



CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.  
1500 Bishop Street, P.O. Box 1060, Cambridge, ON N1R 5X6  
Phone: 519-621-8405, Ext. 2355 Fax: 519-621-0383

May 29, 2012

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 26<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Cambridge and North Dumfries Hydro Inc.  
Responses to Board Staff Interrogatories  
2012 Smart Meter Cost Recovery Application – Final Disposition  
EB-2012-0086**

Attached please find Cambridge and North Dumfries Hydro Inc. ("CND") 2012 Smart Meter Cost Recovery Application responses to Board staff interrogatories.

The responses have been filed electronically through the RESS system, submitted electronically to Board staff and the intervenor, and two paper copies have been forwarded to your attention via courier.

If you require any additional information or clarification, please contact

Grant Brooker  
Manager, Regulatory Affairs,  
Cambridge and North Dumfries Hydro Inc.  
Tel 519.621.8405 Ext 2340

Sincerely,

**CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.**

*Original Signed By John Grotheer*

John W. Grotheer  
President and CEO

**1. Letters of Comment**

Following publication of the Notice of Application, the Board has, to date, received one letter of comment. The Board is also in receipt of a response letter sent from Cambridge and North Dumfries Hydro Inc. ("CND") to the commenter. Please confirm whether CND has received any other letters of comment. If so, please file a copy of any letters of comment. For each, please confirm whether a reply was sent from CND to the author of the letter. If confirmed, please file that reply with the Board. Please ensure that the author's contact information except for the name is redacted. If not confirmed, please explain why a response was not sent and confirm if CND intends to respond to the commenter.

**RESPONSE**

CND has received one letter of comment in addition to the one previously submitted and noted above. The letter of comment was received via email. The redacted email correspondence from the customer and CND's response to the customer is submitted as Exhibit A.

***Manager's Summary***

**2. Ref: Manager's Summary – Audited Results**

On page 6 of its Application CND states:

CND confirms that 100% of the costs submitted for disposition are included in the audited financial statements to December 31, 2011. The audit for the year ended December 31, 2011 is completed and it is anticipated that the audited financial statements will be approved by CND's Board of Directors at their next scheduled Board meeting on April 12, 2012.

Please confirm that CND's Audited Financial Statements for the year ending December 31, 2011 have been approved by CND's Board of Directors and that there are no changes to the smart meter costs to December 31, 2011 for which CND is seeking recovery in this Application. In the alternative, please explain.

**RESPONSE**

CND confirms that their Audited Financial Statements for the year ending December 31, 2011 have been approved by CND's Board of Directors and that there are no changes to the smart meter costs to December 31, 2011 for which CND is seeking recovery in this Application.

**3. Ref: Manager's Summary – Efficiencies from Smart Meter Deployment**

On page 7 of its Application, CND states:

The Guidelines indicate that the distributor will provide evidence on any operational efficiencies and cost savings that result from smart meter implementation. In this context CND has initially identified \$155,000 per year in savings from no longer requiring Residential and General Service < 50 kW customer meters to be read. CND installed all the required smart meters by December 31, 2011, and given the recent completion of the installations, it is difficult at this time to determine any other efficiencies or cost savings that result from smart meter implementation.

Other distributors have noted that capabilities of smart meters and the associated communications systems can provide information for a utility's SCADA and result in earlier detection and response to tampering, meter failures and service disruptions. This should result in better and more efficient maintenance and repair with respect to faults. Is CND using, or intent on using, deployed smart meters and communications networks for operational purposes and, if so, does it not expect efficiencies in operations and maintenance as a result? Please explain your response.

#### RESPONSE

CND's primary focus has been in meeting the provincial requirements for Smart Meter deployment and Time-of-Use Billing. As such, the only evidence of cost savings and operational efficiencies to date is in the area of manual meter reading.

The Smart Meter network brings back not only hourly electricity consumption data, but information concerning power outages, tampering, voltage and so forth. CND has just begun to evaluate the opportunities that this data presents. For example, CND's System Control Operators will look up specific meters on the Smart Meter AMCC for the purpose of trouble-shooting outages or to verify power-on conditions.

In future, CND will explore creating "virtual meters" (summation of all meters connected to a specific transformer, for instance) to evaluate equipment loading and tying Smart Meter data in real time into an as yet unspecified Outage Management System.

#### 4. Ref: Manager's Summary – Costs Beyond Minimum Functionality

On page 8 of its Application, CND states that it "has incurred no costs considered to be beyond minimum functionality." In the Smart Meter Model Version 2.17, CND has documented no costs in categories 1.6.3 ("[Capital] Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.") or 2.6.3 ("[OM&A] Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.") CND states on page 4 of its Application that it cut over to TOU billing on a production basis on February 24, 2012 after commencing testing of MDM/R integration in June 2011. What are the "beyond minimum functionality" costs, as defined in section 3.4 of *Guideline G-2011-0001: Smart Meter Funding and Cost Recovery – Final Disposition*, that CND has incurred for TOU implementation, and how are these costs being recovered?

#### RESPONSE

During the latter part of 2009 and into 2010, CND was in the process of implementing a CIS/Billing System to replace an existing system that could not support TOU billing. The CIS/Billing System ultimately purchased by CND included all of the functionality discussed above. Because the costs related to TOU implementation were not easily or practically segregated from the CIS/Billing System package that was purchased, such costs were not charged to the Smart Meter variance account as they could have been. The costs were and continue to be part of the purchase price of the CIS/Billing System.

CND was directed in the decision on their 2009 Rate Application (EB-2009-0260) to file quarterly reports on the implementation and costs of their new CIS/Billing system. CND has reported on a quarterly basis as directed to do so.

### ***TOU Billing***

#### **5. Ref: Application - TOU billing**

On page 4 of its Application, CND states:

CND began the enrolment of its Smart Meters with the provincial MDM/R in June, 2011 and successfully cutover to Production Operations on February 24, 2012. CND's enrolment process and systems configuration was based on the availability of EnergyIP r7.2, which was expected to be in production at the IESO by the end of 2011. Due to subsequent delays by the IESO, CND is presently unable to bill customers at TOU rates. Smart Meter data is flowing to the MDM/R, and CND will bill TOU rates once EnergyIP r7.2 is promoted to the production environment of the MDM/R.

- a) Please explain what CND means when its states that it "successfully cutover to Production Operations on February 24, 2012" despite not being able to bill customers at TOU rates.

#### **RESPONSE**

CND's enrollment process with the IESO was based on the availability of EnergyIP r7.2 (the software that underlies the provincial MDM/R) even though r7.0 was the current version of software in production. This decision was made consciously between CND and the IESO during the planning stage, since r7.2 was expected to be available by the time CND was to cut over to production.

EnergyIP r7.2 receives synchronization files and smart meter data in the same fashion as r7.0, however, the interfaces that allow LDCs to make Billing Requests and receive response files is completely different.

All of CND's testing and configuration was on the basis of r7.2 interfaces. When the IESO announced delays in deploying r7.2, LDCs were advised to cut over to the production r7.0 system, but were told they would have to wait for r7.2 before TOU billing could commence. CND cut over to the production MDM/R system on February 24, 2012 and began building history in the MDM/R which will carry forward when the software is updated.

- b) Is CND billing customers now with TOU rates? If not, please explain.

#### **RESPONSE**

At this time, CND has not sent out bills to customers using TOU rates. Consumption readings beginning April 18, 2012 are presently being taken using the smart meters and customers will be billed for this consumption using TOU rates. Such bills will be received by customers by July 6, 2012.

***Provincial MDM/R Cost Recovery***

**6. Ref: Manager's Summary – IESO-SME Charges**

On page 14 of its Application, CND states:

CND has included the monthly Smart Metering Charge of \$.81 that the IESO applied to the OEB to recover. The IESO Application was submitted March 23, 2012 and requests the \$.81 per RPP-eligible customer to be recovered from LDC's effective July 1, 2012. In Table 9 on page 15 of its Application, CND shows that an amount of \$581,280 for "Other AMI Expenses" for 2012. A footnote indicates that the \$581,280 covers expenses for "MDM/R fees, ODS fees, and AMI Test Environment (Powerstream Test RNI)".

- a) Please provide a disaggregation of the \$581,280 into the component expense categories listed in the footnote, and any others that may apply.

**RESPONSE**

Other AMI expenses are composed of the following:

|  |           |
|--|-----------|
| MDM/R fees (number of customers times the monthly fee times 12 months) |           |
| 51,000 X \$.81 X 12 months =   | \$495,720 |
| ODS fee (number of customers times the monthly fee times 12 months)    |           |
| 51,000 X \$.13 X 12 months =   | \$79,560  |
| AMI Test Environment (Powerstream Test RNI)                            | \$6,000   |
| Total  | \$581,280 |

- b) Please explain what is meant by each of: MDM/R fees; ODS fees; and AMI Test Environment.

**RESPONSE**

MDM/R Fees: The Meter Data Management Repository (MDM/R) Fees are fees payable by LDCs to the IESO to cover the costs of storing and processing the electricity consumption data from smart meters throughout the province. All Ontario LDCs are required to pay these fees which are based on the number of customers (meters) connected.

ODS fees: ODS is an acronym for Operation Data Store, which is a software solution that allows LDCs to manage exceptions and responses from the IESO's MDM/R. If data from the Smart Meter system is incorrect, invalid or missing, the MDM/R will simply reject the file and leave it to the LDC to sort out. ODS systems can machine read the IESO exception reports, gather or correct data and automatically re-submit files. ODS processes are integral to the IESO's MDM/R Enrolment Process. CND utilizes an ODS solution from MeterSense (a Harris company) and subscribes to a solution that is hosted off-site.

