



This sheet is used to determine the applicants most current allocation of revenues (after the most recent revenue cost ratio adjustment, if applicable) to be used to calculate the incremental capital rate riders.

Current Revenue from Rates

Rate Class	Fixed Metric	Vol Metric	Current Base Service Charge A	Current Base Distribution Rate kWh B	Current Base Distribution Volumetric Rate kW C	Re-based Customers or Connections D	Re-based Billed MWh E	Re-based Billed kW F	Current Base Service Charge G = A * D * 12	Current Base Distribution Volumetric Rate kWh Revenue H = B * E	Current Base Distribution Volumetric Rate kW Revenue I = C * F	Total Current Base Revenue J = G + H + I	Service Charge Revenue L = G / \$K	Distribution Volumetric Rate % Total Revenue M = H / \$K	Distribution Volumetric Rate % Total Revenue N = I / \$K	Total % Revenue O = J / \$K
Residential	Customer	kWh	12.06	0.0148		23,386	194,606,362	0	3,384,422	2,880,174	0	6,264,596	29.9%	25.5%	0.0%	55.4%
General Service Less Than 50 kW	Customer	kWh	24.63	0.0103	1.9270	3,244	93,096,794	0	986,582	958,887	0	1,925,479	8.5%	8.5%	0.0%	17.0%
General Service 50 to 4,999 kW	Customer	kWh	289.01		1.0118	347	299,610,762	701,859	1,120,158	0	1,352,482	2,472,640	9.9%	0.0%	12.0%	21.9%
Large Use	Customer	kWh	4,959.68			3	152,017,673	297,737	178,548	0	301,250	479,799	1.6%	0.0%	2.7%	4.2%
Unmetered Scattered Load	Customer	kWh	11.09	0.0135		164	2,275,040	0	21,825	30,713	0	52,538	0.2%	0.3%	0.0%	0.5%
Street Lighting	Connection	kW	0.99		4.4901	5,155	4,024,186	11,336	61,241	0	50,900	112,141	0.5%	0.0%	0.5%	1.0%
Standy Power- APPROVED ON AN INTERIM BA	Connection	kW				0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
									5,732,777	3,889,784	1,704,632	11,307,193	50.7%	34.2%	15.1%	100.0%



Threshold Parameters

Price Cap Index

Price Escalator (GDP-IP) 1.30%
 Less Productivity Factor -0.72%
 Less Stretch Factor #####

Price Cap Index

#NAME?

Growth

#NAME? \$11,290,163 A

#NAME? _____ B

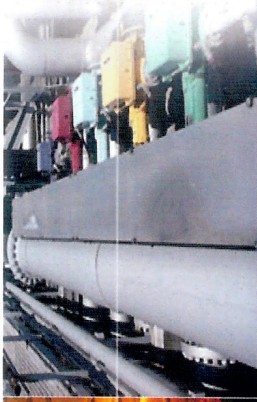
Growth

0.00% C = A / B



Threshold Test

Year	2011
Price Cap Index	#NAME? A
Growth	0.00% B
Dead Band	20% C
Average Net Fixed Assets	
Gross Fixed Assets Opening	\$ 46,363,460
Add: CWIP Opening	\$ 62,500
Capital Additions	\$ 5,371,000
Capital Disposals	\$ -
Capital Retirements	\$ -
Deduct: CWIP Closing	\$ -
Gross Fixed Assets - Closing	\$ 51,796,960
Average Gross Fixed Assets	<u>\$ 49,080,210</u>
Accumulated Depreciation - Opening	\$ 16,370,377
Depreciation Expense	\$ 2,012,215 D
Disposals	\$ -
Retirements	\$ -
Accumulated Depreciation - Closing	\$ 18,382,592
Average Accumulated Depreciation	<u>\$ 17,376,485</u>
Average Net Fixed Assets	<u>\$ 31,703,726 E</u>
Working Capital Allowance	
Working Capital Allowance Base	\$ 70,573,796
Working Capital Allowance Rate	15%
Working Capital Allowance	<u>\$ 10,586,069 F</u>
Rate Base	<u>\$ 42,289,795 G = E + F</u>
Depreciation	D \$ 2,012,215 H
Threshold Test	0.00% I = 1 + (G/H) * (B + A * (1 + B)) + C
Threshold CAPEX	\$ - J = H * I



