<b>Balance Sheet Total</b>	<b>(2)</b>

**ATIKOKAN HYDRO INC  
2010 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(632,675)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	0
4025-Street Lighting Energy Sales	(32,142)
4030-Sentinel Energy Sales	0
4035-General Energy Sales	(821,532)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	58,404
4055-Energy Sales for Resale	(129,366)
4060-Interdepartmental Energy Sales	0
4062-WMS	(144,696)
4064-Billed WMS-One Time	0
4066-NS	(125,045)
4068-CS	(79,990)
4075-LV Charges	0
<b>3000-Sales of Electricity Total</b>	<b>(1,907,041)</b>
<b>3050-Revenues From Services - Distribution</b>	
4080-Distribution Services Revenue	(1,146,051)
4082-RS Rev	(7,234)
4084-Serv Tx Requests	(2,250)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distribution Total</b>	<b>(1,155,535)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(34,911)
4215-Other Utility Operating Income	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(6,024)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(6,745)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(47,679)</b>

Account Description	Total
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	(110,239)
4330-Costs and Expenses of Merchandising, Jobbing, Etc	24,114
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(232,108)
4380-Expenses of Non-Utility Operations	232,108
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(7,443)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(93,568)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(14,799)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(14,799)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	1,562,937
4708-WMS	144,832
4710-Cost of Power Adjustments	0
4712-0	0
4714-NW	126,466
4715-System Control and Load Dispatching	0
4716-NCN	78,905
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	0
<b>3350-Power Supply Expenses Total</b>	<b>1,913,140</b>



Account Description	Total
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	0
5017-Distribution Station Equipment - Operation Supplies and Expenses	0
5020-Overhead Distribution Lines and Feeders - Operation Labour	261,114
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	27,341
5030-Overhead Subtransmission Feeders - Operation	42,657
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	0
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	0
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	1,000
5070-Customer Premises - Operation Labour	0
5075-Customer Premises - Materials and Expenses	0
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>332,111</b>

Account Description	Total
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	585
5120-Maintenance of Poles, Towers and Fixtures	0
5125-Maintenance of Overhead Conductors and Devices	20,406
5130-Maintenance of Overhead Services	222
5135-Overhead Distribution Lines and Feeders - Right of Way	29,522
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	0
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	250
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	680
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>51,665</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	7,700
5310-Meter Reading Expense	32,118
5315-Customer Billing	87,381
5320-Collecting	0
5325-Collecting - Cash Over and Short	(338)
5330-Collection Charges	0
5335-Bad Debt Expense	3,924
5340-Miscellaneous Customer Accounts Expenses	0
<b>3650-Billing and Collecting Total</b>	<b>130,786</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>0</b>

Account Description	Total
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	6,000
5610-Management Salaries and Expenses	116,180
5615-General Administrative Salaries and Expenses	124,407
5620-Office Supplies and Expenses	7,416
5625-Administrative Expense Transferred-Credit	0
5630-Outside Services Employed	135,076
5635-Property Insurance	8,604
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	0
5650-Franchise Requirements	0
5655-Regulatory Expenses	13,149
5660-General Advertising Expenses	1,649
5665-Miscellaneous Expenses	35,845
5670-Rent	0
5675-Maintenance of General Plant	35,905
5680-Electrical Safety Authority Fees	1,920
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>486,151</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	221,088
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>221,088</b>

Account Description	Total
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	70,738
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	12,310
6035-Other Interest Expense	10,685
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>93,733</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	0
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>0</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	(1,063)
6115-Provision for Future Income Taxes	0
<b>4000-Income Taxes Total</b>	<b>(1,063)</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>8,989</b>

**ATIKOKAN HYDRO INC  
2011 BALANCE SHEET**

Account Description	Total
<b>1050-Current Assets</b>	
1005-Cash	67,000
1010-Cash Advances and Working Funds	500
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	235,000
1102-Accounts Receivable - Services	0
1104-Accounts Receivable - Recoverable Work	52,500
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	0
1120-Accrued Utility Revenues	301,457
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(6,000)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	28,000
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>678,457</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	110,000
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>110,000</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>

Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	255,000
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	10,632
1521-Special Purpose Charge Assessment Variance	3,983
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	22,681
1550-LV Charges - Variance	0
1555-Smart Meters Recovery	405,442
1556-Smart Meters OM & A	134,878
1562-Deferred PILs	0
1563-Deferred PILs - Contra	0
1565-C & DM Costs	0
1566-C & DM Costs Contra	0
1570-Qualifying Transition Costs	0
1571-Pre Market CofP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(21,520)
1582-RSVA - One-Time	0
1584-RSVA - Network Charges	4,102
1586-RSVA - Connection Charges	25,334
1588-RSVA - Commodity (Power)	25,207
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	0
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	(112,000)
1606-Intangible plant	2,129
<b>1200-Other Assets and Deferred Charges Total</b>	<b>755,868</b>

<b>1450-Distribution Plant</b>	
1805-Land	0
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	503,618
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	2,086,585
1835-Overhead Conductors and Devices	0
1840-Underground Conduit	0
1845-Underground Conductors and Devices	0
1850-Line Transformers	498,776
1855-Services	0
1860-Meters	307,776
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>3,396,755</b>

Account Description	Total
<b>1500-General Plant</b>	
1905-Land	15,588
1906-Land Rights	0
1908-Buildings and Fixtures	685,382
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	61,120
1920-Computer Equipment - Hardware	49,090
1925-Computer Software	178,186
1930-Transportation Equipment	762,757
1935-Stores Equipment	0
1940-Tools, Shop and Garage Equipment	90,260
1945-Measurement and Testing Equipment	0
1950-Power Operated Equipment	0
1955-Communication Equipment	0
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	0
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	0
<b>1500-General Plant Total</b>	<b>1,842,383</b>
<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>
<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(3,083,802)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(3,083,802)</b>
<b>Total Assets</b>	<b>3,699,661</b>

Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	646,507
2208-Customer Credit Balances	0
2210-Current Portion of Customer Deposits	11,500
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	0
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	12,000
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	(25,900)
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	(20,444)
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>623,663</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	0
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	0
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Development Charge Fund	0
2335-Long Term Customer Deposits	108,000
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(75,522)
2405-Other Regulatory Liabilities	0
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>32,478</b>



Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	1,270,334
2525-Term Bank Loans - Long Term Portion	476,233
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	400,000
<b>1800-Long-Term Debt Total</b>	<b>2,146,567</b>
<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	1,277,900
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Devolpment Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	(407,379)
3046-Balance Transferred From Income	38,515
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	0
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>909,036</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>3,711,744</b>
<b>Balance Sheet Total</b>	<b>(12,083)</b>

**ATIKOKAN HYDRO INC  
2011 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(657,982)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	0
4025-Street Lighting Energy Sales	(32,784)
4030-Sentinel Energy Sales	0
4035-General Energy Sales	(822,000)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(101,477)
4055-Energy Sales for Resale	(129,000)
4060-Interdepartmental Energy Sales	0
4062-WMS	(187,299)
4064-Billed WMS-One Time	0
4066-NS	(139,873)
4068-CS	(61,421)
4075-LV Charges	0
<b>3000-Sales of Electricity Total</b>	<b>(2,131,836)</b>
<b>3050-Revenues From Services - Distribution</b>	
4080-Distribution Services Revenue	(1,150,000)
4082-RS Rev	(4,000)
4084-Serv Tx Requests	(1,000)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distribution Total</b>	<b>(1,155,000)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(34,911)
4215-Other Utility Operating Income	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(6,024)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(7,100)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(48,035)</b>

Account Description	Total
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	(75,000)
4330-Costs and Expenses of Merchandising, Jobbing, Etc	20,000
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	2,942
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(232,000)
4380-Expenses of Non-Utility Operations	232,000
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(4,000)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(56,058)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(9,000)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(9,000)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	1,804,516
4708-WMS	164,896
4710-Cost of Power Adjustments	0
4712-0	0
4714-NW	143,066
4715-System Control and Load Dispatching	0
4716-NCN	86,151
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	0
<b>3350-Power Supply Expenses Total</b>	<b>2,198,629</b>

