



Burlingtonhydro inc.

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

May 1, 2012

Dear Ms. Walli,

**RE: Burlington Hydro Inc.
Smart Meter Recovery Application
EB-2012-0081**

Please find attached Burlington Hydro Inc.'s response to Board staff interrogatories relating to this application. Supporting appendices and models are also attached.

Two hard copies of the response together with a CD of the materials have been couriered to the Board.

I can be reached at 905-332-1851 x234 should you require anything further.

Yours truly,

Original signed by

Stephen Shields
Manager, Regulatory Affairs

Burlington Hydro Inc.
2012 Smart Meter Cost Recovery
EB-2012-0081

Response to Board Staff Interrogatories

1. Letters of Comment

Following publication of the Notice of Application, the Board has, to date, received one letter of comment. Please confirm whether Burlington has received any other letters of comment. If so, please file a copy of the letters of comment. For each, please confirm whether a reply was sent from Burlington. If confirmed, please file that reply with the Board. Please ensure that the author's contact information except for the name is redacted. If not confirmed, please explain why a response was not sent and confirm if Burlington intends to respond.

Response:

Burlington has not received any other letters of comment.

Burlington did not receive a copy of the letter of comment directly from John Hubert; the copy in Burlington's possession was downloaded from the Board's website where, apart from the author's name, all contact details are redacted. It has therefore not been possible to date for Burlington to reply to John Hubert's letter of comment. Burlington would be pleased to respond to the letter of comment if the Board were to provide contact details.

2. Ref: Audited Actual Balances

On page 15 of the Manager's Summary, Burlington states that:

...Burlington Hydro requests that the Board accept this current application for consideration with 89% of the total program costs audited on the strict understanding that Burlington Hydro will file its 2011 financial statements immediately after they are finalized in March/April 2012.

- a. Please confirm that the external audit of Burlington's smart meter program costs for the year ending December 31, 2011 is now complete.

- b. When is Burlington intending to update its application to include 2011 audited information?

Response:

- (a) Burlington confirms that the audit of its 2011 financial statements has just been completed and, further to the intention stated on page 15 of the Manager's Summary, a copy the 2011 audited Financial Statements is filed with these interrogatory responses as Appendix A.
- (b) Because Burlington's application was not filed until March 7, 2012 when the audit was essentially complete, the smart meter information available and utilized in the application was in final form. The smart meter values in the audited Financial Statements are in agreement with those in Burlington's OEB submissions including the March 7, 2012 application and these present interrogatory responses. While there is no need therefore to update the application as a result of the external audit, the smart meter model is nevertheless updated to reflect changes identified by Board staff interrogatories.

3. Ref: Stranded Meter Costs

On page 17 of its Application, Burlington states that it is not seeking disposition of stranded meter costs in this Application, but will seek recovery in its 2014 cost of service application.

- a. Please provide the NBV of Burlington's stranded meters as of December 31, 2011.
- b. Please provide Burlington's estimate of the NBV of the stranded meters as of December 31, 2013.

Response:

- (a) The NBV of Burlington's stranded meters as of December 31, 2011 was \$4,486,288.77.
- (b) Since the meters have been removed from the rate base and are not being depreciated, the NBV of the stranded meters as of December 31, 2013 is expected to remain at \$4,486,288.77 provided no further obsolete meters are declared surplus.

4. Ref: Smart Meter Model – Taxes/PILs rates

On sheet 3 of the Smart Meter Model, on row 40, the utility inputs the aggregate Federal and Provincial tax rates applicable for each year from 2006 to 2012. By default, the model is populated with the maximum tax rate in each year, but the cells can be overridden.

Board staff notes that Burlington has used the maximum aggregate tax rates years 2006 to 2010. The rate of 31% approved in Burlington's 2010 cost of service proceeding will underpin Burlington's rates through the IRM years until its next cost of service application. Differences in legislated tax rates during that period are managed through the shared tax savings mechanism contained in the IRM process. Board staff notes that Burlington has entered aggregate tax rates of 28.25% and 26.25% for 2011 and 2012, respectively.

Please recalculate the Smart Meter Model using the aggregate corporate income tax rate of 31% approved in Burlington's 2010 cost of service proceeding.

Response:

The Smart Meter Model has been recalculated using the aggregate corporate income tax rate of 31% as requested. The resulting model, together with changes suggested by later Board staff interrogatories, is filed as Appendix B.

5. Ref: Customer Repairs

The Board in the Guidelines stated:

"The actual costs for materials and parts to repair or replace any customer-owned equipment should be expensed and also tracked separately in a different sub-account of the Smart Meter OM&A Variance Account 1556 until disposition is ordered by the Board following a review for prudence of the smart meter costs. As the meter base remains the property of the customer, the Board determined that it would not be appropriate to have it form part of the distributor's rate base."

- a. Please state the costs of repair or replacement of customer-owned equipment.
- b. Are there any costs for repaired or replaced meter bases included in these costs? If so, please state the total amount.
- c. Please confirm that these costs were recorded in a different sub-account of the Smart Meter OM&A Variance Account 1556.

Response:

- (a) Available records suggest there were only three incidents where Burlington was requested to pay for the repair or replacement of customer-owned *equipment* (as distinct from meter bases). Burlington paid approximately \$100 in total to customers in response to these incidents. The cost was expensed at the time and has not been claimed in this application.
- (b) There were numerous incidents where meter bases had to be repaired or replaced. The total cost for this work was \$77,825; the cost has been included in the application.
- (c) Burlington confirms that the costs in (b) were recorded in a different sub-account of the Smart Meter OM&A Variance Account 1556.

6. Ref: Implementation of Time of Use Billing

On page 13 of its Application, Burlington describes the circumstances leading to its request to the Board for an extension to its TOU mandated date. Specifically, Burlington was experiencing telecommunications problems due to the presence of extensive foliage. As noted on page 14 of the application, the Board approved an extension to January 1, 2012 through its EB-2011-0137 decision.

- a. Please provide an update on the status of Burlington's implementation of TOU billing.
- b. Please describe the actions taken to correct the telecommunication problems identified.
- c. Please provide the cost to correct the problem.
- d. When were the telecommunication issues finally rectified?
- e. Did Burlington provide notification to the Board upon resolving the problem, as ordered in the EB-2011-0137 Decision? If so, please

provide a copy of the correspondence. In the alternative, please explain.

Response:

- (a) On January 1, 2012, Burlington began collecting Time of Use (TOU) usage data for its Residential and GS<50kW customers. Since Residential customers are billed on a two-month billing cycle with different groups of customers starting their billing cycle at different times throughout the period, it was not until early March 2012 that the final group of Residential customers began being actively charged for TOU usage. With the IESO's 10 business day pricing delay, the last Residential customer to receive their first-time TOU bills will be May 15, 2012. Since GS<50kW customers are billed monthly, all GS<50kW customers are already receiving TOU bills.
- (b) In attempting to resolve the identified telecommunications problems, Burlington added additional repeaters (to boost Radio Frequency coverage) and realigned the placement of a number of the collectors.
- (c) The repeaters cost \$197 each; total cost for the 100 repeaters purchased was \$19,700. Progressive installation of the repeaters and realignment of the placement of the collectors provided partial correction of the telecommunications problem so that by January 1, 2012, accurate TOU data collection could be undertaken with a reasonable degree of confidence. However, the telecommunications problem continued to be worked on and progressively resolved even after January 1, 2012. While the problem has not been fully resolved to date, Burlington is currently able to read 98% of the data from the meters with confidence.
- (d) As noted in (c), the telecommunications problem has still not been fully rectified; moreover, radio frequency backhauling of data at 900 MHz may always remain an issue.
- (e) As already noted, the telecommunications problem has still not been fully rectified and therefore Burlington has not provided the Board with the notification referenced in the interrogatory. Nevertheless, reports on the status of Burlington's implementation of TOU have been consistently filed with the Board through the Monthly Smart Meter Time-of-Use reports.

7. Ref: Smart Meter Pilot and Investment Plan

On Page 3 of the Application, Burlington describes its Smart Meter Pilot project of 500 smart meters to be deployed in the Alton Community, Lowville Community and the Burlington downtown core. Burlington also states that it made a business Decision in 2006 to no longer use mechanical meters and instead, for new residential services and meter seal expiries, install Elster Rex 1 Smart Meters.

- a. How many new meters were installed beyond the 500 meters included in Burlington's pilot program?
- b. Where did these installations take place?
- c. What was the cost of the new meters installed outside of Burlington's pilot program?
- d. How many smart meters did Burlington install in total, prior to authorization to engage in discretionary metering activities through the amendment to O.Reg. 427/08?

Response:

- (a) In addition to the 500 smart meters installed as the Smart Meter Pilot (more exactly 498 meters), Burlington installed an additional 4,738 smart meters.
- (b) Elster Rex 1 Smart Meters were installed at numerous locations throughout Burlington's service area; they were installed anywhere a new residential service was required to be installed or a meter seal expired and a replacement meter was thus needed.
- (c) The cost of the new meters installed outside of Burlington's pilot project (i.e. the 4,738 meters) was \$413,533. This equates to \$87.28 per Rex1 meter.
- (d) Including the pilot project, 5,236 meters were installed prior to authorization. The initial 498 meters which formed the pilot project were paid for through Burlington's CDM third tranche funding. The balance of the meters is included in the stranded meters account. Please note that none of the cost of the 5,236 meters is included in this application.

8. Ref: Incremental Cost Savings

On page 17 of the Application, Burlington states that the virtual elimination of manual meter reading has resulted in reduced costs. If available, please quantify

the cost savings to Burlington Hydro through elimination of manual meter reading.

Response:

Burlington saved \$216,000 per year through its reduction in meter reading. This saving is already reflected in the application.

9. Ref: Minimum Functionality

On page 18 of the Application, Burlington states that the Rex 2 meters deployed for Residential customers slightly exceeded the specifications for minimum functionality and that this option was less expensive than a customized version that just met minimum functionality.

- a. Please describe what features or functionality of the Rex 2 meters exceeded minimum functionality.
- b. Please provide the cost of each option considered by Burlington.

Response:

- (a) The Rex 2 meters included the Phone Home “Last Gasp” function. (This function permits the meter to phone home with relevant data in the event of a meter failure (e.g. power outage, theft, etc.); the function also provides voltage monitoring). This is the only feature in Elster’s most-basic meters that exceeded minimal functionality. As stated in the application, in order to acquire a smart meter that met only the absolute minimal functionality, the manufacturer would have had to perform post-manufacturing customization on Burlington’s meters and this would have resulted in a higher meter cost. Hence, the additional functionality was obtained at no extra cost. The meters were awarded through the London RFP selection.
- (b) Since it was Burlington’s intention to acquire Rex2 smart meters that only met the minimal functionality criterion, no active consideration was given to acquiring additional options.

10. Ref: Cost Allocation

Board staff notes that Burlington has not calculated class-specific SMDRs and SMIRRs as recommended in the Guideline, as “an accurate allocation of the

balance of the capital costs together with the operating expenses was not possible with any degree of accuracy”.

On page 18 of its application, Burlington states that:

Burlington Hydro installed two types of smart meters: Residential customers had Rex 2 meters installed while the commercial customers (i.e. GS<50kW and GS>50kW customers) had A3RL meters installed.

- a. Board staff interprets the above statement to mean that only Rex 2 meters were installed for Residential customers, and only A3RL meters were installed for GS < 50 kW and GS > 50 kW) customers.
 - i. Please confirm or clarify Board staff’s interpretation.
 - ii. Are A3RL meters polyphase meters? If so, were these meters installed in GS < 50 kW customers with single-phase service, and why?
 - iii. Are there any Residential customers served by Burlington with two-phase or three-phase service? If yes, what smart meters were installed for them?
- b. Please provide the costs for each of a Rex 2 and A3RL meter.
- c. If the costs for Rex 2 and A3RL meters are materially different, then the revenue requirement on a unitized (i.e. per meter) basis would also differ. Please provide Burlington’s justification for uniform SMDRs and SMIRRs if the per meter costs differ between different customer classes.

Board staff further notes that other utilities have allocated these costs on the following basis:

- Return and Amortization based on the Weighted Average of the Residential and General Service less than 50 kW 1860 Weighted Meter Capital allocators approved in the last cost of service filing;
- OM&A based on the number of meters installed for each class;
- PILs based on the revenue requirement allocated to each class before PILs; and

- Smart Meter Funding Adder collected, including carrying costs, based on the revenue requirement allocated to each class before PILs.
- d. Please comment on the applicability of the above allocation factors for the purpose of calculating class specific SMDRs and SMIRRs for Burlington.
- e. Please provide a calculation of class-specific SMDRs and SMIRRs based on the above allocation factors.

Response:

- (a) (i) Board staff's interpretation is essentially correct; however, two Residential customers received A3RL meters instead of Rex2 meters since their heating/cooling systems required three-phase service.
(ii) A3RL meters are polyphase meters. No A3RL meters were installed on Single Phase Commercial accounts; only Rex2 meters were installed on single phase connections.
(iii) As noted in (i) above, two Residential customers had A3RL meters installed.
- (b) The capital cost of the Rex2 meters was \$5,661,744 which, for the 58,789 meters installed, equates to an average cost of \$96.31 per meter. The capital cost of the A3RL meters was \$2,218,069 which, for the 5,681 meters installed, equates to an average cost of \$390.44 per meter.
- (c) While the cost to purchase each type of meter is known with certainty, Burlington's rationale for requesting a uniform SMDR and SMIRR across the customer classes was that the respective OM&A costs for the two meter types were not known with any degree of certainty. Similarly, the apportionment of some other major costs (e.g. the MDM/R) was not well defined.
- (d) While Burlington does not have accurate OM&A cost data for the different types of meters, the total OM&A cost to install all meters is known; though it may not be particularly accurate, the total OM&A cost could be apportioned on the basis of the number of meters in each customer category. Regarding the apportioning of the meter capital costs: Burlington could accurately attribute these costs to the customer categories. Burlington is of the view that this would be a more accurate approach than using the 1860 CWMC as an allocator and would therefore also be consistent with the approach advocated by VECC in its Final Submission on Orangeville Hydro's smart meter application, EB-2012-0039. Other capital costs (e.g. MDM/R) could be

allocated to the customer classes based on the number of meters in each class.

- (e) The calculation of the class-specific SMDRs and SMIRRs utilizing the methodology in (d) above is attached as Appendix C. Consistent with Burlington's response to interrogatory #4, the taxes/PILs changes requested by Board staff in that interrogatory and other changes in subsequent interrogatories are included in the model provided in Appendix C.

The results from the models are provided in the following table. The uniform rate riders shown are those calculated in Appendix B; the class-specific rate riders are those calculated in Appendix C.

| Rate Rider | Uniform Rate Riders | Class-Specific Rate Riders | | |
|-------------------------|---------------------|----------------------------|-----------|----------|
| | | Residential | GS<50kW | GS>50kW |
| SMDR | \$(0.01) | \$(0.57) | \$6.19 | \$1.49 |
| SMIRR | \$3.21 | \$2.90 | \$6.63 | \$4.18 |
| Forecast Revenue | | \$1,648,633 | \$788,430 | \$61,848 |
| | \$2,495,923 | \$2,498,911 | | |

Discussion of Results:

Apart from a rounding error of \$2,988, the uniform rate riders approach and the class-specific rate riders approach produce the same forecasted revenue. However, a significant difference among the three class-specific rate riders is evident for both SMDR and SMIRR.

The difference is to be expected for the Residential class since the Rex2 meters cost less than the A3RL meters. However, all cost elements in the GS<50kW and the GS>50kW classes are the same per meter and therefore similar rate rider values may be expected.

Examination shows the basis for the SMDR and SMIRR differences between the two commercial classes lies in the number of customers *receiving* smart meters vs. those *paying* for smart meters. As shown in Appendix C, while the number of smart meters in the GS<50kW and GS>50kW classes are 5,125 and 571 respectively (and all costs are in this proportion), there are additional customers who have interval meters but nevertheless pay for smart meters. Specifically, there are 175 Residential, 15 GS<50kW and 338 GS>50kW customers. (The models in Appendix B

and Appendix C consistently reflect these additional customers as will be noted for the smart meter vs. customer counts on sheets 2 and 9.) If the rate riders are to reflect cost causality, then SMDR and SMIRR differences between the GS<50kW and GS>50kW classes shown in the table should be eliminated; such a model for the combined “commercial” classes is shown as Appendix D.

11. Ref: Smart Meter Model – Sheet 3

- a. On sheet 3 of the model, Burlington shows a long-term debt rate of 6.25% for 2006 and 2007, and a long-term debt rate of 7.25% for 2008 and 2009. The long-term debt rate approved in Burlington’s 2006 EDR rates application (RP-2005-0020/EB-2005-0356) should be used until Burlington’s next cost of service rebasing application. Please confirm the rate that should be used.
- b. On sheet 3 of the model, Burlington appears to have used the Board-issued cost of capital parameters for each of 2010, 2011 and 2012. The cost of capital parameters should conform to those approved in Burlington’s most recent cost of service rebasing application. In Burlington’s 2010 cost of service application, the Board approved the following cost of capital parameters:

| | |
|------------------------------|-------|
| Return on Equity: | 9.85% |
| Deemed Short-term debt rate: | 2.07% |
| Deemed Long-term debt rate: | 5.87% |

Please correct the model, if necessary, or explain Burlington’s proposed cost of capital parameters for each year.

Response:

- (a) While Burlington assumed in its application that the long-term debt rates for the respective years were the correct values to be used, it accepts Board staff’s interpretation that the rates approved in the 2006 cost of service decision should be used.
- (b) Similarly, Burlington accepts that the cost of capital parameters approved in the 2010 cost of service decision should be used. The updated model is

attached as Appendix B (with uniform rate riders) and as Appendix C (with class-specific rate riders).

12. Ref: Smart Meter Model – Sheet 8

On sheet 8 of the model, Burlington has input the current prescribed interest rate for deferral and variance accounts into cells C49, C50, and C51. This results in simple interest on the principal of SMFA revenues being calculated for all months in the year, including beyond the April 30, 2012 cessation of the SMFA. The correct approach is that cells C49, C50 and C51 should be “0”, while C48 and L99 should have the current prescribed rate of 1.47%. Please provide Burlington’s explanation or, in the alternative, please correct the model.

Response:

Burlington accepts the prescribed interest rate changes as identified by Board staff. The updated model is attached as Appendix B (with uniform rate riders) and as Appendix C (with class-specific rate riders).

13. Ref: Smart Meter Model – Sheet 8A

On sheet 8A, Burlington shows depreciation expense as recorded in account 1556 only on an annual basis for December of each year. A more accurate method would be that depreciation expense would be input for each month. If Burlington has the monthly data from its Account 1556 entries, please update this sheet. In the alternative, please explain.

Response:

Burlington does not have monthly data from its Account 1556 entries and therefore regrets it is unable to update the model as requested by Board staff.

14. Ref: Smart Meter Model – Sheet 9

In the model as filed, Burlington has estimated a credit SMDR of (\$0.05)/month for Residential, GS < 50 kW and GS > 50 kW customers, to be refunded over a period of 2 years. Given the small magnitude of the SMDR, why is Burlington proposing a refund period of 2 years rather than one year?

Response:

Burlington proposed the SMDR credit over a two-year period in order to minimize rate changes and attempt to stabilize rates. However, Burlington acknowledges the effect is minimal and has no objection to a one-year payback. The models have been changed to reflect a one-year payback.

15. Ref: Smart Meter Model

- a. If Burlington has changed its inputs to the Smart Meter Model as a result of any of the above interrogatory responses, please update and re-file the smart meter model in working Microsoft Excel format.
- b. If Burlington has made revisions to its Smart Meter Model as a result of its responses to interrogatories, please update the proposed SMDRs and SMIRRs accordingly.

Response:

Burlington has made various changes as a result of its responses to the interrogatories. The updated model filed as Appendix B and Appendix C contains all those changes.

Attachments

- Appendix A: Burlington Hydro Inc. 2011 audited Financial Statements
- Appendix B: Smart Meter Model with uniform rate riders
- Appendix C: Smart Meter Model with class-specific rate riders
- Appendix D: Smart Meter Model with a combined “commercial” classes rate riders

Appendix A

2011 audited Financial Statements

Financial Statements of

BURLINGTON HYDRO INC.

Year ended December 31, 2011



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INDEPENDENT AUDITORS' REPORT

To the Shareholder:

We have audited the accompanying financial statements of Burlington Hydro Inc. ("the entity"), which comprise the balance sheet as at December 31, 2011, the statements of earnings and retained earnings and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Burlington Hydro Inc. as at December 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

March 29, 2012
Hamilton, Canada

BURLINGTON HYDRO INC.

Balance Sheet

December 31, 2011, with comparative figures for 2010

| | 2011 | 2010 |
|---|----------------|----------------|
| Assets | | |
| Current assets: | | |
| Cash and temporary investments | \$ 13,749,199 | \$ 12,406,914 |
| Securities held as customers' deposits (note 2) | 3,194,263 | 3,045,348 |
| Accounts receivable (note 3) | 16,163,512 | 14,545,587 |
| Unbilled revenue | 20,474,503 | 20,330,044 |
| Payment in lieu of taxes receivable | 755,199 | - |
| Inventories (note 4) | 1,904,397 | 1,997,190 |
| Work in progress | 209,783 | 1,175,236 |
| Prepaid expenses | 403,332 | 469,976 |
| | 56,854,188 | 53,970,295 |
| Property, plant and equipment (note 5) | 83,136,474 | 81,573,027 |
| Intangible assets (note 6) | 2,767,487 | 1,505,062 |
| Other assets (note 7) | 4,209,173 | 4,293,485 |
| Future payment in lieu of taxes | 5,037,267 | 5,237,003 |
| | \$ 152,004,589 | \$ 146,578,872 |

Liabilities and Shareholder's Equity

| | | |
|---|----------------|----------------|
| Current liabilities: | | |
| Ontario Infrastructure loan (note 8) | \$ 493,786 | \$ 7,500,000 |
| Accounts payable and accrued liabilities (note 9) | 21,758,712 | 21,260,897 |
| Customers' deposits (note 2) | 3,194,263 | 3,060,945 |
| Work order deposits | 1,647,669 | 2,344,197 |
| Deferred revenue | 871,917 | - |
| Payment in lieu of taxes payable | - | 779,911 |
| Other current liabilities | 1,903,807 | 1,500,295 |
| | 29,870,154 | 36,446,245 |
| Note payable (note 10) | 47,878,608 | 47,878,608 |
| Ontario Infrastructure loan (note 8) | 9,150,191 | - |
| Liability for future benefits (note 11) | 3,172,353 | 2,988,066 |
| Shareholder's equity: | | |
| Capital stock (note 12) | 45,139,138 | 45,139,138 |
| Retained earnings | 15,917,917 | 13,250,587 |
| Paid in capital | 876,228 | 876,228 |
| | 61,933,283 | 59,265,953 |
| Commitments and contingencies (note 16) | | |
| | \$ 152,004,589 | \$ 146,578,872 |

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

BURLINGTON HYDRO INC.

Statement of Earnings and Retained Earnings

Year ended December 31, 2011, with comparative figures for 2010

| | 2011 | 2010 |
|--|----------------|----------------|
| Gross revenue | \$ 180,615,632 | \$ 169,614,691 |
| Cost of power, wholesale market and network charges | 151,129,220 | 140,978,607 |
| Net distribution revenue | 29,486,412 | 28,636,084 |
| Other operating revenue | 2,124,527 | 2,176,729 |
| | 31,610,939 | 30,812,813 |
| Expenses | | |
| Operations and maintenance | 7,187,609 | 6,323,043 |
| Billing and collection | 2,228,818 | 2,661,651 |
| General administration | 5,856,207 | 5,603,720 |
| Depreciation and amortization | 6,408,041 | 6,581,093 |
| | 21,680,675 | 21,169,507 |
| Earnings before interest expense and payments in lieu of taxes | 9,930,264 | 9,643,306 |
| Interest expense | 3,330,350 | 3,364,209 |
| Earnings before payment in lieu of taxes | 6,599,914 | 6,279,097 |
| Payment in lieu of taxes (note 19): | | |
| Current | 1,600,551 | 2,263,771 |
| Future | (217,967) | (696,269) |
| | 1,382,584 | 1,567,502 |
| Net earnings | 5,217,330 | 4,711,595 |
| Retained earnings, beginning of year | 13,250,587 | 10,563,992 |
| Dividends paid | (2,550,000) | (2,025,000) |
| Retained earnings, end of year | \$ 15,917,917 | \$ 13,250,587 |

See accompanying notes to financial statements.

BURLINGTON HYDRO INC.

Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for 2010

| | 2011 | 2010 |
|---|---------------|---------------|
| Cash provided by (used in): | | |
| Operations (note 13) | \$ 10,955,128 | \$11,866,019 |
| Financing: | | |
| Ontario Infrastructure loan | 2,143,977 | 7,500,000 |
| Securities held as customer deposits | (148,915) | 410,168 |
| Customers' deposits | 133,318 | (438,576) |
| Dividends paid | (2,550,000) | (2,025,000) |
| Contributions and grants | 1,091,246 | 1,934,237 |
| | 669,626 | 7,380,829 |
| Investments: | | |
| Purchase of property, plant and equipment | (8,891,038) | (9,679,048) |
| Purchase of intangible assets | (1,474,487) | (249,256) |
| Purchase of contributed capital | (455,191) | (729,199) |
| Proceeds on sale of property, plant and equipment | 5,400 | 18,000 |
| Other assets | 532,847 | (1,944,459) |
| | (10,282,469) | (12,583,962) |
| Change in cash and temporary investments | 1,342,285 | 6,662,886 |
| Cash and temporary investments, beginning of year | 12,406,914 | 5,744,028 |
| Cash and temporary investments, end of year | \$ 13,749,199 | \$ 12,406,914 |

See accompanying notes to financial statements.

BURLINGTON HYDRO INC.

Notes to Financial Statements

Year ended December 31, 2011

On December 1, 1999, Burlington Hydro Inc. (the "Corporation") was incorporated under the Business Corporations Act with net assets contributed from the predecessor hydro-electric commission. The incorporation was required in accordance with the Electricity Act, 1998 (Ontario) (the "EA"). The Corporation provides electricity distribution and related services to its commercial and residential customers. Active operations commenced on January 1, 2000.

1. Significant accounting policies:

The Corporation has adopted accounting policies prescribed by the Canadian Institute of Chartered Accountants and therefore the financial statements are prepared in accordance with Part V of the CICA Handbook. The Corporation has elected to defer its implementation of International Financial Reporting Standards to 2012. The Corporation is a regulated distribution company. Significant accounting policies are as follows:

(a) Revenue recognition:

Revenue is recorded in the accounts to various dates on the basis of monthly or bi-monthly meter readings. Therefore, at the end of an accounting cycle, there is energy used by consumers for which meter readings are not available. This "unbilled revenue" is estimated and recorded in the accounts at the end of each fiscal year.

Deferred revenue includes funds received from the Ontario Power Authority for future conservation programs. Ontario Power Authority funds will be recognized as revenue when earned.

(b) Investments:

Investments are comprised of temporary investments and securities held as customers' deposits. These investments are recorded at fair value.

(c) Inventories:

Inventories are valued at the lower of average cost and net realizable value and consist of maintenance materials and supplies.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost. The cost and related accumulated depreciation of transmission and distribution facilities are removed from the accounts at the end of their estimated average service life. When property, plant and equipment are disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in current operations.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 2

Year ended December 31, 2011

1. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

Depreciation is provided on a straight-line basis using the following annual rates:

| Asset | Rate |
|----------------------------------|----------|
| Buildings | 2% |
| Sub-station buildings | 2% |
| Sub-station equipment | 3.33% |
| Distribution lines - overhead | 4% |
| Distribution lines - underground | 4% |
| Distribution - transformers | 4% |
| Distribution - meters | 4% |
| Rolling stock | 12.5-25% |
| Tools and equipment | 10% |
| Office equipment | 10% |
| Computer equipment | 20% |

(e) Intangible assets:

Intangible assets are stated at cost. The cost and related accumulated amortization are removed from the accounts at the end of their estimated average service life. When intangible assets are disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in current operations. Amortization is provided on a straight-line basis using the following annual rates.

| Asset | Rate |
|---------------------------|------------|
| Land rights | 1.43-2.86% |
| Computer software | 20% |
| Transformer station right | 2.5% |

(f) Contributions and grants:

Contributions and grants received for capital are netted against property, plant and equipment and are amortized to income on the same basis as the related asset.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 3

Year ended December 31, 2011

1. Significant accounting policies (continued):

(g) Payment in lieu of taxes ("PILs"):

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the EA, the Corporation is required to compute taxes under the ITA and OCTA and remit such amounts there under computed to the Ministry of Finance (Ontario).

The Corporation provides for PILs using the asset and liability method. Under this method, future tax assets and liabilities are recognized, to the extent such are determined likely to be realized, for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the Ontario Energy Board ("OEB") and recovered from the customers of the Corporation at that time.

PILs recoverable from loss carry forwards are recorded in future PILs on the balance sheet at the current enacted statutory tax rates expected to apply when recovery of the loss carry forwards are expected to be recovered.

(h) Employee future benefits:

The Corporation pays certain life insurance benefits, under unfunded defined benefit plans, on behalf of its retired employees and extended health and dental benefits under unfunded defined benefit plans, on behalf of early retirees. These post-retirement costs are recognized in the period in which the employees rendered their services to the Corporation. The excess of the net accumulated actuarial losses over 10% of the accrued benefit obligation is amortized over the average remaining service period of active employees. The expected average remaining service life of the active employees is 7 years.

(i) Paid in capital:

Paid in capital arises from development charges received prior to January 1, 2000 which were provided or paid for by developers, and are recorded as a permanent component of shareholder's equity.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 4

Year ended December 31, 2011

1. Significant accounting policies (continued):

(j) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and note disclosures related thereto. Due to the inherent uncertainty in making estimates, actual results could differ from the estimates recorded in preparing these financial statements including changes as a result of future regulatory decisions.

Accounts receivable, unbilled revenue and regulatory assets are stated after evaluation of amounts expected to be collected and an appropriate allowance for doubtful accounts or valuation allowance. Inventories are recorded net of provisions for obsolescence. Amounts recorded for depreciation of property, plant and equipment and amortization of intangible assets are based on estimates of useful service life. The liability for future benefits is based on certain assumptions, including interest (discount) rates, salary escalation, the average retirement age of employees, employee turnover and expected health and dental costs.

(k) Financial instruments:

All financial instruments are classified into one of the following categories – held-for-trading, available for sale, held-to-maturity, other liabilities or loans and receivables. All financial instruments are carried on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other liabilities, which are measured at amortized cost. The Corporation has chosen to apply Handbook Section 3861 *Financial Instruments - Disclosure and Presentation*.

The Corporation has classified its financial instruments as follows:

| | |
|--|-----------------------|
| Cash and temporary investments | Held-for-trading |
| Securities held as customers' deposits | Held-for-trading |
| Accounts receivable | Loans and receivables |
| Unbilled revenue | Loans and receivables |
| Ontario Infrastructure loan | Other liabilities |
| Accounts payable and accrued liabilities | Other liabilities |
| Customer and work order deposits | Other liabilities |
| Note payable | Other liabilities |

Derivatives and hedge accounting:

The Corporation does not have derivatives and does not engage in derivative trading or speculative activities. Hedge accounting has not been used in the preparation of these financial statements.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 5

Year ended December 31, 2011

2. Securities held as customers' deposits:

The OEB requires companies to periodically review customers' deposits and where appropriate, refund such deposits. During this review, companies may also request a deposit from customers based on certain criteria.

The Corporation has a policy of funding customers' deposits and paying interest on these deposits at a rate determined quarterly. Securities held as customers' deposits represent the funds segregated to fund the customer deposit refunds. The average rate of interest paid by the Corporation for 2011 was 1.00% (2010 - 0.56%).

3. Accounts receivable:

| | 2011 | 2010 |
|--|---------------|---------------|
| Customer receivables | \$ 13,827,853 | \$ 13,562,262 |
| Receivable from the City of Burlington | 252,121 | 162,844 |
| Receivable from related parties | 15,084 | 18,185 |
| Other | 2,368,454 | 1,102,296 |
| | 16,463,512 | 14,845,587 |
| Less allowance for doubtful accounts | 300,000 | 300,000 |
| | \$ 16,163,512 | \$ 14,545,587 |

4. Inventories:

| | 2011 | 2010 |
|--------------|--------------|--------------|
| Stores | \$ 908,252 | \$ 920,795 |
| Reels | 59,202 | 53,182 |
| Transformers | 828,981 | 902,464 |
| Meters | 107,962 | 120,749 |
| | \$ 1,904,397 | \$ 1,997,190 |

The amount of inventories consumed by the Corporation and recognized as an expense during 2011 was \$320,241 (2010 - \$335,038).

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 6

Year ended December 31, 2011

5. Property, plant and equipment:

| | 2011 | | 2010 | |
|----------------------------------|----------------|--------------------------|----------------|----------------|
| | Cost | Accumulated depreciation | Net book value | Net book value |
| Land | \$ 299,003 | \$ - | \$ 299,003 | \$ 299,003 |
| Buildings | 8,237,062 | 3,663,424 | 4,573,638 | 4,593,996 |
| Sub-station buildings | 2,291,394 | 1,082,151 | 1,209,243 | 1,252,737 |
| Sub-station equipment | 16,847,771 | 11,530,988 | 5,316,783 | 5,049,154 |
| Distribution lines - overhead | 68,312,333 | 36,451,420 | 31,860,913 | 30,469,068 |
| Distribution lines - underground | 70,811,696 | 37,822,061 | 32,989,635 | 32,364,839 |
| Distribution - transformers | 46,417,593 | 25,798,457 | 20,619,136 | 20,701,525 |
| Distribution - meters | 8,476,769 | 4,601,031 | 3,875,738 | 3,725,704 |
| Rolling stock | 3,664,600 | 2,711,673 | 952,927 | 1,147,927 |
| Tools and equipment | 2,154,383 | 1,982,717 | 171,666 | 195,072 |
| Office equipment | 1,426,089 | 1,133,710 | 292,379 | 267,641 |
| Computer equipment | 855,550 | 734,297 | 121,253 | 139,890 |
| Contributions and grants | (24,106,435) | (4,960,595) | (19,145,840) | (18,633,529) |
| | \$ 205,687,808 | \$ 122,551,334 | \$ 83,136,474 | \$ 81,573,027 |

Total depreciation expense for the year is \$6,664,441 (2010 - \$6,942,010) of which \$259,228 (2010 - \$363,746) has been allocated to distribution and utilization expense.

6. Intangible assets:

| | 2011 | | 2010 | |
|---------------------------|--------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Land rights | \$ 189,350 | \$ 23,686 | \$ 165,664 | \$ 168,493 |
| Computer software | 4,972,576 | 3,313,810 | 1,658,766 | 1,336,569 |
| Transformer station right | 943,057 | - | 943,057 | - |
| | \$ 6,104,983 | \$ 3,337,496 | \$ 2,767,487 | \$ 1,505,062 |

Total amortization expense for the year is \$208,325 (2010 - \$184,587) of which \$205,497 (2010 - 181,758) has been allocated to distribution and utilization expense.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 7

Year ended December 31, 2011

7. Other assets (liabilities):

| | 2011 | 2010 |
|--|---------------------|---------------------|
| OEB regulatory assets (liabilities): | | |
| Regulatory assets (liabilities): | | |
| Opening balance | \$ (5,486,717) | \$ (3,302,886) |
| Activity | (1,852,343) | (2,778,822) |
| Repayment | 1,563,913 | 594,991 |
| | (5,775,147) | (5,486,717) |
| Smart meters: | | |
| Opening balance | 8,114,929 | 3,986,639 |
| Purchases | 1,313,344 | 4,896,503 |
| (Recovery) | (1,557,761) | (768,213) |
| | 7,870,512 | 8,114,929 |
| Stranded meters: | | |
| Opening balance | 4,122,831 | 2,257,975 |
| Additions | 30,832 | 1,864,856 |
| | 4,153,663 | 4,122,831 |
| Total OEB regulatory assets (liabilities) | 6,249,028 | 6,751,043 |
| Other regulatory assets (liabilities): | | |
| Regulatory liability for future taxes | (2,039,855) | (2,457,558) |
| | \$ 4,209,173 | \$ 4,293,485 |

Net regulatory assets (liabilities) represent costs incurred in excess of amounts billed to the consumer at OEB approved rates (amounts billed to the consumer at OEB approved rates in excess of costs incurred by the Corporation). These amounts have been accumulated pursuant to the EA and deferred in anticipation of their future recovery in electricity distribution rates. Regulatory assets (liabilities) attract interest at OEB prescribed rates. In 2011 the rate remained unchanged at 1.47%.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates that the Corporation may charge and the costs that the Corporation may recover, including the balance of its regulatory assets.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 8

Year ended December 31, 2011

7. Other assets (liabilities) (continued):

Rate regulation:

The Corporation is regulated by the OEB, under the authority granted by the Ontario Energy Board Act (1998). The OEB has the power and responsibility to approve or fix rates for the transmission and distribution of electricity, providing continued rate protection for rural and remote electricity consumers, and ensuring that distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to electricity distributors which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non rate-regulated environment.

Rate Setting:

The distribution rates of the Corporation are based on a revenue requirement that provides a regulated Maximum Allowable Return on Equity ("MARE") on the amount of the deemed equity component of rate base. The Corporation files a rate application with the OEB annually. Rates are typically effective May 1 to April 30 of the following year. Accordingly, for the first four months of 2011, distribution revenue is based on the rates approved for 2010. Once every four years, the Corporation files a Cost of Service application where rates are rebased through a cost-of-service review. In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. A Cost of Service application is based upon a forecast of the amount of operating and capital expenses, debt and shareholder's equity required to support the Corporation's business. An IRM application results in a formulaic adjustment to distribution rates for the annual change in the Gross Domestic Product Inflationary Price Index for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "Stretch Factor" determined by the relative efficiency of an electricity distributor.

The Corporation's last Cost of Service application was made on August 28, 2009 and approved on March 1, 2010 with rates effective May 1, 2010. Such decision provided for a 2010 distribution revenue requirement and rate base of \$29,253,965 and \$105,229,695 respectively. Such amounts do not include provision for the investment of the Corporation in the Smart Meter Initiative. The application also included the recovery of lost revenue and shared savings related to its Conservation and Demand Management ("CDM") programs. Such recoveries proceed through a prescribed Lost Revenue Adjustment Mechanism ("LRAM") and Shared Savings Mechanism ("SSM") and relate to activities for the years 2005 to 2008. On March 1, 2010, an amount of \$926,628 was approved to be recovered through a rate rider for the period commencing May 1, 2010 through April 30, 2014. On March 17, 2011, the OEB approved recovery of \$413,451 of lost revenues over a three year period commencing May 1, 2011.

On October 1, 2010 the Corporation filed an IRM application to adjust its rates effective May 1, 2011. On March 17, 2011 the OEB approved new rates effective May 1, 2011. On September 16, 2011 the Corporation filed an IRM application to adjust its rates effective May 1, 2012. The application has not yet been approved by the OEB.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 9

Year ended December 31, 2011

7. Other assets (liabilities) (continued):

New LDC License Requirements - Conservation and Demand Management Targets

On November 12, 2010, the OEB amended LDC licenses to include requirements for achieving certain CDM targets over a four year period commencing January 1, 2011. The Corporation's CDM targets include a demand reduction target of 21.95MW and a consumption reduction target of 82.37 GWh. LDCs must also comply with a new CDM Code of the OEB, which provides LDC requirements for the development and delivery of CDM Strategy to the OEB for the achievement of LDC-specific CDM targets, annual accounting and reporting to the OEB, and eligibility criteria for performance incentive payments. The Corporation filed its CDM Strategy with the OEB on November 1, 2010.

Regulatory Accounting

In its capacity to approve or set rates, the OEB has the authority to specify regulatory accounting treatments that may differ from Canadian generally accepted accounting principles for enterprises operating in a non rate-regulated environment. The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. Such change in timing involves the application of rate-regulated accounting, giving rise to the recognition of regulatory assets and liabilities. The Corporation's other assets represent certain amounts receivable from future customers and costs that have been deferred for accounting purposes because it is probable that they will be recovered in future rates. It also includes regulatory liabilities which represent costs with respect to non-distribution market related charges and variances in recoveries that are expected to be settled in future periods.

The OEB decision on the 2010 Cost of Service application provided for the disposition of \$3,598,389 of the Corporation's net regulatory liabilities over a 48 month period ending April 30, 2014.

Smart Meters:

The Province of Ontario has committed to have "Smart Meter" electricity meters installed in 800,000 homes and small businesses by the end of 2007 and throughout Ontario by the end of 2010. Smart Meters permit consumption to be recorded within specific time intervals and specific tariffs to be levied within such intervals. *Bill 21, Energy Conservation and Responsibility Act*, provides the legislative framework and regulations to support this initiative.

The 2011 rate application decision approved the charge for smart meters of \$2.50 per metered customer per month. Consistent with the OEB's direction and pending further guidance, all smart meter related expenditures and recoveries are currently being deferred in regulatory accounts. The net book value of \$30,832 (2010 - \$1,864,856) for the replaced meters was transferred to other assets.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 10

Year ended December 31, 2011

7. Other assets (liabilities) (continued):

Other regulatory assets (liabilities):

Included in other regulatory assets (liabilities) is an amount expected to be returned to future customers when the future tax assets are realized.

8. Ontario Infrastructure loan:

The Corporation obtained an Ontario Infrastructure loan of \$7,500,000 in 2010. The loan interest rate was a floating rate per annum as determined by the Ontario Infrastructure Projects Corporation ("OIPC") based on OIPC's cost of funds plus OIPC's prevailing spread assigned to the borrower sector for program delivery costs and risks. The loan was paid in full on March 15, 2011. It was replaced with a Fixed Term Debenture of \$10,000,000.00 due March 15, 2026 from the OIPC. The debenture has an interest bearing rate of 4.51% (2010 – 1.74% on loan). Interest of \$377,304 (2010 - \$72,550) paid to the OIPC was expensed during the year. The loan is payable in the amount of \$76,550 monthly principal and interest. The loan is secured by a general security agreement over the assets of the Corporation.