Summary of Incremental Capital Projects (ICPs)

Number of ICPs

4

Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense	CCA
ICP 1	King Street 44kV Cable Re-build	1,686,670	28,147	134,934
ICP 2	Transformer Vault 6	512,348	11,084	40,988
ICP 3	Municipal Substation # 15	507,815	12,605	40,081
ICP 4	Transformer Vault 11	467,008	10,353	37,361
		3,173,841	62,189	253,363



Incremental Capital Adjustment

Current Revenue Requirement			
Current Revenue Requirement - Total		\$ 11,300,081	A

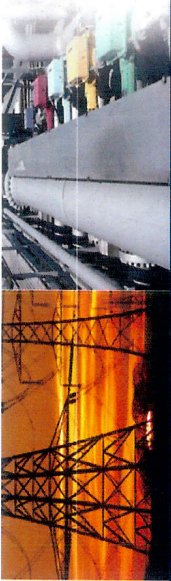
Return on Rate Base			
Incremental Capital CAPEX		\$ 3,173,841	B
Depreciation Expense		\$ 62,189	C
Incremental Capital CAPEX to be included in Rate Base		\$ 3,111,652	D = B - C
Deemed Short Term Debt %	4.0%	E \$ 124,466	G = D * E
Deemed Long Term Debt %	56.0%	F \$ 1,742,525	H = D * F
Short Term Interest	2.46%	I \$ 3,062	K = G * I
Long Term Interest	5.01%	J \$ 87,275	L = H * J
Return on Rate Base - Interest		\$ 90,337	M = K + L
Deemed Equity %	40.0%	N \$ 1,244,661	P = D * N
Return on Rate Base - Equity	9.58%	O \$ 119,239	Q = P * O
Return on Rate Base - Total		\$ 209,575	R = M + Q

Amortization Expense			
Amortization Expense - Incremental		C \$ 62,189	S

Grossed up PIL's			
Regulatory Taxable Income		O \$ 119,239	T
Add Back Amortization Expense		S \$ 62,189	U
Deduct CCA		\$ 253,363	V
Incremental Taxable Income		-\$ 71,936	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	24.1%	X	
PIL's Before Gross Up		-\$ 17,308	Y = W * X
Incremental Grossed Up PIL's		-\$ 22,791	Z = Y / (1 - X)

Ontario Capital Tax			
Incremental Capital CAPEX		\$ 3,173,841	AA
Less : Available Capital Exemption (if any)		\$ -	AB
Incremental Capital CAPEX subject to OCT		\$ 3,173,841	AC = AA - AB
Ontario Capital Tax Rate (F1.1 Z-Factor Tax Changes)	0.000%	AD	
Incremental Ontario Capital Tax		\$ -	AE = AC * AD

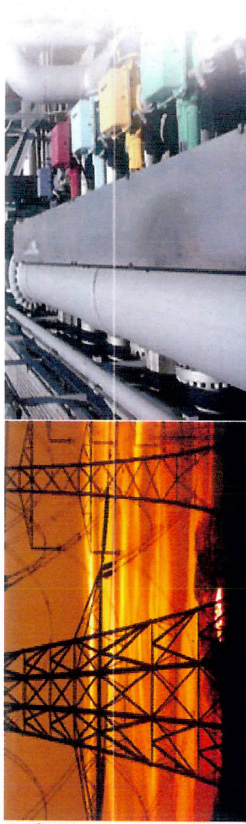
Incremental Revenue Requirement			
Return on Rate Base - Total	Q	\$ 209,575	AF
Amortization Expense - Total	S	\$ 62,189	AG
Incremental Grossed Up PIL's	Z	-\$ 22,791	AH
Incremental Ontario Capital Tax	AE	\$ -	AI
Incremental Revenue Requirement		\$ 248,973	AJ = AF + AG + AH + AI