<b>Account Description</b>	<b>Total</b>
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	1,060
5017-Distribution Station Equipment - Operation Supplies and Expenses	200
5020-Overhead Distribution Lines and Feeders - Operation Labour	229,359
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	41,868
5030-Overhead Subtransmission Feeders - Operation	1,440
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	0
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	0
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	0
5070-Customer Premises - Operation Labour	0
5075-Customer Premises - Materials and Expenses	0
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>273,927</b>

Account Description	Total
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	585
5120-Maintenance of Poles, Towers and Fixtures	0
5125-Maintenance of Overhead Conductors and Devices	5,763
5130-Maintenance of Overhead Services	187
5135-Overhead Distribution Lines and Feeders - Right of Way	41,628
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	0
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	12,361
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	1,947
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>62,471</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	2,660
5310-Meter Reading Expense	44,819
5315-Customer Billing	94,693
5320-Collecting	0
5325-Collecting - Cash Over and Short	0
5330-Collection Charges	0
5335-Bad Debt Expense	5,311
5340-Miscellaneous Customer Accounts Expenses	2,000
<b>3650-Billing and Collecting Total</b>	<b>149,483</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>0</b>

Account Description	Total
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	6,000
5610-Management Salaries and Expenses	119,084
5615-General Administrative Salaries and Expenses	127,518
5620-Office Supplies and Expenses	7,954
5625-Administrative Expense Transferred-Credit	0
5630-Outside Services Employed	124,766
5635-Property Insurance	8,894
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	0
5650-Franchise Requirements	0
5655-Regulatory Expenses	10,307
5660-General Advertising Expenses	1,200
5665-Miscellaneous Expenses	40,376
5670-Rent	0
5675-Maintenance of General Plant	40,264
5680-Electrical Safety Authority Fees	2,031
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>488,395</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	156,720
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>156,720</b>

Account Description	Total
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	85,000
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	12,310
6035-Other Interest Expense	10,000
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>107,310</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	0
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>0</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	0
6115-Provision for Future Income Taxes	(75,522)
<b>4000-Income Taxes Total</b>	<b>(75,522)</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(38,515)</b>

**ATIKOKAN HYDRO INC  
2012 BALANCE SHEET**

<b>Account Description</b>	<b>Total</b>
<b>1050-Current Assets</b>	
1005-Cash	69,000
1010-Cash Advances and Working Funds	500
1020-Interest Special Deposits	0
1030-Dividend Special Deposits	0
1040-Other Special Deposits	0
1060-Term Deposits	0
1070-Current Investments	0
1100-Customer Accounts Receivable	235,000
1102-Accounts Receivable - Services	0
1104-Accounts Receivable - Recoverable Work	52,500
1105-Accounts Receivable - Merchandise, Jobbing, etc.	0
1110-Other Accounts Receivable	0
1120-Accrued Utility Revenues	301,457
1130-Accumulated Provision for Uncollectable Accounts -- Credit	(6,000)
1140-Interest and Dividends Receivable	0
1150-Rents Receivable	0
1170-Notes Receivable	0
1180-Prepayments	28,000
1190-Miscellaneous Current and Accrued Assets	0
1200-Accounts Receivable from Associated Companies	0
1210-Notes Receivable from Associated Companies	0
<b>1050-Current Assets Total</b>	<b>680,457</b>
<b>1100-Inventory</b>	
1305-Fuel Stock	0
1330-Plant Materials and Operating Supplies	111,110
1340-Merchandise	0
1350-Other Material and Supplies	0
<b>1100-Inventory Total</b>	<b>111,110</b>
<b>1150-Non-Current Assets</b>	
1405-Long Term Investments in Non-Associated Companies	0
1408-Long Term Receivable - Street Lighting Transfer	0
1410-Other Special or Collateral Funds	0
1415-Sinking Funds	0
1425-Unamortized Debt Expense	0
1445-Unamortized Discount on Long-Term Debt--Debit	0
1455-Unamortized Deferred Foreign Currency Translation Gains and Losses	0
1460-Other Non-Current Assets	0
1465-O.M.E.R.S. Past Service Costs	0
1470-Past Service Costs - Employee Future Benefits	0
1475-Past Service Costs -Other Pension Plans	0
1480-Portfolio Investments - Associated Companies	0
1485-Investment In Subsidiary Companies - Significant Influence	0
1490-Investment in Subsidiary Companies	0
<b>1150-Non-Current Assets Total</b>	<b>0</b>



Account Description	Total
<b>1200-Other Assets and Deferred Charges</b>	
1505-Unrecovered Plant and Regulatory Study Costs	0
1508-Other Regulatory Assets	295,000
1510-Preliminary Survey and Investigation Charges	0
1515-Emission Allowance Inventory	0
1516-Emission Allowance Withheld	0
1518-RCVA Retail	14,417
1525-Miscellaneous Deferred Debits	0
1530-Deferred Losses from Disposition of Utility Plant	0
1540-Deferred Losses from Disposition of Utility Plant	0
1545-Development Charge Deposits/ Receivables	0
1548-RCVA - Service Transaction Request (STR)	24,508
1550-LV Charges - Variance	0
1555-Smart Meters Recovery	(84,818)
1556-Smart Meters OM & A	206,411
1562-Deferred PILs	0
1563-Deferred PILs - Contra	0
1565-C & DM Costs	0
1566-C & DM Costs Contra	0
1570-Qualifying Transition Costs	0
1571-Pre Market CoffP Variance	0
1572-Extraordinary Event Losses	0
1574-Deferred Rate Impact Amounts	0
1580-RSVA - Wholesale Market Services	(43,000)
1582-RSVA - One-Time	0
1584-RSVA - Network Charges	8,200
1586-RSVA - Connection Charges	50,700
1588-RSVA - Commodity (Power)	50,500
1590-Recovery of Regulatory Assets (25% of 2002 bal.)	0
1592-PILs and Tax Variance for 2006 & Subsequent Years	0
1595-Disposition and Recovery of Regulatory Balances	(11,000)
1606-Intangible plant	0
<b>1200-Other Assets and Deferred Charges Total</b>	<b>510,918</b>

<b>1450-Distribution Plant</b>	
1805-Land	0
1806-Land Rights	0
1808-Buildings and Fixtures	0
1810-Leasehold Improvements	0
1815-Transformer Station Equipment - Normally Primary above 50 kV	0
1820-Distribution Station Equipment - Normally Primary below 50 kV	511,618
1825-Storage Battery Equipment	0
1830-Poles, Towers and Fixtures	2,140,385
1835-Overhead Conductors and Devices	0
1840-Underground Conduit	0
1845-Underground Conductors and Devices	0
1850-Line Transformers	504,776
1855-Services	0
1860-Meters	701,321
1865-Other Installations on Customer's Premises	0
<b>1450-Distribution Plant Total</b>	<b>3,858,100</b>

Account Description	Total
<b>1500-General Plant</b>	
1905-Land	15,588
1906-Land Rights	0
1908-Buildings and Fixtures	693,882
1910-Leasehold Improvements	0
1915-Office Furniture and Equipment	61,120
1920-Computer Equipment - Hardware	67,529
1925-Computer Software	185,186
1930-Transportation Equipment	762,757
1935-Stores Equipment	0
1940-Tools, Shop and Garage Equipment	106,760
1945-Measurement and Testing Equipment	0
1950-Power Operated Equipment	0
1955-Communication Equipment	0
1960-Miscellaneous Equipment	0
1970-Load Management Controls - Customer Premises	0
1975-Load Management Controls - Utility Premises	0
1980-System Supervisory Equipment	0
1985-Sentinel Lighting Rentals	0
1990-Other Tangible Property	0
1995-Contributions and Grants	0
<b>1500-General Plant Total</b>	<b>1,892,822</b>