AMI Test Environment: CND utilizes Sensus Smart Meter technology. Like most LDCs in Ontario, CND installed a primary environment but with no capability of testing new software releases, meter types and so on before putting them into

production. PowerStream installed and configured a Test Environment in which multiple Sensus LDCs in Ontario share the cost. The Test Environment allows LDCs to ensure that new software releases, new meter types and new functionality all work properly before they go into the live production system. By sharing costs, CNL has realized significant savings over having to install their own test environment.

- c) Please explain how CNL has converted the \$0.81 fee applied for by the IESO-SME under File No. EB-2012-0100 into an aggregate expense which CNL is seeking incorporation into its 2012 prospective revenue requirement for recovery through the SMIRR in this Application.

#### RESPONSE

As indicated in the response to part (a) of this question, CNL included the annual fee of \$495,720 (51,000 customers times \$.81 times 12 months) in part 2.5.6, other AMI Expenses,

- d) To date, and prior to the application filed by the IESO-SME for recovery of costs incurred for the Provincial MDM/R, the Board has disallowed recovery for forecasted IESO-SME MDM/R costs as being premature (e.g. PowerStream's 2010 smart meter application EB- 2010-0209). The IESO-SME's application is before the Board. On May 18, 2012, the Board issued its Notice of Application by the Smart Metering Entity for Approval of a Smart Metering Charge and Notice of Proceeding to Determine the Appropriate Recovery and Allocation of the Smart Metering Charge with respect to the IESO-SME's application. In that Notice, the Board stated that it was commencing a proceeding, on its own motion, that would consider, jointly with the costs being proposed for recovery by the IESO-SME, the mechanism(s) by which electricity distributors should recover these costs from ratepayers. These proceedings are being jointly considered under File Nos. EB-2012-0100 and EB-2012-0211.
- i. What is the rationale of CNL for seeking recovery of the \$0.81 per RPP-eligible customer in this application?

#### RESPONSE

At the time that CNL was preparing its Smart Meter Cost Recovery Application, the MDM/R fees had not yet been determined by the IESO. It was known that there would be a charge of an unknown amount for the services provided by the IESO in this regard. CNL determined that it would be appropriate to include costs for such services in its Smart Meter Cost Recovery Application as the nature of such application is to recover all smart meter related costs. The initial iterations of CNL's application and models included an estimated amount for the anticipated costs. When the IESO submitted their application using a rate of \$.806 it was determined that the amount applied for would be the appropriate figure to use, as it had been provided by an external source: the IESO.

- ii. In light of the Notice issued by the Board as documented above in the proceeding under EB-2012-0100/EB-2012-0211, please provide CND's views as to whether recovery of the proposed IESO-SME charges should be dealt with in this current Application.

## RESPONSE

The IESO in its application is proposing to collect the Smart Metering Charge ("SMC") from all licensed electricity distributors for the period July 1, 2012 to December 31, 2017. As such, all licensed electricity distributors including CND, must in some manner, recover such costs from their customers. Because CND is in the process of applying for recovery of its Smart Meter related costs in this current application, it would be remiss of CND to not include costs that it is aware are forthcoming. Under this scenario, it is appropriate that recovery of the proposed IESO-SME charges be dealt with in this current Application.

Having said this, the OEB has determined that it will commence a proceeding on its own motion to review the options for and ultimately determine the appropriate allocation and recovery of the SMC. The appropriate recovery of the SMC has not yet been finalized. If the recovery is included, as an example, as a separate charge to customers, then it is not appropriate to deal with the recovery of the proposed IESO-SME charge in this current Application.

- e) Please provide estimates of the uniform and class-specific SMIRRs omitting these costs. In providing these estimates, please reflect any changes and corrections made as a result of responding to interrogatories. Please provide the supporting calculations.

## RESPONSE

CND has recalculated the SMIRRs by removing the IESO-SME charges of \$495,720 from cell S158 of the model. The model supporting this calculation can be found as Exhibit B. Tab 9 of the Model indicates that the uniform SMIRR is \$2.58 per metered customer based on a twelve month recovery period. (Incremental Revenue Requirement for 2012 of \$1,570,679.82 / 50,709 customers / 12 months = \$2.58). When this change is made, the Tables submitted with the Application change as follows:

Table 8 SMIRR Revenue Requirement as revised

| Determination of SMIRR Revenue Requirement |                    | If \$.81 Removed   |
|--|--------------------|--------------------|
| Total Return on Capital                    | \$469,622          | \$464,553          |
| Operating expenses                         | \$856,010          | \$360,290          |
| Amortization expenses                      | \$628,078          | \$628,078          |
| PILs                                       | <u>\$118,802</u>   | <u>\$117,759</u>   |
| Total Revenue Requirement                  | <u>\$2,072,512</u> | <u>\$1,570,680</u> |

Table 9 2012 OM&A Costs as revised

| Incremental OM&A Costs for 2012 |                  |  | if \$.81 removed |
|---------------------------------|------------------|--|------------------|
| Description                     | Amount           |  | Amount           |
| 2.3.1 Hardware Maintenance      | \$190,095        |  | \$190,095        |
| 2.5.1 Business Process redesign | \$13,690         |  | \$13,690         |
| 2.5.2 Customer Communication    | \$29,876         |  | \$29,876         |
| 2.5.3 Program Management        | \$41,069         |  | \$41,069         |
| 2.5.6 Other AMI Expenses        | \$581,280        |  | \$85,560         |
| <b>Total</b>                    | <b>\$856,010</b> |  | <b>\$360,290</b> |

Table 10 SMIRR as revised

| Calculation of Smart Meter Incremental Revenue Rider |   |                  |                                       |                            |
|--|---|------------------|---------------------------------------|----------------------------|
| Customer Class                                       | # of Metered Customers at December 31, 2011 | SMIRR Allocation | Annual Revenue Requirement Allocation | Monthly Charge (22 Months) |
| Residential  | 46,067                                      | 81.46%           | \$1,279,476                           | \$1.26                     |
| GS<50kW  | 4,642                                       | 18.54%           | \$291,204                             | \$2.85                     |
| <b>Total</b>   | <b>50,709</b>                               | <b>100.00%</b>   | <b>\$1,570,680</b>                    |                            |

For the purposes of answering this interrogatory, only the provincial MDM/R Cost Recovery of \$.81 per customer per month has been removed from the model. Please see CND's answer to interrogatory 12 for other changes and answers to interrogatories that have been incorporated into the Smart Meter Model.

***Recovery Period for SMDR***

In its Application, CND has calculated class-specific SMDRs that are fairly small credit rate riders and has proposed that the amounts be refunded to customers over a 22 month period from July 1, 2012 to April 30, 2014.

- a) Given the relatively small quantum to be refunded to Residential and GS < 50 kW customers, why has CND not proposed a shorter refund or recovery period for the SMDRs.

**RESPONSE**

CND proposed a refund period for the SMDRs that is consistent with the recovery period for the SMIRR. To have non compatible periods of refund and recovery for these two closely related charges is, in the opinion of CND, confusing for customers and breaks the inherent link between the charges.

- b) Board staff observes that the class-specific SMDRs may change as a result of responses to interrogatories. If, as a result of interrogatories, CND believes that an alternative refund or recovery period is appropriate, please explain.

**RESPONSE**

Regardless of the changes that may be required as a result of responses to interrogatories, CND believes that the period of recovery or refund for the SMDR should be the same as the period of recovery or refund as the SMIRR.

***Stranded Meters***

**7. Ref: Manager's Summary – Stranded Meter Costs**

On page 11 of its Application, CND documents its proposed treatment for stranded meters. CND is proposing to not dispose and recovery the costs for stranded conventional meters replaced in by smart meters in this Application. In table 4, CND provides estimates of the residual net book value of stranded meters at the end of 2010, 2011 and 2012 reflecting accumulated depreciation and net salvage proceeds. CND last rebased its rates through a cost of service application for the 2010 rate year [EB-2009-0260] and so is scheduled to next rebase through a cost of service application for 2014.

Please provide the estimated residual net book value for stranded meters as of December 31, 2013. Please also provide this as a per meter cost for the applicable Residential and GS < 50 kW customer classes.

**RESPONSE**

The year 2013 has been added to Table 4.

| STRANDED METER TREATMENT |                   |                          |                     |                |                          |                         |
|--------------------------|-------------------|--------------------------|---------------------|----------------|--------------------------|-------------------------|
| Year                     | Gross Asset Value | Accumulated Amortization | Contributed Capital | Net Asset      | Proceeds on Dispositions | Residual Net Book Value |
|                          | A                 | B                        | C                   | D = A-B-C      | E                        | F = D-E                 |
| 2010                     | \$8,286,379.75    | \$4,862,272.48           | \$0.00              | \$3,424,107.27 | \$7,597.55               | \$3,416,509.72          |
|                          | 2011 Amort        | \$332,604.01             |                     |                |                          |                         |
| 2011                     | \$8,286,379.75    | \$5,194,876.49           | \$0.00              | \$3,091,503.26 | \$7,597.55               | \$3,083,905.71          |
|                          | 2012 Amort        | \$326,187.01             |                     |                |                          |                         |
| 2012                     | \$8,286,379.75    | \$5,521,063.50           | \$0.00              | \$2,765,316.25 | \$7,597.55               | \$2,757,718.70          |
|                          | 2013 Amort        | \$311,074.01             |                     |                | \$0.00                   |                         |
| 2013                     | \$8,286,379.75    | \$5,832,137.51           | \$0.00              | \$2,454,242.24 | \$7,597.55               | \$2,446,644.69          |

The estimated residual net book value for stranded meters as of December 31, 2013 is \$2,446,644.69.