Principal payments on the debt are as follows:

| | 2011 |
|-----------------------------------|--------------|
| 2012 | \$ 493,786 |
| 2013 | 516,522 |
| 2014 | 540,305 |
| 2015 | 565,183 |
| 2016 | 591,206 |
| 2017-2025 | 6,936,975 |
| | 9,643,977 |
| Less: current portion | (493,786) |
| Long-term portion of loan payable | \$ 9,150,191 |

9. Accounts payable and accrued liabilities:

| | 2011 | 2010 |
|------------------------------------|---------------|---------------|
| Commodity and transmission charges | \$ 11,829,942 | \$ 9,480,914 |
| Region of Halton | 3,589,223 | 3,606,385 |
| Payable to related parties | 30,969 | 1,454 |
| Purchase of contributed capital | 2,611,970 | 3,300,000 |
| Other | 3,696,608 | 4,872,144 |
| | \$ 21,758,712 | \$ 21,260,897 |

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 11

Year ended December 31, 2011

9. Accounts payable and accrued liabilities (continued):

Purchase of contributed capital:

Contributions are received from developers to finance necessary capital additions. The OEB requires the utility to calculate a rebate to the developers based upon recoverability of capital investment through future hydro usage. At December 31, 2011, a liability in the amount of \$2,611,970 (2010 - \$3,300,000) was accrued. This growth is expected to continue in the future. Working capital will be drawn down to support these payments.

10. Note payable:

The promissory note payable is due on demand to the City of Burlington ("the City"). The City has waived its right to demand payment until January 1, 2013. The note bears interest at 5.87%. Interest of \$2,810,474 (2010 - \$3,027,699) to the City was expensed during the year.

11. Liability for future benefits:

The Corporation pays certain life insurance benefits on behalf of its retired employees as well as extended health and dental benefits for early retirees to age 65. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services. An actuarial valuation of the plan obligations was completed for the year ended December 31, 2009. These results have been extrapolated by the actuary to December 31, 2011.

Information about the Corporation's defined benefit plan is as follows:

| | 2011 | 2010 |
|---|--------------|--------------|
| Accrued benefit obligation, beginning of year | \$ 3,518,862 | \$ 3,375,863 |
| Expense for the year | 300,849 | 284,084 |
| Benefits paid for the year | (168,160) | (141,085) |
| Projected accrued benefit obligation, end of year | 3,651,551 | 3,518,862 |
| Unamortized actuarial loss | (479,198) | (530,796) |
| Liability for future benefits | \$ 3,172,353 | \$ 2,988,066 |

Amortization of the actuarial loss was \$51,598 (2010 - \$28,025).

The main actuarial assumptions employed for the valuations are as follows:

(a) General inflation:

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed at 2.0% in 2009 and thereafter.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 12

Year ended December 31, 2011

11. Liability for future benefits (continued):

(b) Interest (discount rate):

The obligation as at year end, of the present value of future liabilities and the expense for the year, was determined using a discount rate of 4.75%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 4.0%.

(c) Salary levels:

Future general salary and wage levels were assumed to increase at a rate consistent with the rate of inflation.

(d) Medical costs:

Medical costs were assumed to increase at the CPI rate plus a further increase of 7.0% in 2009 graded down to 3.0% in 2016 and thereafter.

(e) Dental costs:

Dental costs were assumed to increase at the CPI rate plus a further increase of 3.0% in 2009 and thereafter.

12. Capital stock:

Capital stock consists of the following:

| | 2011 | 2010 |
|-----------------------------------|---------------|---------------|
| Authorized: | | |
| Unlimited number of common shares | | |
| Issued: | | |
| 2,000 common shares | \$ 45,139,138 | \$ 45,139,138 |

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 13

Year ended December 31, 2011

13. Cash flow information:

(a) Reconciliation of net income to cash provided by operations:

| | 2011 | 2010 |
|---|---------------|---------------|
| Net earnings | \$ 5,217,330 | \$ 4,711,595 |
| Items not involving cash: | | |
| Depreciation and amortization | 6,872,766 | 7,126,597 |
| Gain on sale of property, plant and equipment | (5,400) | (18,000) |
| Future payment in lieu of taxes | (217,967) | (696,269) |
| Liability for future benefits | 184,287 | 171,024 |
| Change in non-cash working capital: | | |
| Accounts receivable | (1,617,925) | 1,336,154 |
| Unbilled revenue | (144,459) | (1,575,489) |
| Inventories | 92,793 | (818,038) |
| Work in progress | 965,453 | 25,172 |
| Prepaid expenses | 66,644 | (62,352) |
| Accounts payable and accrued liabilities | 497,815 | (166,279) |
| Deferred revenue | 871,917 | - |
| Work order deposits | (696,528) | (280,031) |
| Payments in lieu of taxes receivable/payable | (1,535,110) | 2,054,250 |
| Other current liabilities | 403,512 | 57,685 |
| | \$ 10,955,128 | \$ 11,866,019 |

(b) Supplemental cash flow information:

| | 2011 | 2010 |
|---|------------|-----------|
| Cash received during the year from interest | \$ 212,456 | \$ 91,574 |
| Cash received during the year from PILs | 125,460 | 1,361,660 |
| Cash paid during the year for interest | 3,169,656 | 3,100,249 |
| Cash paid during the year for PILs | 3,261,121 | 1,779,526 |
| Non-cash financing activities: | | |
| Capital contributions | 811,560 | 1,700,152 |
| Increase in other assets for stranded meters transferred from property, plant and equipment | 30,832 | 1,864,856 |
| Increase in other assets related to decrease in future tax assets | 417,703 | 339,301 |

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 14

Year ended December 31, 2011

14. Pension plans:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and the best 60 consecutive months average earnings.

Contributions by the Corporation were at a rate of 7.4% for employee earnings below the year's maximum pensionable earnings and 10.7% thereafter.

The amount contributed to OMERS for 2011 was \$657,620 (2010 - \$560,960) for current service.

15. Public liability insurance:

The Corporation through its parent company is a named insurer of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE provides general liability insurance to member electric utilities in accordance with the Power Corporation Act of Ontario; subsection 116(2), to a maximum of \$24,000,000 per occurrence.

Insurance premiums charged to each municipal electric utility consists of a levy per thousand dollars of service revenue subject to a credit/surcharge based on each electric utility's claims experience.

16. Commitments and contingencies:

The Corporation has a \$10,000,000 revolving line of credit facility available for use. A letter of credit in the amount of \$18,000,000 has been issued in favour of the Independent Electricity System Operator ("IESO") as security for the Corporation's purchase of electricity through the IESO. No other amounts were drawn down on the line of credit or non-revolving credit facility at year end. The credit facility is secured by a general security agreement over the Corporation's assets.

17. Transactions with related parties:

Related parties are the Corporation's parent, Burlington Hydro-Electric Inc., a subsidiary of the parent, Burlington Electricity Services Inc. and the parent of the Corporation's parent, the City of Burlington ("the City").

The Corporation paid a management fee of \$94,455 (2010 - \$110,882) to its parent. The Corporation received \$352,747 (2010 - \$390,375) for billing and administrative services from companies under common control.

The Corporation purchased services from a company under common control in the amount of \$50,000 (2010 - \$50,000) during the year.

During the year, the Corporation earned gross revenue of \$3,043,639 (2010 - \$2,841,812) from the City. Of this amount, \$412,115 (2010 - \$311,539) was net distribution revenue.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 15

Year ended December 31, 2011

18. Capital disclosures:

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2011, shareholder's equity amounts to \$61,933,283 (2010 - \$59,265,953) and long-term debt amounts to \$57,028,799 (2010 - \$47,878,608).

The OEB regulates the amount of interest on debt and the rate of return that may be recovered by the Corporation, through its electricity distribution rates, in respect of its regulated electricity distribution business. The OEB permits such recoveries on the basis of a deemed capital structure represented by 60.0% debt and 40.0% equity. The actual capital structure for the Corporation may differ from the OEB's deemed structure.

19. Payments in lieu of taxes:

The provision for PILs varies from amounts, which would be computed by applying the Corporation's combined statutory income tax rate as follows:

| | 2011 | 2010 |
|---|--------|--------|
| Basic rate applied to income before PILs | 28.25% | 31.00% |
| Increase (decrease) in PILs resulting from: | | |
| Tax basis of depreciable capital assets | | |
| in excess of accounting basis | (.24) | 1.40 |
| Items not deductible for tax purposes and other | (1.74) | (1.74) |
| Current year change in tax rates | 1.97 | 1.16 |
| Change in valuation allowance | (2.54) | (2.81) |
| Regulatory liability relating to future tax expense | (4.75) | (4.05) |
| Effective rate applied to income before PILs | 20.95% | 24.96% |

At year end, based on substantively enacted income tax rates, future income tax assets of \$3,880,559 (2010 - \$4,048,439) have not been recorded. Such future income tax assets relate to tax bases of depreciable capital assets in excess of amounts recorded for accounting purposes.

BURLINGTON HYDRO INC.

Notes to Financial Statements, page 16

Year ended December 31, 2011

20. Financial instruments:

The carrying values of cash and temporary investments, securities held as customers' deposits, accounts receivable, unbilled revenue, accounts payable and accrued liabilities, and customer and work order deposits approximate fair values because of the short maturity of these instruments.

The Ontario Infrastructure loan has a carrying value of \$9,643,977 [note 8] and a fair value of approximately \$10,667,562.

It was not practicable to estimate the fair value of the note payable as there are no future cash flows required under the terms of this debt.

Financial assets held by the Corporation, such as accounts receivable and unbilled revenue, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the City of Burlington. No single customer in either year would account for revenue in excess of 3% of the respective reported balances.

21. Emerging accounting changes:

International Financial Reporting Standards ["IFRS"]:

The Canadian Accounting Standards Board ("AcSB") has adopted a strategic plan that will have Canadian GAAP converge with IFRS, effective January 1, 2011 which will require entities to restate, for comparative purposes, their interim and annual financial statements and their opening financial position.

In October 2010, the AcSB approved the incorporation of a one year deferral of adoption of IFRS into Part 1 of the Canadian Institute of Chartered Accountants ("CICA") Handbook for qualifying entities with activities subject to rate regulation. Part 1 of the CICA Handbook specifies that first-time adoption for companies that meet this requirement is mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2012.

The amendment also requires entities that do not prepare its interim and annual financial statements in accordance with Part 1 of the Handbook during the annual period beginning on or after January 1, 2011 to disclose that fact.

The Corporation has decided to implement IFRS commencing on January 1, 2012.

22. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Appendix B

Smart Meter Model – Uniform Rate Riders



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Burlington Hydro Inc.

Cambridge and North Dumfries Hydro Inc.

Application Contact Information

Name: Stephen Shields

Title: Manager, Regulatory Affairs

Phone Number: 905 332 1851 x234

Email Address: sshields@burlingtonhydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

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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

Burlington Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A 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, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data

Smart Meter Installation Plan

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

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast | Total |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|---------|
| Residential | | 71 | 559 | 27,999 | 30,123 | 4 | | 58756 |
| General Service < 50 kW | | 161 | 81 | 1,792 | 3,071 | 5 | | 5110 |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0 | 232 | 640 | 29791 | 33194 | 9 | 0 | 63866 |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed | 0.00% | 0.36% | 1.37% | 48.01% | 99.99% | 100.00% | 0.00% | 100.00% |
| Actual/Planned number of GS > 50 kW meters installed | | 10 | 5 | 59 | 497 | | | 571 |
| Other (please identify) Micro Fit Customers | | | | | 33 | | | 33 |
| Total Number of Smart Meters installed or planned to be installed | 0 | 242 | 645 | 29850 | 33724 | 9 | 0 | 64470 |

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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
Asset type must be
selected to enable
calculations

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Smart Meter | 0 | 405,978 | 221,236 | 3,312,315 | 3,794,975 | 145,309 | | \$ 7,879,813 |
| Smart Meter | | 16,140 | 5,250 | 166,299 | 559,950 | 36,585 | | \$ 784,224 |
| Computer Hardware | | | | 24,395 | 65 | | | \$ 24,460 |
| | | | | | | | | \$ - |
| Total Advanced Metering Communications Devices (AMCD) | \$ - | \$ 422,118 | \$ 226,486 | \$ 3,503,009 | \$ 4,354,990 | \$ 181,895 | \$ - | \$ 8,688,498 |

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

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)

Asset Type

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------|------------|
| Smart Meter | | | | | 260,850 | | 100,000 | \$ 360,850 |
| Smart Meter | | | | | 23,242 | | | \$ 23,242 |
| Smart Meter | | | | | | | | \$ - |
| Total Advanced Metering Regional Collector (AMRC) (Includes LAN) | \$ - | \$ - | \$ - | \$ - | \$ 284,092 | \$ - | \$ 100,000 | \$ 384,092 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|------------|
| Computer Hardware | | | 1,403 | | 5,143 | | | \$ 6,546 |
| Computer Software | | | | | 56,969 | 40,018 | | \$ 96,987 |
| Computer Software | | 5,000 | | | | | | \$ 5,000 |
| | \$ - | \$ 5,000 | \$ 1,403 | \$ - | \$ 62,111 | \$ 40,018 | \$ - | \$ 108,532 |

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|-----------|
| Tools & Equipment | | | | | 10,476 | | | \$ 10,476 |
| | \$ - | \$ - | \$ - | \$ - | \$ 10,476 | \$ - | \$ - | \$ 10,476 |

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**Total Capital Costs Related to Minimum Functionality**

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|--------------|
| | | | | | | | | \$ - |
| Computer Software | | 1,163 | 4,972 | 4,153 | 831 | | | \$ 11,119 |
| Computer Software | | | | 20,088 | 15,000 | | | \$ 35,088 |
| | | | | | | | | \$ - |
| Smart Meter | | 20,221 | 27,334 | 39,368 | 228,820 | 295,110 | | \$ 610,852 |
| | | | | | | | | \$ - |
| | \$ - | \$ 21,384 | \$ 32,306 | \$ 63,609 | \$ 244,650 | \$ 295,110 | \$ - | \$ 657,059 |
| | \$ - | \$ 448,502 | \$ 260,195 | \$ 3,566,618 | \$ 4,956,320 | \$ 517,023 | \$ 100,000 | \$ 9,848,657 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|--------------|
| Computer Software | | | | | | | | \$ - |
| Applications Software | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 448,502 | \$ 260,195 | \$ 3,566,618 | \$ 4,956,320 | \$ 517,023 | \$ 100,000 | \$ 9,848,657 |

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify)

Meter Base Repairs

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)

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)

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

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|
| | | | | | | | | \$ - |
| | | | | 34,773 | 36,500 | 6,553 | | \$ 77,825 |
| | \$ - | \$ - | \$ - | \$ 34,773 | \$ 36,500 | \$ 6,553 | \$ - | \$ 77,825 |
| | | | | | | | | |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | |
| | | | | | | | | \$ - |
| | | | | | | 140,649 | 374,389 | \$ 515,039 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 140,649 | \$ 374,389 | \$ 515,039 |
| | | | | | | | | |
| | | | | | | 470,974 | 573,300 | \$ 1,044,274 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 470,974 | \$ 573,300 | \$ 1,044,274 |
| | | | | | | | | |
| | | | | | | | 49,000 | \$ 49,000 |
| | | | | 43,309 | 55,311 | 154,296 | 26,166 | \$ 279,082 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | 760 | | 4,711 | 8,156 | 5,055 | | \$ 18,681 |
| | | 122 | 559 | 15,163 | 9,582 | 36,058 | 56,448 | \$ 117,932 |
| | \$ - | \$ 882 | \$ 559 | \$ 63,182 | \$ 73,049 | \$ 195,409 | \$ 131,614 | \$ 464,694 |
| | \$ - | \$ 882 | \$ 559 | \$ 97,955 | \$ 109,548 | \$ 813,585 | \$ 1,079,303 | \$ 2,101,832 |
| | | | | | | | | |
| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | | |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 882 | \$ 559 | \$ 97,955 | \$ 109,548 | \$ 813,585 | \$ 1,079,303 | \$ 2,101,832 |

3 Aggregate Smart Meter Costs by Category

| | | | | | | | | | |
|--------------|-----------------------------|-------------|-------------------|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| 3.1 | Capital | | | | | | | | |
| 3.1.1 | Smart Meter | \$ - | \$ 442,338 | \$ 253,820 | \$ 3,517,982 | \$ 4,867,837 | \$ 477,005 | \$ 100,000 | \$ 9,658,982 |
| 3.1.2 | Computer Hardware | \$ - | \$ - | \$ 1,403 | \$ 24,395 | \$ 5,207 | \$ - | \$ - | \$ 31,006 |
| 3.1.3 | Computer Software | \$ - | \$ 6,163 | \$ 4,972 | \$ 24,241 | \$ 72,799 | \$ 40,018 | \$ - | \$ 148,193 |
| 3.1.4 | Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 10,476 | \$ - | \$ - | \$ 10,476 |
| 3.1.5 | Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3.1.6 | Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3.1.7 | Total Capital Costs | <u>\$ -</u> | <u>\$ 448,502</u> | <u>\$ 260,195</u> | <u>\$ 3,566,618</u> | <u>\$ 4,956,320</u> | <u>\$ 517,023</u> | <u>\$ 100,000</u> | <u>\$ 9,848,657</u> |
| 3.2 | OM&A Costs | | | | | | | | |
| 3.2.1 | Total OM&A Costs | <u>\$ -</u> | <u>\$ 882</u> | <u>\$ 559</u> | <u>\$ 97,955</u> | <u>\$ 109,548</u> | <u>\$ 813,585</u> | <u>\$ 1,079,303</u> | <u>\$ 2,101,832</u> |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Cost of Capital | | | | | | | |
| Capital Structure¹ | | | | | | | |
| Deemed Short-term Debt Capitalization | | | 0.0% | 0.0% | 4.0% | 4.0% | 4.0% |
| Deemed Long-term Debt Capitalization | 50.0% | 50.0% | 53.3% | 56.7% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Capital Parameters | | | | | | | |
| Deemed Short-term Debt Rate | | | 0.00% | 0.00% | 2.07% | 2.07% | 2.07% |
| Long-term Debt Rate (actual/embedded/deemed) ² | 6.25% | 6.25% | 6.25% | 6.25% | 5.87% | 5.87% | 5.87% |
| Target Return on Equity (ROE) | 9.0% | 9.00% | 9.00% | 9.00% | 9.85% | 9.85% | 9.85% |
| Return on Preferred Shares | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| WACC | 7.63% | 7.63% | 7.53% | 7.44% | 7.31% | 7.31% | 7.31% |
| Working Capital Allowance | | | | | | | |
| Working Capital Allowance Rate (% of the sum of Cost of Power + controllable expenses) | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Taxes/PILs | | | | | | | |
| Aggregate Corporate Income Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Capital Tax (until July 1st, 2010) | 0.30% | 0.225% | 0.225% | 0.225% | 0.075% | 0.00% | 0.00% |

Depreciation Rates

(expressed as expected useful life in years)

| | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| - rate (%) | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Tools & Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Other Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

CCA Rates

| | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|
| 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 | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Computer Equipment - CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| General Equipment - CCA Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| General Equipment - CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Applications Software - CCA Class | | | | | | | |
| Applications Software - CCA Rate | | | | | | | |

Assumptions

¹ Planned smart meter installations occur evenly throughout the year.

² Fiscal calendar year (January 1 to December 31) used.

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



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|------|------------|------------|--------------|--------------|---------------|----------------|
| Net Fixed Assets - Smart Meters | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 442,338 | \$ 696,158 | \$ 4,214,140 | \$ 9,081,977 | \$ 9,558,982 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 442,338 | \$ 253,820 | \$ 3,517,982 | \$ 4,867,837 | \$ 477,005 | \$ 100,000 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 442,338 | \$ 696,158 | \$ 4,214,140 | \$ 9,081,977 | \$ 9,558,982 | \$ 9,658,982 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | | \$ - | -\$ 14,745 | -\$ 52,694 | -\$ 216,371 | -\$ 659,575 | -\$ 1,280,940 |
| Amortization expense during year | \$ - | -\$ 14,745 | -\$ 37,950 | -\$ 163,677 | -\$ 443,204 | -\$ 621,365 | -\$ 640,599 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 14,745 | -\$ 52,694 | -\$ 216,371 | -\$ 659,575 | -\$ 1,280,940 | -\$ 1,921,539 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 427,594 | \$ 643,464 | \$ 3,997,769 | \$ 8,422,402 | \$ 8,278,041 |
| Closing Balance | \$ - | \$ 427,594 | \$ 643,464 | \$ 3,997,769 | \$ 8,422,402 | \$ 8,278,041 | \$ 7,737,443 |
| Average Net Book Value | \$ - | \$ 213,797 | \$ 535,529 | \$ 2,320,616 | \$ 6,210,085 | \$ 8,350,222 | \$ 8,007,742 |
| Net Fixed Assets - Computer Hardware | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ - | \$ 1,403 | \$ 25,799 | \$ 31,006 | \$ 31,006 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ 1,403 | \$ 24,395 | \$ 5,207 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ 1,403 | \$ 25,799 | \$ 31,006 | \$ 31,006 | \$ 31,006 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | -\$ 140 | -\$ 2,861 | -\$ 8,541 | -\$ 14,742 |
| Amortization expense during year | \$ - | \$ - | -\$ 140 | -\$ 2,720 | -\$ 5,680 | -\$ 6,201 | -\$ 6,201 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | -\$ 140 | -\$ 2,861 | -\$ 8,541 | -\$ 14,742 | -\$ 20,943 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 1,263 | \$ 22,938 | \$ 22,465 | \$ 16,264 |
| Closing Balance | \$ - | \$ - | \$ 1,263 | \$ 22,938 | \$ 22,465 | \$ 16,264 | \$ 10,063 |
| Average Net Book Value | \$ - | \$ - | \$ 631 | \$ 12,101 | \$ 22,702 | \$ 19,364 | \$ 13,163 |
| Net Fixed Assets - Computer Software (including Applications Software) | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 6,163 | \$ 11,136 | \$ 35,376 | \$ 108,176 | \$ 148,193 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 6,163 | \$ 4,972 | \$ 24,241 | \$ 72,799 | \$ 40,018 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 6,163 | \$ 11,136 | \$ 35,376 | \$ 108,176 | \$ 148,193 | \$ 148,193 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | -\$ 616 | -\$ 2,346 | -\$ 6,997 | -\$ 21,353 | -\$ 46,990 |
| Amortization expense during year | \$ - | -\$ 616 | -\$ 1,730 | -\$ 4,651 | -\$ 14,355 | -\$ 25,637 | -\$ 29,639 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 616 | -\$ 2,346 | -\$ 6,997 | -\$ 21,353 | -\$ 46,990 | -\$ 76,628 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 5,547 | \$ 8,789 | \$ 28,379 | \$ 86,823 | \$ 101,204 |
| Closing Balance | \$ - | \$ 5,547 | \$ 8,789 | \$ 28,379 | \$ 86,823 | \$ 101,204 | \$ 71,565 |
| Average Net Book Value | \$ - | \$ 2,774 | \$ 7,168 | \$ 18,584 | \$ 57,601 | \$ 94,013 | \$ 86,385 |

Net Fixed Assets - Tools and Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|-----------|-----------|-----------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ 10,476 | \$ 10,476 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ 10,476 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 10,476 | \$ 10,476 | \$ 10,476 |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|--------|----------|----------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 524 | \$ 1,571 |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ 524 | \$ 1,048 | \$ 1,048 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 524 | \$ 1,571 | \$ 2,619 |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|----------|----------|----------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,952 | \$ 8,905 |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 9,952 | \$ 8,905 | \$ 7,857 |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ 4,976 | \$ 9,428 | \$ 8,381 |

Net Fixed Assets - Other Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|------|------|------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and Later |
|---|-------------|--------------------|--------------------|---------------------|---------------------|----------------------|----------------------|
| Average Net Fixed Asset Values (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 213,797 | \$ 535,529 | \$ 2,320,616 | \$ 6,210,085 | \$ 8,350,222 | \$ 8,007,742 |
| Computer Hardware | \$ - | \$ - | \$ 631 | \$ 12,101 | \$ 22,702 | \$ 19,364 | \$ 13,163 |
| Computer Software | \$ - | \$ 2,774 | \$ 7,168 | \$ 18,584 | \$ 57,601 | \$ 94,013 | \$ 86,385 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 4,976 | \$ 9,428 | \$ 8,381 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Net Fixed Assets | \$ - | \$ 216,570 | \$ 543,328 | \$ 2,351,301 | \$ 6,295,364 | \$ 8,473,028 | \$ 8,115,671 |
| Working Capital | | | | | | | |
| Operating Expenses (from Sheet 2) | \$ - | \$ 882 | \$ 559 | \$ 97,955 | \$ 109,548 | \$ 813,585 | \$ 1,079,303 |
| Working Capital Factor (from Sheet 3) | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Working Capital Allowance | \$ - | \$ 132 | \$ 84 | \$ 14,693 | \$ 16,432 | \$ 122,038 | \$ 161,896 |
| Incremental Smart Meter Rate Base | \$ - | \$ 216,703 | \$ 543,412 | \$ 2,365,994 | \$ 6,311,796 | \$ 8,595,066 | \$ 8,277,566 |
| Return on Rate Base | | | | | | | |
| Capital Structure | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 252,472 | \$ 343,803 | \$ 331,103 |
| Deemed Long Term Debt | \$ - | \$ 108,351 | \$ 289,639 | \$ 1,341,519 | \$ 3,534,606 | \$ 4,813,237 | \$ 4,635,437 |
| Equity | \$ - | \$ 108,351 | \$ 253,773 | \$ 1,024,475 | \$ 2,524,718 | \$ 3,438,026 | \$ 3,311,026 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Capitalization | \$ - | \$ 216,703 | \$ 543,412 | \$ 2,365,994 | \$ 6,311,796 | \$ 8,595,066 | \$ 8,277,566 |
| Return on | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 5,226 | \$ 7,117 | \$ 6,854 |
| Deemed Long Term Debt | \$ - | \$ 6,772 | \$ 18,102 | \$ 83,845 | \$ 207,481 | \$ 282,537 | \$ 272,100 |
| Equity | \$ - | \$ 9,752 | \$ 22,840 | \$ 92,203 | \$ 248,685 | \$ 338,646 | \$ 326,136 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Return on Capital | \$ - | \$ 16,524 | \$ 40,942 | \$ 176,048 | \$ 461,392 | \$ 628,299 | \$ 605,090 |
| Operating Expenses | \$ - | \$ 882 | \$ 559 | \$ 97,955 | \$ 109,548 | \$ 813,585 | \$ 1,079,303 |
| Amortization Expenses (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 14,745 | \$ 37,950 | \$ 163,677 | \$ 443,204 | \$ 621,365 | \$ 640,599 |
| Computer Hardware | \$ - | \$ - | \$ 140 | \$ 2,720 | \$ 5,680 | \$ 6,201 | \$ 6,201 |
| Computer Software | \$ - | \$ 616 | \$ 1,730 | \$ 4,651 | \$ 14,355 | \$ 25,637 | \$ 29,639 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 524 | \$ 1,048 | \$ 1,048 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Amortization Expense in Year | \$ - | \$ 15,361 | \$ 39,820 | \$ 171,048 | \$ 463,763 | \$ 654,251 | \$ 677,486 |
| Incremental Revenue Requirement before Taxes/PILs | \$ - | \$ 32,766 | \$ 81,321 | \$ 445,050 | \$ 1,034,704 | \$ 2,096,136 | \$ 2,361,880 |
| Calculation of Taxable Income | | | | | | | |
| Incremental Operating Expenses | \$ - | \$ 882 | \$ 559 | \$ 97,955 | \$ 109,548 | \$ 813,585 | \$ 1,079,303 |
| Amortization Expense | \$ - | \$ 15,361 | \$ 39,820 | \$ 171,048 | \$ 463,763 | \$ 654,251 | \$ 677,486 |
| Interest Expense | \$ - | \$ 6,772 | \$ 18,102 | \$ 83,845 | \$ 212,708 | \$ 289,654 | \$ 278,954 |
| Net Income for Taxes/PILs | \$ - | \$ 9,752 | \$ 22,840 | \$ 92,203 | \$ 248,685 | \$ 338,646 | \$ 326,136 |
| Grossed-up Taxes/PILs (from Sheet 7) | \$ - | \$ 4,211.17 | \$ 8,686.49 | \$ 36,082.39 | \$ 77,091.36 | \$ 114,558.88 | \$ 141,578.55 |
| Revenue Requirement, including Grossed-up Taxes/PILs | \$ - | \$ 36,977 | \$ 90,007 | \$ 481,133 | \$ 1,111,795 | \$ 2,210,694 | \$ 2,503,458 |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

For PILs Calculation

UCC - Smart Meters

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 424,644.81 | \$ 634,340.15 | \$ 3,960,855.54 | \$ 8,317,110.44 | \$ 8,109,666.31 |
| Capital Additions | \$ - | \$ 442,338.34 | \$ 253,819.72 | \$ 3,517,981.87 | \$ 4,867,836.82 | \$ 477,004.90 | \$ 100,000.00 |
| Retirements/Removals (if applicable) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| UCC Before Half Year Rule | \$ - | \$ 442,338.34 | \$ 678,464.53 | \$ 4,152,322.02 | \$ 8,828,692.36 | \$ 8,794,115.34 | \$ 8,209,666.31 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 221,169.17 | \$ 126,909.86 | \$ 1,758,990.94 | \$ 2,433,918.41 | \$ 238,502.45 | \$ 50,000.00 |
| Reduced UCC | \$ - | \$ 221,169.17 | \$ 551,554.67 | \$ 2,393,331.09 | \$ 6,394,773.95 | \$ 8,555,612.89 | \$ 8,159,666.31 |
| CCA Rate Class | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| CCA Rate | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| CCA | \$ - | \$ 17,693.53 | \$ 44,124.37 | \$ 191,466.49 | \$ 511,581.92 | \$ 684,449.03 | \$ 652,773.30 |
| Closing UCC | \$ - | \$ 424,644.81 | \$ 634,340.15 | \$ 3,960,855.54 | \$ 8,317,110.44 | \$ 8,109,666.31 | \$ 7,556,893.00 |

UCC - Computer Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 4,468.52 | \$ 6,632.87 | \$ 38,246.07 | \$ 73,765.63 | \$ 62,207.38 |
| Capital Additions Computer Hardware | \$ - | \$ - | \$ 1,403.20 | \$ 24,395.45 | \$ 5,207.36 | \$ - | \$ - |
| Capital Additions Computer Software | \$ - | \$ 6,163.48 | \$ 4,972.02 | \$ 24,240.80 | \$ 72,799.39 | \$ 40,017.72 | \$ - |
| Retirements/Removals (if applicable) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| UCC Before Half Year Rule | \$ - | \$ 6,163.48 | \$ 10,843.74 | \$ 55,269.12 | \$ 116,252.82 | \$ 113,783.35 | \$ 62,207.38 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 3,081.74 | \$ 3,187.61 | \$ 24,318.13 | \$ 39,003.38 | \$ 20,008.86 | \$ - |
| Reduced UCC | \$ - | \$ 3,081.74 | \$ 7,656.13 | \$ 30,950.99 | \$ 77,249.45 | \$ 93,774.49 | \$ 62,207.38 |
| CCA Rate Class | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| CCA | \$ - | \$ 1,694.96 | \$ 4,210.87 | \$ 17,023.05 | \$ 42,487.20 | \$ 51,575.97 | \$ 34,214.06 |
| Closing UCC | \$ - | \$ 4,468.52 | \$ 6,632.87 | \$ 38,246.07 | \$ 73,765.63 | \$ 62,207.38 | \$ 27,993.32 |

UCC - General Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,428.40 | \$ 7,542.72 |
| Capital Additions Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 10,476.00 | \$ - | \$ - |
| Capital Additions Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| UCC Before Half Year Rule | \$ - | \$ - | \$ - | \$ - | \$ 10,476.00 | \$ 9,428.40 | \$ 7,542.72 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ - | \$ - | \$ - | \$ 5,238.00 | \$ - | \$ - |
| Reduced UCC | \$ - | \$ - | \$ - | \$ - | \$ 5,238.00 | \$ 9,428.40 | \$ 7,542.72 |
| CCA Rate Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| CCA | \$ - | \$ - | \$ - | \$ - | \$ 1,047.60 | \$ 1,885.68 | \$ 1,508.54 |
| Closing UCC | \$ - | \$ - | \$ - | \$ - | \$ 9,428.40 | \$ 7,542.72 | \$ 6,034.18 |



PILs Calculation

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| INCOME TAX | | | | | | | |
| Net Income | \$ - | \$ 9,751.62 | \$ 22,839.61 | \$ 92,202.79 | \$ 248,684.77 | \$ 338,645.59 | \$ 326,136.10 |
| Amortization | \$ - | \$ 15,360.96 | \$ 39,820.10 | \$ 171,047.96 | \$ 463,763.35 | \$ 654,250.99 | \$ 677,486.26 |
| CCA - Smart Meters | \$ - | \$ 17,693.53 | \$ 44,124.37 | \$ 191,466.49 | \$ 511,581.92 | \$ 684,449.03 | \$ 652,773.30 |
| CCA - Computers | \$ - | \$ 1,694.96 | \$ 4,210.87 | \$ 17,023.05 | \$ 42,487.20 | \$ 51,575.97 | \$ 34,214.06 |
| CCA - Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CCA - Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ 1,047.60 | \$ 1,885.68 | \$ 1,508.54 |
| Change in taxable income | \$ - | \$ 5,724.09 | \$ 14,324.46 | \$ 54,761.22 | \$ 157,331.41 | \$ 254,985.90 | \$ 315,126.46 |
| Tax Rate (from Sheet 3) | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Income Taxes Payable | \$ - | \$ 2,067.54 | \$ 4,798.69 | \$ 18,071.20 | \$ 48,772.74 | \$ 79,045.63 | \$ 97,689.20 |
| ONTARIO CAPITAL TAX | | | | | | | |
| Smart Meters | \$ - | \$ 427,593.73 | \$ 643,463.57 | \$ 3,997,768.84 | \$ 8,422,401.77 | \$ 8,278,041.39 | \$ 7,737,442.61 |
| Computer Hardware | \$ - | \$ - | \$ 1,262.88 | \$ 22,938.15 | \$ 22,465.04 | \$ 16,263.84 | \$ 10,062.64 |
| Computer Software (Including Application Software) | \$ - | \$ 5,547.13 | \$ 8,789.25 | \$ 28,378.87 | \$ 86,823.07 | \$ 101,203.88 | \$ 71,565.19 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 9,952.20 | \$ 8,904.60 | \$ 7,857.00 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Base | \$ - | \$ 433,140.86 | \$ 653,515.70 | \$ 4,049,085.86 | \$ 8,541,642.07 | \$ 8,404,413.70 | \$ 7,826,927.44 |
| Less: Exemption | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deemed Taxable Capital | \$ - | \$ 433,140.86 | \$ 653,515.70 | \$ 4,049,085.86 | \$ 8,541,642.07 | \$ 8,404,413.70 | \$ 7,826,927.44 |
| Ontario Capital Tax Rate (from Sheet 3) | 0.300% | 0.225% | 0.225% | 0.225% | 0.075% | 0.000% | 0.000% |
| Net Amount (Taxable Capital x Rate) | \$ - | \$ 974.57 | \$ 1,470.41 | \$ 9,110.44 | \$ 6,406.23 | \$ - | \$ - |
| Change in Income Taxes Payable | \$ - | \$ 2,067.54 | \$ 4,798.69 | \$ 18,071.20 | \$ 48,772.74 | \$ 79,045.63 | \$ 97,689.20 |
| Change in OCT | \$ - | \$ 974.57 | \$ 1,470.41 | \$ 9,110.44 | \$ 6,406.23 | \$ - | \$ - |
| PILs | \$ - | \$ 3,042.11 | \$ 6,269.10 | \$ 27,181.64 | \$ 55,178.97 | \$ 79,045.63 | \$ 97,689.20 |
| Gross Up PILs | | | | | | | |
| Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Change in Income Taxes Payable | \$ - | \$ 3,236.60 | \$ 7,216.08 | \$ 26,971.94 | \$ 70,685.13 | \$ 114,558.88 | \$ 141,578.55 |
| Change in OCT | \$ - | \$ 974.57 | \$ 1,470.41 | \$ 9,110.44 | \$ 6,406.23 | \$ - | \$ - |
| PILs | \$ - | \$ 4,211.17 | \$ 8,686.49 | \$ 36,082.39 | \$ 77,091.36 | \$ 114,558.88 | \$ 141,578.55 |



Ontario Energy Board

Smart Meter Model

Burlington 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 |
|----------------|---|-------|--------|------|---------|--------------------------------|---------------------------|------------------|-------------|-----------------|----------------|
| 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 | \$ - | \$ 53.53 | 4.14% | \$ - | \$ 53.53 | |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | \$ 53.53 | \$ 7,482.14 | 4.14% | \$ 0.18 | \$ 7,535.85 | |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | \$ 7,535.67 | \$ 15,691.51 | 4.59% | \$ 28.82 | \$ 23,256.00 | |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | \$ 23,227.18 | \$ 14,842.28 | 4.59% | \$ 88.84 | \$ 38,158.30 | |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | \$ 38,069.46 | \$ 17,685.84 | 4.59% | \$ 145.62 | \$ 55,900.92 | |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | \$ 55,755.30 | \$ 14,889.99 | 4.59% | \$ 213.26 | \$ 70,858.55 | |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | \$ 70,645.29 | \$ 17,365.81 | 4.59% | \$ 270.22 | \$ 88,281.32 | |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | \$ 88,011.10 | \$ 14,864.43 | 4.59% | \$ 336.64 | \$ 103,212.17 | \$ 103,959.11 |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | \$ 102,875.53 | \$ 12,874.51 | 4.59% | \$ 393.50 | \$ 116,143.54 | |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | \$ 115,750.04 | \$ 15,296.78 | 4.59% | \$ 442.74 | \$ 131,489.56 | |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | \$ 131,046.82 | \$ 17,589.13 | 4.59% | \$ 501.25 | \$ 149,137.20 | |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | \$ 148,635.95 | \$ 15,351.85 | 4.59% | \$ 568.53 | \$ 164,556.33 | |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | \$ 163,987.80 | \$ 17,517.74 | 4.59% | \$ 627.25 | \$ 182,132.79 | |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | \$ 181,505.54 | \$ 15,426.79 | 4.59% | \$ 694.26 | \$ 197,626.59 | |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | \$ 196,932.33 | \$ 15,667.55 | 4.59% | \$ 753.27 | \$ 213,353.15 | |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | \$ 212,599.88 | \$ 15,502.33 | 4.59% | \$ 813.19 | \$ 228,915.40 | |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | \$ 228,102.21 | \$ 17,557.38 | 4.59% | \$ 872.49 | \$ 246,532.08 | |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | \$ 245,659.59 | \$ 15,487.04 | 5.14% | \$ 1,052.24 | \$ 262,198.87 | |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | \$ 261,146.63 | \$ 17,666.48 | 5.14% | \$ 1,118.58 | \$ 279,931.69 | |
| 2011 Q4 | 1.47% | 4.29% | Dec-07 | 2007 | Q4 | \$ 278,813.11 | \$ 15,512.91 | 5.14% | \$ 1,194.25 | \$ 295,520.27 | \$ 200,482.04 |
| 2012 Q1 | 1.47% | 4.29% | Jan-08 | 2008 | Q1 | \$ 294,326.02 | \$ 17,651.63 | 5.14% | \$ 1,260.70 | \$ 313,238.35 | |
| 2012 Q2 | 0.00% | 4.29% | Feb-08 | 2008 | Q1 | \$ 311,977.65 | \$ 15,653.97 | 5.14% | \$ 1,336.30 | \$ 328,967.92 | |
| 2012 Q3 | 0.00% | 4.29% | Mar-08 | 2008 | Q1 | \$ 327,631.62 | \$ 17,730.98 | 5.14% | \$ 1,403.36 | \$ 346,765.96 | |
| 2012 Q4 | 0.00% | 4.29% | Apr-08 | 2008 | Q2 | \$ 345,362.60 | \$ 15,699.60 | 4.08% | \$ 1,174.23 | \$ 362,236.43 | |
| | | | May-08 | 2008 | Q2 | \$ 361,062.20 | \$ 17,778.24 | 4.08% | \$ 1,227.61 | \$ 380,068.05 | |
| | | | Jun-08 | 2008 | Q2 | \$ 378,840.44 | \$ 15,759.86 | 4.08% | \$ 1,288.06 | \$ 395,888.36 | |
| | | | Jul-08 | 2008 | Q3 | \$ 394,600.30 | \$ 17,792.98 | 3.35% | \$ 1,101.59 | \$ 413,494.87 | |
| | | | Aug-08 | 2008 | Q3 | \$ 412,393.28 | \$ 15,860.95 | 3.35% | \$ 1,151.26 | \$ 429,405.49 | |
| | | | Sep-08 | 2008 | Q3 | \$ 428,254.23 | \$ 17,719.37 | 3.35% | \$ 1,195.54 | \$ 447,169.14 | |
| | | | Oct-08 | 2008 | Q4 | \$ 445,973.60 | \$ 15,857.17 | 3.35% | \$ 1,245.01 | \$ 463,075.78 | |
| | | | Nov-08 | 2008 | Q4 | \$ 461,830.77 | \$ 17,765.73 | 3.35% | \$ 1,289.28 | \$ 480,885.78 | |
| | | | Dec-08 | 2008 | Q4 | \$ 479,596.50 | \$ 22,821.27 | 3.35% | \$ 1,338.87 | \$ 503,756.64 | \$ 223,103.56 |
| | | | Jan-09 | 2009 | Q1 | \$ 502,417.77 | \$ 17,779.21 | 2.45% | \$ 1,025.77 | \$ 521,222.75 | |
| | | | Feb-09 | 2009 | Q1 | \$ 520,196.98 | \$ 16,053.64 | 2.45% | \$ 1,062.07 | \$ 537,312.69 | |
| | | | Mar-09 | 2009 | Q1 | \$ 536,250.62 | \$ 17,854.05 | 2.45% | \$ 1,094.85 | \$ 555,199.52 | |
| | | | Apr-09 | 2009 | Q2 | \$ 554,104.67 | \$ 16,157.27 | 1.00% | \$ 461.75 | \$ 570,723.69 | |
| | | | May-09 | 2009 | Q2 | \$ 570,261.94 | \$ 63,827.92 | 1.00% | \$ 475.22 | \$ 634,565.08 | |
| | | | Jun-09 | 2009 | Q2 | \$ 634,089.86 | \$ 59,866.60 | 1.00% | \$ 528.41 | \$ 694,484.87 | |
| | | | Jul-09 | 2009 | Q3 | \$ 693,956.46 | \$ 66,441.95 | 0.55% | \$ 318.06 | \$ 760,716.47 | |
| | | | Aug-09 | 2009 | Q3 | \$ 760,398.41 | \$ 60,111.90 | 0.55% | \$ 348.52 | \$ 820,858.83 | |
| | | | Sep-09 | 2009 | Q3 | \$ 820,510.31 | \$ 66,262.79 | 0.55% | \$ 376.07 | \$ 887,149.17 | |
| | | | Oct-09 | 2009 | Q4 | \$ 886,773.10 | \$ 60,145.01 | 0.55% | \$ 406.44 | \$ 947,324.55 | |
| | | | Nov-09 | 2009 | Q4 | \$ 946,918.11 | \$ 66,326.14 | 0.55% | \$ 434.00 | \$ 1,013,678.25 | |
| | | | Dec-09 | 2009 | Q4 | \$ 1,013,244.25 | \$ 60,090.56 | 0.55% | \$ 464.40 | \$ 1,073,799.21 | \$ 577,912.60 |
| | | | Jan-10 | 2010 | Q1 | \$ 1,073,334.81 | \$ 66,351.59 | 0.55% | \$ 491.95 | \$ 1,140,178.35 | |
| | | | Feb-10 | 2010 | Q1 | \$ 1,139,686.40 | \$ 60,706.38 | 0.55% | \$ 522.36 | \$ 1,200,915.14 | |
| | | | Mar-10 | 2010 | Q1 | \$ 1,200,392.78 | \$ 66,388.36 | 0.55% | \$ 550.18 | \$ 1,267,331.32 | |
| | | | Apr-10 | 2010 | Q2 | \$ 1,266,781.14 | \$ 60,876.73 | 0.55% | \$ 580.61 | \$ 1,328,238.48 | |
| | | | May-10 | 2010 | Q2 | \$ 1,327,657.87 | \$ 66,473.80 | 0.55% | \$ 608.51 | \$ 1,394,740.18 | |
| | | | Jun-10 | 2010 | Q2 | \$ 1,394,131.67 | \$ 61,146.38 | 0.55% | \$ 638.98 | \$ 1,455,917.03 | |
| | | | Jul-10 | 2010 | Q3 | \$ 1,455,278.05 | \$ 66,739.27 | 0.89% | \$ 1,079.33 | \$ 1,523,096.65 | |
| | | | Aug-10 | 2010 | Q3 | \$ 1,522,017.32 | \$ 61,246.38 | 0.89% | \$ 1,128.83 | \$ 1,584,392.53 | |
| | | | Sep-10 | 2010 | Q3 | \$ 1,583,263.70 | \$ 66,486.37 | 0.89% | \$ 1,174.25 | \$ 1,650,924.32 | |
| | | | Oct-10 | 2010 | Q4 | \$ 1,649,750.07 | \$ 61,342.32 | 1.20% | \$ 1,649.75 | \$ 1,712,742.14 | |
| | | | Nov-10 | 2010 | Q4 | \$ 1,711,092.39 | \$ 66,654.24 | 1.20% | \$ 1,711.09 | \$ 1,779,457.72 | |
| | | | Dec-10 | 2010 | Q4 | \$ 1,777,746.63 | \$ 61,635.31 | 1.20% | \$ 1,777.75 | \$ 1,841,159.69 | \$ 777,960.72 |
| | | | Jan-11 | 2011 | Q1 | \$ 1,839,381.94 | \$ 66,678.63 | 1.47% | \$ 2,253.24 | \$ 1,908,313.81 | |
| | | | Feb-11 | 2011 | Q1 | \$ 1,906,060.57 | \$ 61,885.85 | 1.47% | \$ 2,334.92 | \$ 1,970,281.34 | |
| | | | Mar-11 | 2011 | Q1 | \$ 1,967,946.42 | \$ 66,902.20 | 1.47% | \$ 2,410.73 | \$ 2,037,259.35 | |
| | | | Apr-11 | 2011 | Q2 | \$ 2,034,848.62 | \$ 61,820.67 | 1.47% | \$ 2,492.69 | \$ 2,099,161.98 | |
| | | | May-11 | 2011 | Q2 | \$ 2,096,669.29 | \$ 69,090.32 | 1.47% | \$ 2,568.42 | \$ 2,168,328.03 | |
| | | | Jun-11 | 2011 | Q2 | \$ 2,165,759.61 | \$ 103,982.35 | 1.47% | \$ 2,653.06 | \$ 2,272,395.02 | |
| | | | Jul-11 | 2011 | Q3 | \$ 2,269,741.96 | \$ 153,029.05 | 1.47% | \$ 2,780.43 | \$ 2,425,551.44 | |
| | | | Aug-11 | 2011 | Q3 | \$ 2,422,771.01 | \$ 155,941.73 | 1.47% | \$ 2,967.89 | \$ 2,581,680.63 | |
| | | | Sep-11 | 2011 | Q3 | \$ 2,578,712.74 | \$ 167,015.30 | 1.47% | \$ 3,158.92 | \$ 2,748,886.96 | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