<b>1550-Other Capital Assets</b>	
2005-Property Under Capital Leases	0
2010-Electric Plant Purchased or Sold	0
2020-Experimental Electric Plant Unclassified	0
2030-Electric Plant and Equipment Leased to Others	0
2040-Electric Plant Held for Future Use	0
2050-Completed Construction Not Classified--Electric	0
2055-Construction Work in Progress--Electric	0
2060-Electric Plant Acquisition Adjustment	0
2065-Other Electric Plant Adjustment	0
2070-Other Utility Plant	0
2075-Non-Utility Property Owned or Under Capital Lease	0
<b>1550-Other Capital Assets Total</b>	<b>0</b>

<b>1600-Accumulated Amortization</b>	
2105-Accumulated Amortization of Electric Utility Plant - Property, Plant and Equipment	(3,250,890)
2120-Accumulated Amortization of Electric Utility Plant - Intangibles	0
2140-Accumulated Amortization of Electric Plant Acquisition Adjustment	0
2160-Accumulated Amortization of Other Utility Plant	0
2180-Accumulated Amortization of Non-Utility Property	0
<b>1600-Accumulated Amortization Total</b>	<b>(3,250,890)</b>

<b>Total Assets</b>	<b>3,802,517</b>
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Account Description	Total
<b>1650-Current Liabilities</b>	
2205-Accounts Payable	646,507
2208-Customer Credit Balances	0
2210-Current Portion of Customer Deposits	11,500
2215-Dividends Declared	0
2220-Miscellaneous Current and Accrued Liabilities	0
2225-Notes and Loans Payable	0
2240-Accounts Payable to Associated Companies	0
2242-Notes Payable to Associated Companies	0
2250-Debt Retirement Charges (DRC) Payable	0
2252-Transmission Charges Payable	0
2254-Electric Safety Authority Fees Payable	0
2256-Independent Market Operator Fees and Penalties Payable	0
2260-Current Portion of Long Term Debt	12,000
2262-Ontario Hydro Debt - Current Portion	0
2264-Pensions and Employee Benefits - Current Portion	0
2268-Accrued Interest on Long Term Debt	0
2270-Matured Long Term Debt	0
2272-Matured Interest on Long Term Debt	0
2285-Obligations Under Capital Leases--Current	0
2290-Commodity Taxes	(25,900)
2292-Payroll Deductions / Expenses Payable	0
2294-Accrual for Taxes, "Payments in Lieu" of Taxes, Etc.	(20,444)
2296-Future Income Taxes - Current	0
<b>1650-Current Liabilities Total</b>	<b>623,663</b>

<b>1700-Non-Current Liabilities</b>	
2305-Accumulated Provision for Injuries and Damages	0
2306-Employee Future Benefits	0
2308-Other Pensions - Past Service Liability	0
2310-Vested Sick Leave Liability	0
2315-Accumulated Provision for Rate Refunds	0
2320-Other Miscellaneous Non-Current Liabilities	0
2325-Obligations Under Capital Lease--Non-Current	0
2330-Devolpment Charge Fund	0
2335-Long Term Customer Deposits	108,000
2340-Collateral Funds Liability	0
2345-Unamortized Premium on Long Term Debt	0
2348-O.M.E.R.S. - Past Service Liability - Long Term Portion	0
2350-Future Income Tax - Non-Current	(75,522)
2405-Other Regulatory Liabilities	0
2410-Deferred Gains From Disposition of Utility Plant	0
2415-Unamortized Gain on Reacquired Debt	0
2425-Other Deferred Credits	0
2435-Accrued Rate-Payer Benefit	0
<b>1700-Non-Current Liabilities Total</b>	<b>32,478</b>

Account Description	Total
<b>1800-Long-Term Debt</b>	
2505-Debentures Outstanding - Long Term Portion	0
2510-Debenture Advances	0
2515-Required Bonds	0
2520-Other Long Term Debt	1,257,970
2525-Term Bank Loans - Long Term Portion	418,510
2530-Ontario Hydro Debt Outstanding - Long Term Portion	0
2550-Advances from Associated Companies	376,000
<b>1800-Long-Term Debt Total</b>	<b>2,052,480</b>
<b>1850-Shareholders' Equity</b>	
3005-Common Shares Issued	1,277,900
3008-Preference Shares Issued	0
3010-Contributed Surplus	0
3020-Donations Received	0
3022-Devolpment Charges Transferred to Equity	0
3026-Capital Stock Held in Treasury	0
3030-Miscellaneous Paid-In Capital	0
3035-Installments Received on Capital Stock	0
3040-Appropriated Retained Earnings	0
3045-Unappropriated Retained Earnings	(567,752)
3046-Balance Transferred From Income	249,977
3047-Appropriations of Retained Earnings - Current Period	0
3048-Dividends Payable-Preference Shares	0
3049-Dividends Payable-Common Shares	0
3055-Adjustment to Retained Earnings	0
3065-Unappropriated Undistributed Subsidiary Earnings	0
<b>1850-Shareholders' Equity Total</b>	<b>960,125</b>
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>3,668,747</b>
<b>Balance Sheet Total</b>	<b>133,771</b>

**ATIKOKAN HYDRO INC  
2012 STATEMENT OF INCOME AND RETAINED EARNINGS**

Account Description	Total
<b>3000-Sales of Electricity</b>	
4006-Residential Energy Sales	(723,780)
4010-Commercial Energy Sales	0
4015-Industrial Energy Sales	0
4020-Energy Sales to Large Users	0
4025-Street Lighting Energy Sales	(39,341)
4030-Sentinel Energy Sales	0
4035-General Energy Sales	(822,000)
4040-Other Energy Sales to Public Authorities	0
4045-Energy Sales to Railroads and Railways	0
4050-Revenue Adjustment	(180,847)
4055-Energy Sales for Resale	(129,000)
4060-Interdepartmental Energy Sales	0
4062-WMS	(208,620)
4064-Billed WMS-One Time	0
4066-NS	(127,373)
4068-CS	(31,696)
4075-LV Charges	0
<b>3000-Sales of Electricity Total</b>	<b>(2,262,657)</b>
<b>3050-Revenues From Services - Distribution</b>	
4080-Distribution Services Revenue	(1,476,998)
4082-RS Rev	(4,000)
4084-Serv Tx Requests	(1,000)
4090-Electric Services Incidental to Energy Sales	0
<b>3050-Revenues From Services - Distribution Total</b>	<b>(1,481,998)</b>
<b>3100-Other Operating Revenues</b>	
4205-Interdepartmental Rents	0
4210-Rent from Electric Property	(34,911)
4215-Other Utility Operating Income	0
4220-Other Electric Revenues	0
4225-Late Payment Charges	(6,024)
4230-Sales of Water and Water Power	0
4235-Miscellaneous Service Revenues	(7,100)
4240-Provision for Rate Refunds	0
4245-Government Assistance Directly Credited to Income	0
<b>3100-Other Operating Revenues Total</b>	<b>(48,035)</b>