Calculation of Incremental Capital Rate Rider - Option A Fixed and Variable

Rate Class	Service Charge %			Distribution Volumetric Rate			Billed Customers or Connections			Distribution Volumetric Rate			Service Charge Rider			Distribution Volumetric Rate		
	A	B	C	Revenue kWh	Revenue kWh	Revenue kWh	H	I	J	K = D/H/12	L = E/I	M = F/J	N	O	P	Q	R	S
Residential	29.9%	25.5%	0.0%	\$ 74,521.50	\$ 63,418.48	\$ -	23,386	194,606,362	0	\$ 0.265549	\$ 0.000326	\$ 0.042431	3,244	93,096,784	0	\$ 5.923324	\$ 0.000000	\$ 0.022279
General Service Less Than 50 kW	8.5%	8.5%	0.0%	\$ 21,283.15	\$ 21,113.92	\$ -	3,244	93,096,784	0	\$ 0.546731	\$ 0.000227	\$ 0.042431	347	259,610,762	701,859	\$ 109.207062	\$ 0.000000	\$ 0.022279
General Service 50 to 4,999 kW	9.9%	0.0%	12.0%	\$ 24,664.72	\$ -	\$ 29,780.27	347	259,610,762	701,859	\$ 5.923324	\$ 0.000000	\$ 0.042431	3	152,017,673	297,737	\$ 0.2444190	\$ 0.000000	\$ 0.022279
Large Use	1.6%	0.0%	2.7%	\$ 3,931.45	\$ -	\$ 6,633.22	164	2,275,040	0	\$ 0.2444190	\$ 0.000297	\$ 0.042431	5,155	4,024,186	11,336	\$ 0.021799	\$ 0.000000	\$ 0.022279
Unmetered Scattered Load	0.2%	0.3%	0.0%	\$ 480.57	\$ 676.27	\$ -	164	2,275,040	0	\$ 0.2444190	\$ 0.000297	\$ 0.042431	5,155	4,024,186	11,336	\$ 0.021799	\$ 0.000000	\$ 0.022279
Street Lighting	0.5%	0.0%	0.5%	\$ 1,348.47	\$ -	\$ 1,120.76	5,155	4,024,186	11,336	\$ 0.265549	\$ 0.000326	\$ 0.042431	0	0	0	\$ 0.021799	\$ 0.000000	\$ 0.022279
Standby Power - APPROVED ON AN INT	0.0%	0.0%	0.0%	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -
				\$ 126,229.86	\$ 85,208.67	\$ 37,534.25												
				\$ -	\$ -	\$ -												
				\$ 126,229.86	\$ 85,208.67	\$ 37,534.25												
				\$ 248,972.79	\$ 248,972.79	\$ 248,972.79												

Enter the above rate riders onto "Sheet 14. Proposed Rate_Riders" in the 2012 OEB IRM3 Rate Generator as an "Rate Rider for Distribution"



Ontario Energy Board
**Incremental Capital
 Workform**

Calculation of Incremental Capital Rate Rider - Option B Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Incremental Capital \$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rider F = C / D	Distribution Volumetric Rate Rider G = C / E
Residential	\$6,264,596	55.40%	\$137,940	194,606,362	0	\$0.0007	
General Service Less Than 50 kW	\$1,925,479	17.03%	\$42,397	93,096,784	0	\$0.0005	\$0.0776
General Service 50 to 4,999 kW	\$2,472,640	21.87%	\$54,445	259,610,762	701,859		\$0.0355
Large Use	\$479,799	4.24%	\$10,565	152,017,673	297,737		
Unmetered Scattered Load	\$52,538	0.46%	\$1,157	2,275,040	0	\$0.0005	
Street Lighting	\$112,141	0.99%	\$2,469	4,024,186	11,336		\$0.2178
Standby Power - APPROVED ON AN INT	\$0	0.00%	\$0	0	0		
	\$11,307,193	100.00%	\$248,973				

Enter the above rate riders onto "Sheet 14. Proposed Rate_Riders" in the 2012 OEB IRM3 Rate Generator as an "Rate Rider for Incremental Capital"