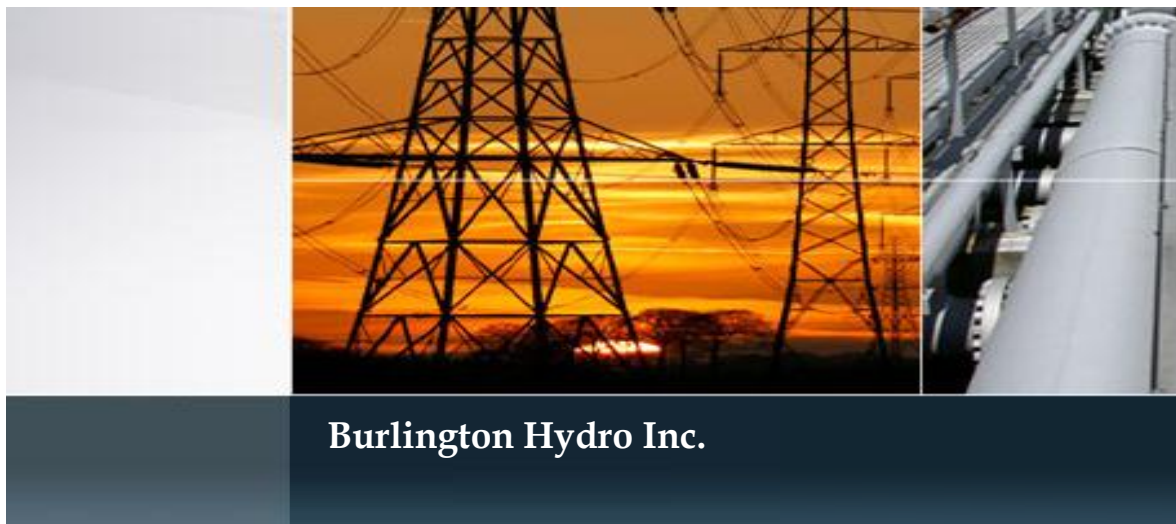
This worksheet calculates the funding adder revenues.

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 |
|--|---|------|--------|------|---------|--------------------------------|---------------------------|------------------|--------------|-----------------|-----------------|
| | | | | | | | | | | | |
| | | | Oct-11 | 2011 | Q4 | \$ 2,745,728.04 | \$ 155,616.85 | 1.47% | \$ 3,363.52 | \$ 2,904,708.41 | |
| | | | Nov-11 | 2011 | Q4 | \$ 2,901,344.89 | \$ 167,655.25 | 1.47% | \$ 3,554.15 | \$ 3,072,554.29 | |
| | | | Dec-11 | 2011 | Q4 | \$ 3,069,000.14 | \$ 155,966.58 | 1.47% | \$ 3,759.53 | \$ 3,228,726.25 | \$ 1,419,882.28 |
| | | | Jan-12 | 2012 | Q1 | \$ 3,224,966.72 | \$ 167,330.79 | 1.47% | \$ 3,950.58 | \$ 3,396,248.09 | |
| | | | Feb-12 | 2012 | Q1 | \$ 3,392,297.51 | \$ 160,000.00 | 1.47% | \$ 4,155.56 | \$ 3,556,453.07 | |
| | | | Mar-12 | 2012 | Q1 | \$ 3,552,297.51 | \$ 160,000.00 | 1.47% | \$ 4,351.56 | \$ 3,716,649.07 | |
| | | | Apr-12 | 2012 | Q2 | \$ 3,712,297.51 | \$ 160,000.00 | 1.47% | \$ 4,547.56 | \$ 3,876,845.07 | |
| | | | May-12 | 2012 | Q2 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Jun-12 | 2012 | Q2 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Jul-12 | 2012 | Q3 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Aug-12 | 2012 | Q3 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Sep-12 | 2012 | Q3 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Oct-12 | 2012 | Q4 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Nov-12 | 2012 | Q4 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | |
| | | | Dec-12 | 2012 | Q4 | \$ 3,872,297.51 | | 0.00% | \$ - | \$ 3,872,297.51 | \$ 664,336.05 |
| Total Funding Adder Revenues Collected | | | | | | | \$ 3,872,297.51 | | \$ 95,338.85 | \$ 3,967,636.36 | \$ 3,967,636.36 |

[illegible][illegible]

[illegible][illegible]



This worksheet calculates the interest on OM&A and amortization/depr

Account 1556 - Su

| Prescribed Interest Rates | Approved Deferral and Variance Accounts | CWIP | Date | Year | Quarter | Opening Balance (Principal) |
|---------------------------------|--|-------|--------|------|---------|--------------------------------|
| 2006 Q1 | 0.00% | 0.00% | Jan-06 | 2006 | Q1 | \$ - |
| 2006 Q2 | 4.14% | 4.68% | Feb-06 | 2006 | Q1 | - |
| 2006 Q3 | 4.59% | 5.05% | Mar-06 | 2006 | Q1 | - |
| 2006 Q4 | 4.59% | 4.72% | Apr-06 | 2006 | Q2 | - |
| 2007 Q1 | 4.59% | 4.72% | May-06 | 2006 | Q2 | - |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | - |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | - |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | - |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | - |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | - |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | - |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | - |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | - |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | - |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | - |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | - |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | 416.67 |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | 416.67 |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | 666.67 |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | 666.67 |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | 4,229.52 |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | 5,896.19 |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | 6,562.88 |

| | | | | | | | |
|---------|-------|-------|--|--------|------|----|--------------|
| 2011 Q4 | 1.47% | 4.29% | | Dec-07 | 2007 | Q4 | 7,319.69 |
| 2012 Q1 | 1.47% | 4.29% | | Jan-08 | 2008 | Q1 | 8,542.51 |
| 2012 Q2 | 0.00% | 4.29% | | Feb-08 | 2008 | Q1 | 8,542.51 |
| 2012 Q3 | 0.00% | 4.29% | | Mar-08 | 2008 | Q1 | 8,542.51 |
| 2012 Q4 | 0.00% | 4.29% | | Apr-08 | 2008 | Q2 | 8,542.51 |
| | | | | May-08 | 2008 | Q2 | 10,829.26 |
| | | | | Jun-08 | 2008 | Q2 | 10,829.26 |
| | | | | Jul-08 | 2008 | Q3 | 10,829.26 |
| | | | | Aug-08 | 2008 | Q3 | 20,030.50 |
| | | | | Sep-08 | 2008 | Q3 | 21,483.36 |
| | | | | Oct-08 | 2008 | Q4 | 21,483.36 |
| | | | | Nov-08 | 2008 | Q4 | 25,028.13 |
| | | | | Dec-08 | 2008 | Q4 | 25,028.13 |
| | | | | Jan-09 | 2009 | Q1 | 156,420.52 |
| | | | | Feb-09 | 2009 | Q1 | 156,420.52 |
| | | | | Mar-09 | 2009 | Q1 | 156,420.52 |
| | | | | Apr-09 | 2009 | Q2 | 156,420.52 |
| | | | | May-09 | 2009 | Q2 | 179,630.30 |
| | | | | Jun-09 | 2009 | Q2 | 181,672.15 |
| | | | | Jul-09 | 2009 | Q3 | 209,319.59 |
| | | | | Aug-09 | 2009 | Q3 | 260,643.40 |
| | | | | Sep-09 | 2009 | Q3 | 266,349.86 |
| | | | | Oct-09 | 2009 | Q4 | 276,969.75 |
| | | | | Nov-09 | 2009 | Q4 | 283,564.51 |
| | | | | Dec-09 | 2009 | Q4 | 286,314.86 |
| | | | | Jan-10 | 2010 | Q1 | 634,930.99 |
| | | | | Feb-10 | 2010 | Q1 | 635,930.99 |
| | | | | Mar-10 | 2010 | Q1 | 646,418.81 |
| | | | | Apr-10 | 2010 | Q2 | 653,504.86 |
| | | | | May-10 | 2010 | Q2 | 655,833.51 |
| | | | | Jun-10 | 2010 | Q2 | 660,878.61 |
| | | | | Jul-10 | 2010 | Q3 | 671,804.14 |
| | | | | Aug-10 | 2010 | Q3 | 677,027.90 |
| | | | | Sep-10 | 2010 | Q3 | 729,926.85 |
| | | | | Oct-10 | 2010 | Q4 | 766,936.34 |
| | | | | Nov-10 | 2010 | Q4 | 826,716.98 |
| | | | | Dec-10 | 2010 | Q4 | 833,619.29 |
| | | | | Jan-11 | 2011 | Q1 | 1,560,298.61 |
| | | | | Feb-11 | 2011 | Q1 | 1,560,663.49 |
| | | | | Mar-11 | 2011 | Q1 | 1,448,448.53 |
| | | | | Apr-11 | 2011 | Q2 | 1,460,261.19 |
| | | | | May-11 | 2011 | Q2 | 1,462,835.77 |
| | | | | Jun-11 | 2011 | Q2 | 1,472,452.71 |
| | | | | Jul-11 | 2011 | Q3 | 1,486,205.66 |
| | | | | Aug-11 | 2011 | Q3 | 1,647,890.94 |
| | | | | Sep-11 | 2011 | Q3 | 1,684,859.46 |
| | | | | Oct-11 | 2011 | Q4 | 1,720,695.51 |
| | | | | Nov-11 | 2011 | Q4 | 1,770,579.28 |
| | | | | Dec-11 | 2011 | Q4 | 1,876,234.74 |

| | | | | |
|--|--------|------|----|--------------|
| | Jan-12 | 2012 | Q1 | 2,496,416.01 |
| | Feb-12 | 2012 | Q1 | 2,496,416.01 |
| | Mar-12 | 2012 | Q1 | 2,496,416.01 |
| | Apr-12 | 2012 | Q2 | 2,496,416.01 |
| | May-12 | 2012 | Q2 | 2,496,416.01 |
| | Jun-12 | 2012 | Q2 | 2,496,416.01 |
| | Jul-12 | 2012 | Q3 | 2,496,416.01 |
| | Aug-12 | 2012 | Q3 | 2,496,416.01 |
| | Sep-12 | 2012 | Q3 | 2,496,416.01 |
| | Oct-12 | 2012 | Q4 | 2,496,416.01 |
| | Nov-12 | 2012 | Q4 | 2,496,416.01 |
| | Dec-12 | 2012 | Q4 | 2,496,416.01 |



Depreciation expense, based on monthly data.

b-accounts Operating Expenses, Amortization Expenses, Carrying Charges

| OM&A Expenses | Amortization / Depreciation Expense | Closing Balance (Principal) | (Annual) Interest Rate | Interest (on opening balance) | Cumulative Interest |
|---------------|---|--------------------------------|------------------------------|-------------------------------------|------------------------|
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| \$ 416.67 | | 416.67 | 4.59% | - | - |
| | | 416.67 | 4.59% | 1.59 | 1.59 |
| \$ 250.00 | | 666.67 | 4.59% | 1.59 | 3.19 |
| | | 666.67 | 4.59% | 2.55 | 5.74 |
| \$ 3,562.85 | | 4,229.52 | 4.59% | 2.55 | 8.29 |
| \$ 1,666.67 | | 5,896.19 | 4.59% | 16.18 | 24.47 |
| \$ 666.69 | | 6,562.88 | 5.14% | 25.26 | 49.72 |
| \$ 756.81 | | 7,319.69 | 5.14% | 28.11 | 77.83 |

| | | | | | |
|----------------|---------------|--------------|-------|----------|-----------|
| \$ 1,222.82 | | 8,542.51 | 5.14% | 31.35 | 109.18 |
| | | 8,542.51 | 5.14% | 36.59 | 145.77 |
| | | 8,542.51 | 5.14% | 36.59 | 182.37 |
| | | 8,542.51 | 5.14% | 36.59 | 218.96 |
| \$ 2,286.75 | | 10,829.26 | 4.08% | 29.04 | 248.00 |
| | | 10,829.26 | 4.08% | 36.82 | 284.82 |
| | | 10,829.26 | 4.08% | 36.82 | 321.64 |
| \$ 9,201.24 | | 20,030.50 | 3.35% | 30.23 | 351.87 |
| \$ 1,452.86 | | 21,483.36 | 3.35% | 55.92 | 407.79 |
| | | 21,483.36 | 3.35% | 59.97 | 467.76 |
| \$ 3,544.77 | | 25,028.13 | 3.35% | 59.97 | 527.74 |
| | | 25,028.13 | 3.35% | 69.87 | 597.61 |
| \$ 10,848.71 | \$ 120,543.68 | 156,420.52 | 3.35% | 69.87 | 667.48 |
| | | 156,420.52 | 2.45% | 319.36 | 986.84 |
| | | 156,420.52 | 2.45% | 319.36 | 1,306.20 |
| | | 156,420.52 | 2.45% | 319.36 | 1,625.55 |
| \$ 23,209.78 | | 179,630.30 | 1.00% | 130.35 | 1,755.90 |
| \$ 2,041.85 | | 181,672.15 | 1.00% | 149.69 | 1,905.60 |
| \$ 27,647.44 | | 209,319.59 | 1.00% | 151.39 | 2,056.99 |
| \$ 51,323.81 | | 260,643.40 | 0.55% | 95.94 | 2,152.93 |
| \$ 5,706.46 | | 266,349.86 | 0.55% | 119.46 | 2,272.39 |
| \$ 10,619.89 | | 276,969.75 | 0.55% | 122.08 | 2,394.47 |
| \$ 6,594.76 | | 283,564.51 | 0.55% | 126.94 | 2,521.41 |
| \$ 2,750.35 | | 286,314.86 | 0.55% | 129.97 | 2,651.38 |
| \$ 16,990.80 | \$ 331,625.33 | 634,930.99 | 0.55% | 131.23 | 2,782.61 |
| \$ 1,000.00 | | 635,930.99 | 0.55% | 291.01 | 3,073.62 |
| \$ 10,487.82 | | 646,418.81 | 0.55% | 291.47 | 3,365.08 |
| \$ 7,086.05 | | 653,504.86 | 0.55% | 296.28 | 3,661.36 |
| \$ 2,328.65 | | 655,833.51 | 0.55% | 299.52 | 3,960.88 |
| \$ 5,045.10 | | 660,878.61 | 0.55% | 300.59 | 4,261.47 |
| \$ 10,925.53 | | 671,804.14 | 0.55% | 302.90 | 4,564.38 |
| \$ 5,223.76 | | 677,027.90 | 0.89% | 498.25 | 5,062.63 |
| \$ 52,898.95 | | 729,926.85 | 0.89% | 502.13 | 5,564.76 |
| \$ 37,009.49 | | 766,936.34 | 0.89% | 541.36 | 6,106.12 |
| \$ 59,780.64 | | 826,716.98 | 1.20% | 766.94 | 6,873.06 |
| \$ 6,902.31 | | 833,619.29 | 1.20% | 826.72 | 7,699.78 |
| \$ 124,785.68 | \$ 601,893.64 | 1,560,298.61 | 1.20% | 833.62 | 8,533.39 |
| \$ 364.88 | | 1,560,663.49 | 1.47% | 1,911.37 | 10,444.76 |
| -\$ 112,214.96 | | 1,448,448.53 | 1.47% | 1,911.81 | 12,356.57 |
| \$ 11,812.66 | | 1,460,261.19 | 1.47% | 1,774.35 | 14,130.92 |
| \$ 2,574.58 | | 1,462,835.77 | 1.47% | 1,788.82 | 15,919.74 |
| \$ 9,616.94 | | 1,472,452.71 | 1.47% | 1,791.97 | 17,711.72 |
| \$ 13,752.95 | | 1,486,205.66 | 1.47% | 1,803.75 | 19,515.47 |
| \$ 161,685.28 | | 1,647,890.94 | 1.47% | 1,820.60 | 21,336.07 |
| \$ 36,968.52 | | 1,684,859.46 | 1.47% | 2,018.67 | 23,354.74 |
| \$ 35,836.05 | | 1,720,695.51 | 1.47% | 2,063.95 | 25,418.69 |
| \$ 49,883.77 | | 1,770,579.28 | 1.47% | 2,107.85 | 27,526.54 |
| \$ 105,655.46 | | 1,876,234.74 | 1.47% | 2,168.96 | 29,695.50 |
| \$ 230,361.58 | \$ 389,819.69 | 2,496,416.01 | 1.47% | 2,298.39 | 31,993.89 |

| | | | | | |
|--|--|--------------|-------|----------|-----------|
| | | 2,496,416.01 | 1.47% | 3,058.11 | 35,052.00 |
| | | 2,496,416.01 | 1.47% | 3,058.11 | 38,110.11 |
| | | 2,496,416.01 | 1.47% | 3,058.11 | 41,168.22 |
| | | 2,496,416.01 | 1.47% | 3,058.11 | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |
| | | 2,496,416.01 | 0.00% | - | 44,226.33 |

\$ 1,052,533.67
 \$ 1,443,882.34
 \$ 2,496,416.01





This worksheet calculates the interest on OM&A and amortization/depreciation expen

| Year | OM&A (from Sheet 5) | Amortization Expense (from Sheet 5) | Cumulative OM&A and Amortization Expense |
|------|------------------------|---|--|
| 2006 | \$ - | \$ - | \$ - |
| 2007 | \$ 881.78 | \$ 15,360.96 | \$ 16,242.74 |
| 2008 | \$ 558.64 | \$ 39,820.10 | \$ 56,621.48 |
| 2009 | \$ 97,954.71 | \$ 171,047.96 | \$ 325,624.15 |
| 2010 | \$ 109,548.47 | \$ 463,763.35 | \$ 898,935.98 |
| 2011 | \$ 813,585.22 | \$ 654,250.99 | \$ 2,366,772.19 |
| 2012 | \$ 1,079,303.40 | \$ 677,486.26 | \$ 4,123,561.85 |

Cumulative Interest to 2011

Cumulative Interest to 2012



use, in the absence of monthly data.

| Average Cumulative OM&A and Amortization Expense | Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B) | Simple Interest on OM&A and Amortization Expenses |
|---|---|--|
| \$ - | 4.37% | \$ - |
| \$ 8,121.37 | 4.73% | \$ 383.94 |
| \$ 36,432.11 | 3.98% | \$ 1,450.00 |
| \$ 191,122.81 | 1.14% | \$ 2,174.02 |
| \$ 612,280.06 | 0.80% | \$ 4,882.93 |
| \$ 1,632,854.08 | 1.47% | \$ 24,002.96 |
| \$ 3,245,167.02 | 1.47% | \$ 47,703.96 |
| | | \$ 32,893.85 |
| | | \$ 80,597.80 |





Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

This worksheet calculates the Smart Meter Disposition Rider and the Smart Meter Incremental Revenue Requirement Rate Rider, if applicable. This worksheet also calculates any new Smart Meter Funding Adder that a distributor may wish to request. However, please note that in many 2011 IRM decisions, the Board noted that current funding adders will cease on April 30, 2011 and that the Board's expectation is that distributors will file for a final review of prudence at the earliest opportunity. The Board also noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board observed that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, and not fully fund prior capital investment. Distributors that seek a new SMFA should provide evidence to support its proposal. This would include documentation of where the distributor is with respect to its smart meter deployment program, and reasons as to why the distributor's circumstances are such that continuation of the SMFA is warranted. Press the "UPDATE WORKSHEET" button after choosing the applicable adders/riders.

Check if
applicable

- ☐ Smart Meter Funding Adder (SMFA)
- ☒ Smart Meter Disposition Rider (SMDR)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMDR is calculated based on costs to December 31, 2011

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|---|----------------|----------------|----------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5) | \$ - | \$ 36,977.49 | \$ 90,007.25 | \$ 481,132.76 | \$ 1,111,795.49 | \$ 2,210,694.40 | \$ 2,503,458.29 | \$ 6,434,065.68 |
| Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below) | \$ - | \$ 109.18 | \$ 558.29 | \$ 2,115.13 | \$ 5,750.79 | \$ 23,460.50 | | \$ 31,993.89 |
| <input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances) | \$ - | \$ 109.18 | \$ 558.29 | \$ 2,115.13 | \$ 5,750.79 | \$ 23,460.50 | | \$ 31,993.89 |
| <input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances) | | | | | | | | \$ - |
| SMFA Revenues (from Sheet 8) | \$ 102,875.53 | \$ 191,450.49 | \$ 208,091.75 | \$ 570,917.04 | \$ 766,047.13 | \$ 1,385,584.78 | \$ 647,330.79 | \$ 3,872,297.51 |
| SMFA Interest (from Sheet 8) | \$ 1,083.58 | \$ 9,031.55 | \$ 15,011.81 | \$ 6,995.56 | \$ 11,913.59 | \$ 34,297.50 | \$ 17,005.26 | \$ 95,338.85 |
| Net Deferred Revenue Requirement | -\$ 103,959.11 | -\$ 163,395.37 | -\$ 132,538.01 | -\$ 94,664.71 | \$ 339,585.56 | \$ 814,272.61 | \$ 1,839,122.24 | \$ 2,498,423.21 |
| Number of Metered Customers (average for 2012 test year) | | | | | | | 64998 | |

Calculation of Smart Meter Disposition Rider (per metered customer per month)

| | | |
|---|-----------------|---------|
| Years for collection or refunding | 1 | |
| Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization | \$ 3,962,601.28 | |
| SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues | \$ 3,967,636.36 | |
| Net Deferred Revenue Requirement | -\$ 5,035.08 | } Match |
| SMDR May 1, 2012 to April 30, 2013 | -\$ 0.01 | |
| Check: Forecasted SMDR Revenues | -\$ 7,799.76 | |

Calculation of Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month)

| | | |
|--|-----------------|---------|
| Incremental Revenue Requirement for 2012 | \$ 2,503,458.29 | } Match |
| SMIRR | \$ 3.21 | |

Check: Forecasted SMIRR Revenues

\$ 2,503,722.96



Appendix C

Smart Meter Model – Class-Specific Rate Riders

Appendix C, Part 1
Residential Customers



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Burlington Hydro Inc.

Cambridge and North Dumfries Hydro Inc.

Application Contact Information

Name: Stephen Shields

Title: Manager, Regulatory Affairs

Phone Number: 905 332 1851 x234

Email Address: sshields@burlingtonhydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

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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

Burlington Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A 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, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data

Smart Meter Installation Plan

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

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast | Total |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|---------|
| Residential | | 71 | 559 | 27,999 | 30,123 | 4 | | 58756 |
| General Service < 50 kW | | | | | | | | 0 |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0 | 71 | 559 | 27999 | 30123 | 4 | 0 | 58756 |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed | 0.00% | 0.12% | 1.07% | 48.73% | 99.99% | 100.00% | 0.00% | 100.00% |
| Actual/Planned number of GS > 50 kW meters installed | | | | | | | | 0 |
| Other (please identify) Micro Fit Customers | | | | | 33 | | | 33 |
| Total Number of Smart Meters installed or planned to be installed | 0 | 71 | 559 | 27999 | 30156 | 4 | 0 | 58789 |

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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
Asset type must be
selected to enable
calculations

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Smart Meter | 0 | 340,849 | 153,417 | 2,674,359 | 2,435,742 | 57,376 | | \$ 5,661,744 |
| Smart Meter | | 16,140 | 5,250 | 166,299 | 410,614 | 7,369 | | \$ 605,672 |
| Computer Hardware | | | | 22,246 | 59 | | | \$ 22,305 |
| | | | | | | | | \$ - |
| Total Advanced Metering Communications Devices (AMCD) | \$ - | \$ 356,989 | \$ 158,667 | \$ 2,862,904 | \$ 2,846,415 | \$ 64,746 | \$ - | \$ 6,289,721 |

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

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)

Asset Type

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------|------------|
| Smart Meter | | | | | 237,865 | | 91,188 | \$ 329,053 |
| Smart Meter | | | | | 21,194 | | | \$ 21,194 |
| Smart Meter | | | | | | | | \$ - |
| Total Advanced Metering Regional Collector (AMRC) (Includes LAN) | \$ - | \$ - | \$ - | \$ - | \$ 259,059 | \$ - | \$ 91,188 | \$ 350,247 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|-----------|
| Computer Hardware | | | 1,280 | | 4,689 | | | \$ 5,969 |
| Computer Software | | | | | 51,949 | 36,491 | | \$ 88,440 |
| Computer Software | | 4,559 | | | | | | \$ 4,559 |
| | \$ - | \$ 4,559 | \$ 1,280 | \$ - | \$ 56,638 | \$ 36,491 | \$ - | \$ 98,969 |

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|
| Tools & Equipment | | | | | 9,553 | | | \$ 9,553 |
| | \$ - | \$ - | \$ - | \$ - | \$ 9,553 | \$ - | \$ - | \$ 9,553 |

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**Total Capital Costs Related to Minimum Functionality**

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------|--------------|
| | | | | | | | | \$ - |
| Computer Software | | 1,061 | 4,534 | 3,787 | 757 | | | \$ 10,139 |
| Computer Software | | | | 18,318 | 13,678 | | | \$ 31,996 |
| | | | | | | | | \$ - |
| Smart Meter | | 18,439 | 24,925 | 35,899 | 208,656 | 269,105 | | \$ 557,025 |
| | | | | | | | | \$ - |
| | \$ - | \$ 19,500 | \$ 29,459 | \$ 58,004 | \$ 223,092 | \$ 269,105 | \$ - | \$ 599,160 |
| | \$ - | \$ 381,048 | \$ 189,406 | \$ 2,920,908 | \$ 3,394,756 | \$ 370,343 | \$ 91,188 | \$ 7,347,649 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------|--------------|
| Computer Software | | | | | | | | \$ - |
| Applications Software | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 381,048 | \$ 189,406 | \$ 2,920,908 | \$ 3,394,756 | \$ 370,343 | \$ 91,188 | \$ 7,347,649 |

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify)

Meter Base Repairs

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)

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)

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

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------|--------------|
| | | | | | | | | \$ - |
| | | | | 31,708 | 33,283 | 5,975 | | \$ 70,967 |
| | \$ - | \$ - | \$ - | \$ 31,708 | \$ 33,283 | \$ 5,975 | \$ - | \$ 70,967 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | \$ - |
| | | | | | | 128,255 | 341,399 | \$ 469,654 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 128,255 | \$ 341,399 | \$ 469,654 |
| | | | | | | | | \$ - |
| | | | | | | 429,473 | 522,782 | \$ 952,254 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 429,473 | \$ 522,782 | \$ 952,254 |
| | | | | | | | | \$ 44,682 |
| | | | | 39,492 | 50,437 | 140,700 | 23,860 | \$ 254,489 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | 693 | | 4,295 | 7,437 | 4,610 | | \$ 17,035 |
| | | 111 | 509 | 13,827 | 8,738 | 32,881 | 51,474 | \$ 107,540 |
| | \$ - | \$ 804 | \$ 509 | \$ 57,615 | \$ 66,612 | \$ 178,190 | \$ 120,016 | \$ 423,746 |
| | \$ - | \$ 804 | \$ 509 | \$ 89,323 | \$ 99,895 | \$ 741,893 | \$ 984,197 | \$ 1,916,622 |
| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | | |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 804 | \$ 509 | \$ 89,323 | \$ 99,895 | \$ 741,893 | \$ 984,197 | \$ 1,916,622 |

3 Aggregate Smart Meter Costs by Category

| | | | | | | | | | |
|--------------|-----------------------------|--------------------|--------------------------|--------------------------|----------------------------|----------------------------|--------------------------|--------------------------|----------------------------|
| 3.1 | Capital | | | | | | | | |
| 3.1.1 | Smart Meter | \$ - | \$ 375,428 | \$ 183,592 | \$ 2,876,557 | \$ 3,314,070 | \$ 333,851 | \$ 91,188 | \$ 7,174,687 |
| 3.1.2 | Computer Hardware | \$ - | \$ - | \$ 1,280 | \$ 22,246 | \$ 4,748 | \$ - | \$ - | \$ 28,274 |
| 3.1.3 | Computer Software | \$ - | \$ 5,620 | \$ 4,534 | \$ 22,105 | \$ 66,384 | \$ 36,491 | \$ - | \$ 135,135 |
| 3.1.4 | Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 9,553 | \$ - | \$ - | \$ 9,553 |
| 3.1.5 | Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3.1.6 | Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3.1.7 | Total Capital Costs | <u><u>\$ -</u></u> | <u><u>\$ 381,048</u></u> | <u><u>\$ 189,406</u></u> | <u><u>\$ 2,920,908</u></u> | <u><u>\$ 3,394,756</u></u> | <u><u>\$ 370,343</u></u> | <u><u>\$ 91,188</u></u> | <u><u>\$ 7,347,649</u></u> |
| 3.2 | OM&A Costs | | | | | | | | |
| 3.2.1 | Total OM&A Costs | <u><u>\$ -</u></u> | <u><u>\$ 804</u></u> | <u><u>\$ 509</u></u> | <u><u>\$ 89,323</u></u> | <u><u>\$ 99,895</u></u> | <u><u>\$ 741,893</u></u> | <u><u>\$ 984,197</u></u> | <u><u>\$ 1,916,622</u></u> |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Cost of Capital | | | | | | | |
| Capital Structure¹ | | | | | | | |
| Deemed Short-term Debt Capitalization | | | 0.0% | 0.0% | 4.0% | 4.0% | 4.0% |
| Deemed Long-term Debt Capitalization | 50.0% | 50.0% | 53.3% | 56.7% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Capital Parameters | | | | | | | |
| Deemed Short-term Debt Rate | | | 0.00% | 0.00% | 2.07% | 2.07% | 2.07% |
| Long-term Debt Rate (actual/embedded/deemed) ² | 6.25% | 6.25% | 6.25% | 6.25% | 5.87% | 5.87% | 5.87% |
| Target Return on Equity (ROE) | 9.0% | 9.00% | 9.00% | 9.00% | 9.85% | 9.85% | 9.85% |
| Return on Preferred Shares | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| WACC | 7.63% | 7.63% | 7.53% | 7.44% | 7.31% | 7.31% | 7.31% |
| Working Capital Allowance | | | | | | | |
| Working Capital Allowance Rate (% of the sum of Cost of Power + controllable expenses) | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Taxes/PILs | | | | | | | |
| Aggregate Corporate Income Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Capital Tax (until July 1st, 2010) | 0.30% | 0.225% | 0.225% | 0.225% | 0.075% | 0.00% | 0.00% |

Depreciation Rates

(expressed as expected useful life in years)

| | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| - rate (%) | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Tools & Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Other Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

CCA Rates

| | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|
| 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 | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Computer Equipment - CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| General Equipment - CCA Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| General Equipment - CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Applications Software - CCA Class | | | | | | | |
| Applications Software - CCA Rate | | | | | | | |

Assumptions

¹ Planned smart meter installations occur evenly throughout the year.

² Fiscal calendar year (January 1 to December 31) used.

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



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|------|------------|------------|--------------|--------------|--------------|----------------|
| Net Fixed Assets - Smart Meters | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 375,428 | \$ 559,020 | \$ 3,435,577 | \$ 6,749,648 | \$ 7,083,499 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 375,428 | \$ 183,592 | \$ 2,876,557 | \$ 3,314,070 | \$ 333,851 | \$ 91,188 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 375,428 | \$ 559,020 | \$ 3,435,577 | \$ 6,749,648 | \$ 7,083,499 | \$ 7,174,687 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | | \$ - | -\$ 12,514 | -\$ 43,663 | -\$ 176,816 | -\$ 516,323 | -\$ 977,428 |
| Amortization expense during year | \$ - | -\$ 12,514 | -\$ 31,148 | -\$ 133,153 | -\$ 339,508 | -\$ 461,105 | -\$ 475,273 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 12,514 | -\$ 43,663 | -\$ 176,816 | -\$ 516,323 | -\$ 977,428 | -\$ 1,452,701 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 362,914 | \$ 515,358 | \$ 3,258,762 | \$ 6,233,325 | \$ 6,106,071 |
| Closing Balance | \$ - | \$ 362,914 | \$ 515,358 | \$ 3,258,762 | \$ 6,233,325 | \$ 6,106,071 | \$ 5,721,986 |
| Average Net Book Value | \$ - | \$ 181,457 | \$ 439,136 | \$ 1,887,060 | \$ 4,746,043 | \$ 6,169,698 | \$ 5,914,028 |
| Net Fixed Assets - Computer Hardware | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ - | \$ 1,280 | \$ 23,525 | \$ 28,274 | \$ 28,274 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ 1,280 | \$ 22,246 | \$ 4,748 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ 1,280 | \$ 23,525 | \$ 28,274 | \$ 28,274 | \$ 28,274 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | -\$ 128 | -\$ 2,608 | -\$ 7,788 | -\$ 13,443 |
| Amortization expense during year | \$ - | \$ - | -\$ 128 | -\$ 2,480 | -\$ 5,180 | -\$ 5,655 | -\$ 5,655 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | -\$ 128 | -\$ 2,608 | -\$ 7,788 | -\$ 13,443 | -\$ 19,098 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 1,152 | \$ 20,917 | \$ 20,485 | \$ 14,831 |
| Closing Balance | \$ - | \$ - | \$ 1,152 | \$ 20,917 | \$ 20,485 | \$ 14,831 | \$ 9,176 |
| Average Net Book Value | \$ - | \$ - | \$ 576 | \$ 11,034 | \$ 20,701 | \$ 17,658 | \$ 12,003 |
| Net Fixed Assets - Computer Software (including Applications Software) | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 5,620 | \$ 10,154 | \$ 32,259 | \$ 98,643 | \$ 135,135 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 5,620 | \$ 4,534 | \$ 22,105 | \$ 66,384 | \$ 36,491 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 5,620 | \$ 10,154 | \$ 32,259 | \$ 98,643 | \$ 135,135 | \$ 135,135 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | -\$ 562 | -\$ 2,139 | -\$ 6,381 | -\$ 19,471 | -\$ 42,849 |
| Amortization expense during year | \$ - | -\$ 562 | -\$ 1,577 | -\$ 4,241 | -\$ 13,090 | -\$ 23,378 | -\$ 27,027 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 562 | -\$ 2,139 | -\$ 6,381 | -\$ 19,471 | -\$ 42,849 | -\$ 69,876 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 5,058 | \$ 8,015 | \$ 25,878 | \$ 79,172 | \$ 92,286 |
| Closing Balance | \$ - | \$ 5,058 | \$ 8,015 | \$ 25,878 | \$ 79,172 | \$ 92,286 | \$ 65,259 |
| Average Net Book Value | \$ - | \$ 2,529 | \$ 6,537 | \$ 16,946 | \$ 52,525 | \$ 85,729 | \$ 78,772 |

Net Fixed Assets - Tools and Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|----------|----------|----------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ 9,553 | \$ 9,553 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ 9,553 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 9,553 | \$ 9,553 | \$ 9,553 |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|--------|----------|----------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 478 | \$ 1,433 |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ 478 | \$ 955 | \$ 955 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 478 | \$ 1,433 | \$ 2,388 |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|----------|----------|----------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,075 | \$ 8,120 |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 9,075 | \$ 8,120 | \$ 7,165 |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ 4,538 | \$ 8,598 | \$ 7,642 |

Net Fixed Assets - Other Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|------|------|------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and Later |
|---|-------------|--------------------|--------------------|---------------------|---------------------|---------------------|----------------------|
| Average Net Fixed Asset Values (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 181,457 | \$ 439,136 | \$ 1,887,060 | \$ 4,746,043 | \$ 6,169,698 | \$ 5,914,028 |
| Computer Hardware | \$ - | \$ - | \$ 576 | \$ 11,034 | \$ 20,701 | \$ 17,658 | \$ 12,003 |
| Computer Software | \$ - | \$ 2,529 | \$ 6,537 | \$ 16,946 | \$ 52,525 | \$ 85,729 | \$ 78,772 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 4,538 | \$ 8,598 | \$ 7,642 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Net Fixed Assets | \$ - | \$ 183,986 | \$ 446,248 | \$ 1,915,040 | \$ 4,823,807 | \$ 6,281,682 | \$ 6,012,446 |
| Working Capital | | | | | | | |
| Operating Expenses (from Sheet 2) | \$ - | \$ 804 | \$ 509 | \$ 89,323 | \$ 99,895 | \$ 741,893 | \$ 984,197 |
| Working Capital Factor (from Sheet 3) | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Working Capital Allowance | \$ - | \$ 121 | \$ 76 | \$ 13,398 | \$ 14,984 | \$ 111,284 | \$ 147,630 |
| Incremental Smart Meter Rate Base | \$ - | \$ 184,107 | \$ 446,324 | \$ 1,928,439 | \$ 4,838,791 | \$ 6,392,966 | \$ 6,160,076 |
| Return on Rate Base | | | | | | | |
| Capital Structure | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 193,552 | \$ 255,719 | \$ 246,403 |
| Deemed Long Term Debt | \$ - | \$ 92,053 | \$ 237,891 | \$ 1,093,425 | \$ 2,709,723 | \$ 3,580,061 | \$ 3,449,643 |
| Equity | \$ - | \$ 92,053 | \$ 208,433 | \$ 835,014 | \$ 1,935,517 | \$ 2,557,187 | \$ 2,464,030 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Capitalization | \$ - | \$ 184,107 | \$ 446,324 | \$ 1,928,439 | \$ 4,838,791 | \$ 6,392,966 | \$ 6,160,076 |
| Return on | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 4,007 | \$ 5,293 | \$ 5,101 |
| Deemed Long Term Debt | \$ - | \$ 5,753 | \$ 14,868 | \$ 68,339 | \$ 159,061 | \$ 210,150 | \$ 202,494 |
| Equity | \$ - | \$ 8,285 | \$ 18,759 | \$ 75,151 | \$ 190,648 | \$ 251,883 | \$ 242,707 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Return on Capital | \$ - | \$ 14,038 | \$ 33,627 | \$ 143,490 | \$ 353,716 | \$ 467,326 | \$ 450,302 |
| Operating Expenses | \$ - | \$ 804 | \$ 509 | \$ 89,323 | \$ 99,895 | \$ 741,893 | \$ 984,197 |
| Amortization Expenses (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 12,514 | \$ 31,148 | \$ 133,153 | \$ 339,508 | \$ 461,105 | \$ 475,273 |
| Computer Hardware | \$ - | \$ - | \$ 128 | \$ 2,480 | \$ 5,180 | \$ 5,655 | \$ 5,655 |
| Computer Software | \$ - | \$ 562 | \$ 1,577 | \$ 4,241 | \$ 13,090 | \$ 23,378 | \$ 27,027 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 478 | \$ 955 | \$ 955 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Amortization Expense in Year | \$ - | \$ 13,076 | \$ 32,854 | \$ 139,875 | \$ 358,255 | \$ 491,093 | \$ 508,910 |
| Incremental Revenue Requirement before Taxes/PILs | \$ - | \$ 27,919 | \$ 66,990 | \$ 372,688 | \$ 811,866 | \$ 1,700,312 | \$ 1,943,408 |
| Calculation of Taxable Income | | | | | | | |
| Incremental Operating Expenses | \$ - | \$ 804 | \$ 509 | \$ 89,323 | \$ 99,895 | \$ 741,893 | \$ 984,197 |
| Amortization Expense | \$ - | \$ 13,076 | \$ 32,854 | \$ 139,875 | \$ 358,255 | \$ 491,093 | \$ 508,910 |
| Interest Expense | \$ - | \$ 5,753 | \$ 14,868 | \$ 68,339 | \$ 163,067 | \$ 215,443 | \$ 207,595 |
| Net Income for Taxes/PILs | \$ - | \$ 8,285 | \$ 18,759 | \$ 75,151 | \$ 190,648 | \$ 251,883 | \$ 242,707 |
| Grossed-up Taxes/PILs (from Sheet 7) | \$ - | \$ 3,541.11 | \$ 7,021.94 | \$ 29,017.98 | \$ 57,926.78 | \$ 84,786.49 | \$ 106,466.77 |
| Revenue Requirement, including Grossed-up Taxes/PILs | \$ - | \$ 31,460 | \$ 74,012 | \$ 401,706 | \$ 869,793 | \$ 1,785,098 | \$ 2,049,875 |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