Account Description	Total
<b>3150-Other Income &amp; Deductions</b>	
4305-Regulatory Debits	0
4310-Regulatory Credits	0
4315-Revenues from Electric Plant Leased to Others	0
4320-Expenses of Electric Plant Leased to Others	0
4325-Revenues from Merchandise, Jobbing, Etc.	(75,000)
4330-Costs and Expenses of Merchandising, Jobbing, Etc	20,000
4335-Profits and Losses from Financial Instrument Hedges	0
4340-Profits and Losses from Financial Instrument Investments	0
4345-Gains from Disposition of Future Use Utility Plant	0
4350-Losses from Disposition of Future Use Utility Plant	0
4355-Gain on Disposition of Utility and Other Property	0
4360-Loss on Disposition of Utility and Other Property	0
4365-Gains from Disposition of Allowances for Emission	0
4370-Losses from Disposition of Allowances for Emission	0
4375-Revenues from Non-Utility Operations	(232,000)
4380-Expenses of Non-Utility Operations	232,000
4385-Expenses of Non-Utility Operations	0
4390-Miscellaneous Non-Operating Income	(4,000)
4395-Rate-Payer Benefit Including Interest	0
4398-Foreign Exchange Gains and Losses, Including Amortization	0
<b>3150-Other Income &amp; Deductions Total</b>	<b>(59,000)</b>
<b>3200-Investment Income</b>	
4405-Interest and Dividend Income	(9,000)
4415-Equity in Earnings of Subsidiary Companies	0
<b>3200-Investment Income Total</b>	<b>(9,000)</b>
<b>3350-Power Supply Expenses</b>	
4705-Power Purchased	1,813,905
4708-WMS	164,734
4710-Cost of Power Adjustments	0
4712-0	0
4714-NW	134,756
4715-System Control and Load Dispatching	0
4716-NCN	81,862
4720-Other Expenses	0
4725-Competition Transition Expense	0
4730-Rural Rate Assistance Expense	0
4750-LV Charges	0
<b>3350-Power Supply Expenses Total</b>	<b>2,195,257</b>

Account Description	Total
<b>3500-Distribution Expenses - Operation</b>	
5005-Operation Supervision and Engineering	0
5010-Load Dispatching	0
5012-Station Buildings and Fixtures Expense	0
5014-Transformer Station Equipment - Operation Labour	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0
5016-Distribution Station Equipment - Operation Labour	1,087
5017-Distribution Station Equipment - Operation Supplies and Expenses	205
5020-Overhead Distribution Lines and Feeders - Operation Labour	265,093
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	42,915
5030-Overhead Subtransmission Feeders - Operation	1,476
5035-Overhead Distribution Transformers - Operation	0
5040-Underground Distribution Lines and Feeders - Operation Labour	0
5045-Underground Distribution Lines and Feeders - Operation Supplies and Expenses	0
5050-Underground Subtransmission Feeders - Operation	0
5055-Underground Distribution Transformers - Operation	0
5060-Street Lighting and Signal System Expense	0
5065-Meter Expense	107,573
5070-Customer Premises - Operation Labour	0
5075-Customer Premises - Materials and Expenses	0
5085-Miscellaneous Distribution Expense	0
5090-Underground Distribution Lines and Feeders - Rental Paid	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	0
5096-Other Rent	0
<b>3500-Distribution Expenses - Operation Total</b>	<b>418,349</b>

Account Description	Total
<b>3550-Distribution Expenses - Maintenance</b>	
5105-Maintenance Supervision and Engineering	0
5110-Maintenance of Structures	0
5112-Maintenance of Transformer Station Equipment	0
5114-Maint Dist Stn Equip	599
5120-Maintenance of Poles, Towers and Fixtures	0
5125-Maintenance of Overhead Conductors and Devices	5,907
5130-Maintenance of Overhead Services	191
5135-Overhead Distribution Lines and Feeders - Right of Way	42,669
5145-Maintenance of Underground Conduit	0
5150-Maintenance of Underground Conductors and Devices	0
5155-Maintenance of Underground Services	0
5160-Maintenance of Line Transformers	1,814
5165-Maintenance of Street Lighting and Signal Systems	0
5170-Sentinel Lights - Labour	0
5172-Sentinel Lights - Materials and Expenses	0
5175-Maintenance of Meters	1,996
5178-Customer Installations Expenses - Leased Property	0
5195-Maintenance of Other Installations on Customer Premises	0
<b>3550-Distribution Expenses - Maintenance Total</b>	<b>53,177</b>
<b>3650-Billing and Collecting</b>	
5305-Supervision	2,727
5310-Meter Reading Expense	45,939
5315-Customer Billing	97,060
5320-Collecting	0
5325-Collecting - Cash Over and Short	0
5330-Collection Charges	0
5335-Bad Debt Expense	5,444
5340-Miscellaneous Customer Accounts Expenses	2,000
<b>3650-Billing and Collecting Total</b>	<b>153,170</b>
<b>3700-Community Relations</b>	
5405-Supervision	0
5410-Community Relations - Sundry	0
5415-Energy Conservation	0
5420-Community Safety Program	0
5425-Miscellaneous Customer Service and Informational Expenses	0
<b>3700-Community Relations Total</b>	<b>0</b>



Account Description	Total
<b>3800-Administrative and General Expenses</b>	
5605-Executive Salaries and Expenses	6,000
5610-Management Salaries and Expenses	122,061
5615-General Administrative Salaries and Expenses	130,706
5620-Office Supplies and Expenses	8,153
5625-Administrative Expense Transferred-Credit	0
5630-Outside Services Employed	127,886
5635-Property Insurance	9,116
5640-Injuries and Damages	0
5645-Employee Pensions and Benefits	45,229
5650-Franchise Requirements	0
5655-Regulatory Expenses	60,564
5660-General Advertising Expenses	1,230
5665-Miscellaneous Expenses	41,386
5670-Rent	0
5675-Maintenance of General Plant	41,271
5680-Electrical Safety Authority Fees	2,082
5685-Independent Market Operator Fees and Penalties	0
5695-OM&A Contra Account	0
<b>3800-Administrative and General Expenses Total</b>	<b>595,684</b>
<b>3850-Amortization Expense</b>	
5705-Amortization Expense - Property, Plant and Equipment	166,863
5710-Amortization of Limited Term Electric Plant	0
5715-Amortization of Intangibles and Other Electric Plant	0
5720-Amortization of Electric Plant Acquisition Adjustments	0
5725-Miscellaneous Amortization	0
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	0
5735-Amortization of Deferred Development Costs	0
5740-Amortization of Deferred Charges	0
<b>3850-Amortization Expense Total</b>	<b>166,863</b>

Account Description	Total
<b>3900-Interest Expense</b>	
6005-Interest on Long Term Debt	82,300
6010-Amortization of Debt Discount and Expense	0
6015-Amortization of Premium on Debt-Credit	0
6020-Amortization of Loss on Reacquired Debt	0
6025-Amortization of Gain on Reacquired Debt-Credit	0
6030-Interest on Debt to Associated Companies	11,435
6035-Other Interest Expense	10,000
6040-Allowance for Borrowed Funds Used During Construction-Credit	0
6042-Allowance for Other Funds Used During Construction	0
6045-Interest Expense on Capital Lease Obligations	0
<b>3900-Interest Expense Total</b>	<b>103,735</b>
<b>3950-Taxes Other Than Income Taxes</b>	
6105-Taxes Other Than Income Taxes	0
<b>3950-Taxes Other Than Income Taxes Total</b>	<b>0</b>
<b>4000-Income Taxes</b>	
6110-Income Taxes	0
6115-Provision for Future Income Taxes	(75,522)
<b>4000-Income Taxes Total</b>	<b>(75,522)</b>
<b>4100-Extraordinary &amp; Other Items</b>	
6205-Donations	0
6210-Life Insurance	0
6215-Penalties	0
6225-Other Deductions	0
<b>4100-Extraordinary &amp; Other Items Total</b>	<b>0</b>
<b>Net Income - (Gain)/Loss</b>	<b>(249,977)</b>

**Rates of Return, Working Capital Allowance & Rate Base Calculations**

2008		
Description	Deemed Portion	Effective Rate
Long-Term Debt	49.30%	5.15%
Short-Term Debt	4.00%	4.47%
Return On Equity	46.70%	8.57%
<b>Weighted Debt Rate</b>		5.10%
<b>Regulated Rate of Return</b>		6.72%

2009		
Description	Deemed Portion	Effective Rate
Long-Term Debt	52.70%	5.15%
Short-Term Debt	4.00%	4.47%
Return On Equity	43.30%	8.57%
<b>Weighted Debt Rate</b>		5.10%
<b>Regulated Rate of Return</b>		6.60%