The per meter cost, using the total of 50,709 (46,067 Residential and 4,642 GS < 50 kW) is \$48.25. (\$2,224,644.69 / 50,709).

### **Smart Meter Model**

#### **8. Ref: Smart Meter Model – Cost of Capital**

On sheet 3 of the Smart Meter Model, Version 2.17, CND shows a long-term debt rate of 4.99% for all years from 2006 to 2012. In CND's 2006 EDR rates application [RP-2005-0020/EB-2005-0343], the utility was approved a long-term debt rate of 6.01%. This would have applied until CND rebased its rates in its 2010 cost of service application [EB-2009-0260].

Please explain the use of the 4.99% for the years from 2006 to 2009.

#### **RESPONSE**

The insertion of 4.99% in the years 2006 to 2009 was an oversight. The long-term debt rate of 6.01% should be used for the years from 2006 to 2009.

#### **9. Ref: Smart Meter Model – Taxes/PILs Rates**

CND has used the maximum taxes/PILs rates input on sheet 3, row 40, for the years 2006, 2007, 2008, 2009, 2010, 2011 and 2012 and beyond. These are summarized in the following table:

| Year   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012 and beyond |
|--|--------|--------|--------|--------|--------|--------|-----------------|
| Aggregate Federal and provincial income tax rate | 36.12% | 36.12% | 33.50% | 33.00% | 31.00% | 28.25% | 26.25%          |

Please confirm that these are the tax rates corresponding to the taxes or PILs actually paid by CNL in each of the historical years, and that CNL forecasts it will pay for 2012. In the alternative, please explain the tax rates input and their derivation.

#### RESPONSE

The tax rates used by CNL in their model are those supplied with the model, and represent the Statutory Canadian Federal and Provincial income tax rates applicable to CNL.

#### 10. Ref: Smart Meter Model – Interest on OM&A and Depreciation Expenses

In the Smart Meter Model Version 2.17 filed by CNL, the utility has relied upon sheet 8B to calculate the interest on OM&A and depreciation/amortization expenses. Sheet 8B calculates the interest based on the average annual balance of deferred OM&A and depreciation/amortization expenses based on the annual amounts input elsewhere in the model. The more accurate and preferred method for calculating the interest on OM&A and depreciation/amortization expense is to input the monthly amounts from the sub-account details of Account 1556, using sheet 8A of the model. This approach is analogous to the calculation of interest on SMFA revenues on sheet 8 of the model.

- a) Please re-file the smart meter model using the monthly OM&A and depreciation/amortization expense data from Account 1556 records. CNL should also take into account any revisions necessary as a result of its responses to any preceding interrogatories.

#### RESPONSE

CNL has filled out Sheet 8A and the model is shown as Exhibit C.

- b) If this is not possible, please explain.

#### RESPONSE

CNL calculates amortization at the end of each year. Sheet 8A has been prepared with the annual amortization applied equally to each month throughout the year.

#### **Cost Allocation**

#### 11. Ref: Manager's Summary – Cost Allocation

In its Application, CNL has proposed class-specific SMDRs and SMIRRs for the Residential and GS < 50 kW classes. Smart Meter costs are allocated as follows, according to CNL's Application:

- OM&A expenses have been allocated on the basis of the number of meters installed for each class.
- The Return and Amortization have been allocated on the basis of the capital costs of the meters installed for each class.
- PILs have been allocated based on the revenue requirement derived for each class before PILs.

This has been used for the calculation of both the SMDRs and the SMIRRs.

- a) In Table 5, CND shows a percentage allocation of 81.46% for Residential and 18.54% for GS < 50 kW, while Table 7 for the SMDR rates documents an allocation of 80.38% for Residential and 19.62% for GS < 50 kW. Please explain the differences between the allocations in Tables 5 and 7, and the derivation of the allocation percentages in Table 7.

## RESPONSE

The correct percentage allocation is 81.46% for Residential and 18.54% for GS < 50 kW. The allocations shown on Table 7 are not correct. Table 7 as restated is shown below.

Table 7 SMDR Rates (revised using correct Allocation)

| Calculation of Smart Meter Disposition Rate Rider |  |                      |                           |                            |
|---|--|----------------------|---------------------------|----------------------------|
| Customer Class                                    | # of Active Metered Customers at December 31, 2011 | SMIRR Allocation (%) | True-up Amount Allocation | Monthly Charge (22 Months) |
| Residential                                       | 46,067   | 81.46%               | (\$66,130)                | (\$0.07)                   |
| GS<50kW   | 4,642  | 18.54%               | (\$15,051)                | (\$0.15)                   |
| Total   | 50,709   | 100.00%              | (\$81,182)                |                            |

- b) With CND's proposed SMDRs, GS < 50 kW would receive a larger credit refund than would Residential customers. CND has proposed a Residential SMDR of (\$0.06)/month and a GS < 50 kW SMDR of (\$0.16)/month, both for a period from July 1, 2012 to April 30, 2014. Board staff observes that it is illogical for the SMDR (Residential) to be greater than the SMDR (GS < 50 kW). The average capital cost per GS < 50 kW customer is generally higher than that for the average Residential customer, due to a greater percentage of more expensive polyphase meters for customers with 2-phase or 3-phase service. This means that the deferred revenue requirement, expressed on a per meter basis, should be higher for a GS < 50 kW customer than for a Residential customer, all else being equal. The offsetting SMFA revenues should be equal, as the SMFA was uniform across all metered customer classes. As a result, SMDR (Residential) should be less than or equal to the SMDR (GS < 50 kW). Board staff observes that this anomaly may result from the calculations in Table 7, which apportions

80.38% of the deferred revenue requirement offset by the SMFA revenues to the Residential class. An alternative approach would be to allocate the deferred revenue requirement as described by CND and listed above, with the SMFA revenues and interest on the principal first calculated directly for the Residential and GS < 50 kW classes, with then the residual SMFA revenues and interest collected from other metered customer classes (i.e., GS 50-4999 kW and Large Use) allocated 50:50 to the Residential and GS < 50 kW classes. This approach has been used and approved in some recent cost of service applications, including that for Guelph Hydro's 2012 rates application [EB-2011-0123]. Using the attached spreadsheet taken from Guelph Hydro's draft Rate Order filing, please provide calculations for class-specific SMDRs using a more direct allocation of SMFA revenues.

## RESPONSE

CND has applied their own figures in the Guelph Hydro spreadsheet, specifically applying a more direct allocation of SMFA revenues. Applying CND calculations in the spreadsheet results in SMDRs of (\$.38) for Residential customers over 22 months and \$3.07 for General Service customers over 22 months. Please see the table below. The working excel spreadsheet is attached as Exhibit D.

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| Estimated SMFA Revenues |             |            |        |
|-------------------------|-------------|------------|--------|
|                         | Residential | GS < 50 kW | Other  |
|                         |             |            | Custom |

**12. Ref: Application, Sections 8.0 and 9.0 – Cost Allocation**

- a) If CND has made revisions to its Smart Meter Model, Version 2.17 as a result of its responses to interrogatories, please update its proposed class-specific SMDRs.

**RESPONSE**

Please see CND's responses to VECC interrogatory 9 a) and b) for revisions to the Smart Meter Model, Version 2.17. The responses and changes to the model include the completion of two models, one for the Residential customer class and one for the General Service <50 kW customer class. Both models also applied the long term debt rate of 6.01% for the years 2006 to 2009.

- b) Similarly, please update the calculation of class-specific SMIRRs.

**RESPONSE**

Please see CND's response to VECC interrogatory 9 a) and b).

# EXHIBIT A

## RESPONSE TO BOARD STAFF INTERROGATORY 1

Cambridge and North Dumfries Hydro Inc. EB-2012-0086

Cambridge and North Dumfries Hydro Inc.  
Customer Web Enquiry –  
Question/Clarification regarding Smart Meter Cost Recovery Application EB-2012-0086

From: Senior Customer Care  
To: @sympatico.ca  
Cc:  
Subject: RE: Contact Us Form

Sent: Wed 4/11/2012 8:17

Good Day Mr. : I have had your enquiry reviewed . Here is the response . Please advise if I can be of any further assistance . Thanks Michelle

The increase of \$1.64 applies to residential customers.

The increase of \$3.65 applies to general service <50 customers.

Michelle S. Auld  
Senior Credit Collections Representative  
Cambridge and North Dumfries Hydro Inc.  
1500 Bishop St. P.O. Box 1060  
Cambridge, ON N1R 5X6  
Direct: 519-621-8405 ext 2231  
Fax: 519-621-7420  
mauld@camhydro.com  
www.camhydro.com

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email: [CustomerCare@camhydro.com](mailto:CustomerCare@camhydro.com)

Name: John

Address:

Phone Number: 519.