For PILs Calculation

UCC - Smart Meters

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 360,410.78 | \$ 507,826.36 | \$ 3,228,695.34 | \$ 6,151,907.27 | \$ 5,980,251.79 |
| Capital Additions | \$ - | \$ 375,427.90 | \$ 183,592.13 | \$ 2,876,557.38 | \$ 3,314,070.37 | \$ 333,851.15 | \$ 91,188.15 |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 375,427.90 | \$ 544,002.91 | \$ 3,384,383.75 | \$ 6,542,765.71 | \$ 6,485,758.42 | \$ 6,071,439.94 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 187,713.95 | \$ 91,796.06 | \$ 1,438,278.69 | \$ 1,657,035.19 | \$ 166,925.57 | \$ 45,594.07 |
| Reduced UCC | \$ - | \$ 187,713.95 | \$ 452,206.85 | \$ 1,946,105.06 | \$ 4,885,730.53 | \$ 6,318,832.85 | \$ 6,025,845.87 |
| CCA Rate Class | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| CCA Rate | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| CCA | \$ - | \$ 15,017.12 | \$ 36,176.55 | \$ 155,688.40 | \$ 390,858.44 | \$ 505,506.63 | \$ 482,067.67 |
| Closing UCC | \$ - | \$ 360,410.78 | \$ 507,826.36 | \$ 3,228,695.34 | \$ 6,151,907.27 | \$ 5,980,251.79 | \$ 5,589,372.27 |

UCC - Computer Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 4,074.76 | \$ 6,048.39 | \$ 34,875.89 | \$ 67,265.51 | \$ 56,725.76 |
| Capital Additions Computer Hardware | \$ - | \$ - | \$ 1,279.55 | \$ 22,245.76 | \$ 4,748.50 | \$ - | \$ - |
| Capital Additions Computer Software | \$ - | \$ 5,620.36 | \$ 4,533.89 | \$ 22,104.74 | \$ 66,384.42 | \$ 36,491.42 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 5,620.36 | \$ 9,888.21 | \$ 50,398.89 | \$ 106,008.80 | \$ 103,756.93 | \$ 56,725.76 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 2,810.18 | \$ 2,906.72 | \$ 22,175.25 | \$ 35,566.46 | \$ 18,245.71 | \$ - |
| Reduced UCC | \$ - | \$ 2,810.18 | \$ 6,981.49 | \$ 28,223.64 | \$ 70,442.34 | \$ 85,511.22 | \$ 56,725.76 |
| CCA Rate Class | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| CCA | \$ - | \$ 1,545.60 | \$ 3,839.82 | \$ 15,523.00 | \$ 38,743.29 | \$ 47,031.17 | \$ 31,199.17 |
| Closing UCC | \$ - | \$ 4,074.76 | \$ 6,048.39 | \$ 34,875.89 | \$ 67,265.51 | \$ 56,725.76 | \$ 25,526.59 |

UCC - General Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,597.58 | \$ 6,878.07 |
| Capital Additions Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 9,552.87 | \$ - | \$ - |
| Capital Additions Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ - | \$ - | \$ - | \$ 9,552.87 | \$ 8,597.58 | \$ 6,878.07 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ - | \$ - | \$ - | \$ 4,776.44 | \$ - | \$ - |
| Reduced UCC | \$ - | \$ - | \$ - | \$ - | \$ 4,776.44 | \$ 8,597.58 | \$ 6,878.07 |
| CCA Rate Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| CCA | \$ - | \$ - | \$ - | \$ - | \$ 955.29 | \$ 1,719.52 | \$ 1,375.61 |
| Closing UCC | \$ - | \$ - | \$ - | \$ - | \$ 8,597.58 | \$ 6,878.07 | \$ 5,502.45 |



PILs Calculation

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| INCOME TAX | | | | | | | |
| Net Income | \$ - | \$ 8,284.80 | \$ 18,759.01 | \$ 75,151.26 | \$ 190,648.38 | \$ 251,882.88 | \$ 242,706.99 |
| Amortization | \$ - | \$ 13,076.30 | \$ 32,853.68 | \$ 139,875.06 | \$ 358,255.30 | \$ 491,092.76 | \$ 508,909.88 |
| CCA - Smart Meters | \$ - | \$ 15,017.12 | \$ 36,176.55 | \$ 155,688.40 | \$ 390,858.44 | \$ 505,506.63 | \$ 482,067.67 |
| CCA - Computers | \$ - | \$ 1,545.60 | \$ 3,839.82 | \$ 15,523.00 | \$ 38,743.29 | \$ 47,031.17 | \$ 31,199.17 |
| CCA - Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CCA - Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ 955.29 | \$ 1,719.52 | \$ 1,375.61 |
| Change in taxable income | \$ - | \$ 4,798.38 | \$ 11,596.33 | \$ 43,814.91 | \$ 118,346.67 | \$ 188,718.33 | \$ 236,974.43 |
| Tax Rate (from Sheet 3) | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Income Taxes Payable | \$ - | \$ 1,733.18 | \$ 3,884.77 | \$ 14,458.92 | \$ 36,687.47 | \$ 58,502.68 | \$ 73,462.07 |
| ONTARIO CAPITAL TAX | | | | | | | |
| Smart Meters | \$ - | \$ 362,913.64 | \$ 515,357.50 | \$ 3,258,761.63 | \$ 6,233,324.50 | \$ 6,106,070.76 | \$ 5,721,986.04 |
| Computer Hardware | \$ - | \$ - | \$ 1,151.60 | \$ 20,916.87 | \$ 20,485.45 | \$ 14,830.89 | \$ 9,175.93 |
| Computer Software (Including Application Software) | \$ - | \$ 5,058.33 | \$ 8,014.76 | \$ 25,878.17 | \$ 79,172.35 | \$ 92,285.94 | \$ 65,258.98 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 9,075.23 | \$ 8,119.94 | \$ 7,164.65 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Base | \$ - | \$ 367,971.96 | \$ 524,523.86 | \$ 3,305,556.67 | \$ 6,342,057.53 | \$ 6,221,307.33 | \$ 5,803,585.60 |
| Less: Exemption | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deemed Taxable Capital | \$ - | \$ 367,971.96 | \$ 524,523.86 | \$ 3,305,556.67 | \$ 6,342,057.53 | \$ 6,221,307.33 | \$ 5,803,585.60 |
| Ontario Capital Tax Rate (from Sheet 3) | 0.300% | 0.225% | 0.225% | 0.225% | 0.075% | 0.000% | 0.000% |
| Net Amount (Taxable Capital x Rate) | \$ - | \$ 827.94 | \$ 1,180.18 | \$ 7,437.50 | \$ 4,756.54 | \$ - | \$ - |
| Change in Income Taxes Payable | \$ - | \$ 1,733.18 | \$ 3,884.77 | \$ 14,458.92 | \$ 36,687.47 | \$ 58,502.68 | \$ 73,462.07 |
| Change in OCT | \$ - | \$ 827.94 | \$ 1,180.18 | \$ 7,437.50 | \$ 4,756.54 | \$ - | \$ - |
| PILs | \$ - | \$ 2,561.11 | \$ 5,064.95 | \$ 21,896.42 | \$ 41,444.01 | \$ 58,502.68 | \$ 73,462.07 |
| Gross Up PILs | | | | | | | |
| Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Change in Income Taxes Payable | \$ - | \$ 2,713.17 | \$ 5,841.76 | \$ 21,580.48 | \$ 53,170.24 | \$ 84,786.49 | \$ 106,466.77 |
| Change in OCT | \$ - | \$ 827.94 | \$ 1,180.18 | \$ 7,437.50 | \$ 4,756.54 | \$ - | \$ - |
| PILs | \$ - | \$ 3,541.11 | \$ 7,021.94 | \$ 29,017.98 | \$ 57,926.78 | \$ 84,786.49 | \$ 106,466.77 |



Ontario Energy Board

Smart Meter Model

Burlington 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 |
|----------------|---|-------|--------|------|---------|--------------------------------|---------------------------|------------------|-------------|-----------------|----------------|
| 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 | \$ - | \$ 26.98 | 4.14% | \$ - | \$ 26.98 | |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | \$ 26.98 | \$ 6,218.88 | 4.14% | \$ 0.09 | \$ 6,245.95 | |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | \$ 6,245.86 | \$ 14,187.61 | 4.59% | \$ 23.89 | \$ 20,457.36 | |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | \$ 20,433.47 | \$ 13,334.77 | 4.59% | \$ 78.16 | \$ 33,846.40 | |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | \$ 33,768.24 | \$ 16,171.63 | 4.59% | \$ 129.16 | \$ 50,069.03 | |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | \$ 49,939.87 | \$ 13,375.90 | 4.59% | \$ 191.02 | \$ 63,506.79 | |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | \$ 63,315.77 | \$ 15,847.76 | 4.59% | \$ 242.18 | \$ 79,405.71 | |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | \$ 79,163.53 | \$ 13,339.08 | 4.59% | \$ 302.80 | \$ 92,805.41 | \$ 93,469.91 |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | \$ 92,502.61 | \$ 11,322.26 | 4.59% | \$ 353.82 | \$ 104,178.69 | |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | \$ 103,824.87 | \$ 13,741.90 | 4.59% | \$ 397.13 | \$ 117,963.90 | |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | \$ 117,566.77 | \$ 16,046.28 | 4.59% | \$ 449.69 | \$ 134,062.74 | |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | \$ 133,613.05 | \$ 13,806.49 | 4.59% | \$ 511.07 | \$ 147,930.61 | |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | \$ 147,419.54 | \$ 15,969.22 | 4.59% | \$ 563.88 | \$ 163,952.64 | |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | \$ 163,388.76 | \$ 13,874.65 | 4.59% | \$ 624.96 | \$ 177,888.37 | |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | \$ 177,263.41 | \$ 14,116.15 | 4.59% | \$ 678.03 | \$ 192,057.59 | |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | \$ 191,379.56 | \$ 13,948.95 | 4.59% | \$ 732.03 | \$ 206,060.54 | |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | \$ 205,328.51 | \$ 16,006.08 | 4.59% | \$ 785.38 | \$ 222,119.97 | |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | \$ 221,334.59 | \$ 13,927.25 | 5.14% | \$ 948.05 | \$ 236,209.89 | |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | \$ 235,261.84 | \$ 16,102.76 | 5.14% | \$ 1,007.70 | \$ 252,372.30 | |
| 2011 Q4 | 1.47% | 4.29% | Dec-07 | 2007 | Q4 | \$ 251,364.60 | \$ 13,945.04 | 5.14% | \$ 1,076.68 | \$ 266,386.32 | \$ 180,935.45 |
| 2012 Q1 | 1.47% | 4.29% | Jan-08 | 2008 | Q1 | \$ 265,309.64 | \$ 16,075.77 | 5.14% | \$ 1,136.41 | \$ 282,521.82 | |
| 2012 Q2 | 0.00% | 4.29% | Feb-08 | 2008 | Q1 | \$ 281,385.41 | \$ 14,075.88 | 5.14% | \$ 1,205.27 | \$ 296,666.56 | |
| 2012 Q3 | 0.00% | 4.29% | Mar-08 | 2008 | Q1 | \$ 295,461.29 | \$ 16,157.95 | 5.14% | \$ 1,265.56 | \$ 312,884.80 | |
| 2012 Q4 | 0.00% | 4.29% | Apr-08 | 2008 | Q2 | \$ 311,619.24 | \$ 14,108.52 | 4.08% | \$ 1,059.51 | \$ 326,787.27 | |
| | | | May-08 | 2008 | Q2 | \$ 325,727.76 | \$ 16,201.13 | 4.08% | \$ 1,107.47 | \$ 343,036.36 | |
| | | | Jun-08 | 2008 | Q2 | \$ 341,928.89 | \$ 14,185.86 | 4.08% | \$ 1,162.56 | \$ 357,277.31 | |
| | | | Jul-08 | 2008 | Q3 | \$ 356,114.75 | \$ 16,216.07 | 3.35% | \$ 994.15 | \$ 373,324.97 | |
| | | | Aug-08 | 2008 | Q3 | \$ 372,330.82 | \$ 14,286.83 | 3.35% | \$ 1,039.42 | \$ 387,657.07 | |
| | | | Sep-08 | 2008 | Q3 | \$ 386,617.65 | \$ 16,141.01 | 3.35% | \$ 1,079.31 | \$ 403,837.97 | |
| | | | Oct-08 | 2008 | Q4 | \$ 402,758.66 | \$ 14,280.68 | 3.35% | \$ 1,124.37 | \$ 418,163.71 | |
| | | | Nov-08 | 2008 | Q4 | \$ 417,039.34 | \$ 16,205.03 | 3.35% | \$ 1,164.23 | \$ 434,408.60 | |
| | | | Dec-08 | 2008 | Q4 | \$ 433,244.37 | \$ 21,161.92 | 3.35% | \$ 1,209.47 | \$ 455,615.76 | \$ 202,644.38 |
| | | | Jan-09 | 2009 | Q1 | \$ 454,406.29 | \$ 16,189.57 | 2.45% | \$ 927.75 | \$ 471,523.61 | |
| | | | Feb-09 | 2009 | Q1 | \$ 470,595.86 | \$ 14,470.86 | 2.45% | \$ 960.80 | \$ 486,027.52 | |
| | | | Mar-09 | 2009 | Q1 | \$ 485,066.72 | \$ 16,266.16 | 2.45% | \$ 990.34 | \$ 502,323.22 | |
| | | | Apr-09 | 2009 | Q2 | \$ 501,332.88 | \$ 14,541.34 | 1.00% | \$ 417.78 | \$ 516,292.00 | |
| | | | May-09 | 2009 | Q2 | \$ 515,874.22 | \$ 58,021.80 | 1.00% | \$ 429.90 | \$ 574,325.92 | |
| | | | Jun-09 | 2009 | Q2 | \$ 573,896.02 | \$ 53,978.17 | 1.00% | \$ 478.25 | \$ 628,352.44 | |
| | | | Jul-09 | 2009 | Q3 | \$ 627,874.19 | \$ 60,544.75 | 0.55% | \$ 287.78 | \$ 688,706.72 | |
| | | | Aug-09 | 2009 | Q3 | \$ 688,418.94 | \$ 54,208.68 | 0.55% | \$ 315.53 | \$ 742,943.15 | |
| | | | Sep-09 | 2009 | Q3 | \$ 742,627.62 | \$ 60,354.74 | 0.55% | \$ 340.37 | \$ 803,322.73 | |
| | | | Oct-09 | 2009 | Q4 | \$ 802,982.36 | \$ 54,195.83 | 0.55% | \$ 368.03 | \$ 857,546.22 | |
| | | | Nov-09 | 2009 | Q4 | \$ 857,178.19 | \$ 60,383.68 | 0.55% | \$ 392.87 | \$ 917,954.74 | |
| | | | Dec-09 | 2009 | Q4 | \$ 917,561.87 | \$ 54,162.70 | 0.55% | \$ 420.55 | \$ 972,145.12 | \$ 523,648.23 |
| | | | Jan-10 | 2010 | Q1 | \$ 971,724.57 | \$ 60,385.42 | 0.55% | \$ 445.37 | \$ 1,032,555.36 | |
| | | | Feb-10 | 2010 | Q1 | \$ 1,032,109.99 | \$ 54,768.44 | 0.55% | \$ 473.05 | \$ 1,087,351.48 | |
| | | | Mar-10 | 2010 | Q1 | \$ 1,086,878.43 | \$ 60,429.16 | 0.55% | \$ 498.15 | \$ 1,147,805.74 | |
| | | | Apr-10 | 2010 | Q2 | \$ 1,147,307.59 | \$ 54,918.97 | 0.55% | \$ 525.85 | \$ 1,202,752.41 | |
| | | | May-10 | 2010 | Q2 | \$ 1,202,226.56 | \$ 60,537.34 | 0.55% | \$ 551.02 | \$ 1,263,314.92 | |
| | | | Jun-10 | 2010 | Q2 | \$ 1,262,763.90 | \$ 55,189.26 | 0.55% | \$ 578.77 | \$ 1,318,531.93 | |
| | | | Jul-10 | 2010 | Q3 | \$ 1,317,953.16 | \$ 60,770.08 | 0.89% | \$ 977.48 | \$ 1,379,700.72 | |
| | | | Aug-10 | 2010 | Q3 | \$ 1,378,723.24 | \$ 55,266.68 | 0.89% | \$ 1,022.55 | \$ 1,435,012.47 | |
| | | | Sep-10 | 2010 | Q3 | \$ 1,433,989.92 | \$ 60,518.35 | 0.89% | \$ 1,063.54 | \$ 1,495,571.81 | |
| | | | Oct-10 | 2010 | Q4 | \$ 1,494,508.27 | \$ 55,371.45 | 1.20% | \$ 1,494.51 | \$ 1,551,374.23 | |
| | | | Nov-10 | 2010 | Q4 | \$ 1,549,879.72 | \$ 60,660.84 | 1.20% | \$ 1,549.88 | \$ 1,612,090.44 | |
| | | | Dec-10 | 2010 | Q4 | \$ 1,610,540.56 | \$ 55,612.78 | 1.20% | \$ 1,610.54 | \$ 1,667,763.88 | \$ 705,219.48 |
| | | | Jan-11 | 2011 | Q1 | \$ 1,666,153.34 | \$ 60,614.09 | 1.47% | \$ 2,041.04 | \$ 1,728,808.47 | |
| | | | Feb-11 | 2011 | Q1 | \$ 1,726,767.43 | \$ 55,803.42 | 1.47% | \$ 2,115.29 | \$ 1,784,686.14 | |
| | | | Mar-11 | 2011 | Q1 | \$ 1,782,570.85 | \$ 60,833.99 | 1.47% | \$ 2,183.65 | \$ 1,845,588.49 | |
| | | | Apr-11 | 2011 | Q2 | \$ 1,843,404.84 | \$ 55,848.86 | 1.47% | \$ 2,258.17 | \$ 1,901,511.87 | |
| | | | May-11 | 2011 | Q2 | \$ 1,899,253.70 | \$ 62,396.91 | 1.47% | \$ 2,326.59 | \$ 1,963,977.20 | |
| | | | Jun-11 | 2011 | Q2 | \$ 1,961,650.61 | \$ 90,532.19 | 1.47% | \$ 2,403.02 | \$ 2,054,585.82 | |
| | | | Jul-11 | 2011 | Q3 | \$ 2,052,182.80 | \$ 137,867.46 | 1.47% | \$ 2,513.92 | \$ 2,192,564.18 | |
| | | | Aug-11 | 2011 | Q3 | \$ 2,190,050.26 | \$ 140,788.82 | 1.47% | \$ 2,682.81 | \$ 2,333,521.89 | |
| | | | Sep-11 | 2011 | Q3 | \$ 2,330,839.08 | \$ 151,823.37 | 1.47% | \$ 2,855.28 | \$ 2,485,517.73 | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

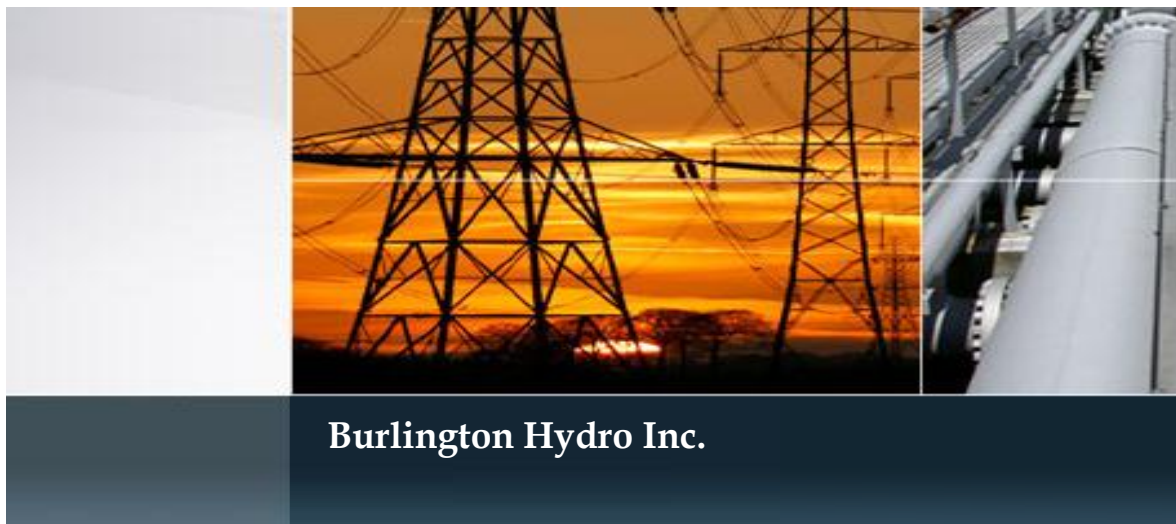
This worksheet calculates the funding adder revenues.

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 |
|--|---|------|--------|------|---------|--------------------------------|---------------------------|------------------|--------------|-----------------|-----------------|
| | | | | | | | | | | | |
| | | | Oct-11 | 2011 | Q4 | \$ 2,482,662.45 | \$ 140,450.93 | 1.47% | \$ 3,041.26 | \$ 2,626,154.64 | |
| | | | Nov-11 | 2011 | Q4 | \$ 2,623,113.38 | \$ 152,442.69 | 1.47% | \$ 3,213.31 | \$ 2,778,769.38 | |
| | | | Dec-11 | 2011 | Q4 | \$ 2,775,556.07 | \$ 140,744.27 | 1.47% | \$ 3,400.06 | \$ 2,919,700.40 | \$ 1,281,181.40 |
| | | | Jan-12 | 2012 | Q1 | \$ 2,916,300.34 | \$ 152,000.00 | 1.47% | \$ 3,572.47 | \$ 3,071,872.81 | |
| | | | Feb-12 | 2012 | Q1 | \$ 3,068,300.34 | \$ 145,000.00 | 1.47% | \$ 3,758.67 | \$ 3,217,059.01 | |
| | | | Mar-12 | 2012 | Q1 | \$ 3,213,300.34 | \$ 145,000.00 | 1.47% | \$ 3,936.29 | \$ 3,362,236.63 | |
| | | | Apr-12 | 2012 | Q2 | \$ 3,358,300.34 | \$ 145,000.00 | 1.47% | \$ 4,113.92 | \$ 3,507,414.26 | |
| | | | May-12 | 2012 | Q2 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Jun-12 | 2012 | Q2 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Jul-12 | 2012 | Q3 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Aug-12 | 2012 | Q3 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Sep-12 | 2012 | Q3 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Oct-12 | 2012 | Q4 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Nov-12 | 2012 | Q4 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | |
| | | | Dec-12 | 2012 | Q4 | \$ 3,503,300.34 | | 0.00% | \$ - | \$ 3,503,300.34 | \$ 602,381.35 |
| Total Funding Adder Revenues Collected | | | | | | \$ 3,503,300.34 | | | \$ 86,179.86 | \$ 3,589,480.20 | \$ 3,589,480.20 |

[illegible][illegible]

[illegible][illegible]



This worksheet calculates the interest on OM&A and amortization/depr

Account 1556 - Su

| Prescribed Interest Rates | Approved Deferral and Variance Accounts | CWIP | Date | Year | Quarter | Opening Balance (Principal) |
|---------------------------------|--|-------|--------|------|---------|--------------------------------|
| 2006 Q1 | 0.00% | 0.00% | Jan-06 | 2006 | Q1 | \$ - |
| 2006 Q2 | 4.14% | 4.68% | Feb-06 | 2006 | Q1 | - |
| 2006 Q3 | 4.59% | 5.05% | Mar-06 | 2006 | Q1 | - |
| 2006 Q4 | 4.59% | 4.72% | Apr-06 | 2006 | Q2 | - |
| 2007 Q1 | 4.59% | 4.72% | May-06 | 2006 | Q2 | - |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | - |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | - |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | - |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | - |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | - |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | - |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | - |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | - |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | - |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | - |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | - |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | 379.95 |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | 379.95 |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | 607.92 |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | 607.92 |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | 3,856.82 |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | 5,376.63 |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | 5,984.57 |

| | | | | | | | |
|---------|-------|-------|--|--------|------|----|--------------|
| 2011 Q4 | 1.47% | 4.29% | | Dec-07 | 2007 | Q4 | 6,674.69 |
| 2012 Q1 | 1.47% | 4.29% | | Jan-08 | 2008 | Q1 | 7,789.76 |
| 2012 Q2 | 0.00% | 4.29% | | Feb-08 | 2008 | Q1 | 7,789.76 |
| 2012 Q3 | 0.00% | 4.29% | | Mar-08 | 2008 | Q1 | 7,789.76 |
| 2012 Q4 | 0.00% | 4.29% | | Apr-08 | 2008 | Q2 | 7,789.76 |
| | | | | May-08 | 2008 | Q2 | 9,875.00 |
| | | | | Jun-08 | 2008 | Q2 | 9,875.00 |
| | | | | Jul-08 | 2008 | Q3 | 9,875.00 |
| | | | | Aug-08 | 2008 | Q3 | 18,265.44 |
| | | | | Sep-08 | 2008 | Q3 | 19,590.28 |
| | | | | Oct-08 | 2008 | Q4 | 19,590.28 |
| | | | | Nov-08 | 2008 | Q4 | 22,822.69 |
| | | | | Dec-08 | 2008 | Q4 | 22,822.69 |
| | | | | Jan-09 | 2009 | Q1 | 122,442.71 |
| | | | | Feb-09 | 2009 | Q1 | 122,442.71 |
| | | | | Mar-09 | 2009 | Q1 | 122,442.71 |
| | | | | Apr-09 | 2009 | Q2 | 122,442.71 |
| | | | | May-09 | 2009 | Q2 | 143,607.28 |
| | | | | Jun-09 | 2009 | Q2 | 145,469.20 |
| | | | | Jul-09 | 2009 | Q3 | 170,680.39 |
| | | | | Aug-09 | 2009 | Q3 | 217,481.63 |
| | | | | Sep-09 | 2009 | Q3 | 222,685.24 |
| | | | | Oct-09 | 2009 | Q4 | 232,369.32 |
| | | | | Nov-09 | 2009 | Q4 | 238,382.96 |
| | | | | Dec-09 | 2009 | Q4 | 240,890.96 |
| | | | | Jan-10 | 2010 | Q1 | 503,231.50 |
| | | | | Feb-10 | 2010 | Q1 | 504,143.39 |
| | | | | Mar-10 | 2010 | Q1 | 513,707.03 |
| | | | | Apr-10 | 2010 | Q2 | 520,168.67 |
| | | | | May-10 | 2010 | Q2 | 522,292.13 |
| | | | | Jun-10 | 2010 | Q2 | 526,892.66 |
| | | | | Jul-10 | 2010 | Q3 | 536,855.45 |
| | | | | Aug-10 | 2010 | Q3 | 541,618.90 |
| | | | | Sep-10 | 2010 | Q3 | 589,856.47 |
| | | | | Oct-10 | 2010 | Q4 | 623,604.74 |
| | | | | Nov-10 | 2010 | Q4 | 678,117.60 |
| | | | | Dec-10 | 2010 | Q4 | 684,411.69 |
| | | | | Jan-11 | 2011 | Q1 | 1,246,223.95 |
| | | | | Feb-11 | 2011 | Q1 | 1,246,556.67 |
| | | | | Mar-11 | 2011 | Q1 | 1,144,229.93 |
| | | | | Apr-11 | 2011 | Q2 | 1,155,001.67 |
| | | | | May-11 | 2011 | Q2 | 1,157,349.38 |
| | | | | Jun-11 | 2011 | Q2 | 1,166,118.89 |
| | | | | Jul-11 | 2011 | Q3 | 1,178,659.96 |
| | | | | Aug-11 | 2011 | Q3 | 1,326,097.77 |
| | | | | Sep-11 | 2011 | Q3 | 1,359,808.68 |
| | | | | Oct-11 | 2011 | Q4 | 1,392,486.91 |
| | | | | Nov-11 | 2011 | Q4 | 1,437,975.00 |
| | | | | Dec-11 | 2011 | Q4 | 1,534,320.26 |

| | | | | |
|--|--------|------|----|--------------|
| | Jan-12 | 2012 | Q1 | 2,034,546.93 |
| | Feb-12 | 2012 | Q1 | 2,034,546.93 |
| | Mar-12 | 2012 | Q1 | 2,034,546.93 |
| | Apr-12 | 2012 | Q2 | 2,034,546.93 |
| | May-12 | 2012 | Q2 | 2,034,546.93 |
| | Jun-12 | 2012 | Q2 | 2,034,546.93 |
| | Jul-12 | 2012 | Q3 | 2,034,546.93 |
| | Aug-12 | 2012 | Q3 | 2,034,546.93 |
| | Sep-12 | 2012 | Q3 | 2,034,546.93 |
| | Oct-12 | 2012 | Q4 | 2,034,546.93 |
| | Nov-12 | 2012 | Q4 | 2,034,546.93 |
| | Dec-12 | 2012 | Q4 | 2,034,546.93 |



preciation expense, based on monthly data.

b-accounts Operating Expenses, Amortization Expenses, Carrying Charges

| OM&A Expenses | Amortization / Depreciation Expense | Closing Balance (Principal) | (Annual) Interest Rate | Interest (on opening balance) | Cumulative Interest |
|---------------|---|--------------------------------|------------------------------|-------------------------------------|------------------------|
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| \$ 379.95 | | 379.95 | 4.59% | - | - |
| | | 379.95 | 4.59% | 1.45 | 1.45 |
| \$ 227.97 | | 607.92 | 4.59% | 1.45 | 2.91 |
| | | 607.92 | 4.59% | 2.33 | 5.23 |
| \$ 3,248.90 | | 3,856.82 | 4.59% | 2.33 | 7.56 |
| \$ 1,519.81 | | 5,376.63 | 4.59% | 14.75 | 22.31 |
| \$ 607.94 | | 5,984.57 | 5.14% | 23.03 | 45.34 |
| \$ 690.12 | | 6,674.69 | 5.14% | 25.63 | 70.97 |

| | | | | | |
|----------------|---------------|--------------|-------|----------|-----------|
| \$ 1,115.07 | | 7,789.76 | 5.14% | 28.59 | 99.56 |
| | | 7,789.76 | 5.14% | 33.37 | 132.93 |
| | | 7,789.76 | 5.14% | 33.37 | 166.30 |
| | | 7,789.76 | 5.14% | 33.37 | 199.66 |
| \$ 2,085.25 | | 9,875.00 | 4.08% | 26.49 | 226.15 |
| | | 9,875.00 | 4.08% | 33.58 | 259.72 |
| | | 9,875.00 | 4.08% | 33.58 | 293.30 |
| \$ 8,390.44 | | 18,265.44 | 3.35% | 27.57 | 320.86 |
| \$ 1,324.84 | | 19,590.28 | 3.35% | 50.99 | 371.86 |
| | | 19,590.28 | 3.35% | 54.69 | 426.55 |
| \$ 3,232.41 | | 22,822.69 | 3.35% | 54.69 | 481.23 |
| | | 22,822.69 | 3.35% | 63.71 | 544.95 |
| \$ 9,892.74 | \$ 89,727.28 | 122,442.71 | 3.35% | 63.71 | 608.66 |
| | | 122,442.71 | 2.45% | 249.99 | 858.65 |
| | | 122,442.71 | 2.45% | 249.99 | 1,108.64 |
| | | 122,442.71 | 2.45% | 249.99 | 1,358.62 |
| \$ 21,164.57 | | 143,607.28 | 1.00% | 102.04 | 1,460.66 |
| \$ 1,861.93 | | 145,469.20 | 1.00% | 119.67 | 1,580.33 |
| \$ 25,211.19 | | 170,680.39 | 1.00% | 121.22 | 1,701.56 |
| \$ 46,801.23 | | 217,481.63 | 0.55% | 78.23 | 1,779.78 |
| \$ 5,203.62 | | 222,685.24 | 0.55% | 99.68 | 1,879.46 |
| \$ 9,684.08 | | 232,369.32 | 0.55% | 102.06 | 1,981.53 |
| \$ 6,013.64 | | 238,382.96 | 0.55% | 106.50 | 2,088.03 |
| \$ 2,507.99 | | 240,890.96 | 0.55% | 109.26 | 2,197.29 |
| \$ 15,493.60 | \$ 246,846.95 | 503,231.50 | 0.55% | 110.41 | 2,307.70 |
| \$ 911.88 | | 504,143.39 | 0.55% | 230.65 | 2,538.34 |
| \$ 9,563.65 | | 513,707.03 | 0.55% | 231.07 | 2,769.41 |
| \$ 6,461.64 | | 520,168.67 | 0.55% | 235.45 | 3,004.86 |
| \$ 2,123.45 | | 522,292.13 | 0.55% | 238.41 | 3,243.27 |
| \$ 4,600.53 | | 526,892.66 | 0.55% | 239.38 | 3,482.65 |
| \$ 9,962.79 | | 536,855.45 | 0.55% | 241.49 | 3,724.15 |
| \$ 4,763.45 | | 541,618.90 | 0.89% | 398.17 | 4,122.31 |
| \$ 48,237.57 | | 589,856.47 | 0.89% | 401.70 | 4,524.02 |
| \$ 33,748.27 | | 623,604.74 | 0.89% | 437.48 | 4,961.49 |
| \$ 54,512.86 | | 678,117.60 | 1.20% | 623.60 | 5,585.10 |
| \$ 6,294.09 | | 684,411.69 | 1.20% | 678.12 | 6,263.21 |
| \$ 113,789.75 | \$ 448,022.50 | 1,246,223.95 | 1.20% | 684.41 | 6,947.63 |
| \$ 332.73 | | 1,246,556.67 | 1.47% | 1,526.62 | 8,474.25 |
| -\$ 102,326.75 | | 1,144,229.93 | 1.47% | 1,527.03 | 10,001.28 |
| \$ 10,771.75 | | 1,155,001.67 | 1.47% | 1,401.68 | 11,402.96 |
| \$ 2,347.71 | | 1,157,349.38 | 1.47% | 1,414.88 | 12,817.84 |
| \$ 8,769.51 | | 1,166,118.89 | 1.47% | 1,417.75 | 14,235.59 |
| \$ 12,541.06 | | 1,178,659.96 | 1.47% | 1,428.50 | 15,664.09 |
| \$ 147,437.81 | | 1,326,097.77 | 1.47% | 1,443.86 | 17,107.95 |
| \$ 33,710.91 | | 1,359,808.68 | 1.47% | 1,624.47 | 18,732.42 |
| \$ 32,678.23 | | 1,392,486.91 | 1.47% | 1,665.77 | 20,398.18 |
| \$ 45,488.09 | | 1,437,975.00 | 1.47% | 1,705.80 | 22,103.98 |
| \$ 96,345.26 | | 1,534,320.26 | 1.47% | 1,761.52 | 23,865.50 |
| \$ 210,062.46 | \$ 290,164.21 | 2,034,546.93 | 1.47% | 1,879.54 | 25,745.04 |

| | | | | | |
|--|--|--------------|-------|----------|-----------|
| | | 2,034,546.93 | 1.47% | 2,492.32 | 28,237.36 |
| | | 2,034,546.93 | 1.47% | 2,492.32 | 30,729.68 |
| | | 2,034,546.93 | 1.47% | 2,492.32 | 33,222.00 |
| | | 2,034,546.93 | 1.47% | 2,492.32 | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |
| | | 2,034,546.93 | 0.00% | - | 35,714.32 |

\$ 959,785.98 \$ 1,074,760.95 \$ 2,034,546.93





This worksheet calculates the interest on OM&A and amortization/depreciation expen

| Year | OM&A (from Sheet 5) | Amortization Expense (from Sheet 5) | Cumulative OM&A and Amortization Expense |
|------|------------------------|---|--|
| 2006 | \$ - | \$ - | \$ - |
| 2007 | \$ 804.08 | \$ 13,076.30 | \$ 13,880.38 |
| 2008 | \$ 509.41 | \$ 32,853.68 | \$ 47,243.47 |
| 2009 | \$ 89,323.09 | \$ 139,875.06 | \$ 276,441.62 |
| 2010 | \$ 99,895.22 | \$ 358,255.30 | \$ 734,592.14 |
| 2011 | \$ 741,893.31 | \$ 491,092.76 | \$ 1,967,578.21 |
| 2012 | \$ 984,196.80 | \$ 508,909.88 | \$ 3,460,684.89 |

Cumulative Interest to 2011

Cumulative Interest to 2012



use, in the absence of monthly data.

| Average Cumulative OM&A and Amortization Expense | Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B) | Simple Interest on OM&A and Amortization Expenses |
|---|---|--|
| \$ - | 4.37% | \$ - |
| \$ 6,940.19 | 4.73% | \$ 328.10 |
| \$ 30,561.93 | 3.98% | \$ 1,216.36 |
| \$ 161,842.55 | 1.14% | \$ 1,840.96 |
| \$ 505,516.88 | 0.80% | \$ 4,031.50 |
| \$ 1,351,085.18 | 1.47% | \$ 19,860.95 |
| \$ 2,714,131.55 | 1.47% | \$ 39,897.73 |
| | | \$ 27,277.87 |
| | | \$ 67,175.60 |





Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

This worksheet calculates the Smart Meter Disposition Rider and the Smart Meter Incremental Revenue Requirement Rate Rider, if applicable. This worksheet also calculates any new Smart Meter Funding Adder that a distributor may wish to request. However, please note that in many 2011 IRM decisions, the Board noted that current funding adders will cease on April 30, 2011 and that the Board's expectation is that distributors will file for a final review of prudence at the earliest opportunity. The Board also noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board observed that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, and not fully fund prior capital investment. Distributors that seek a new SMFA should provide evidence to support its proposal. This would include documentation of where the distributor is with respect to its smart meter deployment program, and reasons as to why the distributor's circumstances are such that continuation of the SMFA is warranted. Press the "UPDATE WORKSHEET" button after choosing the applicable adders/riders.

Check if applicable

☐ Smart Meter Funding Adder (SMFA)

☒ Smart Meter Disposition Rider (SMDR)

The SMDR is calculated based on costs to December 31, 2011

☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|---|---------------|----------------|----------------|----------------|---------------|-----------------|-----------------|-----------------|
| Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5) | \$ - | \$ 31,459.62 | \$ 74,012.22 | \$ 401,706.43 | \$ 869,792.96 | \$ 1,785,098.41 | \$ 2,049,875.00 | \$ 5,211,944.64 |
| Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below) | \$ - | \$ 99.56 | \$ 509.10 | \$ 1,699.04 | \$ 4,639.93 | \$ 18,797.42 | | \$ 25,745.04 |
| <input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances) | \$ - | \$ 99.56 | \$ 509.10 | \$ 1,699.04 | \$ 4,639.93 | \$ 18,797.42 | | \$ 25,745.04 |
| <input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances) | | | | | | | | \$ - |
| SMFA Revenues (from Sheet 8) | \$ 92,502.61 | \$ 172,807.03 | \$ 189,096.65 | \$ 517,318.28 | \$ 694,428.77 | \$ 1,250,147.00 | \$ 587,000.00 | \$ 3,503,300.34 |
| SMFA Interest (from Sheet 8) | \$ 967.30 | \$ 8,128.42 | \$ 13,547.73 | \$ 6,329.95 | \$ 10,790.71 | \$ 31,034.40 | \$ 15,381.35 | \$ 86,179.86 |
| Net Deferred Revenue Requirement | -\$ 93,469.91 | -\$ 149,376.27 | -\$ 128,123.06 | -\$ 120,242.76 | \$ 169,213.41 | \$ 522,714.42 | \$ 1,447,493.65 | \$ 1,648,209.49 |

Number of Metered Customers (average for 2012 test year) 58964

Calculation of Smart Meter Disposition Rider (per metered customer per month)

| | | |
|---|---|---------|
| Years for collection or refunding | 1 | |
| Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization | \$ 3,187,814.68 | |
| SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues | \$ 3,589,480.20 | |
| Net Deferred Revenue Requirement | -\$ 401,665.52 | } Match |
| SMDR May 1, 2012 to April 30, 2013 | -\$ 0.57 | |
| Check: Forecasted SMDR Revenues | -\$ 403,313.76 | |

Calculation of Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month)

| | | |
|--|-----------------|---------|
| Incremental Revenue Requirement for 2012 | \$ 2,049,875.00 | } Match |
| SMIRR | \$ 2.90 | |

Check: Forecasted SMIRR Revenues

\$ 2,051,947.20



Appendix C, Part 2

General Service less than 50 kW Customers



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Burlington Hydro Inc.

Cambridge and North Dumfries Hydro Inc.