2010		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	5.15%
Short-Term Debt	4.00%	4.47%
Return On Equity	40.00%	8.57%
<b>Weighted Debt Rate</b>		5.10%
<b>Regulated Rate of Return</b>		6.49%

2011		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	5.15%
Short-Term Debt	4.00%	4.47%
Return On Equity	40.00%	8.57%
<b>Weighted Debt Rate</b>		5.10%
<b>Regulated Rate of Return</b>		6.49%

2012		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	4.57%
Short-Term Debt	4.00%	2.46%
Return On Equity	40.00%	9.58%
<b>Weighted Debt Rate</b>		4.43%
<b>Regulated Rate of Return</b>		6.49%

WORKING CAPITAL ALLOWANCE FOR 2008	
Distribution Expenses	\$
Distribution Expenses - Operation	296,121
Distribution Expenses - Maintenance	88,816
Billing and Collecting	168,981
Community Relations	-
Administrative and General Expenses	291,106
Taxes Other than Income Taxes	-
<b>Less: Capital Taxes within 6105</b>	0.00
<b>Total Eligible Distribution Expenses</b>	<b>845,024</b>
Power Supply Expenses	1,790,804
<b>Total Working Capital Expenses</b>	<b>2,635,828</b>
Working Capital Allowance rate of 15%	395,374

WORKING CAPITAL ALLOWANCE FOR 2009	
Distribution Expenses	\$
Distribution Expenses - Operation	322,006
Distribution Expenses - Maintenance	41,928
Billing and Collecting	159,760
Community Relations	-
Administrative and General Expenses	357,989
Taxes Other than Income Taxes	-
<b>Less: Capital Taxes within 6105</b>	0.00
<b>Total Eligible Distribution Expenses</b>	<b>881,683</b>
Power Supply Expenses	1,824,212
<b>Total Working Capital Expenses</b>	<b>2,705,895</b>
Working Capital Allowance rate of 15%	405,884

WORKING CAPITAL ALLOWANCE FOR 2010	
Distribution Expenses	\$
Distribution Expenses - Operation	332,111
Distribution Expenses - Maintenance	51,665
Billing and Collecting	130,786
Community Relations	-
Administrative and General Expenses	486,151
Taxes Other than Income Taxes	-
<b>Less: Capital Taxes within 6105</b>	-
<b>Total Eligible Distribution Expenses</b>	<b>1,000,713</b>
Power Supply Expenses	1,913,140
<b>Total Working Capital Expenses</b>	<b>2,913,853</b>
Working Capital Allowance rate of 15%	437,078

WORKING CAPITAL ALLOWANCE FOR 2011	
Distribution Expenses	\$
Distribution Expenses - Operation	273,927
Distribution Expenses - Maintenance	62,471
Billing and Collecting	149,483
Community Relations	-
Administrative and General Expenses	488,395
Taxes Other than Income Taxes	-
<b>Less: Capital Taxes within 6105</b>	-
<b>Total Eligible Distribution Expenses</b>	<b>974,277</b>
Power Supply Expenses	2,198,629
<b>Total Working Capital Expenses</b>	<b>3,172,906</b>
Working Capital Allowance rate of 15%	475,936

WORKING CAPITAL ALLOWANCE FOR 2012	
Distribution Expenses	\$
Distribution Expenses - Operation	418,349
Distribution Expenses - Maintenance	53,177
Billing and Collecting	153,170
Community Relations	-
Administrative and General Expenses	595,684
Taxes Other than Income Taxes	-
<b>Less: Capital Taxes within 6105</b>	-
<b>Total Eligible Distribution Expenses</b>	<b>1,220,380</b>
Power Supply Expenses	2,195,257
<b>Total Working Capital Expenses</b>	<b>3,415,637</b>
Working Capital Allowance rate of 15%	512,346

RATE BASE CALCULATION FOR 2008	
Fixed Assets Opening Balance 2008	1,952,574
Fixed Assets Closing Balance 2008	1,929,992
<b>Average Fixed Asset Balance for 2008</b>	<b>1,941,283</b>
Working Capital Allowance	395,374
<b>Rate Base</b>	<b>2,336,657</b>
Regulated Rate of Return	6.72%
<b>Regulated Return on Capital</b>	<b>157,022</b>
Deemed Interest Expense	63,504
Deemed Return on Equity	93,517

RATE BASE CALCULATION FOR 2009	
Fixed Assets Opening Balance 2009	1,929,992
Fixed Assets Closing Balance 2009	1,974,174
<b>Average Fixed Asset Balance for 2009</b>	<b>1,952,083</b>
Working Capital Allowance	405,884
<b>Rate Base</b>	<b>2,357,967</b>
Regulated Rate of Return	6.60%
<b>Regulated Return on Capital</b>	<b>155,712</b>
Deemed Interest Expense	68,212
Deemed Return on Equity	87,500

RATE BASE CALCULATION FOR 2010	
Fixed Assets Opening Balance 2010	1,974,174
Fixed Assets Closing Balance 2010	2,232,756
<b>Average Fixed Asset Balance for 2010</b>	<b>2,103,465</b>
Working Capital Allowance	437,078
<b>Rate Base</b>	<b>2,540,543</b>
Regulated Rate of Return	6.49%
<b>Regulated Return on Capital</b>	<b>164,902</b>
Deemed Interest Expense	77,812
Deemed Return on Equity	87,090

RATE BASE CALCULATION FOR 2011	
Fixed Assets Opening Balance 2011	2,232,756
Fixed Assets Closing Balance 2011	2,155,336
<b>Average Fixed Asset Balance for 2011</b>	<b>2,194,046</b>
Working Capital Allowance	475,936
<b>Rate Base</b>	<b>2,669,982</b>
Regulated Rate of Return	6.49%
<b>Regulated Return on Capital</b>	<b>173,303</b>
Deemed Interest Expense	81,776
Deemed Return on Equity	91,527

RATE BASE CALCULATION FOR 2012	
Fixed Assets Opening Balance 2012	2,558,526
Fixed Assets Closing Balance 2012	2,500,032
<b>Average Fixed Asset Balance for 2012</b>	<b>2,529,279</b>
Working Capital Allowance	512,346
<b>Rate Base</b>	<b>3,041,625</b>
Regulated Rate of Return	6.49%
<b>Regulated Return on Capital</b>	<b>197,378</b>
Deemed Interest Expense	80,823
Deemed Return on Equity	116,555