Customer Email: [@sympatico.ca](mailto:@sympatico.ca)

Comments: I viewed your application to OEB regarding the Delivery rate increase to recover the cost of installing the Smartmeters and don't understand the following: "If the application is fully approved, the average impact on the monthly bill for a Residential customer would be an increase of \$1.64 per month for the next 22 months until the utility rebases its rates, expected for 2014. The average impact on the monthly bill for a General Service customer having a monthly demand of less than 50 kW would increase by \$3.65 per month for the next 22 months until the utility rebases its rates." My question is: How can an increase of \$1.64 (CND calculated \$1.61) per month increase a bill by \$3.65 per month? Its in the application that way and I don't understand the math. If an increase of \$1.64 per month is accepted, shouldn't it increase by \$1.64 per month? Can you explain please? Thanks in advance... John

# EXHIBIT B

RESPONSE TO BOARD STAFF INTERROGATORY 6 e)

Cambridge and North Dumfries Hydro Inc. EB-2012-0086



Ontario Energy Board

## Smart Meter Model

## Choose Your Utility:

Cambridge and North Dumfries Hydro Inc.

Canadian Niagara Power Inc. - Eastern Ontario Power

## Application Contact Information

Name: Grant Brooker

Title: Manager, Regulatory Affairs

Phone Number: 519.621-8405 ext 2340

Email Address: gbrooker@camhydro.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

### Cambridge and North Dumfries 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<br>Audited Actual | 2007<br>Audited Actual | 2008<br>Audited Actual | 2009<br>Audited Actual | 2010<br>Audited Actual | 2011<br>Audited Actual | 2012 and later<br>Forecast | Total   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|---------|
| Residential   |                        |                        |                        | 7,205                  | 38,304                 | 558                    |                            | 46067   |
| General Service < 50 kW   |                        |                        |                        | 285                    | 4,053                  | 304                    |                            | 4642    |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0                      | 0                      | 0                      | 7490                   | 42357                  | 862                    | 0                          | 50709   |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed      | 0.00%                  | 0.00%                  | 0.00%                  | 14.77%                 | 98.30%                 | 100.00%                | 0.00%                      | 100.00% |
| Actual/Planned number of GS > 50 kW meters installed                              |                        |                        |                        |                        |                        |                        |                            | 0       |
| Other (please identify)   |                        |                        |                        |                        |                        |                        |                            | 0       |
| Total Number of Smart Meters installed or planned to be installed                 | 0                      | 0                      | 0                      | 7490                   | 42357                  | 862                    | 0                          | 50709   |

#### 1 Capital Costs

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

|  | Asset Type  | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast |              |
|--|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| 1.1.1 Smart Meters (may include new meters and modules, etc.)                                  | Smart Meter |                |                |                | 1,241,940      | 5,251,664      | 402,965        |          | \$ 6,896,569 |
| 1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)            | Smart Meter |                |                |                |                | 423,522        | 0              |          | \$ 423,522   |
| 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.) |             |                |                |                |                |                |                |          | \$ -         |
| <b>Total Advanced Metering Communications Devices (AMCD)</b>                                   |             | \$ -           | \$ -           | \$ -           | \$ 1,241,940   | \$ 5,675,187   | \$ 402,965     | \$ -     | \$ 7,320,092 |

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

|   | Asset Type  | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast |            |
|---|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|------------|
| 1.2.1 Collectors  | Smart Meter |                |                | 148,665        | 276,076        |                |                |          | \$ 424,741 |
| 1.2.2 Repeaters (may include radio licence, etc.)   |             |                |                |                |                |                |                |          | \$ -       |
| 1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.) |             |                |                |                |                |                |                |          | \$ -       |
| <b>Total Advanced Metering Regional Collector (AMRC) (Includes LAN)</b>                   |             | \$ -           | \$ -           | \$ 148,665     | \$ 276,076     | \$ -           | \$ -           | \$ -     | \$ 424,741 |

### 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 |                |                |                | 205,278        |                | 0              |          | \$ 205,278 |
|                   |                |                |                |                |                |                |          | \$ -       |
|                   |                |                |                |                |                |                |          | \$ -       |
|                   | \$ -           | \$ -           | \$ -           | \$ 205,278     | \$ -           | \$ -           | \$ -     | \$ 205,278 |

### 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 |      |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|------|
|            |                |                |                |                |                |                |          | \$ - |
|            | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -     | \$ - |

### 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 |              |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Other Equipment   |                |                |                |                |                |                |          | \$ -         |
| Computer Software |                |                |                | 22,550         | 11,890         | 8,753          |          | \$ 43,193    |
| Computer Hardware |                |                |                | 39,459         |                |                |          | \$ 39,459    |
| Computer Hardware |                |                |                |                |                |                |          | \$ -         |
| Computer Software |                |                | 24,197         | 36,570         | 40,779         | 43,687         |          | \$ 145,233   |
| Computer Software |                |                |                |                |                | 0              |          | \$ -         |
|                   | \$ -           | \$ -           | \$ 24,197      | \$ 98,579      | \$ 52,669      | \$ 52,440      | \$ -     | \$ 227,885   |
|                   | \$ -           | \$ -           | \$ 172,862     | \$ 1,821,873   | \$ 5,727,856   | \$ 455,405     | \$ -     | \$ 8,177,996 |

### 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 |                |                |                |                |                |                |          | \$ -         |
|                       |                |                |                |                |                |                |          | \$ -         |
|                       | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -     | \$ -         |
|                       | \$ -           | \$ -           | \$ 172,862     | \$ 1,821,873   | \$ 5,727,856   | \$ 455,405     | \$ -     | \$ 8,177,996 |

## 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)

#### 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   |            |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------|------------|
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -       |
|  |                |                |                | 68,823         | 94,291         | 92,842         | 190,095    | \$ 446,050 |
|  |                |                |                |                |                | 0              |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  | \$ -           | \$ -           | \$ -           | 68,823         | 94,291         | 92,842         | 190,095    | \$ 446,050 |
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -       |
|  |                |                |                |                |                |                |            | \$ 13,690  |
|  |                |                |                | 3,718          | 34,509         | 0              | 29,876     | \$ 68,104  |
|  |                |                |                |                |                |                | 41,069     | \$ 41,069  |
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                | 76             | 6,541          | 0              |                |            | \$ 6,617   |
|  |                |                |                | 741            | 104,817        | 21,357         | 85,560     | \$ 212,476 |
|  | \$ -           | \$ -           | \$ 76          | \$ 11,000      | \$ 139,327     | \$ 21,357      | \$ 170,195 | \$ 341,955 |
|  | \$ -           | \$ -           | \$ 76          | \$ 79,823      | \$ 233,617     | \$ 114,199     | \$ 360,290 | \$ 788,006 |
|  | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual |            |            |
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  |                |                |                |                |                |                |            | \$ -       |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -       |
|  | \$ -           | \$ -           | \$ 76          | \$ 79,823      | \$ 233,617     | \$ 114,199     | \$ 360,290 | \$ 788,006 |

### 3 Aggregate Smart Meter Costs by Category

|       |                       |    |   |    |   |    |         |    |           |    |           |    |         |    |         |    |           |
|-------|-----------------------|----|---|----|---|----|---------|----|-----------|----|-----------|----|---------|----|---------|----|-----------|
| 3.1   | Capital               |    |   |    |   |    |         |    |           |    |           |    |         |    |         |    |           |
| 3.1.1 | Smart Meter           | \$ | - | \$ | - | \$ | 148,665 | \$ | 1,518,016 | \$ | 5,675,187 | \$ | 402,965 | \$ | -       | \$ | 7,744,833 |
| 3.1.2 | Computer Hardware     | \$ | - | \$ | - | \$ | -       | \$ | 244,737   | \$ | -         | \$ | -       | \$ | -       | \$ | 244,737   |
| 3.1.3 | Computer Software     | \$ | - | \$ | - | \$ | 24,197  | \$ | 59,120    | \$ | 52,669    | \$ | 52,440  | \$ | -       | \$ | 188,426   |
| 3.1.4 | Tools & Equipment     | \$ | - | \$ | - | \$ | -       | \$ | -         | \$ | -         | \$ | -       | \$ | -       | \$ | -         |
| 3.1.5 | Other Equipment       | \$ | - | \$ | - | \$ | -       | \$ | -         | \$ | -         | \$ | -       | \$ | -       | \$ | -         |
| 3.1.6 | Applications Software | \$ | - | \$ | - | \$ | -       | \$ | -         | \$ | -         | \$ | -       | \$ | -       | \$ | -         |
| 3.1.7 | Total Capital Costs   | \$ | - | \$ | - | \$ | 172,862 | \$ | 1,821,873 | \$ | 5,727,856 | \$ | 455,405 | \$ | -       | \$ | 8,177,996 |
| 3.2   | OM&A Costs            |    |   |    |   |    |         |    |           |    |           |    |         |    |         |    |           |
| 3.2.1 | Total OM&A Costs      | \$ | - | \$ | - | \$ | 76      | \$ | 79,823    | \$ | 233,617   | \$ | 114,199 | \$ | 360,290 | \$ | 788,006   |