Application Contact Information

Name: Stephen Shields

Title: Manager, Regulatory Affairs

Phone Number: 905 332 1851 x234

Email Address: sshields@burlingtonhydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

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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

Burlington Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A 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, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data

Smart Meter Installation Plan

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

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast | Total |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|---------|
| Residential | | | | | | | | 0 |
| General Service < 50 kW | | 161 | 81 | 1,792 | 3,071 | 5 | | 5110 |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0 | 161 | 81 | 1792 | 3071 | 5 | 0 | 5110 |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed | 0.00% | 3.15% | 4.74% | 39.80% | 99.90% | 100.00% | 0.00% | 100.00% |
| Actual/Planned number of GS > 50 kW meters installed | | | | | | | | 0 |
| Other (please identify) Micro Fit Customers | | | | | | | | 0 |
| Total Number of Smart Meters installed or planned to be installed | 0 | 161 | 81 | 1792 | 3071 | 5 | 0 | 5110 |

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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
Asset type must be
selected to enable
calculations

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Smart Meter | 0 | 58,583 | 61,002 | 573,834 | 1,222,616 | 79,095 | | \$ 1,995,130 |
| Smart Meter | | 0 | 0 | 0 | 134,326 | 26,279 | | \$ 160,606 |
| Computer Hardware | | | | 1,934 | 5 | | | \$ 1,939 |
| | | | | | | | | \$ - |
| | \$ - | \$ 58,583 | \$ 61,002 | \$ 575,768 | \$ 1,356,947 | \$ 105,374 | \$ - | \$ 2,157,674 |

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

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)

Asset Type

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|-----------|
| Smart Meter | | | | | 20,675 | | 7,926 | \$ 28,602 |
| Smart Meter | | | | | 1,842 | | | \$ 1,842 |
| Smart Meter | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ 22,518 | \$ - | \$ 7,926 | \$ 30,444 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|
| Computer Hardware | | | 111 | | 408 | | | \$ 519 |
| Computer Software | | | | | 4,515 | 3,172 | | \$ 7,687 |
| Computer Software | | 396 | | | | | | \$ 396 |
| | \$ - | \$ 396 | \$ 111 | \$ - | \$ 4,923 | \$ 3,172 | \$ - | \$ 8,602 |

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------|
| Tools & Equipment | | | | | 830 | | | \$ 830 |
| | \$ - | \$ - | \$ - | \$ - | \$ 830 | \$ - | \$ - | \$ 830 |

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**Total Capital Costs Related to Minimum Functionality**

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| | | | | | | | | \$ - |
| Computer Software | | 92 | 394 | 329 | 66 | | | \$ 881 |
| Computer Software | | | | 1,592 | 1,189 | | | \$ 2,781 |
| | | | | | | | | \$ - |
| Smart Meter | | 1,603 | 2,167 | 3,120 | 18,137 | 23,391 | | \$ 48,417 |
| | | | | | | | | \$ - |
| | \$ - | \$ 1,695 | \$ 2,561 | \$ 5,042 | \$ 19,391 | \$ 23,391 | \$ - | \$ 52,080 |
| | \$ - | \$ 60,674 | \$ 63,674 | \$ 580,810 | \$ 1,404,610 | \$ 131,937 | \$ 7,926 | \$ 2,249,631 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Computer Software | | | | | | | | \$ - |
| Applications Software | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 60,674 | \$ 63,674 | \$ 580,810 | \$ 1,404,610 | \$ 131,937 | \$ 7,926 | \$ 2,249,631 |

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify)

Meter Base Repairs

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)

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)

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

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------|------------|
| | | | | | | | | \$ - |
| | | | | 2,756 | 2,893 | 519 | | \$ 6,169 |
| | \$ - | \$ - | \$ - | \$ 2,756 | \$ 2,893 | \$ 519 | \$ - | \$ 6,169 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | \$ - |
| | | | | | | 11,148 | 29,675 | \$ 40,823 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11,148 | \$ 29,675 | \$ 40,823 |
| | | | | | | | | \$ - |
| | | | | | | 37,330 | 45,441 | \$ 82,771 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 37,330 | \$ 45,441 | \$ 82,771 |
| | | | | | | | | \$ 3,884 |
| | | | | 3,433 | 4,384 | 12,230 | 2,074 | \$ 22,120 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | 60 | | 373 | 646 | 401 | | \$ 1,481 |
| | | 10 | 44 | 1,202 | 759 | 2,858 | 4,474 | \$ 9,347 |
| | \$ - | \$ 70 | \$ 44 | \$ 5,008 | \$ 5,790 | \$ 15,488 | \$ 10,432 | \$ 36,832 |
| | \$ - | \$ 70 | \$ 44 | \$ 7,764 | \$ 8,683 | \$ 64,486 | \$ 85,547 | \$ 166,595 |
| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | | |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 70 | \$ 44 | \$ 7,764 | \$ 8,683 | \$ 64,486 | \$ 85,547 | \$ 166,595 |

3 Aggregate Smart Meter Costs by Category

| | | | | | | | | | | |
|-------|-----------------------|-------------|------------------|------------------|-------------------|---------------------|-------------------|------------------|---------------------|--|
| 3.1 | Capital | | | | | | | | | |
| 3.1.1 | Smart Meter | \$ - | \$ 60,185 | \$ 63,169 | \$ 576,955 | \$ 1,397,596 | \$ 128,765 | \$ 7,926 | \$ 2,234,597 | |
| 3.1.2 | Computer Hardware | \$ - | \$ - | \$ 111 | \$ 1,934 | \$ 413 | \$ - | \$ - | \$ 2,458 | |
| 3.1.3 | Computer Software | \$ - | \$ 489 | \$ 394 | \$ 1,921 | \$ 5,770 | \$ 3,172 | \$ - | \$ 11,746 | |
| 3.1.4 | Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 830 | \$ - | \$ - | \$ 830 | |
| 3.1.5 | Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 3.1.6 | Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 3.1.7 | Total Capital Costs | <u>\$ -</u> | <u>\$ 60,674</u> | <u>\$ 63,674</u> | <u>\$ 580,810</u> | <u>\$ 1,404,610</u> | <u>\$ 131,937</u> | <u>\$ 7,926</u> | <u>\$ 2,249,631</u> | |
| 3.2 | OM&A Costs | | | | | | | | Error | |
| 3.2.1 | Total OM&A Costs | <u>\$ -</u> | <u>\$ 70</u> | <u>\$ 44</u> | <u>\$ 7,764</u> | <u>\$ 8,683</u> | <u>\$ 64,486</u> | <u>\$ 85,547</u> | <u>\$ 166,595</u> | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Cost of Capital | | | | | | | |
| Capital Structure¹ | | | | | | | |
| Deemed Short-term Debt Capitalization | | | 0.0% | 0.0% | 4.0% | 4.0% | 4.0% |
| Deemed Long-term Debt Capitalization | 50.0% | 50.0% | 53.3% | 56.7% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Capital Parameters | | | | | | | |
| Deemed Short-term Debt Rate | | | 0.00% | 0.00% | 2.07% | 2.07% | 2.07% |
| Long-term Debt Rate (actual/embedded/deemed) ² | 6.25% | 6.25% | 6.25% | 6.25% | 5.87% | 5.87% | 5.87% |
| Target Return on Equity (ROE) | 9.0% | 9.00% | 9.00% | 9.00% | 9.85% | 9.85% | 9.85% |
| Return on Preferred Shares | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| WACC | 7.63% | 7.63% | 7.53% | 7.44% | 7.31% | 7.31% | 7.31% |
| Working Capital Allowance | | | | | | | |
| Working Capital Allowance Rate (% of the sum of Cost of Power + controllable expenses) | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Taxes/PILs | | | | | | | |
| Aggregate Corporate Income Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Capital Tax (until July 1st, 2010) | 0.30% | 0.225% | 0.225% | 0.225% | 0.075% | 0.00% | 0.00% |

Depreciation Rates

(expressed as expected useful life in years)

| | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| - rate (%) | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Tools & Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Other Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

CCA Rates

| | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|
| 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 | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Computer Equipment - CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| General Equipment - CCA Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| General Equipment - CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Applications Software - CCA Class | | | | | | | |
| Applications Software - CCA Rate | | | | | | | |

Assumptions

¹ Planned smart meter installations occur evenly throughout the year.

² Fiscal calendar year (January 1 to December 31) used.

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



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|------|-----------|------------|------------|--------------|--------------|----------------|
| Net Fixed Assets - Smart Meters | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 60,185 | \$ 123,354 | \$ 700,309 | \$ 2,097,905 | \$ 2,226,670 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 60,185 | \$ 63,169 | \$ 576,955 | \$ 1,397,596 | \$ 128,765 | \$ 7,926 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 60,185 | \$ 123,354 | \$ 700,309 | \$ 2,097,905 | \$ 2,226,670 | \$ 2,234,597 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | | \$ - | -\$ 2,006 | -\$ 8,124 | -\$ 35,580 | -\$ 128,853 | -\$ 273,006 |
| Amortization expense during year | \$ - | -\$ 2,006 | -\$ 6,118 | -\$ 27,455 | -\$ 93,274 | -\$ 144,153 | -\$ 148,709 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 2,006 | -\$ 8,124 | -\$ 35,580 | -\$ 128,853 | -\$ 273,006 | -\$ 421,715 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 58,179 | \$ 115,230 | \$ 664,729 | \$ 1,969,052 | \$ 1,953,665 |
| Closing Balance | \$ - | \$ 58,179 | \$ 115,230 | \$ 664,729 | \$ 1,969,052 | \$ 1,953,665 | \$ 1,812,882 |
| Average Net Book Value | \$ - | \$ 29,090 | \$ 86,705 | \$ 389,980 | \$ 1,316,891 | \$ 1,961,358 | \$ 1,883,273 |
| Net Fixed Assets - Computer Hardware | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 111 | \$ 2,045 | \$ 2,458 | \$ 2,458 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ 111 | \$ 1,934 | \$ 413 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ 111 | \$ 2,045 | \$ 2,458 | \$ 2,458 | \$ 2,458 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | -\$ 11 | -\$ 227 | -\$ 677 | -\$ 1,168 |
| Amortization expense during year | \$ - | \$ - | -\$ 11 | -\$ 216 | -\$ 450 | -\$ 492 | -\$ 492 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | -\$ 11 | -\$ 227 | -\$ 677 | -\$ 1,168 | -\$ 1,660 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 100 | \$ 1,818 | \$ 1,781 | \$ 1,289 |
| Closing Balance | \$ - | \$ - | \$ 100 | \$ 1,818 | \$ 1,781 | \$ 1,289 | \$ 798 |
| Average Net Book Value | \$ - | \$ - | \$ 50 | \$ 959 | \$ 1,799 | \$ 1,535 | \$ 1,043 |
| Net Fixed Assets - Computer Software (including Applications Software) | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 489 | \$ 883 | \$ 2,804 | \$ 8,574 | \$ 11,746 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 489 | \$ 394 | \$ 1,921 | \$ 5,770 | \$ 3,172 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 489 | \$ 883 | \$ 2,804 | \$ 8,574 | \$ 11,746 | \$ 11,746 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | -\$ 49 | -\$ 186 | -\$ 555 | -\$ 1,692 | -\$ 3,724 |
| Amortization expense during year | \$ - | -\$ 49 | -\$ 137 | -\$ 369 | -\$ 1,138 | -\$ 2,032 | -\$ 2,349 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 49 | -\$ 186 | -\$ 555 | -\$ 1,692 | -\$ 3,724 | -\$ 6,074 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 440 | \$ 697 | \$ 2,249 | \$ 6,882 | \$ 8,022 |
| Closing Balance | \$ - | \$ 440 | \$ 697 | \$ 2,249 | \$ 6,882 | \$ 8,022 | \$ 5,672 |
| Average Net Book Value | \$ - | \$ 220 | \$ 568 | \$ 1,473 | \$ 4,566 | \$ 7,452 | \$ 6,847 |

Net Fixed Assets - Tools and Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|--------|--------|--------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ 830 | \$ 830 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ 830 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 830 | \$ 830 | \$ 830 |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|-------|--------|--------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 42 | \$ 125 |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ 42 | \$ 83 | \$ 83 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 42 | \$ 125 | \$ 208 |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|--------|--------|--------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 789 | \$ 706 |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 789 | \$ 706 | \$ 623 |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ 394 | \$ 747 | \$ 664 |

Net Fixed Assets - Other Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|------|------|------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and Later |
|---|-------------|------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Average Net Fixed Asset Values (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 29,090 | \$ 86,705 | \$ 389,980 | \$ 1,316,891 | \$ 1,961,358 | \$ 1,883,273 |
| Computer Hardware | \$ - | \$ - | \$ 50 | \$ 959 | \$ 1,799 | \$ 1,535 | \$ 1,043 |
| Computer Software | \$ - | \$ 220 | \$ 568 | \$ 1,473 | \$ 4,566 | \$ 7,452 | \$ 6,847 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 394 | \$ 747 | \$ 664 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Net Fixed Assets | \$ - | \$ 29,309 | \$ 87,323 | \$ 392,412 | \$ 1,323,650 | \$ 1,971,092 | \$ 1,891,828 |
| Working Capital | | | | | | | |
| Operating Expenses (from Sheet 2) | \$ - | \$ 70 | \$ 44 | \$ 7,764 | \$ 8,683 | \$ 64,486 | \$ 85,547 |
| Working Capital Factor (from Sheet 3) | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Working Capital Allowance | \$ - | \$ 10 | \$ 7 | \$ 1,165 | \$ 1,302 | \$ 9,673 | \$ 12,832 |
| Incremental Smart Meter Rate Base | \$ - | \$ 29,320 | \$ 87,329 | \$ 393,576 | \$ 1,324,952 | \$ 1,980,765 | \$ 1,904,660 |
| Return on Rate Base | | | | | | | |
| Capital Structure | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 52,998 | \$ 79,231 | \$ 76,186 |
| Deemed Long Term Debt | \$ - | \$ 14,660 | \$ 46,547 | \$ 223,158 | \$ 741,973 | \$ 1,109,228 | \$ 1,066,610 |
| Equity | \$ - | \$ 14,660 | \$ 40,783 | \$ 170,419 | \$ 529,981 | \$ 792,306 | \$ 761,864 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Capitalization | \$ - | \$ 29,320 | \$ 87,329 | \$ 393,576 | \$ 1,324,952 | \$ 1,980,765 | \$ 1,904,660 |
| Return on | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 1,097 | \$ 1,640 | \$ 1,577 |
| Deemed Long Term Debt | \$ - | \$ 916 | \$ 2,909 | \$ 13,947 | \$ 43,554 | \$ 65,112 | \$ 62,610 |
| Equity | \$ - | \$ 1,319 | \$ 3,670 | \$ 15,338 | \$ 52,203 | \$ 78,042 | \$ 75,044 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Return on Capital | \$ - | \$ 2,236 | \$ 6,580 | \$ 29,285 | \$ 96,854 | \$ 144,794 | \$ 139,231 |
| Operating Expenses | \$ - | \$ 70 | \$ 44 | \$ 7,764 | \$ 8,683 | \$ 64,486 | \$ 85,547 |
| Amortization Expenses (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 2,006 | \$ 6,118 | \$ 27,455 | \$ 93,274 | \$ 144,153 | \$ 148,709 |
| Computer Hardware | \$ - | \$ - | \$ 11 | \$ 216 | \$ 450 | \$ 492 | \$ 492 |
| Computer Software | \$ - | \$ 49 | \$ 137 | \$ 369 | \$ 1,138 | \$ 2,032 | \$ 2,349 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 42 | \$ 83 | \$ 83 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Amortization Expense in Year | \$ - | \$ 2,055 | \$ 6,266 | \$ 28,040 | \$ 94,903 | \$ 146,759 | \$ 151,633 |
| Incremental Revenue Requirement before Taxes/PILs | \$ - | \$ 4,361 | \$ 12,890 | \$ 65,089 | \$ 200,440 | \$ 356,039 | \$ 376,411 |
| Calculation of Taxable Income | | | | | | | |
| Incremental Operating Expenses | \$ - | \$ 70 | \$ 44 | \$ 7,764 | \$ 8,683 | \$ 64,486 | \$ 85,547 |
| Amortization Expense | \$ - | \$ 2,055 | \$ 6,266 | \$ 28,040 | \$ 94,903 | \$ 146,759 | \$ 151,633 |
| Interest Expense | \$ - | \$ 916 | \$ 2,909 | \$ 13,947 | \$ 44,651 | \$ 66,752 | \$ 64,187 |
| Net Income for Taxes/PILs | \$ - | \$ 1,319 | \$ 3,670 | \$ 15,338 | \$ 52,203 | \$ 78,042 | \$ 75,044 |
| Grossed-up Taxes/PILs (from Sheet 7) | \$ - | \$ 602.71 | \$ 1,497.25 | \$ 6,354.36 | \$ 17,238.33 | \$ 26,779.95 | \$ 31,582.68 |
| Revenue Requirement, including Grossed-up Taxes/PILs | \$ - | \$ 4,963 | \$ 14,387 | \$ 71,443 | \$ 217,679 | \$ 382,819 | \$ 407,993 |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

For PILs Calculation

UCC - Smart Meters

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 57,777.83 | \$ 113,797.83 | \$ 658,570.46 | \$ 1,947,577.24 | \$ 1,915,385.75 |
| Capital Additions | \$ - | \$ 60,185.24 | \$ 63,168.98 | \$ 576,954.65 | \$ 1,397,596.27 | \$ 128,765.30 | \$ 7,926.17 |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 60,185.24 | \$ 120,946.81 | \$ 690,752.47 | \$ 2,056,166.73 | \$ 2,076,342.54 | \$ 1,923,311.92 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 30,092.62 | \$ 31,584.49 | \$ 288,477.32 | \$ 698,798.13 | \$ 64,382.65 | \$ 3,963.08 |
| Reduced UCC | \$ - | \$ 30,092.62 | \$ 89,362.32 | \$ 402,275.15 | \$ 1,357,368.60 | \$ 2,011,959.89 | \$ 1,919,348.83 |
| CCA Rate Class | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| CCA Rate | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| CCA | \$ - | \$ 2,407.41 | \$ 7,148.99 | \$ 32,182.01 | \$ 108,589.49 | \$ 160,956.79 | \$ 153,547.91 |
| Closing UCC | \$ - | \$ 57,777.83 | \$ 113,797.83 | \$ 658,570.46 | \$ 1,947,577.24 | \$ 1,915,385.75 | \$ 1,769,764.01 |

UCC - Computer Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 354.18 | \$ 525.73 | \$ 3,031.45 | \$ 5,846.79 | \$ 4,930.66 |
| Capital Additions Computer Hardware | \$ - | \$ - | \$ 111.22 | \$ 1,933.62 | \$ 412.74 | \$ - | \$ - |
| Capital Additions Computer Software | \$ - | \$ 488.53 | \$ 394.09 | \$ 1,921.37 | \$ 5,770.20 | \$ 3,171.87 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 488.53 | \$ 859.49 | \$ 4,380.72 | \$ 9,214.39 | \$ 9,018.66 | \$ 4,930.66 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 244.26 | \$ 252.66 | \$ 1,927.50 | \$ 3,091.47 | \$ 1,585.94 | \$ - |
| Reduced UCC | \$ - | \$ 244.26 | \$ 606.84 | \$ 2,453.23 | \$ 6,122.92 | \$ 7,432.72 | \$ 4,930.66 |
| CCA Rate Class | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| CCA | \$ - | \$ 134.35 | \$ 333.76 | \$ 1,349.28 | \$ 3,367.61 | \$ 4,088.00 | \$ 2,711.86 |
| Closing UCC | \$ - | \$ 354.18 | \$ 525.73 | \$ 3,031.45 | \$ 5,846.79 | \$ 4,930.66 | \$ 2,218.80 |

UCC - General Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 747.31 | \$ 597.85 |
| Capital Additions Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 830.35 | \$ - | \$ - |
| Capital Additions Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ - | \$ - | \$ - | \$ 830.35 | \$ 747.31 | \$ 597.85 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ - | \$ - | \$ - | \$ 415.17 | \$ - | \$ - |
| Reduced UCC | \$ - | \$ - | \$ - | \$ - | \$ 415.17 | \$ 747.31 | \$ 597.85 |
| CCA Rate Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| CCA | \$ - | \$ - | \$ - | \$ - | \$ 83.03 | \$ 149.46 | \$ 119.57 |
| Closing UCC | \$ - | \$ - | \$ - | \$ - | \$ 747.31 | \$ 597.85 | \$ 478.28 |



PILs Calculation

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| INCOME TAX | | | | | | | |
| Net Income | \$ - | \$ 1,319.39 | \$ 3,670.46 | \$ 15,337.67 | \$ 52,203.12 | \$ 78,042.14 | \$ 75,043.60 |
| Amortization | \$ - | \$ 2,055.03 | \$ 6,266.22 | \$ 28,039.70 | \$ 94,903.38 | \$ 146,759.10 | \$ 151,632.67 |
| CCA - Smart Meters | \$ - | \$ 2,407.41 | \$ 7,148.99 | \$ 32,182.01 | \$ 108,589.49 | \$ 160,956.79 | \$ 153,547.91 |
| CCA - Computers | \$ - | \$ 134.35 | \$ 333.76 | \$ 1,349.28 | \$ 3,367.61 | \$ 4,088.00 | \$ 2,711.86 |
| CCA - Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CCA - Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ 83.03 | \$ 149.46 | \$ 119.57 |
| Change in taxable income | \$ - | \$ 832.67 | \$ 2,453.93 | \$ 9,846.09 | \$ 35,066.37 | \$ 59,606.98 | \$ 70,296.92 |
| Tax Rate (from Sheet 3) | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Income Taxes Payable | \$ - | \$ 300.76 | \$ 822.07 | \$ 3,249.21 | \$ 10,870.57 | \$ 18,478.16 | \$ 21,792.05 |
| ONTARIO CAPITAL TAX | | | | | | | |
| Smart Meters | \$ - | \$ 58,179.07 | \$ 115,230.07 | \$ 664,729.28 | \$ 1,969,051.74 | \$ 1,953,664.52 | \$ 1,812,881.79 |
| Computer Hardware | \$ - | \$ - | \$ 100.10 | \$ 1,818.12 | \$ 1,780.62 | \$ 1,289.10 | \$ 797.58 |
| Computer Software (Including Application Software) | \$ - | \$ 439.67 | \$ 696.65 | \$ 2,249.36 | \$ 6,881.74 | \$ 8,021.59 | \$ 5,672.38 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 788.83 | \$ 705.79 | \$ 622.76 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Base | \$ - | \$ 58,618.74 | \$ 116,026.82 | \$ 668,796.75 | \$ 1,978,502.93 | \$ 1,963,681.01 | \$ 1,819,974.51 |
| Less: Exemption | | | | | | | |
| Deemed Taxable Capital | \$ - | \$ 58,618.74 | \$ 116,026.82 | \$ 668,796.75 | \$ 1,978,502.93 | \$ 1,963,681.01 | \$ 1,819,974.51 |
| Ontario Capital Tax Rate (from Sheet 3) | 0.300% | 0.225% | 0.225% | 0.225% | 0.075% | 0.000% | 0.000% |
| Net Amount (Taxable Capital x Rate) | \$ - | \$ 131.89 | \$ 261.06 | \$ 1,504.79 | \$ 1,483.88 | \$ - | \$ - |
| Change in Income Taxes Payable | \$ - | \$ 300.76 | \$ 822.07 | \$ 3,249.21 | \$ 10,870.57 | \$ 18,478.16 | \$ 21,792.05 |
| Change in OCT | \$ - | \$ 131.89 | \$ 261.06 | \$ 1,504.79 | \$ 1,483.88 | \$ - | \$ - |
| PILs | \$ - | \$ 432.65 | \$ 1,083.13 | \$ 4,754.00 | \$ 12,354.45 | \$ 18,478.16 | \$ 21,792.05 |
| Gross Up PILs | | | | | | | |
| Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Change in Income Taxes Payable | \$ - | \$ 470.82 | \$ 1,236.19 | \$ 4,849.57 | \$ 15,754.46 | \$ 26,779.95 | \$ 31,582.68 |
| Change in OCT | \$ - | \$ 131.89 | \$ 261.06 | \$ 1,504.79 | \$ 1,483.88 | \$ - | \$ - |
| PILs | \$ - | \$ 602.71 | \$ 1,497.25 | \$ 6,354.36 | \$ 17,238.33 | \$ 26,779.95 | \$ 31,582.68 |



Ontario Energy Board

Smart Meter Model

Burlington 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 |
|----------------|---|-------|--------|------|---------|--------------------------------|---------------------------|------------------|-----------|-----------------|----------------|
| 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 | \$ - | \$ 14.00 | 4.14% | \$ - | \$ 14.00 | |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | \$ 14.00 | \$ 998.48 | 4.14% | \$ 0.05 | \$ 1,012.53 | |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | \$ 1,012.48 | \$ 1,209.05 | 4.59% | \$ 3.87 | \$ 2,225.40 | |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | \$ 2,221.53 | \$ 1,212.19 | 4.59% | \$ 8.50 | \$ 3,442.22 | |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | \$ 3,433.72 | \$ 1,217.58 | 4.59% | \$ 13.13 | \$ 4,664.43 | |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | \$ 4,651.30 | \$ 1,217.20 | 4.59% | \$ 17.79 | \$ 5,886.29 | |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | \$ 5,868.50 | \$ 1,240.83 | 4.59% | \$ 22.45 | \$ 7,131.78 | |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | \$ 7,109.33 | \$ 1,267.97 | 4.59% | \$ 27.19 | \$ 8,404.49 | \$ 8,470.28 |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | \$ 8,377.30 | \$ 1,290.63 | 4.59% | \$ 32.04 | \$ 9,699.97 | |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | \$ 9,667.93 | \$ 1,291.96 | 4.59% | \$ 36.98 | \$ 10,996.87 | |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | \$ 10,959.89 | \$ 1,279.33 | 4.59% | \$ 41.92 | \$ 12,281.14 | |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | \$ 12,239.22 | \$ 1,282.69 | 4.59% | \$ 46.82 | \$ 13,568.73 | |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | \$ 13,521.91 | \$ 1,284.74 | 4.59% | \$ 51.72 | \$ 14,858.37 | |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | \$ 14,806.65 | \$ 1,287.40 | 4.59% | \$ 56.64 | \$ 16,150.69 | |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | \$ 16,094.05 | \$ 1,285.38 | 4.59% | \$ 61.56 | \$ 17,440.99 | |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | \$ 17,379.43 | \$ 1,287.17 | 4.59% | \$ 66.48 | \$ 18,733.08 | |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | \$ 18,666.60 | \$ 1,284.50 | 4.59% | \$ 71.40 | \$ 20,022.50 | |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | \$ 19,951.10 | \$ 1,291.38 | 5.14% | \$ 85.46 | \$ 21,327.94 | |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | \$ 21,242.48 | \$ 1,297.27 | 5.14% | \$ 90.99 | \$ 22,630.74 | |
| 2011 Q4 | 1.47% | 4.29% | Dec-07 | 2007 | Q4 | \$ 22,539.75 | \$ 1,299.15 | 5.14% | \$ 96.55 | \$ 23,935.45 | \$ 16,200.16 |
| 2012 Q1 | 1.47% | 4.29% | Jan-08 | 2008 | Q1 | \$ 23,838.90 | \$ 1,305.71 | 5.14% | \$ 102.11 | \$ 25,246.72 | |
| 2012 Q2 | 0.00% | 4.29% | Feb-08 | 2008 | Q1 | \$ 25,144.61 | \$ 1,310.04 | 5.14% | \$ 107.70 | \$ 26,562.35 | |
| 2012 Q3 | 0.00% | 4.29% | Mar-08 | 2008 | Q1 | \$ 26,454.65 | \$ 1,301.38 | 5.14% | \$ 113.31 | \$ 27,869.34 | |
| 2012 Q4 | 0.00% | 4.29% | Apr-08 | 2008 | Q2 | \$ 27,756.03 | \$ 1,320.15 | 4.08% | \$ 94.37 | \$ 29,170.55 | |
| | | | May-08 | 2008 | Q2 | \$ 29,076.18 | \$ 1,306.25 | 4.08% | \$ 98.86 | \$ 30,481.29 | |
| | | | Jun-08 | 2008 | Q2 | \$ 30,382.43 | \$ 1,302.39 | 4.08% | \$ 103.30 | \$ 31,788.12 | |
| | | | Jul-08 | 2008 | Q3 | \$ 31,684.82 | \$ 1,306.07 | 3.35% | \$ 88.45 | \$ 33,079.34 | |
| | | | Aug-08 | 2008 | Q3 | \$ 32,990.89 | \$ 1,302.84 | 3.35% | \$ 92.10 | \$ 34,385.83 | |
| | | | Sep-08 | 2008 | Q3 | \$ 34,293.73 | \$ 1,305.68 | 3.35% | \$ 95.74 | \$ 35,695.15 | |
| | | | Oct-08 | 2008 | Q4 | \$ 35,599.41 | \$ 1,304.40 | 3.35% | \$ 99.38 | \$ 37,003.19 | |
| | | | Nov-08 | 2008 | Q4 | \$ 36,903.81 | \$ 1,285.53 | 3.35% | \$ 103.02 | \$ 38,292.36 | |
| | | | Dec-08 | 2008 | Q4 | \$ 38,189.34 | \$ 1,380.68 | 3.35% | \$ 106.61 | \$ 39,676.63 | \$ 16,936.07 |
| | | | Jan-09 | 2009 | Q1 | \$ 39,570.02 | \$ 1,311.78 | 2.45% | \$ 80.79 | \$ 40,962.59 | |
| | | | Feb-09 | 2009 | Q1 | \$ 40,881.80 | \$ 1,305.31 | 2.45% | \$ 83.47 | \$ 42,270.58 | |
| | | | Mar-09 | 2009 | Q1 | \$ 42,187.11 | \$ 1,331.49 | 2.45% | \$ 86.13 | \$ 43,604.73 | |
| | | | Apr-09 | 2009 | Q2 | \$ 43,518.60 | \$ 1,361.77 | 1.00% | \$ 36.27 | \$ 44,916.64 | |
| | | | May-09 | 2009 | Q2 | \$ 44,880.37 | \$ 4,868.11 | 1.00% | \$ 37.40 | \$ 49,785.88 | |
| | | | Jun-09 | 2009 | Q2 | \$ 49,748.48 | \$ 4,944.24 | 1.00% | \$ 41.46 | \$ 54,734.18 | |
| | | | Jul-09 | 2009 | Q3 | \$ 54,692.72 | \$ 4,951.17 | 0.55% | \$ 25.07 | \$ 59,668.96 | |
| | | | Aug-09 | 2009 | Q3 | \$ 59,643.89 | \$ 4,953.50 | 0.55% | \$ 27.34 | \$ 64,624.73 | |
| | | | Sep-09 | 2009 | Q3 | \$ 64,597.39 | \$ 4,951.85 | 0.55% | \$ 29.61 | \$ 69,578.85 | |
| | | | Oct-09 | 2009 | Q4 | \$ 69,549.24 | \$ 4,994.75 | 0.55% | \$ 31.88 | \$ 74,575.87 | |
| | | | Nov-09 | 2009 | Q4 | \$ 74,543.99 | \$ 4,981.39 | 0.55% | \$ 34.17 | \$ 79,559.55 | |
| | | | Dec-09 | 2009 | Q4 | \$ 79,525.38 | \$ 4,960.43 | 0.55% | \$ 36.45 | \$ 84,522.26 | \$ 45,465.83 |
| | | | Jan-10 | 2010 | Q1 | \$ 84,485.81 | \$ 4,998.10 | 0.55% | \$ 38.72 | \$ 89,522.63 | |
| | | | Feb-10 | 2010 | Q1 | \$ 89,483.91 | \$ 4,969.54 | 0.55% | \$ 41.01 | \$ 94,494.46 | |
| | | | Mar-10 | 2010 | Q1 | \$ 94,453.45 | \$ 4,987.37 | 0.55% | \$ 43.29 | \$ 99,484.11 | |
| | | | Apr-10 | 2010 | Q2 | \$ 99,440.82 | \$ 4,967.53 | 0.55% | \$ 45.58 | \$ 104,453.93 | |
| | | | May-10 | 2010 | Q2 | \$ 104,408.35 | \$ 4,949.19 | 0.55% | \$ 47.85 | \$ 109,405.39 | |
| | | | Jun-10 | 2010 | Q2 | \$ 109,357.54 | \$ 4,976.80 | 0.55% | \$ 50.12 | \$ 114,384.46 | |
| | | | Jul-10 | 2010 | Q3 | \$ 114,334.34 | \$ 4,991.48 | 0.89% | \$ 84.80 | \$ 119,410.62 | |
| | | | Aug-10 | 2010 | Q3 | \$ 119,325.82 | \$ 4,990.36 | 0.89% | \$ 88.50 | \$ 124,404.68 | |
| | | | Sep-10 | 2010 | Q3 | \$ 124,316.18 | \$ 4,979.71 | 0.89% | \$ 92.20 | \$ 129,388.09 | |
| | | | Oct-10 | 2010 | Q4 | \$ 129,295.89 | \$ 4,977.47 | 1.20% | \$ 129.30 | \$ 134,402.66 | |
| | | | Nov-10 | 2010 | Q4 | \$ 134,273.36 | \$ 4,999.98 | 1.20% | \$ 134.27 | \$ 139,407.61 | |
| | | | Dec-10 | 2010 | Q4 | \$ 139,273.34 | \$ 5,025.86 | 1.20% | \$ 139.27 | \$ 144,438.47 | \$ 60,748.30 |
| | | | Jan-11 | 2011 | Q1 | \$ 144,299.20 | \$ 5,059.83 | 1.47% | \$ 176.77 | \$ 149,535.80 | |
| | | | Feb-11 | 2011 | Q1 | \$ 149,359.03 | \$ 5,071.90 | 1.47% | \$ 182.96 | \$ 154,613.89 | |
| | | | Mar-11 | 2011 | Q1 | \$ 154,430.93 | \$ 5,105.66 | 1.47% | \$ 189.18 | \$ 159,725.77 | |
| | | | Apr-11 | 2011 | Q2 | \$ 159,536.59 | \$ 5,003.41 | 1.47% | \$ 195.43 | \$ 164,735.43 | |
| | | | May-11 | 2011 | Q2 | \$ 164,540.00 | \$ 5,657.96 | 1.47% | \$ 201.56 | \$ 170,399.52 | |
| | | | Jun-11 | 2011 | Q2 | \$ 170,197.96 | \$ 11,164.29 | 1.47% | \$ 208.49 | \$ 181,570.74 | |
| | | | Jul-11 | 2011 | Q3 | \$ 181,362.25 | \$ 12,737.47 | 1.47% | \$ 222.17 | \$ 194,321.89 | |
| | | | Aug-11 | 2011 | Q3 | \$ 194,099.72 | \$ 12,725.92 | 1.47% | \$ 237.77 | \$ 207,063.41 | |
| | | | Sep-11 | 2011 | Q3 | \$ 206,825.64 | \$ 12,761.25 | 1.47% | \$ 253.36 | \$ 219,840.25 | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

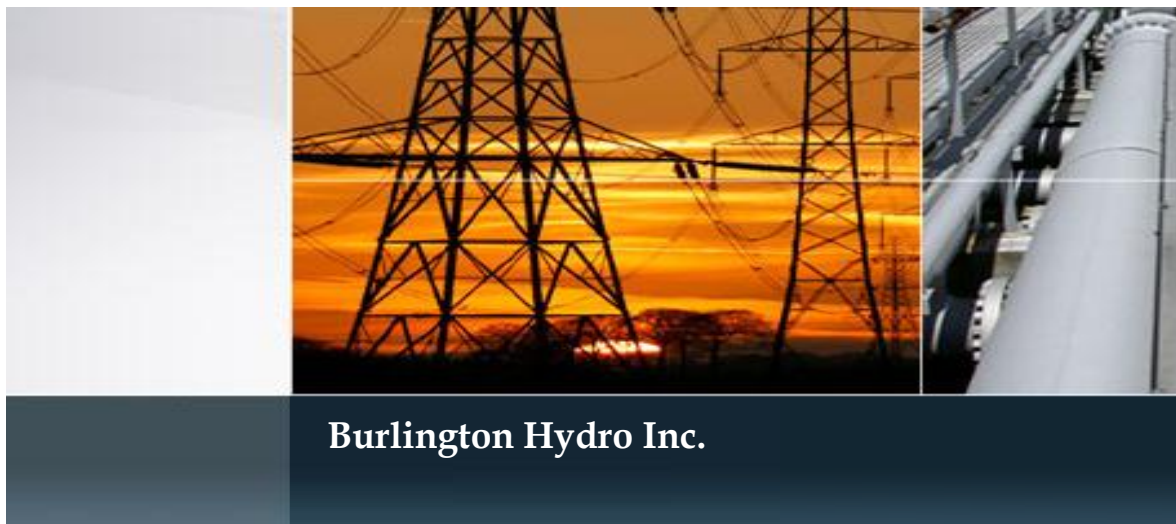
This worksheet calculates the funding adder revenues.