**Debt & Capital Cost Structure**

Weighted Debt Cost							
Description	Debt Holder	Affiliated with LDC?	Date of Issuance	Principal	Term (Years)	Rate%	Year Applied to Interest Cost Actual
Purchase AHI from Town	Town of Atkokan	Y	June 26, 2001	1,348,284	41.3	5.00%	2008
Service Truck Demand Ln	TD Canada Trust	N	May 1, 2006	20,045	3	6.3323%	2008
Service Truck Demand Ln	TD Canada Trust	N	December 13, 2006	27,881	3	6.3323%	2008
Purchase AHI from Town	Town of Atkokan	Y	June 26, 2001	1,309,297	41.3	5.00%	2009
Service Truck Demand Ln	TD Canada Trust	N	May 1, 2006	6,011	3	3.94%	2009
Service Truck Demand Ln	TD Canada Trust	N	December 13, 2006	14,172	3	3.94%	2009
Smart Meter Loan	Atkokan Enercom Inc	Y	March 5, 2009	400,000		2.29%	2009
Purchase AHI from Town	Town of Atkokan	Y	June 26, 2001	1,295,097	41.3	5.00%	2010
Intnl Cab, Chassis	TD Canada Trust	N		279,585	8	3.76%	2010
Garage	TD Canada Trust	N		140,147	15	4.01%	2010
Smart Meter Loan	Atkokan Enercom Inc	Y	March 5, 2009	400,000		2.94%	2010
Purchase AHI from Town	Town of Atkokan	Y	June 26, 2001	1,282,096	41.3	5.00%	2011
Intnl Cab, Chassis	TD Canada Trust	N		311,376	8	4.00%	2011
Garage	TD Canada Trust	N		222,580	15	4.25%	2011
Smart Meter Loan	Atkokan Enercom Inc	Y	March 5, 2009	400,000		3.50%	2011
Purchase AHI from Town	Town of Atkokan	Y	June 26, 2001	1,270,334	41.3	5.00%	2012
Intnl Cab, Chassis	TD Canada Trust	N		268,916	8	4.00%	2012
Garage	TD Canada Trust	N		207,317	15	4.25%	2012
Smart Meter Loan	Atkokan Enercom Inc	Y	March 5, 2009	400,000		3.75%	2012
							0
							0
2008 Total Long Term Debt				1,396,010		Total Interest Cost for 2008	73,258
						Weighted Debt Cost Rate for 2008	5.25%
2009 Total Long Term Debt				1,729,480		Total Interest Cost for 2009	74,238
						Weighted Debt Cost Rate for 2009	4.29%
2010 Total Long Term Debt				2,114,829		Total Interest Cost for 2010	94,800
						Weighted Debt Cost Rate for 2010	4.48%
2011 Total Long Term Debt				2,216,052		Total Interest Cost for 2011	100,019
						Weighted Debt Cost Rate for 2011	4.51%
2012 Total Long Term Debt				2,146,567		Total Interest Cost for 2012	98,084
						Weighted Debt Cost Rate for 2012	4.57%

Putting in actual costs NOT equation

P + 1.5

P + 1.5

P =

How do we treat advance dollars prior setup of loan from TD Bank						
Prime '08						
Jan 1-22	6.00	22	132			
Jan-23	5.75	42	241.5			
Mar-05	5.25	49	257.25			
Apr-23	4.75	169	802.75			
Oct-09	4.50	5	22.5			
Oct-14	4.35	8	34.8			
Oct-22	4.00	49	196			
Dec-10	3.50	22	77	4,832,320	1.5	
Prime '09	3.50	20	70			
Jan-21	3.00	42	126			
Mar-04	2.50	49	122.5			
Apr-22	2.25	254	571.5	2,438,356	1.5	
Prime '10	2.50	152	380			
Jun-02	2.75	49	134.75			
Jul-21	3.00	50	150			
Sep-09	3.00	114	342	2,758,219		
Prime '11	3.00	181	543			

Trucks P + 1.5% Boom P + 1.0  
Sm Meter P + 0.5% Garage P + 1.25  
Town 5%

\*\*\*Drawdowns in 2009, final disbursement 2010.

Deemed Capital Structure for 2008				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	1,151,972	49.30%	5.15%	59,327
Unfunded Short Term Debt	93,466	4.00%	4.47%	4,178
Total Debt	1,245,438	53.30%		63,504
Common Share Equity	1,091,219	46.70%	8.57%	93,517
Total equity	1,091,219	46.70%		93,517
Total Rate Base	2,336,657	100.00%	6.72%	157,022

Deemed Capital Structure for 2009				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	1,242,649	52.70%	5.15%	63,996
Unfunded Short Term Debt	94,319	4.00%	4.47%	4,216
Total Debt	1,336,967	56.70%		68,212
Common Share Equity	1,021,000	43.30%	8.57%	87,500
Total equity	1,021,000	43.30%		87,500
Total Rate Base	2,357,967	100.00%	6.60%	155,712

Deemed Capital Structure for 2010				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	1,422,704	56.00%	5.15%	73,269
Unfunded Short Term Debt	101,622	4.00%	4.47%	4,542
Total Debt	1,524,326	60.00%		77,812
Common Share Equity	1,016,217	40.00%	8.57%	87,090
Total equity	1,016,217	40.00%		87,090
Total Rate Base	2,540,543	100.00%	6.49%	164,902

Deemed Capital Structure for 2011				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	1,495,190	56.00%	5.15%	77,002
Unfunded Short Term Debt	106,799	4.00%	4.47%	4,774
Total Debt	1,601,989	60.00%		81,776
Common Share Equity	1,067,993	40.00%	8.57%	91,527
Total equity	1,067,993	40.00%		91,527
Total Rate Base	2,669,982	100.00%	6.49%	173,303

Deemed Capital Structure for 2012				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	1,703,310	56.00%	4.57%	77,830
Unfunded Short Term Debt	121,665	4.00%	2.46%	2,993
Total Debt	1,824,975	60.00%		80,823
Common Share Equity	1,216,650	40.00%	9.58%	116,555
Total equity	1,216,650	40.00%		116,555
Total Rate Base	3,041,625	100.00%	6.49%	197,378

**Corporate Tax Rates**

Corporate Tax Rates for Tax Year:	2011 Bridge	2012 Test
OCT Exemption		
Federal Income Tax	11.00%	11.00%
Ontario Income Tax	4.50%	4.50%
Combined Income Tax	15.50%	15.50%
Ontario Capital Tax Rate		
Large Corporation Tax Rate	0	0
Large Corporation Tax Exemption		

CCA Continuity Schedule (2011)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	2,343,796			2,343,796	0	0	2,343,796	0	2,343,796	4%	93,752	2,250,044
2	Distribution System - pre 1988				0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)				0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	42,464			42,464	3,500	0	45,964	1,750	44,214	20%	8,843	37,121
0	Computer Hardware/ Vehicles	316,597			316,597	0	0	316,597	0	316,597	30%	94,979	221,618
10.1	Certain Automobiles				0	0	0	0	0	0	30%	0	0
12	Computer Software	1,199			1,199	0	0	1,199	0	1,199	100%	1,199	0
3					0	0	0	0	0	0	5%	0	0
13.3	Lease # 3				0	0	0	0	0	0		0	0
13.4	Lease # 4				0	0	0	0	0	0		0	0
14	Franchise				0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs				0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment				0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	1,065			1,065	0	0	1,065	0	1,065	45%	479	586
50	Computers & Systems Hardware acq'd post Mar 19/07	3,775			3,775	0	0	3,775	0	3,775	55%	2,076	1,699
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	487,763			487,763	74,300	9,800	552,263	32,250	520,013	8%	41,601	510,662
	<b>SUB-TOTAL - UCC</b>	<b>3,196,659</b>	<b>0</b>	<b>0</b>	<b>3,196,659</b>	<b>77,800</b>	<b>9,800</b>	<b>3,264,659</b>	<b>34,000</b>	<b>3,230,659</b>		<b>242,929</b>	<b>3,021,730</b>

CEC	Goodwill		0	0	0
CEC	Land Rights		0	0	0
CEC	FMV Bump-up		0	0	0
	<b>SUB-TOTAL - CEC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cumulative Eligible Capital Calculation		
Cumulative Eligible Capital		12,115
<b>Additions:</b>		
Cost of Eligible Capital Property Acquired during the year	0	
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =	0
		0
Amount transferred on amalgamation or wind-up of subsidiary	0	0
Subtotal		12,115
<b>Deductions:</b>		
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year		
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
Cumulative Eligible Capital Balance		12,115
CEC Deduction	7%	848
Cumulative Eligible Capital - Closing Balance		11,267