## Cambridge and North Dumfries Hydro Inc.

|  | 2006   | 2007   |
|--|--------|--------|
| <b>Cost of Capital</b>   |        |        |
| <b>Capital Structure<sup>1</sup></b>                           |        |        |
| Deemed Short-term Debt Capitalization                          |        |        |
| Deemed Long-term Debt Capitalization                           | 50.0%  | 50.0%  |
| Deemed Equity Capitalization                                   | 50.0%  | 50.0%  |
| Preferred Shares   |        |        |
| <b>Total</b>   | 100.0% | 100.0% |
| <b>Cost of Capital Parameters</b>                              |        |        |
| Deemed Short-term Debt Rate                                    |        |        |
| Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>      | 4.99%  | 4.99%  |
| Target Return on Equity (ROE)                                  | 9.0%   | 9.00%  |
| Return on Preferred Shares                                     |        |        |
| <b>WACC</b>  | 7.00%  | 7.00%  |
| <b>Working Capital Allowance</b>                               |        |        |
| Working Capital Allowance Rate                                 | 15.0%  | 15.0%  |
| <i>(% of the sum of Cost of Power + controllable expenses)</i> |        |        |
| <b>Taxes/PILs</b>  |        |        |
| Aggregate Corporate Income Tax Rate                            | 36.12% | 36.12% |
| Capital Tax (until July 1st, 2010)                             | 0.30%  | 0.225% |
| <b>Depreciation Rates</b>                                      |        |        |
| <i>(expressed as expected useful life in years)</i>            |        |        |
| Smart Meters - years   | 15     | 15     |
| - rate (%)   | 6.67%  | 6.67%  |
| Computer Hardware - years                                      | 5      | 5      |
| - rate (%)   | 20.00% | 20.00% |
| Computer Software - years                                      | 3      | 3      |
| - rate (%)   | 33.33% | 33.33% |

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

#### CCA Rates

|                                   |     |     |
|-----------------------------------|-----|-----|
| Smart Meters - CCA Class          | 47  | 47  |
| Smart Meters - CCA Rate           | 8%  | 8%  |
| Computer Equipment - CCA Class    | 45  | 50  |
| Computer Equipment - CCA Rate     | 45% | 55% |
| General Equipment - CCA Class     | 8   | 8   |
| General Equipment - CCA Rate      | 20% | 20% |
| Applications Software - CCA Class |     |     |
| Applications Software - CCA Rate  |     |     |

#### Assumptions

- <sup>1</sup> Planned smart meter installations occur evenly throughout the year.
- <sup>2</sup> Fiscal calendar year (January 1 to December 31) used.
- <sup>3</sup> Amortization is done on a straight line basis and has the "half-year" rule applied.



Ontario Energy Board

## Smart Meter Model



| 2008   | 2009   | 2010   | 2011   | 2012 and later   |
|--|--|--|--|--|
| <div><div>0.0%</div><div>53.3%</div><div>46.7%</div><div>100.0%</div></div>                        | <div><div>0.0%</div><div>56.7%</div><div>43.3%</div><div>100.0%</div></div>                        | <div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div>100.0%</div></div>                        | <div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div>100.0%</div></div>                        | <div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div>100.0%</div></div>                        |
| <div><div>0.00%</div><div>4.99%</div><div>9.00%</div><div>6.86%</div></div>                        | <div><div>0.00%</div><div>4.99%</div><div>9.00%</div><div>6.73%</div></div>                        | <div><div>2.07%</div><div>4.99%</div><div>9.85%</div><div>6.82%</div></div>                        | <div><div>2.07%</div><div>4.99%</div><div>9.85%</div><div>6.82%</div></div>                        | <div><div>2.07%</div><div>4.99%</div><div>9.85%</div><div>6.82%</div></div>                        |
| <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  |
| <div><div>33.50%</div><div>0.225%</div></div>  | <div><div>33.00%</div><div>0.225%</div></div>  | <div><div>31.00%</div><div>0.075%</div></div>  | <div><div>28.25%</div><div>0.00%</div></div>   | <div><div>26.25%</div><div>0.00%</div></div>   |
| <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> |

|        |        |        |        |        |
|--------|--------|--------|--------|--------|
| 10     | 10     | 10     | 10     | 10     |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 10     | 10     | 10     | 10     | 10     |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

|    |    |    |    |    |
|----|----|----|----|----|
| 47 | 47 | 47 | 47 | 47 |
| 8% | 8% | 8% | 8% | 8% |

|     |     |      |      |      |
|-----|-----|------|------|------|
| 50  | 50  | 50   | 50   | 50   |
| 55% | 55% | 100% | 100% | 100% |

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 8   | 8   | 8   | 8   | 8   |
| 20% | 20% | 20% | 20% | 20% |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|  |  |  |  |  |



Ontario Energy Board

Smart Meter Model

Cambridge and North Dumfries Hydro Inc.

|   | 2006 | 2007 | 2008       | 2009         | 2010         | 2011         |
|---|------|------|------------|--------------|--------------|--------------|
| <b>Net Fixed Assets - Smart Meters</b>  |      |      |            |              |              |              |
| <b>Gross Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | \$ 148,665   | \$ 1,666,681 | \$ 7,341,868 |
| Capital Additions during year (from Smart Meter Costs)                        | \$ - | \$ - | \$ 148,665 | \$ 1,518,016 | \$ 5,675,187 | \$ 402,965   |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ 148,665 | \$ 1,666,681 | \$ 7,341,868 | \$ 7,744,833 |
| <b>Accumulated Depreciation</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | -\$ 4,956    | -\$ 65,467   | -\$ 365,752  |
| Amortization expense during year  | \$ - | \$ - | -\$ 4,956  | -\$ 60,512   | -\$ 300,285  | -\$ 502,890  |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | -\$ 4,956  | -\$ 65,467   | -\$ 365,752  | -\$ 868,642  |
| <b>Net Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ 143,710   | \$ 1,601,214 | \$ 6,976,116 |
| Closing Balance   | \$ - | \$ - | \$ 143,710 | \$ 1,601,214 | \$ 6,976,116 | \$ 6,876,191 |
| Average Net Book Value  | \$ - | \$ - | \$ 71,855  | \$ 872,462   | \$ 4,288,665 | \$ 6,926,153 |
| <b>Net Fixed Assets - Computer Hardware</b>                                   |      |      |            |              |              |              |
| <b>Gross Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | \$ -         | \$ 244,737   | \$ 244,737   |
| Capital Additions during year (from Smart Meter Costs)                        | \$ - | \$ - | \$ -       | \$ 244,737   | \$ -         | \$ -         |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ -       | \$ 244,737   | \$ 244,737   | \$ 244,737   |
| <b>Accumulated Depreciation</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ -         | -\$ 24,474   | -\$ 73,421   |
| Amortization expense during year  | \$ - | \$ - | \$ -       | -\$ 24,474   | -\$ 48,947   | -\$ 48,947   |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ -       | -\$ 24,474   | -\$ 73,421   | -\$ 122,369  |
| <b>Net Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ -         | \$ 220,263   | \$ 171,316   |
| Closing Balance   | \$ - | \$ - | \$ -       | \$ 220,263   | \$ 171,316   | \$ 122,369   |
| Average Net Book Value  | \$ - | \$ - | \$ -       | \$ 110,132   | \$ 195,790   | \$ 146,842   |
| <b>Net Fixed Assets - Computer Software (including Applications Software)</b> |      |      |            |              |              |              |
| <b>Gross Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | \$ 24,197    | \$ 83,317    | \$ 135,986   |
| Capital Additions during year (from Smart Meter Costs)                        | \$ - | \$ - | \$ 24,197  | \$ 59,120    | \$ 52,669    | \$ 52,440    |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ 24,197  | \$ 83,317    | \$ 135,986   | \$ 188,426   |
| <b>Accumulated Depreciation</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | -\$ 4,033    | -\$ 21,952   | -\$ 58,502   |
| Amortization expense during year  | \$ - | \$ - | -\$ 4,033  | -\$ 17,919   | -\$ 36,551   | -\$ 54,069   |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | -\$ 4,033  | -\$ 21,952   | -\$ 58,502   | -\$ 112,571  |
| <b>Net Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ 20,164    | \$ 61,365    | \$ 77,484    |
| Closing Balance   | \$ - | \$ - | \$ 20,164  | \$ 61,365    | \$ 77,484    | \$ 75,855    |
| Average Net Book Value  | \$ - | \$ - | \$ 10,082  | \$ 40,765    | \$ 69,424    | \$ 76,669    |

**Net Fixed Assets - Tools and Equipment**

**Gross Book Value**

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

**Accumulated Depreciation**

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

**Net Book Value**

|                        |             |             |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Closing Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Average Net Book Value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**Net Fixed Assets - Other Equipment**

**Gross Book Value**

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

**Accumulated Depreciation**

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

**Net Book Value**

|                        |             |             |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Closing Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Average Net Book Value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |



2012 and later

|    |           |
|----|-----------|
| \$ | 7,744,833 |
| \$ | -         |
| \$ | 7,744,833 |

|     |           |
|-----|-----------|
| -\$ | 868,642   |
| -\$ | 516,322   |
| -\$ | 1,384,964 |

|    |           |
|----|-----------|
| \$ | 6,876,191 |
| \$ | 6,359,869 |
| \$ | 6,618,030 |

|    |         |
|----|---------|
| \$ | 244,737 |
| \$ | -       |
| \$ | 244,737 |

|     |         |
|-----|---------|
| -\$ | 122,369 |
| -\$ | 48,947  |
| -\$ | 171,316 |

|    |         |
|----|---------|
| \$ | 122,369 |
| \$ | 73,421  |
| \$ | 97,895  |

|    |         |
|----|---------|
| \$ | 188,426 |
| \$ | -       |
| \$ | 188,426 |

|     |         |
|-----|---------|
| -\$ | 112,571 |
| -\$ | 62,809  |
| -\$ | 175,380 |

|    |        |
|----|--------|
| \$ | 75,855 |
| \$ | 13,046 |
| \$ | 44,451 |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |