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 | | Closing Balance | Annual amounts |
|--|---|------|--------|------|---------|--------------------------------|---------------------------|----------|-------------|-----------------|----------------|
| | | | | | | | | Rate | Interest | | |
| | | | Oct-11 | 2011 | Q4 | \$ 219,586.89 | \$ 12,736.59 | 1.47% | \$ 268.99 | \$ 232,592.47 | |
| | | | Nov-11 | 2011 | Q4 | \$ 232,323.48 | \$ 12,774.14 | 1.47% | \$ 284.60 | \$ 245,382.22 | |
| | | | Dec-11 | 2011 | Q4 | \$ 245,097.62 | \$ 12,787.52 | 1.47% | \$ 300.24 | \$ 258,185.38 | \$ 116,307.46 |
| | | | Jan-12 | 2012 | Q1 | \$ 257,885.14 | \$ 12,750.00 | 1.47% | \$ 315.91 | \$ 270,951.05 | |
| | | | Feb-12 | 2012 | Q1 | \$ 270,635.14 | \$ 12,750.00 | 1.47% | \$ 331.53 | \$ 283,716.67 | |
| | | | Mar-12 | 2012 | Q1 | \$ 283,385.14 | \$ 12,750.00 | 1.47% | \$ 347.15 | \$ 296,482.29 | |
| | | | Apr-12 | 2012 | Q2 | \$ 296,135.14 | \$ 12,750.00 | 1.47% | \$ 362.77 | \$ 309,247.91 | |
| | | | May-12 | 2012 | Q2 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Jun-12 | 2012 | Q2 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Jul-12 | 2012 | Q3 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Aug-12 | 2012 | Q3 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Sep-12 | 2012 | Q3 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Oct-12 | 2012 | Q4 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Nov-12 | 2012 | Q4 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | |
| | | | Dec-12 | 2012 | Q4 | \$ 308,885.14 | | 0.00% | \$ - | \$ 308,885.14 | \$ 52,357.36 |
| Total Funding Adder Revenues Collected | | | | | | \$ | 308,885.14 | | \$ 7,600.32 | \$ 316,485.46 | \$ 316,485.46 |

[illegible][illegible]

[illegible][illegible]



This worksheet calculates the interest on OM&A and amortization/depr

Account 1556 - Su

| Prescribed Interest Rates | Approved Deferral and Variance Accounts | CWIP | Date | Year | Quarter | Opening Balance (Principal) |
|---------------------------------|--|-------|--------|------|---------|--------------------------------|
| 2006 Q1 | 0.00% | 0.00% | Jan-06 | 2006 | Q1 | \$ - |
| 2006 Q2 | 4.14% | 4.68% | Feb-06 | 2006 | Q1 | - |
| 2006 Q3 | 4.59% | 5.05% | Mar-06 | 2006 | Q1 | - |
| 2006 Q4 | 4.59% | 4.72% | Apr-06 | 2006 | Q2 | - |
| 2007 Q1 | 4.59% | 4.72% | May-06 | 2006 | Q2 | - |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | - |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | - |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | - |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | - |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | - |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | - |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | - |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | - |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | - |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | - |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | - |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | 33.03 |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | 33.03 |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | 52.84 |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | 52.84 |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | 335.24 |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | 467.34 |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | 520.18 |

| | | | | | | | |
|---------|-------|-------|--|--------|------|----|------------|
| 2011 Q4 | 1.47% | 4.29% | | Dec-07 | 2007 | Q4 | 580.17 |
| 2012 Q1 | 1.47% | 4.29% | | Jan-08 | 2008 | Q1 | 677.09 |
| 2012 Q2 | 0.00% | 4.29% | | Feb-08 | 2008 | Q1 | 677.09 |
| 2012 Q3 | 0.00% | 4.29% | | Mar-08 | 2008 | Q1 | 677.09 |
| 2012 Q4 | 0.00% | 4.29% | | Apr-08 | 2008 | Q2 | 677.09 |
| | | | | May-08 | 2008 | Q2 | 858.35 |
| | | | | Jun-08 | 2008 | Q2 | 858.35 |
| | | | | Jul-08 | 2008 | Q3 | 858.35 |
| | | | | Aug-08 | 2008 | Q3 | 1,587.65 |
| | | | | Sep-08 | 2008 | Q3 | 1,702.81 |
| | | | | Oct-08 | 2008 | Q4 | 1,702.81 |
| | | | | Nov-08 | 2008 | Q4 | 1,983.77 |
| | | | | Dec-08 | 2008 | Q4 | 1,983.77 |
| | | | | Jan-09 | 2009 | Q1 | 30,562.69 |
| | | | | Feb-09 | 2009 | Q1 | 30,562.69 |
| | | | | Mar-09 | 2009 | Q1 | 30,562.69 |
| | | | | Apr-09 | 2009 | Q2 | 30,562.69 |
| | | | | May-09 | 2009 | Q2 | 32,402.34 |
| | | | | Jun-09 | 2009 | Q2 | 32,564.18 |
| | | | | Jul-09 | 2009 | Q3 | 34,755.56 |
| | | | | Aug-09 | 2009 | Q3 | 38,823.57 |
| | | | | Sep-09 | 2009 | Q3 | 39,275.88 |
| | | | | Oct-09 | 2009 | Q4 | 40,117.63 |
| | | | | Nov-09 | 2009 | Q4 | 40,640.34 |
| | | | | Dec-09 | 2009 | Q4 | 40,858.34 |
| | | | | Jan-10 | 2010 | Q1 | 118,462.35 |
| | | | | Feb-10 | 2010 | Q1 | 118,541.61 |
| | | | | Mar-10 | 2010 | Q1 | 119,372.89 |
| | | | | Apr-10 | 2010 | Q2 | 119,934.54 |
| | | | | May-10 | 2010 | Q2 | 120,119.11 |
| | | | | Jun-10 | 2010 | Q2 | 120,519.00 |
| | | | | Jul-10 | 2010 | Q3 | 121,384.97 |
| | | | | Aug-10 | 2010 | Q3 | 121,799.02 |
| | | | | Sep-10 | 2010 | Q3 | 125,991.88 |
| | | | | Oct-10 | 2010 | Q4 | 128,925.31 |
| | | | | Nov-10 | 2010 | Q4 | 133,663.62 |
| | | | | Dec-10 | 2010 | Q4 | 134,210.71 |
| | | | | Jan-11 | 2011 | Q1 | 282,506.96 |
| | | | | Feb-11 | 2011 | Q1 | 282,535.88 |
| | | | | Mar-11 | 2011 | Q1 | 273,641.53 |
| | | | | Apr-11 | 2011 | Q2 | 274,577.82 |
| | | | | May-11 | 2011 | Q2 | 274,781.89 |
| | | | | Jun-11 | 2011 | Q2 | 275,544.15 |
| | | | | Jul-11 | 2011 | Q3 | 276,634.23 |
| | | | | Aug-11 | 2011 | Q3 | 289,449.67 |
| | | | | Sep-11 | 2011 | Q3 | 292,379.86 |
| | | | | Oct-11 | 2011 | Q4 | 295,220.28 |
| | | | | Nov-11 | 2011 | Q4 | 299,174.16 |
| | | | | Dec-11 | 2011 | Q4 | 307,548.58 |

| | | | | |
|--|--------|------|----|------------|
| | Jan-12 | 2012 | Q1 | 415,446.52 |
| | Feb-12 | 2012 | Q1 | 415,446.52 |
| | Mar-12 | 2012 | Q1 | 415,446.52 |
| | Apr-12 | 2012 | Q2 | 415,446.52 |
| | May-12 | 2012 | Q2 | 415,446.52 |
| | Jun-12 | 2012 | Q2 | 415,446.52 |
| | Jul-12 | 2012 | Q3 | 415,446.52 |
| | Aug-12 | 2012 | Q3 | 415,446.52 |
| | Sep-12 | 2012 | Q3 | 415,446.52 |
| | Oct-12 | 2012 | Q4 | 415,446.52 |
| | Nov-12 | 2012 | Q4 | 415,446.52 |
| | Dec-12 | 2012 | Q4 | 415,446.52 |



preciation expense, based on monthly data.

b-accounts Operating Expenses, Amortization Expenses, Carrying Charges

| OM&A Expenses | Amortization / Depreciation Expense | Closing Balance (Principal) | (Annual) Interest Rate | Interest (on opening balance) | Cumulative Interest |
|---------------|---|--------------------------------|------------------------------|-------------------------------------|------------------------|
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| \$ | 33.03 | 33.03 | 4.59% | - | - |
| | | 33.03 | 4.59% | 0.13 | 0.13 |
| \$ | 19.82 | 52.84 | 4.59% | 0.13 | 0.25 |
| | | 52.84 | 4.59% | 0.20 | 0.45 |
| \$ | 282.40 | 335.24 | 4.59% | 0.20 | 0.66 |
| \$ | 132.10 | 467.34 | 4.59% | 1.28 | 1.94 |
| \$ | 52.84 | 520.18 | 5.14% | 2.00 | 3.94 |
| \$ | 59.99 | 580.17 | 5.14% | 2.23 | 6.17 |

| | | |
|-----|-----------|---------------|
| \$ | 96.92 | |
| | | |
| | | |
| | | |
| \$ | 181.25 | |
| | | |
| | | |
| \$ | 729.31 | |
| \$ | 115.16 | |
| | | |
| \$ | 280.96 | |
| | | |
| \$ | 859.89 | \$ 27,719.04 |
| | | |
| | | |
| | | |
| \$ | 1,839.65 | |
| \$ | 161.84 | |
| \$ | 2,191.38 | |
| \$ | 4,068.01 | |
| \$ | 452.30 | |
| \$ | 841.75 | |
| \$ | 522.71 | |
| \$ | 218.00 | |
| \$ | 1,346.72 | \$ 76,257.29 |
| \$ | 79.26 | |
| \$ | 831.28 | |
| \$ | 561.65 | |
| \$ | 184.57 | |
| \$ | 399.88 | |
| \$ | 865.98 | |
| \$ | 414.04 | |
| \$ | 4,192.86 | |
| \$ | 2,933.43 | |
| \$ | 4,738.31 | |
| \$ | 547.09 | |
| \$ | 9,890.72 | \$ 138,405.52 |
| \$ | 28.92 | |
| -\$ | 8,894.35 | |
| \$ | 936.29 | |
| \$ | 204.07 | |
| \$ | 762.25 | |
| \$ | 1,090.08 | |
| \$ | 12,815.45 | |
| \$ | 2,930.19 | |
| \$ | 2,840.43 | |
| \$ | 3,953.87 | |
| \$ | 8,374.43 | |
| \$ | 18,258.84 | \$ 89,639.09 |

| | | | |
|------------|-------|--------|----------|
| 677.09 | 5.14% | 2.49 | 8.65 |
| 677.09 | 5.14% | 2.90 | 11.55 |
| 677.09 | 5.14% | 2.90 | 14.45 |
| 677.09 | 5.14% | 2.90 | 17.35 |
| 858.35 | 4.08% | 2.30 | 19.66 |
| 858.35 | 4.08% | 2.92 | 22.58 |
| 858.35 | 4.08% | 2.92 | 25.49 |
| 1,587.65 | 3.35% | 2.40 | 27.89 |
| 1,702.81 | 3.35% | 4.43 | 32.32 |
| 1,702.81 | 3.35% | 4.75 | 37.08 |
| 1,983.77 | 3.35% | 4.75 | 41.83 |
| 1,983.77 | 3.35% | 5.54 | 47.37 |
| 30,562.69 | 3.35% | 5.54 | 52.91 |
| 30,562.69 | 2.45% | 62.40 | 115.30 |
| 30,562.69 | 2.45% | 62.40 | 177.70 |
| 30,562.69 | 2.45% | 62.40 | 240.10 |
| 32,402.34 | 1.00% | 25.47 | 265.57 |
| 32,564.18 | 1.00% | 27.00 | 292.57 |
| 34,755.56 | 1.00% | 27.14 | 319.71 |
| 38,823.57 | 0.55% | 15.93 | 335.64 |
| 39,275.88 | 0.55% | 17.79 | 353.43 |
| 40,117.63 | 0.55% | 18.00 | 371.43 |
| 40,640.34 | 0.55% | 18.39 | 389.82 |
| 40,858.34 | 0.55% | 18.63 | 408.45 |
| 118,462.35 | 0.55% | 18.73 | 427.18 |
| 118,541.61 | 0.55% | 54.30 | 481.47 |
| 119,372.89 | 0.55% | 54.33 | 535.80 |
| 119,934.54 | 0.55% | 54.71 | 590.52 |
| 120,119.11 | 0.55% | 54.97 | 645.49 |
| 120,519.00 | 0.55% | 55.05 | 700.54 |
| 121,384.97 | 0.55% | 55.24 | 755.78 |
| 121,799.02 | 0.89% | 90.03 | 845.80 |
| 125,991.88 | 0.89% | 90.33 | 936.14 |
| 128,925.31 | 0.89% | 93.44 | 1,029.58 |
| 133,663.62 | 1.20% | 128.93 | 1,158.51 |
| 134,210.71 | 1.20% | 133.66 | 1,292.17 |
| 282,506.96 | 1.20% | 134.21 | 1,426.38 |
| 282,535.88 | 1.47% | 346.07 | 1,772.45 |
| 273,641.53 | 1.47% | 346.11 | 2,118.56 |
| 274,577.82 | 1.47% | 335.21 | 2,453.77 |
| 274,781.89 | 1.47% | 336.36 | 2,790.13 |
| 275,544.15 | 1.47% | 336.61 | 3,126.74 |
| 276,634.23 | 1.47% | 337.54 | 3,464.28 |
| 289,449.67 | 1.47% | 338.88 | 3,803.16 |
| 292,379.86 | 1.47% | 354.58 | 4,157.73 |
| 295,220.28 | 1.47% | 358.17 | 4,515.90 |
| 299,174.16 | 1.47% | 361.64 | 4,877.54 |
| 307,548.58 | 1.47% | 366.49 | 5,244.03 |
| 415,446.52 | 1.47% | 376.75 | 5,620.78 |

| | | | | | |
|--|--|------------|-------|--------|----------|
| | | 415,446.52 | 1.47% | 508.92 | 6,129.70 |
| | | 415,446.52 | 1.47% | 508.92 | 6,638.62 |
| | | 415,446.52 | 1.47% | 508.92 | 7,147.54 |
| | | 415,446.52 | 1.47% | 508.92 | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |
| | | 415,446.52 | 0.00% | - | 7,656.46 |

\$ 83,425.58 \$ 332,020.94 \$ 415,446.52





Burlington Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expen

| Year | OM&A (from Sheet 5) | Amortization Expense (from Sheet 5) | Cumulative OM&A and Amortization Expense |
|------|------------------------|---|--|
| 2006 | \$ - | \$ - | \$ - |
| 2007 | \$ 69.89 | \$ 2,055.03 | \$ 2,124.92 |
| 2008 | \$ 44.28 | \$ 6,266.22 | \$ 8,435.42 |
| 2009 | \$ 7,764.05 | \$ 28,039.70 | \$ 44,239.17 |
| 2010 | \$ 8,682.99 | \$ 94,903.38 | \$ 147,825.55 |
| 2011 | \$ 64,486.12 | \$ 146,759.10 | \$ 359,070.77 |
| 2012 | \$ 85,547.39 | \$ 151,632.67 | \$ 596,250.82 |

Cumulative Interest to 2011

Cumulative Interest to 2012



use, in the absence of monthly data.

| Average Cumulative OM&A and Amortization Expense | Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B) | Simple Interest on OM&A and Amortization Expenses |
|---|---|--|
| \$ - | 4.37% | \$ - |
| \$ 1,062.46 | 4.73% | \$ 50.23 |
| \$ 5,280.17 | 3.98% | \$ 210.15 |
| \$ 26,337.29 | 1.14% | \$ 299.59 |
| \$ 96,032.36 | 0.80% | \$ 765.86 |
| \$ 253,448.16 | 1.47% | \$ 3,725.69 |
| \$ 477,660.80 | 1.47% | \$ 7,021.61 |
| | | \$ 5,051.51 |
| | | \$ 12,073.12 |





Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

This worksheet calculates the Smart Meter Disposition Rider and the Smart Meter Incremental Revenue Requirement Rate Rider, if applicable. This worksheet also calculates any new Smart Meter Funding Adder that a distributor may wish to request. However, please note that in many 2011 IRM decisions, the Board noted that current funding adders will cease on April 30, 2011 and that the Board's expectation is that distributors will file for a final review of prudence at the earliest opportunity. The Board also noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board observed that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, and not fully fund prior capital investment. Distributors that seek a new SMFA should provide evidence to support its proposal. This would include documentation of where the distributor is with respect to its smart meter deployment program, and reasons as to why the distributor's circumstances are such that continuation of the SMFA is warranted. Press the "UPDATE WORKSHEET" button after choosing the applicable adders/riders.

Check if
applicable

- ☐ Smart Meter Funding Adder (SMFA)
- ☒ Smart Meter Disposition Rider (SMDR)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMDR is calculated based on costs to December 31, 2011

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|---|--------------|---------------|--------------|--------------|---------------|---------------|----------------|-----------------|
| Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5) | \$ - | \$ 4,963.27 | \$ 14,387.36 | \$ 71,443.15 | \$ 217,678.72 | \$ 382,819.08 | \$ 407,993.37 | \$ 1,099,284.95 |
| Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below) | \$ - | \$ 8.65 | \$ 44.25 | \$ 374.27 | \$ 999.21 | \$ 4,194.39 | | \$ 5,620.78 |
| <input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances) | \$ - | \$ 8.65 | \$ 44.25 | \$ 374.27 | \$ 999.21 | \$ 4,194.39 | | \$ 5,620.78 |
| <input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances) | | | | | | | | \$ - |
| SMFA Revenues (from Sheet 8) | \$ 8,377.30 | \$ 15,461.60 | \$ 15,731.12 | \$ 44,915.79 | \$ 59,813.39 | \$ 113,585.94 | \$ 51,000.00 | \$ 308,885.14 |
| SMFA Interest (from Sheet 8) | \$ 92.98 | \$ 738.56 | \$ 1,204.95 | \$ 550.04 | \$ 934.91 | \$ 2,721.52 | \$ 1,357.36 | \$ 7,600.32 |
| Net Deferred Revenue Requirement | -\$ 8,470.28 | -\$ 11,228.24 | -\$ 2,504.45 | \$ 26,351.59 | \$ 157,929.62 | \$ 270,706.02 | \$ 355,636.01 | \$ 788,420.27 |

Number of Metered Customers (average for 2012 test year) 5125

Calculation of Smart Meter Disposition Rider (per metered customer per month)

| | | |
|---|---|---------|
| Years for collection or refunding | 1 | |
| Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization | \$ 696,912.36 | |
| SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues | \$ 316,485.46 | |
| Net Deferred Revenue Requirement | \$ 380,426.90 | |
| SMDR May 1, 2012 to April 30, 2013 | \$ 6.19 | } Match |
| Check: Forecasted SMDR Revenues | \$ 380,685.00 | |

Calculation of Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month)

| | | |
|--|---------------|---------|
| Incremental Revenue Requirement for 2012 | \$ 407,993.37 | |
| SMIRR | \$ 6.63 | } Match |

Check: Forecasted SMIRR Revenues

\$ 407,745.00



Appendix C, Part 3

General Service greater than 50 kW Customers



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Burlington Hydro Inc.

Cambridge and North Dumfries Hydro Inc.

Application Contact Information

Name: Stephen Shields

Title: Manager, Regulatory Affairs

Phone Number: 906 332 1851 x234

Email Address: sshields@burlingtonhydro.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

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Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A 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, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data

Smart Meter Installation Plan

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

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast | Total |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|-------|
| Residential | | | | | | | | 0 |
| General Service < 50 kW | | | | | | | | 0 |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Actual/Planned number of GS > 50 kW meters installed | | 10 | 5 | 59 | 497 | | | 571 |
| Other (please identify) Micro Fit Customers | | | | | | | | 0 |
| Total Number of Smart Meters installed or planned to be installed | 0 | 10 | 5 | 59 | 497 | 0 | 0 | 571 |

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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
Asset type must be
selected to enable
calculations

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|------------|
| Smart Meter | 0 | 6,546 | 6,817 | 64,121 | 136,617 | 8,838 | | \$ 222,939 |
| Smart Meter | | 0 | 0 | 0 | 15,010 | 2,937 | | \$ 17,946 |
| Computer Hardware | | | | 216 | 1 | | | \$ 217 |
| | | | | | | | | \$ - |
| | \$ - | \$ 6,546 | \$ 6,817 | \$ 64,337 | \$ 151,628 | \$ 11,775 | \$ - | \$ 241,102 |

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

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)

Asset Type

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----------|
| Smart Meter | | | | | 2,310 | | 886 | \$ 3,196 |
| Smart Meter | | | | | 206 | | | \$ 206 |
| Smart Meter | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ 2,516 | \$ - | \$ 886 | \$ 3,402 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|-----|
| Computer Hardware | | | 12 | | 46 | | | \$ | 58 |
| Computer Software | | | | | 505 | 354 | | \$ | 859 |
| Computer Software | | 44 | | | | | | \$ | 44 |
| | \$ - | \$ 44 | \$ 12 | \$ - | \$ 550 | \$ 354 | \$ - | \$ | 961 |

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|----|
| Tools & Equipment | | | | | 93 | | | \$ | 93 |
| | \$ - | \$ - | \$ - | \$ - | \$ 93 | \$ - | \$ - | \$ | 93 |

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**Total Capital Costs Related to Minimum Functionality**

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|---------|
| | | | | | | | | \$ | - |
| Computer Software | | 10 | 44 | 37 | 7 | | | \$ | 98 |
| Computer Software | | | | 178 | 133 | | | \$ | 311 |
| | | | | | | | | \$ | - |
| Smart Meter | | 179 | 242 | 349 | 2,027 | 2,614 | | \$ | 5,410 |
| | | | | | | | | \$ | - |
| | \$ - | \$ 189 | \$ 286 | \$ 563 | \$ 2,167 | \$ 2,614 | \$ - | \$ | 5,819 |
| | \$ - | \$ 6,780 | \$ 7,115 | \$ 64,901 | \$ 156,953 | \$ 14,743 | \$ 886 | \$ | 251,378 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|---------|
| Computer Software | | | | | | | | \$ | - |
| Applications Software | | | | | | | | \$ | - |
| | | | | | | | | \$ | - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ | - |
| | \$ - | \$ 6,780 | \$ 7,115 | \$ 64,901 | \$ 156,953 | \$ 14,743 | \$ 886 | \$ | 251,378 |

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify)

Meter Base Repairs

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)

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)

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

| Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------|-----------|
| | | | | | | | \$ - |
| | | | 308 | 323 | 58 | | \$ 689 |
| \$ - | \$ - | \$ - | \$ 308 | \$ 323 | \$ 58 | \$ - | \$ 689 |
| | | | | | | | |
| | | | | | | | \$ - |
| | | | | | | | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | |
| | | | | | | | \$ - |
| | | | | | 1,246 | 3,316 | \$ 4,562 |
| | | | | | | | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,246 | \$ 3,316 | \$ 4,562 |
| | | | | | | | |
| | | | | | 4,171 | 5,078 | \$ 9,249 |
| | | | | | | | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,171 | \$ 5,078 | \$ 9,249 |
| | | | | | | | |
| | | | | | | 434 | \$ 434 |
| | | | 384 | 490 | 1,367 | 232 | \$ 2,472 |
| | | | | | | | \$ - |
| | | | | | | | \$ - |
| | 7 | | 42 | 72 | 45 | | \$ 165 |
| | 1 | 5 | 134 | 85 | 319 | 500 | \$ 1,045 |
| \$ - | \$ 8 | \$ 5 | \$ 560 | \$ 647 | \$ 1,731 | \$ 1,166 | \$ 4,116 |
| \$ - | \$ 8 | \$ 5 | \$ 868 | \$ 970 | \$ 7,206 | \$ 9,559 | \$ 18,616 |
| | | | | | | | |
| Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | | |
| | | | | | | | \$ - |
| | | | | | | | \$ - |
| | | | | | | | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ 8 | \$ 5 | \$ 868 | \$ 970 | \$ 7,206 | \$ 9,559 | \$ 18,616 |

3 Aggregate Smart Meter Costs by Category

| | | | | | | | | | | |
|-------|-----------------------|-------------|-----------------|-----------------|------------------|-------------------|------------------|-----------------|-------------------|--|
| 3.1 | Capital | | | | | | | | | |
| 3.1.1 | Smart Meter | \$ - | \$ 6,725 | \$ 7,059 | \$ 64,470 | \$ 156,170 | \$ 14,388 | \$ 886 | \$ 249,698 | |
| 3.1.2 | Computer Hardware | \$ - | \$ - | \$ 12 | \$ 216 | \$ 46 | \$ - | \$ - | \$ 275 | |
| 3.1.3 | Computer Software | \$ - | \$ 55 | \$ 44 | \$ 215 | \$ 645 | \$ 354 | \$ - | \$ 1,313 | |
| 3.1.4 | Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 93 | \$ - | \$ - | \$ 93 | |
| 3.1.5 | Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 3.1.6 | Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 3.1.7 | Total Capital Costs | <u>\$ -</u> | <u>\$ 6,780</u> | <u>\$ 7,115</u> | <u>\$ 64,901</u> | <u>\$ 156,953</u> | <u>\$ 14,743</u> | <u>\$ 886</u> | <u>\$ 251,378</u> | |
| 3.2 | OM&A Costs | | | | | | | | | |
| 3.2.1 | Total OM&A Costs | <u>\$ -</u> | <u>\$ 8</u> | <u>\$ 5</u> | <u>\$ 868</u> | <u>\$ 970</u> | <u>\$ 7,206</u> | <u>\$ 9,559</u> | <u>\$ 18,616</u> | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Cost of Capital | | | | | | | |
| Capital Structure¹ | | | | | | | |
| Deemed Short-term Debt Capitalization | | | 0.0% | 0.0% | 4.0% | 4.0% | 4.0% |
| Deemed Long-term Debt Capitalization | 50.0% | 50.0% | 53.3% | 56.7% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Capital Parameters | | | | | | | |
| Deemed Short-term Debt Rate | | | 0.00% | 0.00% | 2.07% | 2.07% | 2.07% |
| Long-term Debt Rate (actual/embedded/deemed) ² | 6.25% | 6.25% | 6.25% | 6.25% | 5.87% | 5.87% | 5.87% |
| Target Return on Equity (ROE) | 9.0% | 9.00% | 9.00% | 9.00% | 9.85% | 9.85% | 9.85% |
| Return on Preferred Shares | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| WACC | 7.63% | 7.63% | 7.53% | 7.44% | 7.31% | 7.31% | 7.31% |
| Working Capital Allowance | | | | | | | |
| Working Capital Allowance Rate (% of the sum of Cost of Power + controllable expenses) | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Taxes/PILs | | | | | | | |
| Aggregate Corporate Income Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Capital Tax (until July 1st, 2010) | 0.30% | 0.225% | 0.225% | 0.225% | 0.075% | 0.00% | 0.00% |

Depreciation Rates

(expressed as expected useful life in years)

| | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| - rate (%) | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Tools & Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Other Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

CCA Rates

| | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|
| 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 | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Computer Equipment - CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| General Equipment - CCA Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| General Equipment - CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Applications Software - CCA Class | | | | | | | |
| Applications Software - CCA Rate | | | | | | | |

Assumptions

¹ Planned smart meter installations occur evenly throughout the year.

² Fiscal calendar year (January 1 to December 31) used.

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



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|------|----------|-----------|-----------|------------|------------|----------------|
| Net Fixed Assets - Smart Meters | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 6,725 | \$ 13,784 | \$ 78,254 | \$ 234,423 | \$ 248,812 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 6,725 | \$ 7,059 | \$ 64,470 | \$ 156,170 | \$ 14,388 | \$ 886 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 6,725 | \$ 13,784 | \$ 78,254 | \$ 234,423 | \$ 248,812 | \$ 249,698 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | | \$ - | -\$ 224 | -\$ 908 | -\$ 3,976 | -\$ 14,398 | -\$ 30,506 |
| Amortization expense during year | \$ - | -\$ 224 | -\$ 684 | -\$ 3,068 | -\$ 10,423 | -\$ 16,108 | -\$ 16,617 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 224 | -\$ 908 | -\$ 3,976 | -\$ 14,398 | -\$ 30,506 | -\$ 47,123 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 6,501 | \$ 12,876 | \$ 74,278 | \$ 220,025 | \$ 218,306 |
| Closing Balance | \$ - | \$ 6,501 | \$ 12,876 | \$ 74,278 | \$ 220,025 | \$ 218,306 | \$ 202,574 |
| Average Net Book Value | \$ - | \$ 3,251 | \$ 9,689 | \$ 43,577 | \$ 147,152 | \$ 219,165 | \$ 210,440 |
| Net Fixed Assets - Computer Hardware | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ - | \$ 12 | \$ 228 | \$ 275 | \$ 275 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ 12 | \$ 216 | \$ 46 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ 12 | \$ 228 | \$ 275 | \$ 275 | \$ 275 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | -\$ 1 | -\$ 25 | -\$ 76 | -\$ 131 |
| Amortization expense during year | \$ - | \$ - | -\$ 1 | -\$ 24 | -\$ 50 | -\$ 55 | -\$ 55 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | -\$ 1 | -\$ 25 | -\$ 76 | -\$ 131 | -\$ 185 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 11 | \$ 203 | \$ 199 | \$ 144 |
| Closing Balance | \$ - | \$ - | \$ 11 | \$ 203 | \$ 199 | \$ 144 | \$ 89 |
| Average Net Book Value | \$ - | \$ - | \$ 6 | \$ 107 | \$ 201 | \$ 172 | \$ 117 |
| Net Fixed Assets - Computer Software (including Applications Software) | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 55 | \$ 99 | \$ 313 | \$ 958 | \$ 1,313 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 55 | \$ 44 | \$ 215 | \$ 645 | \$ 354 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 55 | \$ 99 | \$ 313 | \$ 958 | \$ 1,313 | \$ 1,313 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | -\$ 5 | -\$ 21 | -\$ 62 | -\$ 189 | -\$ 416 |
| Amortization expense during year | \$ - | -\$ 5 | -\$ 15 | -\$ 41 | -\$ 127 | -\$ 227 | -\$ 263 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 5 | -\$ 21 | -\$ 62 | -\$ 189 | -\$ 416 | -\$ 679 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 49 | \$ 78 | \$ 251 | \$ 769 | \$ 896 |
| Closing Balance | \$ - | \$ 49 | \$ 78 | \$ 251 | \$ 769 | \$ 896 | \$ 634 |
| Average Net Book Value | \$ - | \$ 25 | \$ 63 | \$ 165 | \$ 510 | \$ 833 | \$ 765 |

Net Fixed Assets - Tools and Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|-------|-------|-------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ 93 | \$ 93 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ 93 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 93 | \$ 93 | \$ 93 |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|------|-------|-------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5 | \$ 14 |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ 5 | \$ 9 | \$ 9 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 5 | \$ 14 | \$ 23 |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|-------|-------|-------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 88 | \$ 79 |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 88 | \$ 79 | \$ 70 |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ 44 | \$ 84 | \$ 74 |

Net Fixed Assets - Other Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|------|------|------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and Later |
|---|-------------|-----------------|------------------|------------------|--------------------|--------------------|--------------------|
| Average Net Fixed Asset Values (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 3,251 | \$ 9,689 | \$ 43,577 | \$ 147,152 | \$ 219,165 | \$ 210,440 |
| Computer Hardware | \$ - | \$ - | \$ 6 | \$ 107 | \$ 201 | \$ 172 | \$ 117 |
| Computer Software | \$ - | \$ 25 | \$ 63 | \$ 165 | \$ 510 | \$ 833 | \$ 765 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 44 | \$ 84 | \$ 74 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Net Fixed Assets | \$ - | \$ 3,275 | \$ 9,758 | \$ 43,849 | \$ 147,907 | \$ 220,253 | \$ 211,396 |
| Working Capital | | | | | | | |
| Operating Expenses (from Sheet 2) | \$ - | \$ 8 | \$ 5 | \$ 868 | \$ 970 | \$ 7,206 | \$ 9,559 |
| Working Capital Factor (from Sheet 3) | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Working Capital Allowance | \$ - | \$ 1 | \$ 1 | \$ 130 | \$ 146 | \$ 1,081 | \$ 1,434 |
| Incremental Smart Meter Rate Base | \$ - | \$ 3,276 | \$ 9,758 | \$ 43,979 | \$ 148,052 | \$ 221,334 | \$ 212,830 |
| Return on Rate Base | | | | | | | |
| Capital Structure | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 5,922 | \$ 8,853 | \$ 8,513 |
| Deemed Long Term Debt | \$ - | \$ 1,638 | \$ 5,201 | \$ 24,936 | \$ 82,909 | \$ 123,947 | \$ 119,185 |
| Equity | \$ - | \$ 1,638 | \$ 4,557 | \$ 19,043 | \$ 59,221 | \$ 88,534 | \$ 85,132 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Capitalization | \$ - | \$ 3,276 | \$ 9,758 | \$ 43,979 | \$ 148,052 | \$ 221,334 | \$ 212,830 |
| Return on | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 123 | \$ 183 | \$ 176 |
| Deemed Long Term Debt | \$ - | \$ 102 | \$ 325 | \$ 1,559 | \$ 4,867 | \$ 7,276 | \$ 6,996 |
| Equity | \$ - | \$ 147 | \$ 410 | \$ 1,714 | \$ 5,833 | \$ 8,721 | \$ 8,385 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Return on Capital | \$ - | \$ 250 | \$ 735 | \$ 3,272 | \$ 10,823 | \$ 16,180 | \$ 15,568 |
| Operating Expenses | \$ - | \$ 8 | \$ 5 | \$ 868 | \$ 970 | \$ 7,206 | \$ 9,559 |
| Amortization Expenses (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 224 | \$ 684 | \$ 3,068 | \$ 10,423 | \$ 16,108 | \$ 16,617 |
| Computer Hardware | \$ - | \$ - | \$ 1 | \$ 24 | \$ 50 | \$ 55 | \$ 55 |
| Computer Software | \$ - | \$ 5 | \$ 15 | \$ 41 | \$ 127 | \$ 227 | \$ 263 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 5 | \$ 9 | \$ 9 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Amortization Expense in Year | \$ - | \$ 230 | \$ 700 | \$ 3,133 | \$ 10,605 | \$ 16,399 | \$ 16,944 |
| Incremental Revenue Requirement before Taxes/PILs | \$ - | \$ 487 | \$ 1,440 | \$ 7,273 | \$ 22,398 | \$ 39,784 | \$ 42,061 |
| Calculation of Taxable Income | | | | | | | |
| Incremental Operating Expenses | \$ - | \$ 8 | \$ 5 | \$ 868 | \$ 970 | \$ 7,206 | \$ 9,559 |
| Amortization Expense | \$ - | \$ 230 | \$ 700 | \$ 3,133 | \$ 10,605 | \$ 16,399 | \$ 16,944 |
| Interest Expense | \$ - | \$ 102 | \$ 325 | \$ 1,559 | \$ 4,989 | \$ 7,459 | \$ 7,172 |
| Net Income for Taxes/PILs | \$ - | \$ 147 | \$ 410 | \$ 1,714 | \$ 5,833 | \$ 8,721 | \$ 8,385 |
| Grossed-up Taxes/PILs (from Sheet 7) | \$ - | \$ 67.35 | \$ 167.31 | \$ 710.05 | \$ 1,926.24 | \$ 2,992.44 | \$ 3,529.10 |
| Revenue Requirement, including Grossed-up Taxes/PILs | \$ - | \$ 555 | \$ 1,608 | \$ 7,983 | \$ 24,324 | \$ 42,777 | \$ 45,590 |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

For PILs Calculation

UCC - Smart Meters

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 6,456.19 | \$ 12,715.96 | \$ 73,589.77 | \$ 217,625.56 | \$ 214,028.43 |
| Capital Additions | \$ - | \$ 6,725.20 | \$ 7,058.61 | \$ 64,469.88 | \$ 156,169.76 | \$ 14,388.45 | \$ 885.68 |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 6,725.20 | \$ 13,514.80 | \$ 77,185.84 | \$ 229,759.53 | \$ 232,014.01 | \$ 214,914.11 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 3,362.60 | \$ 3,529.30 | \$ 32,234.94 | \$ 78,084.88 | \$ 7,194.23 | \$ 442.84 |
| Reduced UCC | \$ - | \$ 3,362.60 | \$ 9,985.50 | \$ 44,950.90 | \$ 151,674.65 | \$ 224,819.78 | \$ 214,471.27 |
| CCA Rate Class | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| CCA Rate | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| CCA | \$ - | \$ 269.01 | \$ 798.84 | \$ 3,596.07 | \$ 12,133.97 | \$ 17,985.58 | \$ 17,157.70 |
| Closing UCC | \$ - | \$ 6,456.19 | \$ 12,715.96 | \$ 73,589.77 | \$ 217,625.56 | \$ 214,028.43 | \$ 197,756.41 |

UCC - Computer Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 39.58 | \$ 58.75 | \$ 338.74 | \$ 653.33 | \$ 550.96 |
| Capital Additions Computer Hardware | \$ - | \$ - | \$ 12.43 | \$ 216.07 | \$ 46.12 | \$ - | \$ - |
| Capital Additions Computer Software | \$ - | \$ 54.59 | \$ 44.04 | \$ 214.70 | \$ 644.77 | \$ 354.43 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 54.59 | \$ 96.04 | \$ 489.51 | \$ 1,029.63 | \$ 1,007.76 | \$ 550.96 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 27.29 | \$ 28.23 | \$ 215.38 | \$ 345.45 | \$ 177.22 | \$ - |
| Reduced UCC | \$ - | \$ 27.29 | \$ 67.81 | \$ 274.13 | \$ 684.19 | \$ 830.54 | \$ 550.96 |
| CCA Rate Class | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| CCA | \$ - | \$ 15.01 | \$ 37.29 | \$ 150.77 | \$ 376.30 | \$ 456.80 | \$ 303.03 |
| Closing UCC | \$ - | \$ 39.58 | \$ 58.75 | \$ 338.74 | \$ 653.33 | \$ 550.96 | \$ 247.93 |

UCC - General Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 83.51 | \$ 66.80 |
| Capital Additions Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 92.78 | \$ - | \$ - |
| Capital Additions Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ - | \$ - | \$ - | \$ 92.78 | \$ 83.51 | \$ 66.80 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ - | \$ - | \$ - | \$ 46.39 | \$ - | \$ - |
| Reduced UCC | \$ - | \$ - | \$ - | \$ - | \$ 46.39 | \$ 83.51 | \$ 66.80 |
| CCA Rate Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| CCA | \$ - | \$ - | \$ - | \$ - | \$ 9.28 | \$ 16.70 | \$ 13.36 |
| Closing UCC | \$ - | \$ - | \$ - | \$ - | \$ 83.51 | \$ 66.80 | \$ 53.44 |



PILs Calculation

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| INCOME TAX | | | | | | | |
| Net Income | \$ - | \$ 147.43 | \$ 410.14 | \$ 1,713.86 | \$ 5,833.26 | \$ 8,720.56 | \$ 8,385.50 |
| Amortization | \$ - | \$ 229.63 | \$ 700.20 | \$ 3,133.20 | \$ 10,604.66 | \$ 16,399.11 | \$ 16,943.69 |
| CCA - Smart Meters | \$ - | \$ 269.01 | \$ 798.84 | \$ 3,596.07 | \$ 12,133.97 | \$ 17,985.58 | \$ 17,157.70 |
| CCA - Computers | \$ - | \$ 15.01 | \$ 37.29 | \$ 150.77 | \$ 376.30 | \$ 456.80 | \$ 303.03 |
| CCA - Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CCA - Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ 9.28 | \$ 16.70 | \$ 13.36 |
| Change in taxable income | \$ - | \$ 93.04 | \$ 274.21 | \$ 1,100.22 | \$ 3,918.38 | \$ 6,660.58 | \$ 7,855.10 |
| Tax Rate (from Sheet 3) | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Income Taxes Payable | \$ - | \$ 33.61 | \$ 91.86 | \$ 363.07 | \$ 1,214.70 | \$ 2,064.78 | \$ 2,435.08 |
| ONTARIO CAPITAL TAX | | | | | | | |
| Smart Meters | \$ - | \$ 6,501.03 | \$ 12,876.00 | \$ 74,277.97 | \$ 220,025.16 | \$ 218,305.76 | \$ 202,574.46 |
| Computer Hardware | \$ - | \$ - | \$ 11.19 | \$ 203.16 | \$ 198.97 | \$ 144.05 | \$ 89.12 |
| Computer Software (Including Application Software) | \$ - | \$ 49.13 | \$ 77.84 | \$ 251.35 | \$ 768.98 | \$ 896.35 | \$ 633.84 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 88.14 | \$ 78.87 | \$ 69.59 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Base | \$ - | \$ 6,550.16 | \$ 12,965.03 | \$ 74,732.47 | \$ 221,081.25 | \$ 219,425.02 | \$ 203,367.01 |
| Less: Exemption | | | | | | | |
| Deemed Taxable Capital | \$ - | \$ 6,550.16 | \$ 12,965.03 | \$ 74,732.47 | \$ 221,081.25 | \$ 219,425.02 | \$ 203,367.01 |
| Ontario Capital Tax Rate (from Sheet 3) | 0.300% | 0.225% | 0.225% | 0.225% | 0.075% | 0.000% | 0.000% |
| Net Amount (Taxable Capital x Rate) | \$ - | \$ 14.74 | \$ 29.17 | \$ 168.15 | \$ 165.81 | \$ - | \$ - |
| Change in Income Taxes Payable | \$ - | \$ 33.61 | \$ 91.86 | \$ 363.07 | \$ 1,214.70 | \$ 2,064.78 | \$ 2,435.08 |
| Change in OCT | \$ - | \$ 14.74 | \$ 29.17 | \$ 168.15 | \$ 165.81 | \$ - | \$ - |
| PILs | \$ - | \$ 48.35 | \$ 121.03 | \$ 531.22 | \$ 1,380.51 | \$ 2,064.78 | \$ 2,435.08 |
| Gross Up PILs | | | | | | | |
| Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Change in Income Taxes Payable | \$ - | \$ 52.61 | \$ 138.13 | \$ 541.90 | \$ 1,760.43 | \$ 2,992.44 | \$ 3,529.10 |
| Change in OCT | \$ - | \$ 14.74 | \$ 29.17 | \$ 168.15 | \$ 165.81 | \$ - | \$ - |
| PILs | \$ - | \$ 67.35 | \$ 167.31 | \$ 710.05 | \$ 1,926.24 | \$ 2,992.44 | \$ 3,529.10 |



Ontario Energy Board

Smart Meter Model

Burlington 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 |
|----------------|---|-------|--------|------|---------|--------------------------------|---------------------------|------------------|----------|-----------------|----------------|
| 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 | \$ - | \$ 12.55 | 4.14% | \$ - | \$ 12.55 | |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | \$ 12.55 | \$ 264.78 | 4.14% | \$ 0.04 | \$ 277.37 | |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | \$ 277.33 | \$ 294.85 | 4.59% | \$ 1.06 | \$ 573.24 | |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | \$ 572.18 | \$ 295.32 | 4.59% | \$ 2.19 | \$ 869.69 | |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | \$ 867.50 | \$ 296.63 | 4.59% | \$ 3.32 | \$ 1,167.45 | |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | \$ 1,164.13 | \$ 296.89 | 4.59% | \$ 4.45 | \$ 1,465.47 | |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | \$ 1,461.02 | \$ 277.22 | 4.59% | \$ 5.59 | \$ 1,743.83 | |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | \$ 1,738.24 | \$ 257.38 | 4.59% | \$ 6.65 | \$ 2,002.27 | \$ 2,018.92 |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | \$ 1,995.62 | \$ 261.62 | 4.59% | \$ 7.63 | \$ 2,264.87 | |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | \$ 2,257.24 | \$ 262.92 | 4.59% | \$ 8.63 | \$ 2,528.79 | |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | \$ 2,520.16 | \$ 263.52 | 4.59% | \$ 9.64 | \$ 2,793.32 | |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | \$ 2,783.68 | \$ 262.67 | 4.59% | \$ 10.65 | \$ 3,057.00 | |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | \$ 3,046.35 | \$ 263.78 | 4.59% | \$ 11.65 | \$ 3,321.78 | |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | \$ 3,310.13 | \$ 264.74 | 4.59% | \$ 12.66 | \$ 3,587.53 | |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | \$ 3,574.87 | \$ 266.02 | 4.59% | \$ 13.67 | \$ 3,854.56 | |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | \$ 3,840.89 | \$ 266.21 | 4.59% | \$ 14.69 | \$ 4,121.79 | |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | \$ 4,107.10 | \$ 266.80 | 4.59% | \$ 15.71 | \$ 4,389.61 | |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | \$ 4,373.90 | \$ 268.41 | 5.14% | \$ 18.73 | \$ 4,661.04 | |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | \$ 4,642.31 | \$ 266.45 | 5.14% | \$ 19.88 | \$ 4,928.64 | |
| 2011 Q4 | 1.47% | 4.29% | Dec-07 | 2007 | Q4 | \$ 4,908.76 | \$ 268.72 | 5.14% | \$ 21.03 | \$ 5,198.51 | \$ 3,346.43 |
| 2012 Q1 | 1.47% | 4.29% | Jan-08 | 2008 | Q1 | \$ 5,177.48 | \$ 270.15 | 5.14% | \$ 22.18 | \$ 5,469.81 | |
| 2012 Q2 | 0.00% | 4.29% | Feb-08 | 2008 | Q1 | \$ 5,447.63 | \$ 268.05 | 5.14% | \$ 23.33 | \$ 5,739.01 | |
| 2012 Q3 | 0.00% | 4.29% | Mar-08 | 2008 | Q1 | \$ 5,715.68 | \$ 271.65 | 5.14% | \$ 24.48 | \$ 6,011.81 | |
| 2012 Q4 | 0.00% | 4.29% | Apr-08 | 2008 | Q2 | \$ 5,987.33 | \$ 270.93 | 4.08% | \$ 20.36 | \$ 6,278.62 | |
| | | | May-08 | 2008 | Q2 | \$ 6,258.26 | \$ 270.86 | 4.08% | \$ 21.28 | \$ 6,550.40 | |
| | | | Jun-08 | 2008 | Q2 | \$ 6,529.12 | \$ 271.61 | 4.08% | \$ 22.20 | \$ 6,822.93 | |
| | | | Jul-08 | 2008 | Q3 | \$ 6,800.73 | \$ 270.84 | 3.35% | \$ 18.99 | \$ 7,090.56 | |
| | | | Aug-08 | 2008 | Q3 | \$ 7,071.57 | \$ 271.28 | 3.35% | \$ 19.74 | \$ 7,362.59 | |
| | | | Sep-08 | 2008 | Q3 | \$ 7,342.85 | \$ 272.68 | 3.35% | \$ 20.50 | \$ 7,636.03 | |
| | | | Oct-08 | 2008 | Q4 | \$ 7,615.53 | \$ 272.09 | 3.35% | \$ 21.26 | \$ 7,908.88 | |
| | | | Nov-08 | 2008 | Q4 | \$ 7,887.62 | \$ 274.17 | 3.35% | \$ 22.02 | \$ 8,183.81 | |
| | | | Dec-08 | 2008 | Q4 | \$ 8,161.79 | \$ 278.67 | 3.35% | \$ 22.78 | \$ 8,463.24 | \$ 3,522.10 |
| | | | Jan-09 | 2009 | Q1 | \$ 8,440.46 | \$ 277.86 | 2.45% | \$ 17.23 | \$ 8,735.55 | |
| | | | Feb-09 | 2009 | Q1 | \$ 8,718.32 | \$ 277.47 | 2.45% | \$ 17.80 | \$ 9,013.59 | |
| | | | Mar-09 | 2009 | Q1 | \$ 8,995.79 | \$ 256.40 | 2.45% | \$ 18.37 | \$ 9,270.56 | |
| | | | Apr-09 | 2009 | Q2 | \$ 9,252.19 | \$ 254.16 | 1.00% | \$ 7.71 | \$ 9,514.06 | |
| | | | May-09 | 2009 | Q2 | \$ 9,506.35 | \$ 938.01 | 1.00% | \$ 7.92 | \$ 10,452.28 | |
| | | | Jun-09 | 2009 | Q2 | \$ 10,444.36 | \$ 944.19 | 1.00% | \$ 8.70 | \$ 11,397.25 | |
| | | | Jul-09 | 2009 | Q3 | \$ 11,388.55 | \$ 946.03 | 0.55% | \$ 5.22 | \$ 12,339.80 | |
| | | | Aug-09 | 2009 | Q3 | \$ 12,334.58 | \$ 949.72 | 0.55% | \$ 5.65 | \$ 13,289.95 | |
| | | | Sep-09 | 2009 | Q3 | \$ 13,284.30 | \$ 956.20 | 0.55% | \$ 6.09 | \$ 14,246.59 | |
| | | | Oct-09 | 2009 | Q4 | \$ 14,240.50 | \$ 954.43 | 0.55% | \$ 6.53 | \$ 15,201.46 | |
| | | | Nov-09 | 2009 | Q4 | \$ 15,194.93 | \$ 961.07 | 0.55% | \$ 6.96 | \$ 16,162.96 | |
| | | | Dec-09 | 2009 | Q4 | \$ 16,156.00 | \$ 967.43 | 0.55% | \$ 7.40 | \$ 17,130.83 | \$ 8,798.55 |
| | | | Jan-10 | 2010 | Q1 | \$ 17,123.43 | \$ 968.07 | 0.55% | \$ 7.85 | \$ 18,099.35 | |
| | | | Feb-10 | 2010 | Q1 | \$ 18,091.50 | \$ 968.40 | 0.55% | \$ 8.29 | \$ 19,068.19 | |
| | | | Mar-10 | 2010 | Q1 | \$ 19,059.90 | \$ 971.83 | 0.55% | \$ 8.74 | \$ 20,040.47 | |
| | | | Apr-10 | 2010 | Q2 | \$ 20,031.73 | \$ 990.23 | 0.55% | \$ 9.18 | \$ 21,031.14 | |
| | | | May-10 | 2010 | Q2 | \$ 21,021.96 | \$ 987.27 | 0.55% | \$ 9.64 | \$ 22,018.87 | |
| | | | Jun-10 | 2010 | Q2 | \$ 22,009.23 | \$ 980.32 | 0.55% | \$ 10.09 | \$ 22,999.64 | |
| | | | Jul-10 | 2010 | Q3 | \$ 22,989.55 | \$ 982.23 | 0.89% | \$ 17.05 | \$ 23,988.83 | |
| | | | Aug-10 | 2010 | Q3 | \$ 23,971.78 | \$ 989.34 | 0.89% | \$ 17.78 | \$ 24,978.90 | |
| | | | Sep-10 | 2010 | Q3 | \$ 24,961.12 | \$ 988.31 | 0.89% | \$ 18.51 | \$ 25,967.94 | |
| | | | Oct-10 | 2010 | Q4 | \$ 25,949.43 | \$ 993.40 | 1.20% | \$ 25.95 | \$ 26,968.78 | |
| | | | Nov-10 | 2010 | Q4 | \$ 26,942.83 | \$ 993.42 | 1.20% | \$ 26.94 | \$ 27,963.19 | |
| | | | Dec-10 | 2010 | Q4 | \$ 27,936.25 | \$ 996.67 | 1.20% | \$ 27.94 | \$ 28,960.86 | \$ 11,997.45 |
| | | | Jan-11 | 2011 | Q1 | \$ 28,932.92 | \$ 1,004.71 | 1.47% | \$ 35.44 | \$ 29,973.07 | |
| | | | Feb-11 | 2011 | Q1 | \$ 29,937.63 | \$ 1,010.53 | 1.47% | \$ 36.67 | \$ 30,984.83 | |
| | | | Mar-11 | 2011 | Q1 | \$ 30,948.16 | \$ 962.55 | 1.47% | \$ 37.91 | \$ 31,948.62 | |
| | | | Apr-11 | 2011 | Q2 | \$ 31,910.71 | \$ 968.40 | 1.47% | \$ 39.09 | \$ 32,918.20 | |
| | | | May-11 | 2011 | Q2 | \$ 32,879.11 | \$ 1,035.45 | 1.47% | \$ 40.28 | \$ 33,954.84 | |
| | | | Jun-11 | 2011 | Q2 | \$ 33,914.56 | \$ 2,285.87 | 1.47% | \$ 41.55 | \$ 36,241.98 | |
| | | | Jul-11 | 2011 | Q3 | \$ 36,200.43 | \$ 2,424.12 | 1.47% | \$ 44.35 | \$ 38,668.90 | |
| | | | Aug-11 | 2011 | Q3 | \$ 38,624.55 | \$ 2,426.99 | 1.47% | \$ 47.32 | \$ 41,098.86 | |
| | | | Sep-11 | 2011 | Q3 | \$ 41,051.54 | \$ 2,430.68 | 1.47% | \$ 50.29 | \$ 43,532.51 | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