CCA Continuity Schedule (2012)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	2,250,044	0	0	2,250,044	0	0	2,250,044	0	2,250,044	4%	90,002	2,160,042
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	37,121	0	0	37,121	16,500	0	53,621	8,250	45,371	20%	9,074	44,547
10	Computer Hardware/ Vehicles	221,618	0	0	221,618	12,000	2,000	231,618	5,000	226,618	30%	67,985	163,633
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	0	0	0	0	8,000	1,000	7,000	3,500	3,500	100%	3,500	3,500
3		0	0	0	0	0	0	0	0	0	5%	0	0
		0	0	0	0	0	0	0	0	0	0%	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0		0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0		0	0
14	Franchise	0	0	0	0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	586	0	0	586	0	0	586	0	586	45%	264	322
50	Computers & Systems Hardware acq'd post Mar 19/07	1,699	0	0	1,699	0	0	1,699	0	1,699	55%	934	764
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	510,662	0	0	510,662	82,300	6,000	586,962	38,150	548,812	8%	43,905	543,057
	<b>SUB-TOTAL - UCC</b>	<b>3,021,730</b>	<b>0</b>	<b>0</b>	<b>3,021,730</b>	<b>118,800</b>	<b>9,000</b>	<b>3,131,530</b>	<b>54,900</b>	<b>3,076,630</b>		<b>215,664</b>	<b>2,915,865</b>
CEC	Goodwill	0	0	0	0								
CEC	Land Rights	0	0	0	0								
CEC	FMV Bump-up	0	0	0	0								
	<b>SUB-TOTAL - CEC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>								

Cumulative Eligible Capital Calculation		
Cumulative Eligible Capital		11,267
<b>Additions:</b>		
Cost of Eligible Capital Property Acquired during the year	0	
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =	0
		0
		11,267
Amount transferred on amalgamation or wind-up of subsidiary	0	0
Subtotal		11,267
<b>Deductions:</b>		
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year		
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
		11,267
Cumulative Eligible Capital Balance		11,267
CEC Deduction	7%	789
Cumulative Eligible Capital - Closing Balance		10,478

**CONTINUITY OF RESERVES FOR 2011**

Description	Balance at December 31, Acutal Year as per tax returns	Non-Distribution Eliminations	Utility Only Opening Balance	Eliminate Amounts Not Relevant for Test Year Sign Convention: Increase (+) Decrease (-)	Adjusted Utility Balance	Additions	Disposals	Balance for Bridge Year	Change During the Year
Capital Gains Reserves ss.40(1)			0		0			0	0
<b>Tax Reserves Not Deducted for accounting purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)			0		0			0	0
Reserve for goods and services not delivered ss. 20(1)(m)			0		0			0	0
Reserve for unpaid amounts ss. 20(1)(n)			0		0			0	0
Debt & Share Issue Expenses ss. 20(1)(e)			0		0			0	0
Other tax reserves			0		0			0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)			0		0			0	0
General reserve for bad debts			0		0			0	0
Accrued Employee Future Benefits:			0		0			0	0
- Medical and Life Insurance			0		0			0	0
-Short & Long-term Disability			0		0			0	0
-Accumulated Sick Leave			0		0			0	0
- Termination Cost			0		0			0	0
- Other Post-Employment Benefits			0		0			0	0
Provision for Environmental Costs			0		0			0	0
Restructuring Costs			0		0			0	0
Accrued Contingent Litigation Costs			0		0			0	0
Accrued Self-Insurance Costs			0		0			0	0
Other Contingent Liabilities			0		0			0	0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0		0			0	0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0		0			0	0
Other			0		0			0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**CONTINUITY OF RESERVES FOR 2012**

Description	Adjusted Utility Balance	Additions	Disposals	Balance for Test Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>						
Reserve for doubtful accounts ss. 20(1)(l)	0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0			0	0	
Other tax reserves	0			0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>						
General Reserve for Inventory Obsolescence (non-specific)	0			0	0	
General reserve for bad debts	0			0	0	
Accrued Employee Future Benefits:	0			0	0	
- Medical and Life Insurance	0			0	0	
-Short & Long-term Disability	0			0	0	
-Accumulated Sick Leave	0			0	0	
- Termination Cost	0			0	0	
- Other Post-Employment Benefits	0			0	0	
Provision for Environmental Costs	0			0	0	
Restructuring Costs	0			0	0	
Accrued Contingent Litigation Costs	0			0	0	
Accrued Self-Insurance Costs	0			0	0	
Other Contingent Liabilities	0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0			0	0	
Other	0			0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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### CORPORATION LOSS CONTINUITY

	2011 Bridge			2012 Test		
	Total	Non-Distribution Portion <sup>1</sup>	Utility Balance	Total	Non-Distribution Portion <sup>1</sup>	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>						
Actual/Estimated	0		0			0
Application of Loss Carry Forward to reduce taxable income in Year	0		0			0
Other Adjustments Add (+) Deduct (-)	0		0			0
Balance available in Year	0	0	0	0	0	0
<b>Amount to be used in Year</b>			0			0
Balance available for use next Year	0	0	0	0	0	0

### Determination of Tax Adjustments to Accounting Income for 2011

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Additions:</b>				
Interest and penalties on taxes	103	0	0	0
Amortization of tangible assets	104	156,720	0	156,720
Amortization of intangible assets	106		0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109		0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112		0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120		0	0
Non-deductible meals and entertainment expense	121	6,635	0	6,635
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves beginning of year	125	0	0	0
Reserves from financial statements- balance at end of year	126	0	0	0
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Interest Expensed on Capital Leases	290	0	0	0
Realized Income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
Debt Financing Expenses for Book Purposes	294		0	0
Other Additions (Apprenticeship Tax Credits)	295	0	0	0
<b>Total Additions</b>		<b>163,355</b>	<b>0</b>	<b>163,355</b>

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401		0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	242,929	0	242,929
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	848	0	848
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves end of year	413	0	0	0
Reserves from financial statements - balance at beginning of year	414	0	0	0
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	0	0	0
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Financing Fees for Tax Under S.20(1)(e)	393	0	0	0
Other Deductions	394		0	0
<b>Total Deductions</b>		<b>243,777</b>	<b>0</b>	<b>243,777</b>
<b>Other Adjustments to Taxable Income</b>				
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
<b>Total Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Adjustments to Accounting Income</b>		<b>(80,422)</b>	<b>0</b>	<b>(80,422)</b>

## Determination of Tax Adjustments to Accounting Income for 2010

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Additions:</b>				
Interest and penalties on taxes	103	0	0	0
Amortization of tangible assets	104	177,294	0	177,294
Amortization of intangible assets	106	0	0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109		0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112	0	0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120		0	0
Non-deductible meals and entertainment expense	121	5,000	0	5,000
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves beginning of year	125	0	0	0
Reserves from financial statements- balance at end of year	126	0	0	0
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Interest Expensed on Capital Leases	290	0	0	0
Realized Income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
Debt Financing Expenses for Book Purposes	294		0	0
Other Additions (Apprenticeship Tax Credits)	295	0	0	0
<b>Total Additions</b>		<b>182,294</b>	<b>0</b>	<b>182,294</b>

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401		0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	215,664	0	215,664
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	789	0	789
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves end of year	413	0	0	0
Reserves from financial statements - balance at beginning of year	414	0	0	0
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	0	0	0
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Financing Fees for Tax Under S.20(1)(e)	393	0	0	0
Other Deductions	394	0	0	0
<b>Total Deductions</b>		<b>216,453</b>	<b>0</b>	<b>216,453</b>
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
<b>Total Adjustments</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Adjustments to Accounting Income</b>		<b>(34,159)</b>	<b>0</b>	<b>(34,159)</b>