Ontario Energy Board

## Smart Meter Model

### Cambridge and North Dumfries Hydro Inc.

|   | 2006        | 2007        | 2008             | 2009                | 2010                | 2011                 | 2012 and Later       |
|---|-------------|-------------|------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Average Net Fixed Asset Values (from Sheet 4)</b>        |             |             |                  |                     |                     |                      |                      |
| Smart Meters  | \$ -        | \$ -        | \$ 71,855        | \$ 872,462          | \$ 4,288,665        | \$ 6,926,153         | \$ 6,618,030         |
| Computer Hardware   | \$ -        | \$ -        | \$ -             | \$ 110,132          | \$ 195,790          | \$ 146,842           | \$ 97,895            |
| Computer Software   | \$ -        | \$ -        | \$ 10,082        | \$ 40,765           | \$ 69,424           | \$ 76,669            | \$ 44,451            |
| Tools & Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| Other Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Net Fixed Assets</b>                               | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 81,937</b> | <b>\$ 1,023,358</b> | <b>\$ 4,553,879</b> | <b>\$ 7,149,665</b>  | <b>\$ 6,760,375</b>  |
| <b>Working Capital</b>                                      |             |             |                  |                     |                     |                      |                      |
| Operating Expenses (from Sheet 2)                           | \$ -        | \$ -        | \$ 76            | \$ 79,823           | \$ 233,617          | \$ 114,199           | \$ 360,290           |
| Working Capital Factor (from Sheet 3)                       | 15%         | 15%         | 15%              | 15%                 | 15%                 | 15%                  | 15%                  |
| Working Capital Allowance                                   | \$ -        | \$ -        | \$ 11            | \$ 11,973           | \$ 35,043           | \$ 17,130            | \$ 54,044            |
| <b>Incremental Smart Meter Rate Base</b>                    | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 81,948</b> | <b>\$ 1,035,332</b> | <b>\$ 4,588,921</b> | <b>\$ 7,166,795</b>  | <b>\$ 6,814,419</b>  |
| <b>Return on Rate Base</b>                                  |             |             |                  |                     |                     |                      |                      |
| <b>Capital Structure</b>                                    |             |             |                  |                     |                     |                      |                      |
| Deemed Short Term Debt                                      | \$ -        | \$ -        | \$ -             | \$ -                | \$ 183,557          | \$ 286,672           | \$ 272,577           |
| Deemed Long Term Debt                                       | \$ -        | \$ -        | \$ 43,678        | \$ 587,033          | \$ 2,569,796        | \$ 4,013,405         | \$ 3,816,075         |
| Equity  | \$ -        | \$ -        | \$ 38,270        | \$ 448,299          | \$ 1,835,569        | \$ 2,866,718         | \$ 2,725,768         |
| Preferred Shares  | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Capitalization</b>                                 | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 81,948</b> | <b>\$ 1,035,332</b> | <b>\$ 4,588,921</b> | <b>\$ 7,166,795</b>  | <b>\$ 6,814,419</b>  |
| <b>Return on</b>  |             |             |                  |                     |                     |                      |                      |
| Deemed Short Term Debt                                      | \$ -        | \$ -        | \$ -             | \$ -                | \$ 3,800            | \$ 5,934             | \$ 5,642             |
| Deemed Long Term Debt                                       | \$ -        | \$ -        | \$ 2,180         | \$ 29,293           | \$ 128,233          | \$ 200,269           | \$ 190,422           |
| Equity  | \$ -        | \$ -        | \$ 3,444         | \$ 40,347           | \$ 180,804          | \$ 282,372           | \$ 268,488           |
| Preferred Shares  | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Return on Capital</b>                              | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 5,624</b>  | <b>\$ 69,640</b>    | <b>\$ 312,836</b>   | <b>\$ 488,575</b>    | <b>\$ 464,553</b>    |
| <b>Operating Expenses</b>                                   | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 76</b>     | <b>\$ 79,823</b>    | <b>\$ 233,617</b>   | <b>\$ 114,199</b>    | <b>\$ 360,290</b>    |
| <b>Amortization Expenses (from Sheet 4)</b>                 |             |             |                  |                     |                     |                      |                      |
| Smart Meters  | \$ -        | \$ -        | \$ 4,956         | \$ 60,512           | \$ 300,285          | \$ 502,890           | \$ 516,322           |
| Computer Hardware   | \$ -        | \$ -        | \$ -             | \$ 24,474           | \$ 48,947           | \$ 48,947            | \$ 48,947            |
| Computer Software   | \$ -        | \$ -        | \$ 4,033         | \$ 17,919           | \$ 36,551           | \$ 54,069            | \$ 62,809            |
| Tools & Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| Other Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Amortization Expense in Year</b>                   | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 8,988</b>  | <b>\$ 102,904</b>   | <b>\$ 385,783</b>   | <b>\$ 605,906</b>    | <b>\$ 628,078</b>    |
| <b>Incremental Revenue Requirement before Taxes/PILs</b>    | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 14,688</b> | <b>\$ 252,367</b>   | <b>\$ 932,236</b>   | <b>\$ 1,208,680</b>  | <b>\$ 1,452,921</b>  |
| <b>Calculation of Taxable Income</b>                        |             |             |                  |                     |                     |                      |                      |
| Incremental Operating Expenses                              | \$ -        | \$ -        | \$ 76            | \$ 79,823           | \$ 233,617          | \$ 114,199           | \$ 360,290           |
| Amortization Expense  | \$ -        | \$ -        | \$ 8,988         | \$ 102,904          | \$ 385,783          | \$ 605,906           | \$ 628,078           |
| Interest Expense  | \$ -        | \$ -        | \$ 2,180         | \$ 29,293           | \$ 132,032          | \$ 206,203           | \$ 196,064           |
| <b>Net Income for Taxes/PILs</b>                            | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 3,444</b>  | <b>\$ 40,347</b>    | <b>\$ 180,804</b>   | <b>\$ 282,372</b>    | <b>\$ 268,488</b>    |
| <b>Grossed-up Taxes/PILs (from Sheet 7)</b>                 | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 284.00</b> | <b>\$ 6,646.83</b>  | <b>\$ 13,466.14</b> | <b>\$ 105,058.36</b> | <b>\$ 117,758.63</b> |
| <b>Revenue Requirement, including Grossed-up Taxes/PILs</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 14,972</b> | <b>\$ 245,720</b>   | <b>\$ 918,770</b>   | <b>\$ 1,313,739</b>  | <b>\$ 1,570,680</b>  |



Ontario Energy Board

Smart Meter Model

Cambridge and North Dumfries Hydro Inc.

## For PILs Calculation

### UCC - Smart Meters

|  | 2006<br>Audited Actua | 2007<br>Audited Actua | 2008<br>Audited Actua | 2009<br>Audited Actua | 2010<br>Audited Actua | 2011<br>Audited Actua | 2012 and later<br>Forecast |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Opening UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ 142,718.40         | \$ 1,588,596.29       | \$ 6,909,687.68       | \$ 6,743,759.30            |
| Capital Additions                          | \$ -                  | \$ -                  | \$ 148,665.00         | \$ 1,518,016.00       | \$ 5,675,186.56       | \$ 402,965.24         | \$ -                       |
| Retirements/Removals (if applicable)       | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| UCC Before Half Year Rule                  | \$ -                  | \$ -                  | \$ 148,665.00         | \$ 1,660,734.40       | \$ 7,263,782.85       | \$ 7,312,652.92       | \$ 6,743,759.30            |
| Half Year Rule (1/2 Additions - Disposals) | \$ -                  | \$ -                  | \$ 74,332.50          | \$ 759,008.00         | \$ 2,837,593.28       | \$ 201,482.62         | \$ -                       |
| Reduced UCC                                | \$ -                  | \$ -                  | \$ 74,332.50          | \$ 901,726.40         | \$ 4,426,189.57       | \$ 7,111,170.30       | \$ 6,743,759.30            |
| CCA Rate Class                             | 47                    | 47                    | 47                    | 47                    | 47                    | 47                    | 47                         |
| CCA Rate                                   | 8%                    | 8%                    | 8%                    | 8%                    | 8%                    | 8%                    | 8%                         |
| CCA  | \$ -                  | \$ -                  | \$ 5,946.60           | \$ 72,138.11          | \$ 354,095.17         | \$ 568,893.62         | \$ 539,500.74              |
| Closing UCC                                | \$ -                  | \$ -                  | \$ 142,718.40         | \$ 1,588,596.29       | \$ 6,909,687.68       | \$ 6,743,759.30       | \$ 6,204,258.55            |