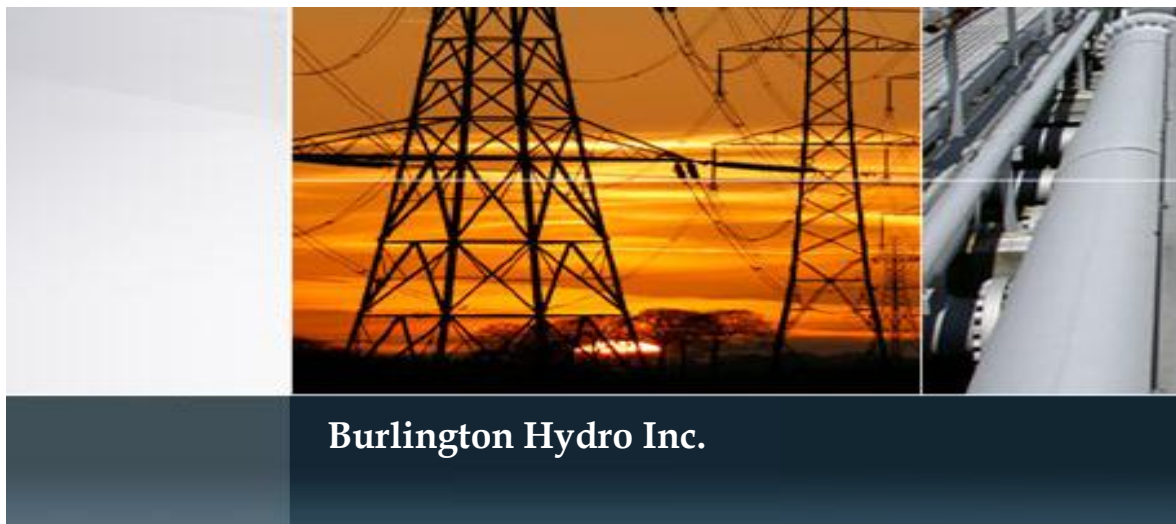
This worksheet calculates the funding adder revenues.

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 | | Closing Balance | Annual amounts |
|--|---|------|--------|------|---------|--------------------------------|---------------------------|----------|-------------|-----------------|----------------|
| | | | | | | | | Rate | Interest | | |
| | | | Oct-11 | 2011 | Q4 | \$ 43,482.22 | \$ 2,429.33 | 1.47% | \$ 53.27 | \$ 45,964.82 | |
| | | | Nov-11 | 2011 | Q4 | \$ 45,911.55 | \$ 2,438.42 | 1.47% | \$ 56.24 | \$ 48,406.21 | |
| | | | Dec-11 | 2011 | Q4 | \$ 48,349.97 | \$ 2,435.37 | 1.47% | \$ 59.23 | \$ 50,844.57 | \$ 22,394.06 |
| | | | Jan-12 | 2012 | Q1 | \$ 50,785.34 | \$ 2,580.79 | 1.47% | \$ 62.21 | \$ 53,428.34 | |
| | | | Feb-12 | 2012 | Q1 | \$ 53,366.13 | \$ 2,250.00 | 1.47% | \$ 65.37 | \$ 55,681.50 | |
| | | | Mar-12 | 2012 | Q1 | \$ 55,616.13 | \$ 2,250.00 | 1.47% | \$ 68.13 | \$ 57,934.26 | |
| | | | Apr-12 | 2012 | Q2 | \$ 57,866.13 | \$ 2,250.00 | 1.47% | \$ 70.89 | \$ 60,187.02 | |
| | | | May-12 | 2012 | Q2 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Jun-12 | 2012 | Q2 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Jul-12 | 2012 | Q3 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Aug-12 | 2012 | Q3 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Sep-12 | 2012 | Q3 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Oct-12 | 2012 | Q4 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Nov-12 | 2012 | Q4 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | |
| | | | Dec-12 | 2012 | Q4 | \$ 60,116.13 | | 0.00% | \$ - | \$ 60,116.13 | \$ 9,597.39 |
| Total Funding Adder Revenues Collected | | | | | | \$ | 60,116.13 | | \$ 1,558.77 | \$ 61,674.90 | \$ 61,674.90 |

[illegible][illegible]

[illegible][illegible]



This worksheet calculates the interest on OM&A and amortization/depr

Account 1556 - Su

| Prescribed Interest Rates | Approved Deferral and Variance Accounts | CWIP | Date | Year | Quarter | Opening Balance (Principal) |
|---------------------------------|--|-------|--------|------|---------|--------------------------------|
| 2006 Q1 | 0.00% | 0.00% | Jan-06 | 2006 | Q1 | \$ - |
| 2006 Q2 | 4.14% | 4.68% | Feb-06 | 2006 | Q1 | - |
| 2006 Q3 | 4.59% | 5.05% | Mar-06 | 2006 | Q1 | - |
| 2006 Q4 | 4.59% | 4.72% | Apr-06 | 2006 | Q2 | - |
| 2007 Q1 | 4.59% | 4.72% | May-06 | 2006 | Q2 | - |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | - |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | - |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | - |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | - |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | - |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | - |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | - |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | - |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | - |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | - |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | - |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | 3.69 |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | 3.69 |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | 5.90 |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | 5.90 |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | 37.46 |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | 52.22 |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | 58.13 |

| | | | | | | | |
|---------|-------|-------|--|--------|------|----|-----------|
| 2011 Q4 | 1.47% | 4.29% | | Dec-07 | 2007 | Q4 | 64.83 |
| 2012 Q1 | 1.47% | 4.29% | | Jan-08 | 2008 | Q1 | 75.66 |
| 2012 Q2 | 0.00% | 4.29% | | Feb-08 | 2008 | Q1 | 75.66 |
| 2012 Q3 | 0.00% | 4.29% | | Mar-08 | 2008 | Q1 | 75.66 |
| 2012 Q4 | 0.00% | 4.29% | | Apr-08 | 2008 | Q2 | 75.66 |
| | | | | May-08 | 2008 | Q2 | 95.91 |
| | | | | Jun-08 | 2008 | Q2 | 95.91 |
| | | | | Jul-08 | 2008 | Q3 | 95.91 |
| | | | | Aug-08 | 2008 | Q3 | 177.41 |
| | | | | Sep-08 | 2008 | Q3 | 190.27 |
| | | | | Oct-08 | 2008 | Q4 | 190.27 |
| | | | | Nov-08 | 2008 | Q4 | 221.67 |
| | | | | Dec-08 | 2008 | Q4 | 221.67 |
| | | | | Jan-09 | 2009 | Q1 | 3,415.13 |
| | | | | Feb-09 | 2009 | Q1 | 3,415.13 |
| | | | | Mar-09 | 2009 | Q1 | 3,415.13 |
| | | | | Apr-09 | 2009 | Q2 | 3,415.13 |
| | | | | May-09 | 2009 | Q2 | 3,620.69 |
| | | | | Jun-09 | 2009 | Q2 | 3,638.78 |
| | | | | Jul-09 | 2009 | Q3 | 3,883.65 |
| | | | | Aug-09 | 2009 | Q3 | 4,338.21 |
| | | | | Sep-09 | 2009 | Q3 | 4,388.75 |
| | | | | Oct-09 | 2009 | Q4 | 4,482.81 |
| | | | | Nov-09 | 2009 | Q4 | 4,541.22 |
| | | | | Dec-09 | 2009 | Q4 | 4,565.58 |
| | | | | Jan-10 | 2010 | Q1 | 13,237.19 |
| | | | | Feb-10 | 2010 | Q1 | 13,246.04 |
| | | | | Mar-10 | 2010 | Q1 | 13,338.93 |
| | | | | Apr-10 | 2010 | Q2 | 13,401.69 |
| | | | | May-10 | 2010 | Q2 | 13,422.32 |
| | | | | Jun-10 | 2010 | Q2 | 13,467.00 |
| | | | | Jul-10 | 2010 | Q3 | 13,563.77 |
| | | | | Aug-10 | 2010 | Q3 | 13,610.03 |
| | | | | Sep-10 | 2010 | Q3 | 14,078.55 |
| | | | | Oct-10 | 2010 | Q4 | 14,406.34 |
| | | | | Nov-10 | 2010 | Q4 | 14,935.80 |
| | | | | Dec-10 | 2010 | Q4 | 14,996.94 |
| | | | | Jan-11 | 2011 | Q1 | 31,567.81 |
| | | | | Feb-11 | 2011 | Q1 | 31,571.05 |
| | | | | Mar-11 | 2011 | Q1 | 30,577.18 |
| | | | | Apr-11 | 2011 | Q2 | 30,681.80 |
| | | | | May-11 | 2011 | Q2 | 30,704.60 |
| | | | | Jun-11 | 2011 | Q2 | 30,789.78 |
| | | | | Jul-11 | 2011 | Q3 | 30,911.59 |
| | | | | Aug-11 | 2011 | Q3 | 32,343.61 |
| | | | | Sep-11 | 2011 | Q3 | 32,671.03 |
| | | | | Oct-11 | 2011 | Q4 | 32,988.42 |
| | | | | Nov-11 | 2011 | Q4 | 33,430.24 |
| | | | | Dec-11 | 2011 | Q4 | 34,366.01 |

| | | | | |
|--|--------|------|----|-----------|
| | Jan-12 | 2012 | Q1 | 46,422.71 |
| | Feb-12 | 2012 | Q1 | 46,422.71 |
| | Mar-12 | 2012 | Q1 | 46,422.71 |
| | Apr-12 | 2012 | Q2 | 46,422.71 |
| | May-12 | 2012 | Q2 | 46,422.71 |
| | Jun-12 | 2012 | Q2 | 46,422.71 |
| | Jul-12 | 2012 | Q3 | 46,422.71 |
| | Aug-12 | 2012 | Q3 | 46,422.71 |
| | Sep-12 | 2012 | Q3 | 46,422.71 |
| | Oct-12 | 2012 | Q4 | 46,422.71 |
| | Nov-12 | 2012 | Q4 | 46,422.71 |
| | Dec-12 | 2012 | Q4 | 46,422.71 |



Depreciation expense, based on monthly data.

| | | |
|-----|----------|--------------|
| \$ | 10.83 | |
| | | |
| | | |
| | | |
| \$ | 20.25 | |
| | | |
| | | |
| \$ | 81.49 | |
| \$ | 12.87 | |
| | | |
| \$ | 31.40 | |
| | | |
| \$ | 96.09 | \$ 3,097.37 |
| | | |
| | | |
| | | |
| \$ | 205.57 | |
| \$ | 18.08 | |
| \$ | 244.87 | |
| \$ | 454.57 | |
| \$ | 50.54 | |
| \$ | 94.06 | |
| \$ | 58.41 | |
| \$ | 24.36 | |
| \$ | 150.48 | \$ 8,521.12 |
| \$ | 8.86 | |
| \$ | 92.89 | |
| \$ | 62.76 | |
| \$ | 20.62 | |
| \$ | 44.68 | |
| \$ | 96.77 | |
| \$ | 46.27 | |
| \$ | 468.52 | |
| \$ | 327.79 | |
| \$ | 529.47 | |
| \$ | 61.13 | |
| \$ | 1,105.21 | \$ 15,465.67 |
| \$ | 3.23 | |
| -\$ | 993.87 | |
| \$ | 104.62 | |
| \$ | 22.80 | |
| \$ | 85.18 | |
| \$ | 121.81 | |
| \$ | 1,432.02 | |
| \$ | 327.42 | |
| \$ | 317.39 | |
| \$ | 441.81 | |
| \$ | 935.77 | |
| \$ | 2,040.27 | \$ 10,016.43 |

| | | | |
|-----------|-------|-------|--------|
| 75.66 | 5.14% | 0.28 | 0.97 |
| 75.66 | 5.14% | 0.32 | 1.29 |
| 75.66 | 5.14% | 0.32 | 1.62 |
| 75.66 | 5.14% | 0.32 | 1.94 |
| 95.91 | 4.08% | 0.26 | 2.20 |
| 95.91 | 4.08% | 0.33 | 2.52 |
| 95.91 | 4.08% | 0.33 | 2.85 |
| 177.41 | 3.35% | 0.27 | 3.12 |
| 190.27 | 3.35% | 0.50 | 3.61 |
| 190.27 | 3.35% | 0.53 | 4.14 |
| 221.67 | 3.35% | 0.53 | 4.67 |
| 221.67 | 3.35% | 0.62 | 5.29 |
| 3,415.13 | 3.35% | 0.62 | 5.91 |
| 3,415.13 | 2.45% | 6.97 | 12.88 |
| 3,415.13 | 2.45% | 6.97 | 19.86 |
| 3,415.13 | 2.45% | 6.97 | 26.83 |
| 3,620.69 | 1.00% | 2.85 | 29.68 |
| 3,638.78 | 1.00% | 3.02 | 32.69 |
| 3,883.65 | 1.00% | 3.03 | 35.72 |
| 4,338.21 | 0.55% | 1.78 | 37.50 |
| 4,388.75 | 0.55% | 1.99 | 39.49 |
| 4,482.81 | 0.55% | 2.01 | 41.50 |
| 4,541.22 | 0.55% | 2.05 | 43.56 |
| 4,565.58 | 0.55% | 2.08 | 45.64 |
| 13,237.19 | 0.55% | 2.09 | 47.73 |
| 13,246.04 | 0.55% | 6.07 | 53.80 |
| 13,338.93 | 0.55% | 6.07 | 59.87 |
| 13,401.69 | 0.55% | 6.11 | 65.99 |
| 13,422.32 | 0.55% | 6.14 | 72.13 |
| 13,467.00 | 0.55% | 6.15 | 78.28 |
| 13,563.77 | 0.55% | 6.17 | 84.45 |
| 13,610.03 | 0.89% | 10.06 | 94.51 |
| 14,078.55 | 0.89% | 10.09 | 104.61 |
| 14,406.34 | 0.89% | 10.44 | 115.05 |
| 14,935.80 | 1.20% | 14.41 | 129.45 |
| 14,996.94 | 1.20% | 14.94 | 144.39 |
| 31,567.81 | 1.20% | 15.00 | 159.39 |
| 31,571.05 | 1.47% | 38.67 | 198.06 |
| 30,577.18 | 1.47% | 38.67 | 236.73 |
| 30,681.80 | 1.47% | 37.46 | 274.19 |
| 30,704.60 | 1.47% | 37.59 | 311.77 |
| 30,789.78 | 1.47% | 37.61 | 349.39 |
| 30,911.59 | 1.47% | 37.72 | 387.10 |
| 32,343.61 | 1.47% | 37.87 | 424.97 |
| 32,671.03 | 1.47% | 39.62 | 464.59 |
| 32,988.42 | 1.47% | 40.02 | 504.61 |
| 33,430.24 | 1.47% | 40.41 | 545.02 |
| 34,366.01 | 1.47% | 40.95 | 585.98 |
| 46,422.71 | 1.47% | 42.10 | 628.08 |

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| | | | |
|-----------|-------|-------|--------|
| 46,422.71 | 1.47% | 56.87 | 684.94 |
| 46,422.71 | 1.47% | 56.87 | 741.81 |
| 46,422.71 | 1.47% | 56.87 | 798.68 |
| 46,422.71 | 1.47% | 56.87 | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |
| 46,422.71 | 0.00% | - | 855.55 |

\$

9,322.11

\$

37,100.59

\$

46,422.71





This worksheet calculates the interest on OM&A and amortization/depreciation expen

| Year | OM&A (from Sheet 5) | Amortization Expense (from Sheet 5) | Cumulative OM&A and Amortization Expense |
|------|------------------------|---|--|
| 2006 | \$ - | \$ - | \$ - |
| 2007 | \$ 7.81 | \$ 229.63 | \$ 237.44 |
| 2008 | \$ 4.95 | \$ 700.20 | \$ 942.59 |
| 2009 | \$ 867.57 | \$ 3,133.20 | \$ 4,943.36 |
| 2010 | \$ 970.25 | \$ 10,604.66 | \$ 16,518.28 |
| 2011 | \$ 7,205.79 | \$ 16,399.11 | \$ 40,123.17 |
| 2012 | \$ 9,559.21 | \$ 16,943.69 | \$ 66,626.07 |

Cumulative Interest to 2011

Cumulative Interest to 2012



use, in the absence of monthly data.

| Average Cumulative OM&A and Amortization Expense | Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B) | Simple Interest on OM&A and Amortization Expenses |
|---|---|--|
| \$ - | 4.37% | \$ - |
| \$ 118.72 | 4.73% | \$ 5.61 |
| \$ 590.01 | 3.98% | \$ 23.48 |
| \$ 2,942.97 | 1.14% | \$ 33.48 |
| \$ 10,730.82 | 0.80% | \$ 85.58 |
| \$ 28,320.72 | 1.47% | \$ 416.31 |
| \$ 53,374.62 | 1.47% | \$ 784.61 |
| | | \$ 564.46 |
| | | \$ 1,349.07 |





Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

This worksheet calculates the Smart Meter Disposition Rider and the Smart Meter Incremental Revenue Requirement Rate Rider, if applicable. This worksheet also calculates any new Smart Meter Funding Adder that a distributor may wish to request. However, please note that in many 2011 IRM decisions, the Board noted that current funding adders will cease on April 30, 2011 and that the Board's expectation is that distributors will file for a final review of prudence at the earliest opportunity. The Board also noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board observed that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, and not fully fund prior capital investment. Distributors that seek a new SMFA should provide evidence to support its proposal. This would include documentation of where the distributor is with respect to its smart meter deployment program, and reasons as to why the distributor's circumstances are such that continuation of the SMFA is warranted. Press the "UPDATE WORKSHEET" button after choosing the applicable adders/riders.

Check if
applicable

- ☐ Smart Meter Funding Adder (SMFA)
- ☒ Smart Meter Disposition Rider (SMDR)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMDR is calculated based on costs to December 31, 2011

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|---|--------------|--------------|--------------|-------------|--------------|--------------|----------------|---------------|
| Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5) | \$ - | \$ 554.60 | \$ 1,607.67 | \$ 7,983.18 | \$ 24,323.79 | \$ 42,776.85 | \$ 45,589.87 | \$ 122,835.95 |
| Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below) | \$ - | \$ 0.97 | \$ 4.94 | \$ 41.82 | \$ 111.65 | \$ 468.69 | | \$ 628.08 |
| <input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances) | \$ - | \$ 0.97 | \$ 4.94 | \$ 41.82 | \$ 111.65 | \$ 468.69 | | \$ 628.08 |
| <input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances) | | | | | | | | \$ - |
| SMFA Revenues (from Sheet 8) | \$ 1,995.62 | \$ 3,181.86 | \$ 3,262.98 | \$ 8,682.97 | \$ 11,809.49 | \$ 21,852.42 | \$ 9,330.79 | \$ 60,116.13 |
| SMFA Interest (from Sheet 8) | \$ 23.30 | \$ 164.57 | \$ 259.12 | \$ 115.58 | \$ 187.96 | \$ 541.64 | \$ 266.60 | \$ 1,558.77 |
| Net Deferred Revenue Requirement | -\$ 2,018.92 | -\$ 2,790.86 | -\$ 1,909.49 | -\$ 773.55 | \$ 12,437.99 | \$ 20,851.48 | \$ 35,992.48 | \$ 61,789.13 |

Number of Metered Customers (average for 2012 test year) 909

Calculation of Smart Meter Disposition Rider (per metered customer per month)

| | | |
|---|---|---------|
| Years for collection or refunding | 1 | |
| Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization | \$ 77,874.16 | |
| SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues | \$ 61,674.90 | |
| Net Deferred Revenue Requirement | \$ 16,199.26 | |
| SMDR May 1, 2012 to April 30, 2013 | \$ 1.49 | } Match |
| Check: Forecasted SMDR Revenues | \$ 16,252.92 | |

Calculation of Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month)

| | | |
|--|--------------|---------|
| Incremental Revenue Requirement for 2012 | \$ 45,589.87 | |
| SMIRR | \$ 4.18 | } Match |

Check: Forecasted SMIRR Revenues

\$ 45,595.44



Appendix D

Smart Meter Model – Combined Commercial Classes



Ontario Energy Board

Smart Meter Model

Choose Your Utility:

Burlington Hydro Inc.

Cambridge and North Dumfries Hydro Inc.

Application Contact Information

Name: Stephen Shields

Title: Manager, Regulatory Affairs

Phone Number: 905 332 1851 x234

Email Address:

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

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

Burlington Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A 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, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data

Smart Meter Installation Plan

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

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast | Total |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|---------|
| Residential | | | | | | | | 0 |
| General Service < 50 kW | | 161 | 81 | 1,792 | 3,071 | 5 | | 5110 |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0 | 161 | 81 | 1792 | 3071 | 5 | 0 | 5110 |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed | 0.00% | 3.15% | 4.74% | 39.80% | 99.90% | 100.00% | 0.00% | 100.00% |
| Actual/Planned number of GS > 50 kW meters installed | | 10 | 5 | 59 | 497 | | | 571 |
| Other (please identify) Micro Fit Customers | | | | | | | | 0 |
| Total Number of Smart Meters installed or planned to be installed | 0 | 171 | 86 | 1851 | 3568 | 5 | 0 | 5681 |

1 Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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
Asset type must be
selected to enable
calculations

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Smart Meter | 0 | 65,129 | 67,819 | 637,955 | 1,359,233 | 87,933 | | \$ 2,218,069 |
| Smart Meter | | 0 | 0 | 0 | 149,336 | 29,216 | | \$ 178,552 |
| Computer Hardware | | | | 2,150 | 6 | | | \$ 2,155 |
| | | | | | | | | \$ - |
| Total Advanced Metering Communications Devices (AMCD) | \$ - | \$ 65,129 | \$ 67,819 | \$ 640,105 | \$ 1,508,575 | \$ 117,149 | \$ - | \$ 2,398,777 |

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

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)

Asset Type

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------|-----------|
| Smart Meter | | | | | 22,986 | | 8,812 | \$ 31,798 |
| Smart Meter | | | | | 2,048 | | | \$ 2,048 |
| Smart Meter | | | | | | | | \$ - |
| Total Advanced Metering Regional Collector (AMRC) (Includes LAN) | \$ - | \$ - | \$ - | \$ - | \$ 25,034 | \$ - | \$ 8,812 | \$ 33,846 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|-------|
| Computer Hardware | | | 124 | | 453 | | | \$ | 577 |
| Computer Software | | | | | 5,020 | 3,526 | | \$ | 8,546 |
| Computer Software | | 441 | | | | | | \$ | 441 |
| | \$ - | \$ 441 | \$ 124 | \$ - | \$ 5,473 | \$ 3,526 | \$ - | \$ | 9,564 |

1.4 WIDE AREA NETWORK (WAN)

1.4.1 Activation Fees

Total Wide Area Network (WAN)

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|-----|
| Tools & Equipment | | | | | 923 | | | \$ | 923 |
| | \$ - | \$ - | \$ - | \$ - | \$ 923 | \$ - | \$ - | \$ | 923 |

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**Total Capital Costs Related to Minimum Functionality**

| Asset Type | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|-----------|
| | | | | | | | | \$ | - |
| Computer Software | | 103 | 438 | 366 | 73 | | | \$ | 980 |
| Computer Software | | | | 1,770 | 1,322 | | | \$ | 3,092 |
| | | | | | | | | \$ | - |
| Smart Meter | | 1,782 | 2,409 | 3,469 | 20,163 | 26,005 | | \$ | 53,827 |
| | | | | | | | | \$ | - |
| | \$ - | \$ 1,884 | \$ 2,847 | \$ 5,605 | \$ 21,558 | \$ 26,005 | \$ - | \$ | 57,899 |
| | \$ - | \$ 67,454 | \$ 70,789 | \$ 645,710 | \$ 1,561,563 | \$ 146,680 | \$ 8,812 | \$ | 2,501,008 |

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 | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|----|-----------|
| Computer Software | | | | | | | | \$ | - |
| Applications Software | | | | | | | | \$ | - |
| | | | | | | | | \$ | - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ | - |
| | \$ - | \$ 67,454 | \$ 70,789 | \$ 645,710 | \$ 1,561,563 | \$ 146,680 | \$ 8,812 | \$ | 2,501,008 |

2 OM&A Expenses

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify)

Meter Base Repairs

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)

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)

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

| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------|------------|
| | | | | | | | | \$ - |
| | | | | 3,064 | 3,216 | 577 | | \$ 6,858 |
| | \$ - | \$ - | \$ - | \$ 3,064 | \$ 3,216 | \$ 577 | \$ - | \$ 6,858 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | \$ - |
| | | | | | | 12,394 | 32,991 | \$ 45,384 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,394 | \$ 32,991 | \$ 45,384 |
| | | | | | | | | \$ - |
| | | | | | | 41,502 | 50,518 | \$ 92,020 |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 41,502 | \$ 50,518 | \$ 92,020 |
| | | | | | | | | \$ 4,318 |
| | | | | 3,816 | 4,874 | 13,596 | 2,306 | \$ 24,592 |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | 67 | | 415 | 719 | 445 | | \$ 1,646 |
| | | 11 | 49 | 1,336 | 844 | 3,177 | 4,974 | \$ 10,392 |
| | \$ - | \$ 78 | \$ 49 | \$ 5,568 | \$ 6,437 | \$ 17,219 | \$ 11,598 | \$ 40,948 |
| | \$ - | \$ 78 | \$ 49 | \$ 8,632 | \$ 9,653 | \$ 71,692 | \$ 95,107 | \$ 185,210 |
| | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | | |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | | | | | | | | \$ - |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ - | \$ 78 | \$ 49 | \$ 8,632 | \$ 9,653 | \$ 71,692 | \$ 95,107 | \$ 185,210 |

3 Aggregate Smart Meter Costs by Category

| | | | | | | | | | |
|--------------|-----------------------------|-------------|------------------|------------------|-------------------|---------------------|-------------------|------------------|---------------------|
| 3.1 | Capital | | | | | | | | |
| 3.1.1 | Smart Meter | \$ - | \$ 66,910 | \$ 70,228 | \$ 641,425 | \$ 1,553,766 | \$ 143,154 | \$ 8,812 | \$ 2,484,294 |
| 3.1.2 | Computer Hardware | \$ - | \$ - | \$ 124 | \$ 2,150 | \$ 459 | \$ - | \$ - | \$ 2,732 |
| 3.1.3 | Computer Software | \$ - | \$ 543 | \$ 438 | \$ 2,136 | \$ 6,415 | \$ 3,526 | \$ - | \$ 13,059 |
| 3.1.4 | Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 923 | \$ - | \$ - | \$ 923 |
| 3.1.5 | Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3.1.6 | Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3.1.7 | Total Capital Costs | <u>\$ -</u> | <u>\$ 67,454</u> | <u>\$ 70,789</u> | <u>\$ 645,710</u> | <u>\$ 1,561,563</u> | <u>\$ 146,680</u> | <u>\$ 8,812</u> | <u>\$ 2,501,008</u> |
| 3.2 | OM&A Costs | | | | | | | | |
| 3.2.1 | Total OM&A Costs | <u>\$ -</u> | <u>\$ 78</u> | <u>\$ 49</u> | <u>\$ 8,632</u> | <u>\$ 9,653</u> | <u>\$ 71,692</u> | <u>\$ 95,107</u> | <u>\$ 185,210</u> |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Cost of Capital | | | | | | | |
| Capital Structure¹ | | | | | | | |
| Deemed Short-term Debt Capitalization | | | 0.0% | 0.0% | 4.0% | 4.0% | 4.0% |
| Deemed Long-term Debt Capitalization | 50.0% | 50.0% | 53.3% | 56.7% | 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 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of Capital Parameters | | | | | | | |
| Deemed Short-term Debt Rate | | | 0.00% | 0.00% | 2.07% | 2.07% | 2.07% |
| Long-term Debt Rate (actual/embedded/deemed) ² | 6.25% | 6.25% | 6.25% | 6.25% | 5.87% | 5.87% | 5.87% |
| Target Return on Equity (ROE) | 9.0% | 9.00% | 9.00% | 9.00% | 9.85% | 9.85% | 9.85% |
| Return on Preferred Shares | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| WACC | 7.63% | 7.63% | 7.53% | 7.44% | 7.31% | 7.31% | 7.31% |
| Working Capital Allowance | | | | | | | |
| Working Capital Allowance Rate (% of the sum of Cost of Power + controllable expenses) | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Taxes/PILs | | | | | | | |
| Aggregate Corporate Income Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Capital Tax (until July 1st, 2010) | 0.30% | 0.225% | 0.225% | 0.225% | 0.075% | 0.00% | 0.00% |

Depreciation Rates

(expressed as expected useful life in years)

| | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| - rate (%) | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% | 20.00% |
| Tools & Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Other Equipment - years | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| - rate (%) | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

CCA Rates

| | | | | | | | |
|-----------------------------------|-----|-----|-----|-----|-----|-----|-----|
| 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 | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| Computer Equipment - CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| General Equipment - CCA Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| General Equipment - CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Applications Software - CCA Class | | | | | | | |
| Applications Software - CCA Rate | | | | | | | |

Assumptions

¹ Planned smart meter installations occur evenly throughout the year.

² Fiscal calendar year (January 1 to December 31) used.

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



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later |
|---|------|-----------|------------|------------|--------------|--------------|----------------|
| Net Fixed Assets - Smart Meters | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | | \$ - | \$ 66,910 | \$ 137,138 | \$ 778,563 | \$ 2,332,329 | \$ 2,475,482 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 66,910 | \$ 70,228 | \$ 641,425 | \$ 1,553,766 | \$ 143,154 | \$ 8,812 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 66,910 | \$ 137,138 | \$ 778,563 | \$ 2,332,329 | \$ 2,475,482 | \$ 2,484,294 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | | \$ - | -\$ 2,230 | -\$ 9,032 | -\$ 39,555 | -\$ 143,252 | -\$ 303,512 |
| Amortization expense during year | \$ - | -\$ 2,230 | -\$ 6,802 | -\$ 30,523 | -\$ 103,696 | -\$ 160,260 | -\$ 165,326 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 2,230 | -\$ 9,032 | -\$ 39,555 | -\$ 143,252 | -\$ 303,512 | -\$ 468,838 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 64,680 | \$ 128,106 | \$ 739,007 | \$ 2,189,077 | \$ 2,171,970 |
| Closing Balance | \$ - | \$ 64,680 | \$ 128,106 | \$ 739,007 | \$ 2,189,077 | \$ 2,171,970 | \$ 2,015,456 |
| Average Net Book Value | \$ - | \$ 32,340 | \$ 96,393 | \$ 433,557 | \$ 1,464,042 | \$ 2,180,524 | \$ 2,093,713 |
| Net Fixed Assets - Computer Hardware | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 124 | \$ 2,273 | \$ 2,732 | \$ 2,732 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ 124 | \$ 2,150 | \$ 459 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ 124 | \$ 2,273 | \$ 2,732 | \$ 2,732 | \$ 2,732 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | -\$ 12 | -\$ 252 | -\$ 753 | -\$ 1,299 |
| Amortization expense during year | \$ - | \$ - | -\$ 12 | -\$ 240 | -\$ 501 | -\$ 546 | -\$ 546 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | -\$ 12 | -\$ 252 | -\$ 753 | -\$ 1,299 | -\$ 1,845 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ 111 | \$ 2,021 | \$ 1,980 | \$ 1,433 |
| Closing Balance | \$ - | \$ - | \$ 111 | \$ 2,021 | \$ 1,980 | \$ 1,433 | \$ 887 |
| Average Net Book Value | \$ - | \$ - | \$ 56 | \$ 1,066 | \$ 2,000 | \$ 1,706 | \$ 1,160 |
| Net Fixed Assets - Computer Software (including Applications Software) | | | | | | | |
| Gross Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 543 | \$ 981 | \$ 3,117 | \$ 9,532 | \$ 13,059 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ 543 | \$ 438 | \$ 2,136 | \$ 6,415 | \$ 3,526 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ 543 | \$ 981 | \$ 3,117 | \$ 9,532 | \$ 13,059 | \$ 13,059 |
| Accumulated Depreciation | | | | | | | |
| Opening Balance | \$ - | \$ - | -\$ 54 | -\$ 207 | -\$ 617 | -\$ 1,882 | -\$ 4,141 |
| Amortization expense during year | \$ - | -\$ 54 | -\$ 152 | -\$ 410 | -\$ 1,265 | -\$ 2,259 | -\$ 2,612 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | -\$ 54 | -\$ 207 | -\$ 617 | -\$ 1,882 | -\$ 4,141 | -\$ 6,752 |
| Net Book Value | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ 489 | \$ 774 | \$ 2,501 | \$ 7,651 | \$ 8,918 |
| Closing Balance | \$ - | \$ 489 | \$ 774 | \$ 2,501 | \$ 7,651 | \$ 8,918 | \$ 6,306 |
| Average Net Book Value | \$ - | \$ 244 | \$ 632 | \$ 1,638 | \$ 5,076 | \$ 8,284 | \$ 7,612 |

Net Fixed Assets - Tools and Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|--------|--------|--------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ 923 | \$ 923 |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ 923 | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 923 | \$ 923 | \$ 923 |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|-------|--------|--------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 46 | \$ 138 |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ 46 | \$ 92 | \$ 92 |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 46 | \$ 138 | \$ 231 |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|--------|--------|--------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 877 | \$ 785 |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ 877 | \$ 785 | \$ 692 |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ 438 | \$ 831 | \$ 739 |

Net Fixed Assets - Other Equipment

Gross Book Value

| | | | | | | | |
|--|------|------|------|------|------|------|------|
| Opening Balance | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Additions during year (from Smart Meter Costs) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Accumulated Depreciation

| | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Amortization expense during year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Net Book Value

| | | | | | | | |
|------------------------|------|------|------|------|------|------|------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Closing Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Average Net Book Value | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and Later |
|---|-------------|------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Average Net Fixed Asset Values (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 32,340 | \$ 96,393 | \$ 433,557 | \$ 1,464,042 | \$ 2,180,524 | \$ 2,093,713 |
| Computer Hardware | \$ - | \$ - | \$ 56 | \$ 1,066 | \$ 2,000 | \$ 1,706 | \$ 1,160 |
| Computer Software | \$ - | \$ 244 | \$ 632 | \$ 1,638 | \$ 5,076 | \$ 8,284 | \$ 7,612 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 438 | \$ 831 | \$ 739 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Net Fixed Assets | \$ - | \$ 32,584 | \$ 97,080 | \$ 436,261 | \$ 1,471,557 | \$ 2,191,345 | \$ 2,103,224 |
| Working Capital | | | | | | | |
| Operating Expenses (from Sheet 2) | \$ - | \$ 78 | \$ 49 | \$ 8,632 | \$ 9,653 | \$ 71,692 | \$ 95,107 |
| Working Capital Factor (from Sheet 3) | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Working Capital Allowance | \$ - | \$ 12 | \$ 7 | \$ 1,295 | \$ 1,448 | \$ 10,754 | \$ 14,266 |
| Incremental Smart Meter Rate Base | \$ - | \$ 32,596 | \$ 97,088 | \$ 437,555 | \$ 1,473,005 | \$ 2,202,099 | \$ 2,117,490 |
| Return on Rate Base | | | | | | | |
| Capital Structure | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 58,920 | \$ 88,084 | \$ 84,700 |
| Deemed Long Term Debt | \$ - | \$ 16,298 | \$ 51,748 | \$ 248,094 | \$ 824,883 | \$ 1,233,175 | \$ 1,185,794 |
| Equity | \$ - | \$ 16,298 | \$ 45,340 | \$ 189,461 | \$ 589,202 | \$ 880,840 | \$ 846,996 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Capitalization | \$ - | \$ 32,596 | \$ 97,088 | \$ 437,555 | \$ 1,473,005 | \$ 2,202,099 | \$ 2,117,490 |
| Return on | | | | | | | |
| Deemed Short Term Debt | \$ - | \$ - | \$ - | \$ - | \$ 1,220 | \$ 1,823 | \$ 1,753 |
| Deemed Long Term Debt | \$ - | \$ 1,019 | \$ 3,234 | \$ 15,506 | \$ 48,421 | \$ 72,387 | \$ 69,606 |
| Equity | \$ - | \$ 1,467 | \$ 4,081 | \$ 17,052 | \$ 58,036 | \$ 86,763 | \$ 83,429 |
| Preferred Shares | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Return on Capital | \$ - | \$ 2,485 | \$ 7,315 | \$ 32,557 | \$ 107,677 | \$ 160,973 | \$ 154,789 |
| Operating Expenses | \$ - | \$ 78 | \$ 49 | \$ 8,632 | \$ 9,653 | \$ 71,692 | \$ 95,107 |
| Amortization Expenses (from Sheet 4) | | | | | | | |
| Smart Meters | \$ - | \$ 2,230 | \$ 6,802 | \$ 30,523 | \$ 103,696 | \$ 160,260 | \$ 165,326 |
| Computer Hardware | \$ - | \$ - | \$ 12 | \$ 240 | \$ 501 | \$ 546 | \$ 546 |
| Computer Software | \$ - | \$ 54 | \$ 152 | \$ 410 | \$ 1,265 | \$ 2,259 | \$ 2,612 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 46 | \$ 92 | \$ 92 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Amortization Expense in Year | \$ - | \$ 2,285 | \$ 6,966 | \$ 31,173 | \$ 105,508 | \$ 163,158 | \$ 168,576 |
| Incremental Revenue Requirement before Taxes/PILs | \$ - | \$ 4,848 | \$ 14,330 | \$ 72,362 | \$ 222,838 | \$ 395,824 | \$ 418,471 |
| Calculation of Taxable Income | | | | | | | |
| Incremental Operating Expenses | \$ - | \$ 78 | \$ 49 | \$ 8,632 | \$ 9,653 | \$ 71,692 | \$ 95,107 |
| Amortization Expense | \$ - | \$ 2,285 | \$ 6,966 | \$ 31,173 | \$ 105,508 | \$ 163,158 | \$ 168,576 |
| Interest Expense | \$ - | \$ 1,019 | \$ 3,234 | \$ 15,506 | \$ 49,640 | \$ 74,211 | \$ 71,359 |
| Net Income for Taxes/PILs | \$ - | \$ 1,467 | \$ 4,081 | \$ 17,052 | \$ 58,036 | \$ 86,763 | \$ 83,429 |
| Grossed-up Taxes/PILs (from Sheet 7) | \$ - | \$ 670.06 | \$ 1,664.55 | \$ 7,064.41 | \$ 19,164.57 | \$ 29,772.38 | \$ 35,111.78 |
| Revenue Requirement, including Grossed-up Taxes/PILs | \$ - | \$ 5,518 | \$ 15,995 | \$ 79,426 | \$ 242,003 | \$ 425,596 | \$ 453,583 |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