**ATIKOKAN HYDRO INC  
Revenue Deficiency Determination**

Description	2012 Test Existing Rates	2012 Test - Required Revenue
<b>Revenue</b>		
Revenue Deficiency		<b>384,143</b>
Distribution Revenue	1,090,357	1,090,357
Other Operating Revenue (Net)	125,235	125,235
<b>Total Revenue</b>	<b>1,215,592</b>	<b>1,599,735</b>
<b>Costs and Expenses</b>		
Administrative & General, Billing & Collecting	748,854	748,854
Operation & Maintenance	471,526	471,526
Depreciation & Amortization	166,863	166,863
Deemed Interest	80,823	80,823
<b>Total Costs and Expenses</b>	<b>1,468,066</b>	<b>1,468,066</b>
Less OCT Included Above	0	0
<b>Total Costs and Expenses Net of OCT</b>	<b>1,468,066</b>	<b>1,468,066</b>
<b>Utility Income Before Income Taxes</b>	<b>-252,474</b>	<b>131,669</b>
<b>Income Taxes:</b>		
Corporate Income Taxes	-44,428	15,114
<b>Total Income Taxes</b>	<b>-44,428</b>	<b>15,114</b>
<b>Utility Net Income</b>	<b>-208,045</b>	<b>116,555</b>
<b>Capital Tax Expense Calculation:</b>		
Total Rate Base	3,041,625	3,041,625
Exemption	0	0
Deemed Taxable Capital	<b>3,041,625</b>	<b>3,041,625</b>
Ontario Capital Tax	0	0
<b>Income Tax Expense Calculation:</b>		
Accounting Income	-252,474	131,669
Tax Adjustments to Accounting Income	-34,159	-34,159
<b>Taxable Income</b>	<b>-286,633</b>	<b>97,510</b>
<b>Income Tax Expense</b>	<b>-44,428</b>	<b>15,114</b>
<b>Tax Rate Reflecting Tax Credits</b>	<b>15.50%</b>	<b>15.50%</b>
<b>Actual Return on Rate Base:</b>		
Rate Base	3,041,625	3,041,625
Interest Expense	80,823	80,823
Net Income	-208,045	116,555
<b>Total Actual Return on Rate Base</b>	<b>-127,222</b>	<b>197,378</b>
<b>Actual Return on Rate Base</b>	<b>-4.18%</b>	<b>6.49%</b>

Description	2012 Test Existing Rates	2012 Test - Required Revenue
<b>Required Return on Rate Base:</b>		
Rate Base	3,041,625	3,041,625
<b>Return Rates:</b>		
Return on Debt (Weighted)	4.43%	4.43%
Return on Equity	9.58%	9.58%
Deemed Interest Expense	80,823	80,823
Return On Equity	116,555	116,555
<b>Total Return</b>	<b>197,378</b>	<b>197,378</b>
<b>Expected Return on Rate Base</b>	6.49%	6.49%
<b>Revenue Deficiency After Tax</b>	<b>324,601</b>	<b>-0</b>
<b>Revenue Deficiency Before Tax</b>	<b>384,143</b>	<b>-0</b>

<b>Tax Exhibit</b>	2012
Deemed Utility Income	116,555
Tax Adjustments to Accounting Income	(34,159)
<b>Taxable Income prior to adjusting revenue to PILs</b>	<b>82,396</b>
Tax Rate	15.50%
Total PILs before gross up	12,771
<b>Grossed up PILs</b>	<b>15,114</b>

**2011 Capital Taxes**

Description	OCT	LCT
Total Rate Base	2,669,982	2,669,982
Exemption	0	0
Deemed Taxable Capital	<b>2,669,982</b>	<b>2,669,982</b>
Rate	0.000%	0.000%
Gross Tax Payable	0	0
Surtax	0	0
<b>Net Capital Tax Payable</b>	<b>0</b>	<b>0</b>

**2011 PILs Schedule**

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	55,320
Tax Adj to Accounting Income	10' Rev Def	(80,422)
Taxable Income		<b>(25,102)</b>
Combined Income Tax Rate	PILs Rates	15.500%
Total Income Taxes		<b>3,891</b>
Investment Tax Credits		-
Apprentice Tax Credits		-
Other Tax Credits		-
<b>Total PILs</b>		<b>(3,891)</b>

**2011 Total Taxes**

Description	Tax Payable
<b>Total PILs</b>	(3,891)
<b>Net Capital Tax Payable</b>	-
<b>PILs including Capital Taxes</b>	<b>(3,891)</b>

**2012 Capital Taxes**

Description	OCT	LCT
Total Rate Base	3,041,625	3,041,625
Exemption	0	0
Deemed Taxable Capital	<b>3,041,625</b>	<b>3,041,625</b>
Rate	0.000%	0.000%
Gross Tax Payable	0	0
Surtax	0	0
<b>Net Capital Tax Payable</b>	<b>0</b>	<b>0</b>

**2012 PILs Schedule**

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	131,669
Tax Adj to Accounting Income	10' Rev Def	(34,159)
Taxable Income		<b>97,510</b>
Combined Income Tax Rate	PILs Rates	15.500%
Total Income Taxes		<b>15,114</b>
Investment Tax Credits		-
Apprentice Tax Credits		-
Other Tax Credits		-
<b>Total PILs</b>		<b>15,114</b>

**2012 Total Taxes**

Description	Tax Payable
<b>Total PILs</b>	15,114
<b>Net Capital Tax Payable</b>	-
<b>PILs including Capital Taxes</b>	<b>15,114</b>

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**Service Revenue Requirement**

OM&A Expenses	1,220,380	
Amortization Expenses	166,863	
<b>Total Distribution Expenses</b>	<b>1,387,243</b>	
Regulated Return On Capital	197,378	
PILs	15,114	
<b>Service Revenue Requirement</b>	<b>1,599,735</b>	0.00

**Revenue Offset Schedule**

OEB	Account Description	ProjAmt	OffsetPct	OffsetAmt
4080	4080-Distribution Services Revenue	4,200	100%	4,200
4082	4082-RS Rev	4,000	100%	4,000
4084	4084-Serv Tx Requests	1,000	100%	1,000
4090	4090-Electric Services Incidental to Energy Sales	0	100%	0
4205	4205-Interdepartmental Rents	0	100%	0
4210	4210-Rent from Electric Property	34,911	100%	34,911
4215	4215-Other Utility Operating Income	0	100%	0
4220	4220-Other Electric Revenues	0	100%	0
4225	4225-Late Payment Charges	6,024	100%	6,024
4230	4230-Sales of Water and Water Power	0	100%	0
4235	4235-Miscellaneous Service Revenues	7,100	100%	7,100
4240	4240-Provision for Rate Refunds	0	100%	0
4245	4245-Government Assistance Directly Credited to Income	0	100%	0
4305	4305-Regulatory Debits	0	100%	0
4310	4310-Regulatory Credits	0	100%	0
4315	4315-Revenues from Electric Plant Leased to Others	0	100%	0
4320	4320-Expenses of Electric Plant Leased to Others	0	100%	0
4325	4325-Revenues from Merchandise, Jobbing, Etc.	75,000	100%	75,000
4330	4330-Costs and Expenses of Merchandising, Jobbing, Etc	(20,000)	100%	-20,000
4335	4335-Profits and Losses from Financial Instrument Hedges	0	100%	0
4340	4340-Profits and Losses from Financial Instrument Investments	0	100%	0
4345	4345-Gains from Disposition of Future Use Utility Plant	0	50%	0
4350	4350-Losses from Disposition of Future Use Utility Plant	0	50%	0
4355	4355-Gain on Disposition of Utility and Other Property	0	50%	0
4360	4360-Loss on Disposition of Utility and Other Property	0	50%	0
4365	4365-Gains from Disposition of Allowances for Emission	0	100%	0
4370	4370-Losses from Disposition of Allowances for Emission	0	100%	0
4375	4375-Revenues from Non-Utility Operations	232,000	100%	232,000
4380	4380-Expenses of Non-Utility Operations	(232,000)	100%	-232,000
4385	4385-Expenses of Non-Utility Operations	0	100%	0
4390	4390-Miscellaneous Non-Operating Income	4,000	100%	4,000
4395	4395-Rate-Payer Benefit Including Interest	0	100%	0
4398	4398-Foreign Exchange Gains and Losses, Including Amortization	0	100%	0
4405	4405-Interest and Dividend Income	9,000	100%	9,000
<b>Total Revenue Offsets</b>				<b>125,235</b>

**Base Revenue Requirement**

Service Revenue Requirement	1,599,735
<b>Less: Revenue Offsets</b>	<b>125,235</b>
<b>Base Revenue Requirement</b>	<b>1,474,500</b>