### UCC - Computer Equipment

|  | 2006<br>Audited Actua | 2007<br>Audited Actua | 2008<br>Audited Actua | 2009<br>Audited Actua | 2010<br>Audited Actua | 2011<br>Audited Actua | 2012 and later<br>Forecast |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Opening UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ 17,542.83          | \$ 228,190.60         | \$ 26,334.59          | \$ 26,220.02               |
| Capital Additions Computer Hardware        | \$ -                  | \$ -                  | \$ -                  | \$ 244,737.00         | \$ -                  | \$ -                  | \$ -                       |
| Capital Additions Computer Software        | \$ -                  | \$ -                  | \$ 24,197.00          | \$ 59,120.00          | \$ 52,669.18          | \$ 52,440.03          | \$ -                       |
| Retirements/Removals (if applicable)       | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| UCC Before Half Year Rule                  | \$ -                  | \$ -                  | \$ 24,197.00          | \$ 321,399.83         | \$ 280,859.78         | \$ 78,774.62          | \$ 26,220.02               |
| Half Year Rule (1/2 Additions - Disposals) | \$ -                  | \$ -                  | \$ 12,098.50          | \$ 151,928.50         | \$ 26,334.59          | \$ 26,220.02          | \$ -                       |
| Reduced UCC                                | \$ -                  | \$ -                  | \$ 12,098.50          | \$ 169,471.33         | \$ 254,525.19         | \$ 52,554.61          | \$ 26,220.02               |
| CCA Rate Class                             | 45                    | 50                    | 50                    | 50                    | 50                    | 50                    | 50                         |
| CCA Rate                                   | 45%                   | 55%                   | 55%                   | 55%                   | 100%                  | 100%                  | 100%                       |
| CCA  | \$ -                  | \$ -                  | \$ 6,654.18           | \$ 93,209.23          | \$ 254,525.19         | \$ 52,554.61          | \$ 26,220.02               |
| Closing UCC                                | \$ -                  | \$ -                  | \$ 17,542.83          | \$ 228,190.60         | \$ 26,334.59          | \$ 26,220.02          | \$ -                       |

### UCC - General Equipment

|  | 2006<br>Audited Actua | 2007<br>Audited Actua | 2008<br>Audited Actua | 2009<br>Audited Actua | 2010<br>Audited Actua | 2011<br>Audited Actua | 2012 and later<br>Forecast |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Opening UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Capital Additions Tools & Equipment        | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Capital Additions Other Equipment          | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Retirements/Removals (if applicable)       | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| UCC Before Half Year Rule                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Half Year Rule (1/2 Additions - Disposals) | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Reduced UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| CCA Rate Class                             | 8                     | 8                     | 8                     | 8                     | 8                     | 8                     | 8                          |
| CCA Rate                                   | 20%                   | 20%                   | 20%                   | 20%                   | 20%                   | 20%                   | 20%                        |
| CCA  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Closing UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |



## PILs Calculation

|   | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
| <b>INCOME TAX</b>                                     |                     |                     |                     |                     |                     |                     |                         |
| Net Income  | \$ -                | \$ -                | \$ 3,444.28         | \$ 40,346.87        | \$ 180,803.51       | \$ 282,371.71       | \$ 268,488.10           |
| Amortization  | \$ -                | \$ -                | \$ 8,988.33         | \$ 102,904.23       | \$ 385,782.88       | \$ 605,906.14       | \$ 628,078.32           |
| CCA - Smart Meters                                    | \$ -                | \$ -                | \$ 5,946.60         | \$ 72,138.11        | \$ 354,095.17       | \$ 568,893.62       | \$ 539,500.74           |
| CCA - Computers                                       | \$ -                | \$ -                | \$ 6,654.18         | \$ 93,209.23        | \$ 254,525.19       | \$ 52,554.61        | \$ 26,220.02            |
| CCA - Applications Software                           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| CCA - Other Equipment                                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| Change in taxable income                              | \$ -                | \$ -                | \$ 168.16           | \$ 22,096.24        | \$ 42,033.96        | \$ 266,829.63       | \$ 330,845.67           |
| Tax Rate (from Sheet 3)                               | 36.12%              | 36.12%              | 33.50%              | 33.00%              | 31.00%              | 28.25%              | 26.25%                  |
| Income Taxes Payable                                  | \$ -                | \$ -                | \$ 56.33            | \$ 7,291.76         | \$ 13,030.53        | \$ 75,379.37        | \$ 86,846.99            |
| <b>ONTARIO CAPITAL TAX</b>                            |                     |                     |                     |                     |                     |                     |                         |
| Smart Meters  | \$ -                | \$ -                | \$ 143,709.50       | \$ 1,601,213.97     | \$ 6,976,115.57     | \$ 6,876,190.80     | \$ 6,359,868.62         |
| Computer Hardware                                     | \$ -                | \$ -                | \$ -                | \$ 220,263.30       | \$ 171,315.90       | \$ 122,368.50       | \$ 73,421.10            |
| Computer Software<br>(Including Application Software) | \$ -                | \$ -                | \$ 20,164.17        | \$ 61,365.17        | \$ 77,483.82        | \$ 75,855.12        | \$ 13,046.38            |
| Tools & Equipment                                     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| Other Equipment                                       | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| Rate Base   | \$ -                | \$ -                | \$ 163,873.67       | \$ 1,882,842.43     | \$ 7,224,915.29     | \$ 7,074,414.42     | \$ 6,446,336.09         |
| Less: Exemption                                       |                     |                     |                     |                     |                     |                     |                         |
| Deemed Taxable Capital                                | \$ -                | \$ -                | \$ 163,873.67       | \$ 1,882,842.43     | \$ 7,224,915.29     | \$ 7,074,414.42     | \$ 6,446,336.09         |
| 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)                   | \$ -                | \$ -                | \$ 368.72           | \$ 4,236.40         | \$ 5,418.69         | \$ -                | \$ -                    |
| Change in Income Taxes Payable                        | \$ -                | \$ -                | \$ 56.33            | \$ 7,291.76         | \$ 13,030.53        | \$ 75,379.37        | \$ 86,846.99            |
| Change in OCT   | \$ -                | \$ -                | \$ 368.72           | \$ 4,236.40         | \$ 5,418.69         | \$ -                | \$ -                    |
| PILs  | \$ -                | \$ -                | \$ 312.38           | \$ 3,055.36         | \$ 7,611.84         | \$ 75,379.37        | \$ 86,846.99            |
| <b>Gross Up PILs</b>                                  |                     |                     |                     |                     |                     |                     |                         |
| Tax Rate  | 36.12%              | 36.12%              | 33.50%              | 33.00%              | 31.00%              | 28.25%              | 26.25%                  |
| Change in Income Taxes Payable                        | \$ -                | \$ -                | \$ 84.71            | \$ 10,883.22        | \$ 18,884.82        | \$ 105,058.36       | \$ 117,758.63           |
| Change in OCT   | \$ -                | \$ -                | \$ 368.72           | \$ 4,236.40         | \$ 5,418.69         | \$ -                | \$ -                    |
| PILs  | \$ -                | \$ -                | \$ 284.00           | \$ 6,646.83         | \$ 13,466.14        | \$ 105,058.36       | \$ 117,758.63           |





Ontario Energy Board

Smart Meter Model

Cambridge and North Dumfries Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