For PILs Calculation

UCC - Smart Meters

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 64,234.02 | \$ 126,513.79 | \$ 732,160.23 | \$ 2,165,202.80 | \$ 2,129,414.18 |
| Capital Additions | \$ - | \$ 66,910.44 | \$ 70,227.59 | \$ 641,424.53 | \$ 1,553,766.03 | \$ 143,153.75 | \$ 8,811.85 |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 66,910.44 | \$ 134,461.61 | \$ 767,938.32 | \$ 2,285,926.26 | \$ 2,308,356.55 | \$ 2,138,226.03 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 33,455.22 | \$ 35,113.80 | \$ 320,712.26 | \$ 776,883.01 | \$ 71,576.88 | \$ 4,405.93 |
| Reduced UCC | \$ - | \$ 33,455.22 | \$ 99,347.82 | \$ 447,226.05 | \$ 1,509,043.25 | \$ 2,236,779.68 | \$ 2,133,820.10 |
| CCA Rate Class | 47 | 47 | 47 | 47 | 47 | 47 | 47 |
| CCA Rate | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| CCA | \$ - | \$ 2,676.42 | \$ 7,947.83 | \$ 35,778.08 | \$ 120,723.46 | \$ 178,942.37 | \$ 170,705.61 |
| Closing UCC | \$ - | \$ 64,234.02 | \$ 126,513.79 | \$ 732,160.23 | \$ 2,165,202.80 | \$ 2,129,414.18 | \$ 1,967,520.42 |

UCC - Computer Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ 393.76 | \$ 584.48 | \$ 3,370.19 | \$ 6,500.12 | \$ 5,481.62 |
| Capital Additions Computer Hardware | \$ - | \$ - | \$ 123.65 | \$ 2,149.69 | \$ 458.86 | \$ - | \$ - |
| Capital Additions Computer Software | \$ - | \$ 543.12 | \$ 438.13 | \$ 2,136.06 | \$ 6,414.97 | \$ 3,526.30 | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ 543.12 | \$ 955.53 | \$ 4,870.23 | \$ 10,244.02 | \$ 10,026.42 | \$ 5,481.62 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ 271.56 | \$ 280.89 | \$ 2,142.88 | \$ 3,436.92 | \$ 1,763.15 | \$ - |
| Reduced UCC | \$ - | \$ 271.56 | \$ 674.65 | \$ 2,727.36 | \$ 6,807.11 | \$ 8,263.27 | \$ 5,481.62 |
| CCA Rate Class | 45 | 50 | 50 | 50 | 50 | 50 | 50 |
| CCA Rate | 45% | 55% | 55% | 55% | 55% | 55% | 55% |
| CCA | \$ - | \$ 149.36 | \$ 371.06 | \$ 1,500.05 | \$ 3,743.91 | \$ 4,544.80 | \$ 3,014.89 |
| Closing UCC | \$ - | \$ 393.76 | \$ 584.48 | \$ 3,370.19 | \$ 6,500.12 | \$ 5,481.62 | \$ 2,466.73 |

UCC - General Equipment

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| Opening UCC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 830.82 | \$ 664.65 |
| Capital Additions Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 923.13 | \$ - | \$ - |
| Capital Additions Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Retirements/Removals (if applicable) | | | | | | | |
| UCC Before Half Year Rule | \$ - | \$ - | \$ - | \$ - | \$ 923.13 | \$ 830.82 | \$ 664.65 |
| Half Year Rule (1/2 Additions - Disposals) | \$ - | \$ - | \$ - | \$ - | \$ 461.56 | \$ - | \$ - |
| Reduced UCC | \$ - | \$ - | \$ - | \$ - | \$ 461.56 | \$ 830.82 | \$ 664.65 |
| CCA Rate Class | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| CCA Rate | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| CCA | \$ - | \$ - | \$ - | \$ - | \$ 92.31 | \$ 166.16 | \$ 132.93 |
| Closing UCC | \$ - | \$ - | \$ - | \$ - | \$ 830.82 | \$ 664.65 | \$ 531.72 |



PILs Calculation

| | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|
| INCOME TAX | | | | | | | |
| Net Income | \$ - | \$ 1,466.82 | \$ 4,080.60 | \$ 17,051.53 | \$ 58,036.38 | \$ 86,762.70 | \$ 83,429.10 |
| Amortization | \$ - | \$ 2,284.66 | \$ 6,966.42 | \$ 31,172.91 | \$ 105,508.04 | \$ 163,158.20 | \$ 168,576.35 |
| CCA - Smart Meters | \$ - | \$ 2,676.42 | \$ 7,947.83 | \$ 35,778.08 | \$ 120,723.46 | \$ 178,942.37 | \$ 170,705.61 |
| CCA - Computers | \$ - | \$ 149.36 | \$ 371.06 | \$ 1,500.05 | \$ 3,743.91 | \$ 4,544.80 | \$ 3,014.89 |
| CCA - Applications Software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CCA - Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ 92.31 | \$ 166.16 | \$ 132.93 |
| Change in taxable income | \$ - | \$ 925.71 | \$ 2,728.13 | \$ 10,946.31 | \$ 38,984.74 | \$ 66,267.57 | \$ 78,152.02 |
| Tax Rate (from Sheet 3) | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Income Taxes Payable | \$ - | \$ 334.37 | \$ 913.92 | \$ 3,612.28 | \$ 12,085.27 | \$ 20,542.95 | \$ 24,227.13 |
| ONTARIO CAPITAL TAX | | | | | | | |
| Smart Meters | \$ - | \$ 64,680.09 | \$ 128,106.07 | \$ 739,007.24 | \$ 2,189,076.90 | \$ 2,171,970.29 | \$ 2,015,456.25 |
| Computer Hardware | \$ - | \$ - | \$ 111.28 | \$ 2,021.28 | \$ 1,979.59 | \$ 1,433.14 | \$ 886.70 |
| Computer Software (Including Application Software) | \$ - | \$ 488.80 | \$ 774.50 | \$ 2,500.70 | \$ 7,650.72 | \$ 8,917.93 | \$ 6,306.22 |
| Tools & Equipment | \$ - | \$ - | \$ - | \$ - | \$ 876.97 | \$ 784.66 | \$ 692.35 |
| Other Equipment | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rate Base | \$ - | \$ 65,168.90 | \$ 128,991.85 | \$ 743,529.22 | \$ 2,199,584.18 | \$ 2,183,106.03 | \$ 2,023,341.52 |
| Less: Exemption | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deemed Taxable Capital | \$ - | \$ 65,168.90 | \$ 128,991.85 | \$ 743,529.22 | \$ 2,199,584.18 | \$ 2,183,106.03 | \$ 2,023,341.52 |
| Ontario Capital Tax Rate (from Sheet 3) | 0.300% | 0.225% | 0.225% | 0.225% | 0.075% | 0.000% | 0.000% |
| Net Amount (Taxable Capital x Rate) | \$ - | \$ 146.63 | \$ 290.23 | \$ 1,672.94 | \$ 1,649.69 | \$ - | \$ - |
| Change in Income Taxes Payable | \$ - | \$ 334.37 | \$ 913.92 | \$ 3,612.28 | \$ 12,085.27 | \$ 20,542.95 | \$ 24,227.13 |
| Change in OCT | \$ - | \$ 146.63 | \$ 290.23 | \$ 1,672.94 | \$ 1,649.69 | \$ - | \$ - |
| PILs | \$ - | \$ 481.00 | \$ 1,204.16 | \$ 5,285.22 | \$ 13,734.96 | \$ 20,542.95 | \$ 24,227.13 |
| Gross Up PILs | | | | | | | |
| Tax Rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 31.00% | 31.00% |
| Change in Income Taxes Payable | \$ - | \$ 523.43 | \$ 1,374.32 | \$ 5,391.46 | \$ 17,514.89 | \$ 29,772.38 | \$ 35,111.78 |
| Change in OCT | \$ - | \$ 146.63 | \$ 290.23 | \$ 1,672.94 | \$ 1,649.69 | \$ - | \$ - |
| PILs | \$ - | \$ 670.06 | \$ 1,664.55 | \$ 7,064.41 | \$ 19,164.57 | \$ 29,772.38 | \$ 35,111.78 |



Ontario Energy Board

Smart Meter Model

Burlington 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 |
|----------------|---|-------|--------|------|---------|--------------------------------|---------------------------|------------------|-----------|-----------------|----------------|
| 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 | \$ - | \$ 26.55 | 4.14% | \$ - | \$ 26.55 | |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | \$ 26.55 | \$ 1,263.26 | 4.14% | \$ 0.09 | \$ 1,289.90 | |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | \$ 1,289.81 | \$ 1,503.90 | 4.59% | \$ 4.93 | \$ 2,798.64 | |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | \$ 2,793.71 | \$ 1,507.51 | 4.59% | \$ 10.69 | \$ 4,311.91 | |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | \$ 4,301.22 | \$ 1,514.21 | 4.59% | \$ 16.45 | \$ 5,831.88 | |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | \$ 5,815.43 | \$ 1,514.09 | 4.59% | \$ 22.24 | \$ 7,351.76 | |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | \$ 7,329.52 | \$ 1,518.05 | 4.59% | \$ 28.04 | \$ 8,875.61 | |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | \$ 8,847.57 | \$ 1,525.35 | 4.59% | \$ 33.84 | \$ 10,406.76 | \$ 10,489.20 |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | \$ 10,372.92 | \$ 1,552.25 | 4.59% | \$ 39.68 | \$ 11,964.85 | |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | \$ 11,925.17 | \$ 1,554.88 | 4.59% | \$ 45.61 | \$ 13,525.66 | |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | \$ 13,480.05 | \$ 1,542.85 | 4.59% | \$ 51.56 | \$ 15,074.46 | |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | \$ 15,022.90 | \$ 1,545.36 | 4.59% | \$ 57.46 | \$ 16,625.72 | |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | \$ 16,568.26 | \$ 1,548.52 | 4.59% | \$ 63.37 | \$ 18,180.15 | |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | \$ 18,116.78 | \$ 1,552.14 | 4.59% | \$ 69.30 | \$ 19,738.22 | |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | \$ 19,668.92 | \$ 1,551.40 | 4.59% | \$ 75.23 | \$ 21,295.55 | |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | \$ 21,220.32 | \$ 1,553.38 | 4.59% | \$ 81.17 | \$ 22,854.87 | |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | \$ 22,773.70 | \$ 1,551.30 | 4.59% | \$ 87.11 | \$ 24,412.11 | |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | \$ 24,325.00 | \$ 1,559.79 | 5.14% | \$ 104.19 | \$ 25,988.98 | |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | \$ 25,884.79 | \$ 1,563.72 | 5.14% | \$ 110.87 | \$ 27,559.38 | |
| 2011 Q4 | 1.47% | 4.29% | Dec-07 | 2007 | Q4 | \$ 27,448.51 | \$ 1,567.87 | 5.14% | \$ 117.57 | \$ 29,133.95 | \$ 19,546.58 |
| 2012 Q1 | 1.47% | 4.29% | Jan-08 | 2008 | Q1 | \$ 29,016.38 | \$ 1,575.86 | 5.14% | \$ 124.29 | \$ 30,716.53 | |
| 2012 Q2 | 0.00% | 4.29% | Feb-08 | 2008 | Q1 | \$ 30,592.24 | \$ 1,578.09 | 5.14% | \$ 131.04 | \$ 32,301.37 | |
| 2012 Q3 | 0.00% | 4.29% | Mar-08 | 2008 | Q1 | \$ 32,170.33 | \$ 1,573.03 | 5.14% | \$ 137.80 | \$ 33,881.16 | |
| 2012 Q4 | 0.00% | 4.29% | Apr-08 | 2008 | Q2 | \$ 33,743.36 | \$ 1,591.08 | 4.08% | \$ 114.73 | \$ 35,449.17 | |
| | | | May-08 | 2008 | Q2 | \$ 35,334.44 | \$ 1,577.11 | 4.08% | \$ 120.14 | \$ 37,031.69 | |
| | | | Jun-08 | 2008 | Q2 | \$ 36,911.55 | \$ 1,574.00 | 4.08% | \$ 125.50 | \$ 38,611.05 | |
| | | | Jul-08 | 2008 | Q3 | \$ 38,485.55 | \$ 1,576.91 | 3.35% | \$ 107.44 | \$ 40,169.90 | |
| | | | Aug-08 | 2008 | Q3 | \$ 40,062.46 | \$ 1,574.12 | 3.35% | \$ 111.84 | \$ 41,748.42 | |
| | | | Sep-08 | 2008 | Q3 | \$ 41,636.58 | \$ 1,578.36 | 3.35% | \$ 116.24 | \$ 43,331.18 | |
| | | | Oct-08 | 2008 | Q4 | \$ 43,214.94 | \$ 1,576.49 | 3.35% | \$ 120.64 | \$ 44,912.07 | |
| | | | Nov-08 | 2008 | Q4 | \$ 44,791.43 | \$ 1,560.70 | 3.35% | \$ 125.04 | \$ 46,477.17 | |
| | | | Dec-08 | 2008 | Q4 | \$ 46,352.13 | \$ 1,659.35 | 3.35% | \$ 129.40 | \$ 48,140.88 | \$ 20,459.20 |
| | | | Jan-09 | 2009 | Q1 | \$ 48,011.48 | \$ 1,589.64 | 2.45% | \$ 98.02 | \$ 49,699.14 | |
| | | | Feb-09 | 2009 | Q1 | \$ 49,601.12 | \$ 1,582.78 | 2.45% | \$ 101.27 | \$ 51,285.17 | |
| | | | Mar-09 | 2009 | Q1 | \$ 51,183.90 | \$ 1,587.89 | 2.45% | \$ 104.50 | \$ 52,876.29 | |
| | | | Apr-09 | 2009 | Q2 | \$ 52,771.79 | \$ 1,615.93 | 1.00% | \$ 43.98 | \$ 54,431.70 | |
| | | | May-09 | 2009 | Q2 | \$ 54,387.72 | \$ 5,806.12 | 1.00% | \$ 45.32 | \$ 60,239.16 | |
| | | | Jun-09 | 2009 | Q2 | \$ 60,193.84 | \$ 5,888.43 | 1.00% | \$ 50.16 | \$ 66,132.43 | |
| | | | Jul-09 | 2009 | Q3 | \$ 66,082.27 | \$ 5,897.20 | 0.55% | \$ 30.29 | \$ 72,009.76 | |
| | | | Aug-09 | 2009 | Q3 | \$ 71,979.47 | \$ 5,903.22 | 0.55% | \$ 32.99 | \$ 77,915.68 | |
| | | | Sep-09 | 2009 | Q3 | \$ 77,882.69 | \$ 5,908.05 | 0.55% | \$ 35.70 | \$ 83,826.44 | |
| | | | Oct-09 | 2009 | Q4 | \$ 83,790.74 | \$ 5,949.18 | 0.55% | \$ 38.40 | \$ 89,778.32 | |
| | | | Nov-09 | 2009 | Q4 | \$ 89,739.92 | \$ 5,942.46 | 0.55% | \$ 41.13 | \$ 95,723.51 | |
| | | | Dec-09 | 2009 | Q4 | \$ 95,682.38 | \$ 5,927.86 | 0.55% | \$ 43.85 | \$ 101,654.09 | \$ 54,264.37 |
| | | | Jan-10 | 2010 | Q1 | \$ 101,610.24 | \$ 5,966.17 | 0.55% | \$ 46.57 | \$ 107,622.98 | |
| | | | Feb-10 | 2010 | Q1 | \$ 107,576.41 | \$ 5,937.94 | 0.55% | \$ 49.31 | \$ 113,563.66 | |
| | | | Mar-10 | 2010 | Q1 | \$ 113,514.35 | \$ 5,959.20 | 0.55% | \$ 52.03 | \$ 119,525.58 | |
| | | | Apr-10 | 2010 | Q2 | \$ 119,473.55 | \$ 5,957.76 | 0.55% | \$ 54.76 | \$ 125,486.07 | |
| | | | May-10 | 2010 | Q2 | \$ 125,431.31 | \$ 5,936.46 | 0.55% | \$ 57.49 | \$ 131,425.26 | |
| | | | Jun-10 | 2010 | Q2 | \$ 131,367.77 | \$ 5,957.12 | 0.55% | \$ 60.21 | \$ 137,385.10 | |
| | | | Jul-10 | 2010 | Q3 | \$ 137,324.89 | \$ 5,969.19 | 0.89% | \$ 101.85 | \$ 143,395.93 | |
| | | | Aug-10 | 2010 | Q3 | \$ 143,294.08 | \$ 5,979.70 | 0.89% | \$ 106.28 | \$ 149,380.06 | |
| | | | Sep-10 | 2010 | Q3 | \$ 149,273.78 | \$ 5,968.02 | 0.89% | \$ 110.71 | \$ 155,352.51 | |
| | | | Oct-10 | 2010 | Q4 | \$ 155,241.80 | \$ 5,970.87 | 1.20% | \$ 155.24 | \$ 161,367.91 | |
| | | | Nov-10 | 2010 | Q4 | \$ 161,212.67 | \$ 5,993.40 | 1.20% | \$ 161.21 | \$ 167,367.28 | |
| | | | Dec-10 | 2010 | Q4 | \$ 167,206.07 | \$ 6,022.53 | 1.20% | \$ 167.21 | \$ 173,395.81 | \$ 72,741.23 |
| | | | Jan-11 | 2011 | Q1 | \$ 173,228.60 | \$ 6,064.54 | 1.47% | \$ 212.21 | \$ 179,505.35 | |
| | | | Feb-11 | 2011 | Q1 | \$ 179,293.14 | \$ 6,082.43 | 1.47% | \$ 219.63 | \$ 185,595.20 | |
| | | | Mar-11 | 2011 | Q1 | \$ 185,375.57 | \$ 6,068.21 | 1.47% | \$ 227.09 | \$ 191,670.87 | |
| | | | Apr-11 | 2011 | Q2 | \$ 191,443.78 | \$ 5,971.81 | 1.47% | \$ 234.52 | \$ 197,650.11 | |
| | | | May-11 | 2011 | Q2 | \$ 197,415.59 | \$ 6,693.41 | 1.47% | \$ 241.83 | \$ 204,350.83 | |
| | | | Jun-11 | 2011 | Q2 | \$ 204,109.00 | \$ 13,450.16 | 1.47% | \$ 250.03 | \$ 217,809.19 | |
| | | | Jul-11 | 2011 | Q3 | \$ 217,559.16 | \$ 15,161.59 | 1.47% | \$ 266.51 | \$ 232,987.26 | |
| | | | Aug-11 | 2011 | Q3 | \$ 232,720.75 | \$ 15,152.91 | 1.47% | \$ 285.08 | \$ 248,158.74 | |
| | | | Sep-11 | 2011 | Q3 | \$ 247,873.66 | \$ 15,191.93 | 1.47% | \$ 303.65 | \$ 263,369.24 | |



Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

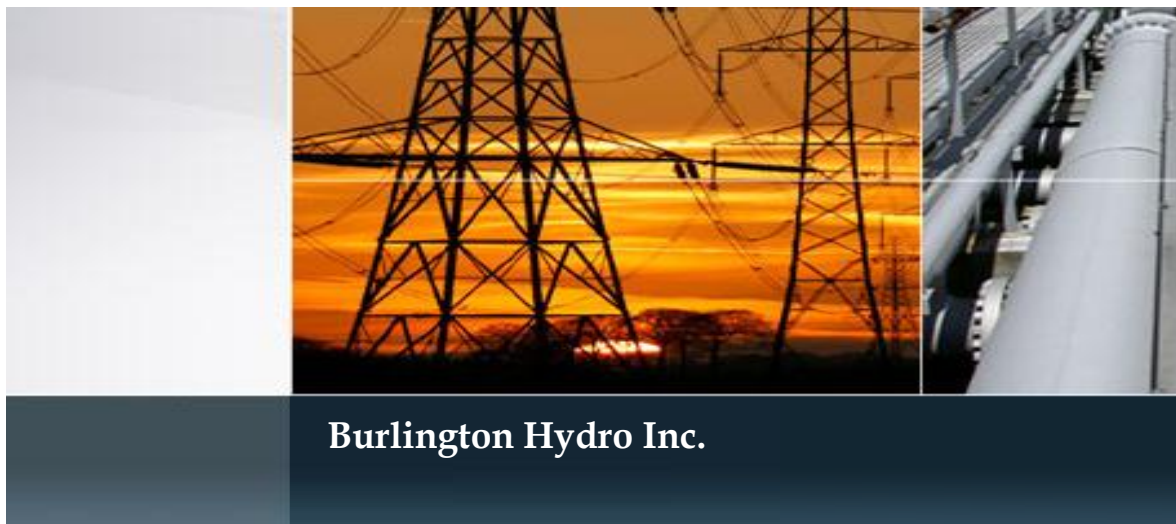
This worksheet calculates the funding adder revenues.

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 | | Closing Balance | Annual amounts |
|--|---|------|--------|------|---------|--------------------------------|---------------------------|----------|-------------|-----------------|----------------|
| | | | | | | | | Rate | Interest | | |
| | | | Oct-11 | 2011 | Q4 | \$ 263,065.59 | \$ 15,165.92 | 1.47% | \$ 322.26 | \$ 278,553.77 | |
| | | | Nov-11 | 2011 | Q4 | \$ 278,231.51 | \$ 15,212.56 | 1.47% | \$ 340.83 | \$ 293,784.90 | |
| | | | Dec-11 | 2011 | Q4 | \$ 293,444.07 | \$ 15,222.89 | 1.47% | \$ 359.47 | \$ 309,026.43 | \$ 138,701.47 |
| | | | Jan-12 | 2012 | Q1 | \$ 308,666.96 | \$ 15,330.79 | 1.47% | \$ 378.12 | \$ 324,375.87 | |
| | | | Feb-12 | 2012 | Q1 | \$ 323,997.75 | \$ 15,000.00 | 1.47% | \$ 396.90 | \$ 339,394.65 | |
| | | | Mar-12 | 2012 | Q1 | \$ 338,997.75 | \$ 15,000.00 | 1.47% | \$ 415.27 | \$ 354,413.02 | |
| | | | Apr-12 | 2012 | Q2 | \$ 353,997.75 | \$ 15,000.00 | 1.47% | \$ 433.65 | \$ 369,431.40 | |
| | | | May-12 | 2012 | Q2 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Jun-12 | 2012 | Q2 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Jul-12 | 2012 | Q3 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Aug-12 | 2012 | Q3 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Sep-12 | 2012 | Q3 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Oct-12 | 2012 | Q4 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Nov-12 | 2012 | Q4 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | |
| | | | Dec-12 | 2012 | Q4 | \$ 368,997.75 | | 0.00% | \$ - | \$ 368,997.75 | \$ 61,954.73 |
| Total Funding Adder Revenues Collected | | | | | | \$ 368,997.75 | | | \$ 9,159.03 | \$ 378,156.78 | \$ 378,156.78 |

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[illegible][illegible]



This worksheet calculates the interest on OM&A and amortization/depr

Account 1556 - Su

| Prescribed Interest Rates | Approved Deferral and Variance Accounts | CWIP | Date | Year | Quarter | Opening Balance (Principal) |
|---------------------------------|--|-------|--------|------|---------|--------------------------------|
| 2006 Q1 | 0.00% | 0.00% | Jan-06 | 2006 | Q1 | \$ - |
| 2006 Q2 | 4.14% | 4.68% | Feb-06 | 2006 | Q1 | - |
| 2006 Q3 | 4.59% | 5.05% | Mar-06 | 2006 | Q1 | - |
| 2006 Q4 | 4.59% | 4.72% | Apr-06 | 2006 | Q2 | - |
| 2007 Q1 | 4.59% | 4.72% | May-06 | 2006 | Q2 | - |
| 2007 Q2 | 4.59% | 4.72% | Jun-06 | 2006 | Q2 | - |
| 2007 Q3 | 4.59% | 5.18% | Jul-06 | 2006 | Q3 | - |
| 2007 Q4 | 5.14% | 5.18% | Aug-06 | 2006 | Q3 | - |
| 2008 Q1 | 5.14% | 5.18% | Sep-06 | 2006 | Q3 | - |
| 2008 Q2 | 4.08% | 5.18% | Oct-06 | 2006 | Q4 | - |
| 2008 Q3 | 3.35% | 5.43% | Nov-06 | 2006 | Q4 | - |
| 2008 Q4 | 3.35% | 5.43% | Dec-06 | 2006 | Q4 | - |
| 2009 Q1 | 2.45% | 6.61% | Jan-07 | 2007 | Q1 | - |
| 2009 Q2 | 1.00% | 6.61% | Feb-07 | 2007 | Q1 | - |
| 2009 Q3 | 0.55% | 5.67% | Mar-07 | 2007 | Q1 | - |
| 2009 Q4 | 0.55% | 4.66% | Apr-07 | 2007 | Q2 | - |
| 2010 Q1 | 0.55% | 4.34% | May-07 | 2007 | Q2 | 36.72 |
| 2010 Q2 | 0.55% | 4.34% | Jun-07 | 2007 | Q2 | 36.72 |
| 2010 Q3 | 0.89% | 4.66% | Jul-07 | 2007 | Q3 | 58.75 |
| 2010 Q4 | 1.20% | 4.01% | Aug-07 | 2007 | Q3 | 58.75 |
| 2011 Q1 | 1.47% | 4.29% | Sep-07 | 2007 | Q3 | 372.70 |
| 2011 Q2 | 1.47% | 4.29% | Oct-07 | 2007 | Q4 | 519.56 |
| 2011 Q3 | 1.47% | 4.29% | Nov-07 | 2007 | Q4 | 578.31 |

| | | | | | | | |
|---------|-------|-------|--|--------|------|----|------------|
| 2011 Q4 | 1.47% | 4.29% | | Dec-07 | 2007 | Q4 | 645.00 |
| 2012 Q1 | 1.47% | 4.29% | | Jan-08 | 2008 | Q1 | 752.75 |
| 2012 Q2 | 0.00% | 4.29% | | Feb-08 | 2008 | Q1 | 752.75 |
| 2012 Q3 | 0.00% | 4.29% | | Mar-08 | 2008 | Q1 | 752.75 |
| 2012 Q4 | 0.00% | 4.29% | | Apr-08 | 2008 | Q2 | 752.75 |
| | | | | May-08 | 2008 | Q2 | 954.26 |
| | | | | Jun-08 | 2008 | Q2 | 954.26 |
| | | | | Jul-08 | 2008 | Q3 | 954.26 |
| | | | | Aug-08 | 2008 | Q3 | 1,765.06 |
| | | | | Sep-08 | 2008 | Q3 | 1,893.08 |
| | | | | Oct-08 | 2008 | Q4 | 1,893.08 |
| | | | | Nov-08 | 2008 | Q4 | 2,205.44 |
| | | | | Dec-08 | 2008 | Q4 | 2,205.44 |
| | | | | Jan-09 | 2009 | Q1 | 33,977.81 |
| | | | | Feb-09 | 2009 | Q1 | 33,977.81 |
| | | | | Mar-09 | 2009 | Q1 | 33,977.81 |
| | | | | Apr-09 | 2009 | Q2 | 33,977.81 |
| | | | | May-09 | 2009 | Q2 | 36,023.02 |
| | | | | Jun-09 | 2009 | Q2 | 36,202.95 |
| | | | | Jul-09 | 2009 | Q3 | 38,639.20 |
| | | | | Aug-09 | 2009 | Q3 | 43,161.77 |
| | | | | Sep-09 | 2009 | Q3 | 43,664.62 |
| | | | | Oct-09 | 2009 | Q4 | 44,600.43 |
| | | | | Nov-09 | 2009 | Q4 | 45,181.55 |
| | | | | Dec-09 | 2009 | Q4 | 45,423.90 |
| | | | | Jan-10 | 2010 | Q1 | 131,699.49 |
| | | | | Feb-10 | 2010 | Q1 | 131,787.60 |
| | | | | Mar-10 | 2010 | Q1 | 132,711.78 |
| | | | | Apr-10 | 2010 | Q2 | 133,336.19 |
| | | | | May-10 | 2010 | Q2 | 133,541.38 |
| | | | | Jun-10 | 2010 | Q2 | 133,985.95 |
| | | | | Jul-10 | 2010 | Q3 | 134,948.69 |
| | | | | Aug-10 | 2010 | Q3 | 135,409.00 |
| | | | | Sep-10 | 2010 | Q3 | 140,070.38 |
| | | | | Oct-10 | 2010 | Q4 | 143,331.60 |
| | | | | Nov-10 | 2010 | Q4 | 148,599.38 |
| | | | | Dec-10 | 2010 | Q4 | 149,207.60 |
| | | | | Jan-11 | 2011 | Q1 | 314,074.66 |
| | | | | Feb-11 | 2011 | Q1 | 314,106.82 |
| | | | | Mar-11 | 2011 | Q1 | 304,218.60 |
| | | | | Apr-11 | 2011 | Q2 | 305,259.52 |
| | | | | May-11 | 2011 | Q2 | 305,486.39 |
| | | | | Jun-11 | 2011 | Q2 | 306,333.82 |
| | | | | Jul-11 | 2011 | Q3 | 307,545.70 |
| | | | | Aug-11 | 2011 | Q3 | 321,793.17 |
| | | | | Sep-11 | 2011 | Q3 | 325,050.78 |
| | | | | Oct-11 | 2011 | Q4 | 328,208.60 |
| | | | | Nov-11 | 2011 | Q4 | 332,604.28 |
| | | | | Dec-11 | 2011 | Q4 | 341,914.48 |

| | | | | |
|--|--------|------|----|------------|
| | Jan-12 | 2012 | Q1 | 461,869.08 |
| | Feb-12 | 2012 | Q1 | 461,869.08 |
| | Mar-12 | 2012 | Q1 | 461,869.08 |
| | Apr-12 | 2012 | Q2 | 461,869.08 |
| | May-12 | 2012 | Q2 | 461,869.08 |
| | Jun-12 | 2012 | Q2 | 461,869.08 |
| | Jul-12 | 2012 | Q3 | 461,869.08 |
| | Aug-12 | 2012 | Q3 | 461,869.08 |
| | Sep-12 | 2012 | Q3 | 461,869.08 |
| | Oct-12 | 2012 | Q4 | 461,869.08 |
| | Nov-12 | 2012 | Q4 | 461,869.08 |
| | Dec-12 | 2012 | Q4 | 461,869.08 |



Depreciation expense, based on monthly data.

| OM&A Expenses | Amortization / Depreciation Expense | Closing Balance (Principal) | (Annual) Interest Rate | Interest (on opening balance) | Cumulative Interest |
|---------------|---|--------------------------------|------------------------------|-------------------------------------|------------------------|
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 0.00% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.14% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| | | - | 4.59% | - | - |
| \$ 36.72 | | 36.72 | 4.59% | - | - |
| | | 36.72 | 4.59% | 0.14 | 0.14 |
| \$ 22.03 | | 58.75 | 4.59% | 0.14 | 0.28 |
| | | 58.75 | 4.59% | 0.22 | 0.51 |
| \$ 313.95 | | 372.70 | 4.59% | 0.22 | 0.73 |
| \$ 146.86 | | 519.56 | 4.59% | 1.43 | 2.16 |
| \$ 58.75 | | 578.31 | 5.14% | 2.23 | 4.38 |
| \$ 66.69 | | 645.00 | 5.14% | 2.48 | 6.86 |

| | | |
|-----|-----------|---------------|
| \$ | 107.75 | |
| | | |
| | | |
| | | |
| \$ | 201.50 | |
| | | |
| | | |
| \$ | 810.80 | |
| \$ | 128.02 | |
| | | |
| \$ | 312.36 | |
| | | |
| \$ | 955.97 | \$ 30,816.40 |
| | | |
| | | |
| | | |
| \$ | 2,045.21 | |
| \$ | 179.92 | |
| \$ | 2,436.25 | |
| \$ | 4,522.58 | |
| \$ | 502.84 | |
| \$ | 935.81 | |
| \$ | 581.12 | |
| \$ | 242.36 | |
| \$ | 1,497.20 | \$ 84,778.38 |
| \$ | 88.12 | |
| \$ | 924.17 | |
| \$ | 624.41 | |
| \$ | 205.20 | |
| \$ | 444.57 | |
| \$ | 962.74 | |
| \$ | 460.31 | |
| \$ | 4,661.38 | |
| \$ | 3,261.22 | |
| \$ | 5,267.78 | |
| \$ | 608.22 | |
| \$ | 10,995.93 | \$ 153,871.14 |
| \$ | 32.15 | |
| -\$ | 9,888.21 | |
| \$ | 1,040.91 | |
| \$ | 226.87 | |
| \$ | 847.43 | |
| \$ | 1,211.89 | |
| \$ | 14,247.47 | |
| \$ | 3,257.61 | |
| \$ | 3,157.82 | |
| \$ | 4,395.68 | |
| \$ | 9,310.20 | |
| \$ | 20,299.12 | \$ 99,655.48 |

| | | | |
|------------|-------|--------|----------|
| 752.75 | 5.14% | 2.76 | 9.62 |
| 752.75 | 5.14% | 3.22 | 12.85 |
| 752.75 | 5.14% | 3.22 | 16.07 |
| 752.75 | 5.14% | 3.22 | 19.29 |
| 954.26 | 4.08% | 2.56 | 21.85 |
| 954.26 | 4.08% | 3.24 | 25.10 |
| 954.26 | 4.08% | 3.24 | 28.34 |
| 1,765.06 | 3.35% | 2.66 | 31.01 |
| 1,893.08 | 3.35% | 4.93 | 35.93 |
| 1,893.08 | 3.35% | 5.28 | 41.22 |
| 2,205.44 | 3.35% | 5.28 | 46.50 |
| 2,205.44 | 3.35% | 6.16 | 52.66 |
| 33,977.81 | 3.35% | 6.16 | 58.82 |
| 33,977.81 | 2.45% | 69.37 | 128.19 |
| 33,977.81 | 2.45% | 69.37 | 197.56 |
| 33,977.81 | 2.45% | 69.37 | 266.93 |
| 36,023.02 | 1.00% | 28.31 | 295.25 |
| 36,202.95 | 1.00% | 30.02 | 325.27 |
| 38,639.20 | 1.00% | 30.17 | 355.43 |
| 43,161.77 | 0.55% | 17.71 | 373.14 |
| 43,664.62 | 0.55% | 19.78 | 392.93 |
| 44,600.43 | 0.55% | 20.01 | 412.94 |
| 45,181.55 | 0.55% | 20.44 | 433.38 |
| 45,423.90 | 0.55% | 20.71 | 454.09 |
| 131,699.49 | 0.55% | 20.82 | 474.91 |
| 131,787.60 | 0.55% | 60.36 | 535.27 |
| 132,711.78 | 0.55% | 60.40 | 595.67 |
| 133,336.19 | 0.55% | 60.83 | 656.50 |
| 133,541.38 | 0.55% | 61.11 | 717.61 |
| 133,985.95 | 0.55% | 61.21 | 778.82 |
| 134,948.69 | 0.55% | 61.41 | 840.23 |
| 135,409.00 | 0.89% | 100.09 | 940.32 |
| 140,070.38 | 0.89% | 100.43 | 1,040.74 |
| 143,331.60 | 0.89% | 103.89 | 1,144.63 |
| 148,599.38 | 1.20% | 143.33 | 1,287.96 |
| 149,207.60 | 1.20% | 148.60 | 1,436.56 |
| 314,074.66 | 1.20% | 149.21 | 1,585.77 |
| 314,106.82 | 1.47% | 384.74 | 1,970.51 |
| 304,218.60 | 1.47% | 384.78 | 2,355.29 |
| 305,259.52 | 1.47% | 372.67 | 2,727.96 |
| 305,486.39 | 1.47% | 373.94 | 3,101.90 |
| 306,333.82 | 1.47% | 374.22 | 3,476.12 |
| 307,545.70 | 1.47% | 375.26 | 3,851.38 |
| 321,793.17 | 1.47% | 376.74 | 4,228.12 |
| 325,050.78 | 1.47% | 394.20 | 4,622.32 |
| 328,208.60 | 1.47% | 398.19 | 5,020.51 |
| 332,604.28 | 1.47% | 402.06 | 5,422.56 |
| 341,914.48 | 1.47% | 407.44 | 5,830.00 |
| 461,869.08 | 1.47% | 418.85 | 6,248.85 |

| | | | | | |
|--|--|------------|-------|--------|----------|
| | | 461,869.08 | 1.47% | 565.79 | 6,814.64 |
| | | 461,869.08 | 1.47% | 565.79 | 7,380.43 |
| | | 461,869.08 | 1.47% | 565.79 | 7,946.22 |
| | | 461,869.08 | 1.47% | 565.79 | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |
| | | 461,869.08 | 0.00% | - | 8,512.01 |

\$ 92,747.69 \$ 369,121.39 \$ 461,869.08





This worksheet calculates the interest on OM&A and amortization/depreciation expen

| Year | OM&A (from Sheet 5) | Amortization Expense (from Sheet 5) | Cumulative OM&A and Amortization Expense |
|------|------------------------|---|--|
| 2006 | \$ - | \$ - | \$ - |
| 2007 | \$ 77.70 | \$ 2,284.66 | \$ 2,362.36 |
| 2008 | \$ 49.23 | \$ 6,966.42 | \$ 9,378.00 |
| 2009 | \$ 8,631.62 | \$ 31,172.91 | \$ 49,182.53 |
| 2010 | \$ 9,653.25 | \$ 105,508.04 | \$ 164,343.82 |
| 2011 | \$ 71,691.91 | \$ 163,158.20 | \$ 399,193.94 |
| 2012 | \$ 95,106.60 | \$ 168,576.35 | \$ 662,876.89 |

Cumulative Interest to 2011

Cumulative Interest to 2012



use, in the absence of monthly data.

| Average Cumulative OM&A and Amortization Expense | Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B) | Simple Interest on OM&A and Amortization Expenses |
|---|---|--|
| \$ - | 4.37% | \$ - |
| \$ 1,181.18 | 4.73% | \$ 55.84 |
| \$ 5,870.18 | 3.98% | \$ 233.63 |
| \$ 29,280.27 | 1.14% | \$ 333.06 |
| \$ 106,763.18 | 0.80% | \$ 851.44 |
| \$ 281,768.88 | 1.47% | \$ 4,142.00 |
| \$ 531,035.42 | 1.47% | \$ 7,806.22 |
| | | \$ 5,615.98 |
| | | \$ 13,422.20 |





Ontario Energy Board

Smart Meter Model

Burlington Hydro Inc.

This worksheet calculates the Smart Meter Disposition Rider and the Smart Meter Incremental Revenue Requirement Rate Rider, if applicable. This worksheet also calculates any new Smart Meter Funding Adder that a distributor may wish to request. However, please note that in many 2011 IRM decisions, the Board noted that current funding adders will cease on April 30, 2011 and that the Board's expectation is that distributors will file for a final review of prudence at the earliest opportunity. The Board also noted that the SMFA is a tool designed to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board. The Board observed that the SMFA was not intended to be compensatory (return on and of capital) on a cumulative basis over the term the SMFA was in effect. The SMFA was initially designed to fund future investment, and not fully fund prior capital investment. Distributors that seek a new SMFA should provide evidence to support its proposal. This would include documentation of where the distributor is with respect to its smart meter deployment program, and reasons as to why the distributor's circumstances are such that continuation of the SMFA is warranted. Press the "UPDATE WORKSHEET" button after choosing the applicable adders/riders.

Check if
applicable

- ☐ Smart Meter Funding Adder (SMFA)
- ☒ Smart Meter Disposition Rider (SMDR)
- ☒ Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR)

The SMDR is calculated based on costs to December 31, 2011

The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|---|---------------|---------------|--------------|--------------|---------------|---------------|----------------|-----------------|
| Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5) | \$ - | \$ 5,517.87 | \$ 15,995.03 | \$ 79,426.33 | \$ 242,002.50 | \$ 425,595.93 | \$ 453,583.23 | \$ 1,222,120.90 |
| Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) (Check one of the boxes below) | \$ - | \$ 9.62 | \$ 49.20 | \$ 416.09 | \$ 1,110.86 | \$ 4,663.08 | | \$ 6,248.85 |
| <input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances) | \$ - | \$ 9.62 | \$ 49.20 | \$ 416.09 | \$ 1,110.86 | \$ 4,663.08 | | \$ 6,248.85 |
| <input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances) | | | | | | | | \$ - |
| SMFA Revenues (from Sheet 8) | \$ 10,372.92 | \$ 18,643.46 | \$ 18,995.10 | \$ 53,598.76 | \$ 71,618.36 | \$ 135,438.36 | \$ 60,330.79 | \$ 368,997.75 |
| SMFA Interest (from Sheet 8) | \$ 116.28 | \$ 903.12 | \$ 1,464.10 | \$ 665.61 | \$ 1,122.87 | \$ 3,263.11 | \$ 1,623.94 | \$ 9,159.03 |
| Net Deferred Revenue Requirement | -\$ 10,489.20 | -\$ 14,019.09 | -\$ 4,414.97 | \$ 25,578.05 | \$ 170,372.13 | \$ 291,557.54 | \$ 391,628.50 | \$ 850,212.97 |

Number of Metered Customers (average for 2012 test year) 6034

Calculation of Smart Meter Disposition Rider (per metered customer per month)

| | | |
|---|---|---------|
| Years for collection or refunding | 1 | |
| Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization | \$ 774,786.52 | |
| SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues | \$ 378,156.78 | |
| Net Deferred Revenue Requirement | \$ 396,629.74 | |
| SMDR May 1, 2012 to April 30, 2013 | \$ 5.48 | } Match |
| Check: Forecasted SMDR Revenues | \$ 396,795.84 | |

Calculation of Smart Meter Incremental Revenue Requirement Rate Rider (per metered customer per month)

| | | |
|--|---------------|---------|
| Incremental Revenue Requirement for 2012 | \$ 453,583.23 | |
| SMIRR | \$ 6.26 | } Match |

Check: Forecasted SMIRR Revenues

\$ 453,274.08