| Interest Rates | Approved Deferral and Variance Accounts | CWIP  | Date   | Year | Quarter | Opening Balance (Principal) | Funding Adder Revenues | Interest Rate | Interest    | Closing Balance | Annual amounts | Board Approved Smart Meter Funding Adder (from Tariff) |
|----------------|---|-------|--------|------|---------|-----------------------------|------------------------|---------------|-------------|-----------------|----------------|--|
| 2006 Q1        |   |       | Jan-06 | 2006 | Q1      | \$ -                        | \$ -                   | 0.00%         | \$ -        | \$ -            |                |  |
| 2006 Q2        | 4.14%                                   | 4.68% | Feb-06 | 2006 | Q1      | \$ -                        | \$ -                   | 0.00%         | \$ -        | \$ -            |                |  |
| 2006 Q3        | 4.59%                                   | 5.05% | Mar-06 | 2006 | Q1      | \$ -                        | \$ -                   | 0.00%         | \$ -        | \$ -            |                |  |
| 2006 Q4        | 4.59%                                   | 4.72% | Apr-06 | 2006 | Q2      | \$ -                        | \$ -                   | 4.14%         | \$ -        | \$ -            |                |  |
| 2007 Q1        | 4.59%                                   | 4.72% | May-06 | 2006 | Q2      | \$ -                        | \$ -                   | 4.14%         | \$ -        | \$ -            |                |  |
| 2007 Q2        | 4.59%                                   | 4.72% | Jun-06 | 2006 | Q2      | \$ -                        | \$ 5,948.57            | 4.14%         | \$ -        | \$ 5,948.57     |                | \$ 0.27  |
| 2007 Q3        | 4.59%                                   | 5.18% | Jul-06 | 2006 | Q3      | \$ 5,948.57                 | \$ 11,259.88           | 4.59%         | \$ 22.75    | \$ 17,231.20    |                | \$ 0.27  |
| 2007 Q4        | 5.14%                                   | 5.18% | Aug-06 | 2006 | Q3      | \$ 17,208.45                | \$ 13,331.09           | 4.59%         | \$ 65.82    | \$ 30,605.36    |                | \$ 0.27  |
| 2008 Q1        | 5.14%                                   | 5.18% | Sep-06 | 2006 | Q3      | \$ 30,539.54                | \$ 12,382.03           | 4.59%         | \$ 116.81   | \$ 43,038.38    |                | \$ 0.27  |
| 2008 Q2        | 4.08%                                   | 5.18% | Oct-06 | 2006 | Q4      | \$ 42,921.57                | \$ 12,752.32           | 4.59%         | \$ 164.18   | \$ 55,838.07    |                | \$ 0.27  |
| 2008 Q3        | 3.35%                                   | 5.43% | Nov-06 | 2006 | Q4      | \$ 55,673.89                | \$ 13,722.44           | 4.59%         | \$ 212.95   | \$ 69,609.28    |                | \$ 0.27  |
| 2008 Q4        | 3.35%                                   | 5.43% | Dec-06 | 2006 | Q4      | \$ 69,396.33                | \$ 12,190.40           | 4.59%         | \$ 265.44   | \$ 81,852.17    | \$ 82,434.68   | \$ 0.27  |
| 2009 Q1        | 2.45%                                   | 6.61% | Jan-07 | 2007 | Q1      | \$ 81,586.73                | \$ 13,302.95           | 4.59%         | \$ 312.07   | \$ 95,201.75    |                | \$ 0.27  |
| 2009 Q2        | 1.00%                                   | 6.61% | Feb-07 | 2007 | Q1      | \$ 94,889.68                | \$ 12,840.62           | 4.59%         | \$ 362.95   | \$ 108,093.25   |                | \$ 0.27  |
| 2009 Q3        | 0.55%                                   | 5.67% | Mar-07 | 2007 | Q1      | \$ 107,730.30               | \$ 13,337.47           | 4.59%         | \$ 412.07   | \$ 121,479.84   |                | \$ 0.27  |
| 2009 Q4        | 0.55%                                   | 4.66% | Apr-07 | 2007 | Q2      | \$ 121,067.77               | \$ 12,805.23           | 4.59%         | \$ 463.08   | \$ 134,336.08   |                | \$ 0.27  |
| 2010 Q1        | 0.55%                                   | 4.34% | May-07 | 2007 | Q2      | \$ 133,873.00               | \$ 13,399.27           | 4.59%         | \$ 512.06   | \$ 147,784.33   |                | \$ 0.27  |
| 2010 Q2        | 0.55%                                   | 4.34% | Jun-07 | 2007 | Q2      | \$ 147,272.27               | \$ 12,819.77           | 4.59%         | \$ 563.32   | \$ 160,655.36   |                | \$ 0.27  |
| 2010 Q3        | 0.89%                                   | 4.66% | Jul-07 | 2007 | Q3      | \$ 160,092.04               | \$ 13,362.81           | 4.59%         | \$ 612.35   | \$ 174,067.20   |                | \$ 0.27  |
| 2010 Q4        | 1.20%                                   | 4.01% | Aug-07 | 2007 | Q3      | \$ 173,454.85               | \$ 13,439.51           | 4.59%         | \$ 663.46   | \$ 187,557.82   |                | \$ 0.27  |
| 2011 Q1        | 1.47%                                   | 4.29% | Sep-07 | 2007 | Q3      | \$ 186,894.36               | \$ 12,728.90           | 4.59%         | \$ 714.87   | \$ 200,338.13   |                | \$ 0.27  |
| 2011 Q2        | 1.47%                                   | 4.29% | Oct-07 | 2007 | Q4      | \$ 199,623.26               | \$ 12,778.15           | 5.14%         | \$ 855.05   | \$ 213,256.46   |                | \$ 0.27  |
| 2011 Q3        | 1.47%                                   | 4.29% | Nov-07 | 2007 | Q4      | \$ 212,401.41               | \$ 14,663.43           | 5.14%         | \$ 909.79   | \$ 227,974.63   |                | \$ 0.27  |
| 2011 Q4        | 1.47%                                   | 4.29% | Dec-07 | 2007 | Q4      | \$ 227,064.84               | \$ 11,519.79           | 5.14%         | \$ 972.59   | \$ 239,557.22   | \$ 164,351.56  | \$ 0.27  |
| 2012 Q1        | 1.47%                                   | 4.29% | Jan-08 | 2008 | Q1      | \$ 238,584.63               | \$ 13,451.80           | 5.14%         | \$ 1,021.94 | \$ 253,058.37   |                | \$ 0.27  |
| 2012 Q2        |   | 4.29% | Feb-08 | 2008 | Q1      | \$ 252,036.43               | \$ 12,869.84           | 5.14%         | \$ 1,079.56 | \$ 265,985.83   |                | \$ 0.27  |
| 2012 Q3        |   | 4.29% | Mar-08 | 2008 | Q1      | \$ 264,906.27               | \$ 13,462.14           | 5.14%         | \$ 1,134.68 | \$ 279,503.09   |                | \$ 0.27  |
| 2012 Q4        |   | 4.29% | Apr-08 | 2008 | Q2      | \$ 278,368.41               | \$ 12,898.11           | 4.08%         | \$ 946.45   | \$ 292,212.97   |                | \$ 0.27  |
|                |   |       | May-08 | 2008 | Q2      | \$ 291,266.52               | \$ 13,479.94           | 4.08%         | \$ 990.31   | \$ 305,736.77   |                | \$ 0.27  |
|                |   |       | Jun-08 | 2008 | Q2      | \$ 304,746.46               | \$ 12,904.41           | 4.08%         | \$ 1,036.14 | \$ 318,687.01   |                | \$ 0.27  |
|                |   |       | Jul-08 | 2008 | Q3      | \$ 317,650.87               | \$ 14,058.56           | 3.35%         | \$ 886.78   | \$ 332,596.21   |                | \$ 0.27  |
|                |   |       | Aug-08 | 2008 | Q3      | \$ 331,709.43               | \$ 12,282.61           | 3.35%         | \$ 926.02   | \$ 344,918.06   |                | \$ 0.27  |
|                |   |       | Sep-08 | 2008 | Q3      | \$ 343,992.04               | \$ 13,478.54           | 3.35%         | \$ 960.31   | \$ 358,430.89   |                | \$ 0.27  |
|                |   |       | Oct-08 | 2008 | Q4      | \$ 357,470.58               | \$ 13,517.65           | 3.35%         | \$ 997.94   | \$ 371,986.17   |                | \$ 0.27  |
|                |   |       | Nov-08 | 2008 | Q4      | \$ 370,988.23               | \$ 12,830.00           | 3.35%         | \$ 1,035.68 | \$ 384,853.91   |                | \$ 0.27  |
|                |   |       | Dec-08 | 2008 | Q4      | \$ 383,818.23               | \$ 12,881.96           | 3.35%         | \$ 1,071.49 | \$ 397,771.68   | \$ 170,202.86  | \$ 0.27  |
|                |   |       | Jan-09 | 2009 | Q1      | \$ 396,700.19               | \$ 13,492.44           | 2.45%         | \$ 809.93   | \$ 411,002.56   |                | \$ 0.27  |
|                |   |       | Feb-09 | 2009 | Q1      | \$ 410,192.63               | \$ 12,950.58           | 2.45%         | \$ 837.48   | \$ 423,980.69   |                | \$ 0.27  |
|                |   |       | Mar-09 | 2009 | Q1      | \$ 423,143.21               | \$ 13,614.22           | 2.45%         | \$ 863.92   | \$ 437,621.35   |                | \$ 0.27  |
|                |   |       | Apr-09 | 2009 | Q2      | \$ 436,757.43               | \$ 13,063.22           | 1.00%         | \$ 363.96   | \$ 450,184.61   |                | \$ 0.27  |
|                |   |       | May-09 | 2009 | Q2      | \$ 449,820.65               | \$ 14,515.05           | 1.00%         | \$ 374.85   | \$ 464,710.55   |                | \$ 1.00  |
|                |   |       | Jun-09 | 2009 | Q2      | \$ 464,335.70               | \$ 29,612.93           | 1.00%         | \$ 386.95   | \$ 494,335.58   |                | \$ 1.00  |
|                |   |       | Jul-09 | 2009 | Q3      | \$ 493,948.63               | \$ 47,641.87           | 0.55%         | \$ 226.39   | \$ 541,816.89   |                | \$ 1.00  |
|                |   |       | Aug-09 | 2009 | Q3      | \$ 541,590.50               | \$ 48,571.89           | 0.55%         | \$ 248.23   | \$ 590,410.62   |                | \$ 1.00  |
|                |   |       | Sep-09 | 2009 | Q3      | \$ 590,162.39               | \$ 50,239.15           | 0.55%         | \$ 270.49   | \$ 640,672.03   |                | \$ 1.00  |
|                |   |       | Oct-09 | 2009 | Q4      | \$ 640,401.54               | \$ 48,984.55           | 0.55%         | \$ 293.52   | \$ 689,679.61   |                | \$ 1.00  |
|                |   |       | Nov-09 | 2009 | Q4      | \$ 689,386.09               | \$ 50,295.98           | 0.55%         | \$ 315.97   | \$ 739,998.04   |                | \$ 1.00  |
|                |   |       | Dec-09 | 2009 | Q4      | \$ 739,682.07               | \$ 49,276.46           | 0.55%         | \$ 339.02   | \$ 789,297.55   | \$ 397,589.05  | \$ 1.00  |
|                |   |       | Jan-10 | 2010 | Q1      | \$ 788,958.53               | \$ 43,946.09           | 0.55%         | \$ 361.61   | \$ 833,266.23   |                | \$ 1.00  |
|                |   |       | Feb-10 | 2010 | Q1      | \$ 832,904.62               | \$ 46,395.05           | 0.55%         | \$ 381.75   | \$ 879,681.42   |                | \$ 1.00  |
|                |   |       | Mar-10 | 2010 | Q1      | \$ 879,299.67               | \$ 53,866.70           | 0.55%         | \$ 403.01   | \$ 933,569.38   |                | \$ 1.00  |
|                |   |       | Apr-10 | 2010 | Q2      | \$ 933,166.37               | \$ 48,866.73           | 0.55%         | \$ 427.70   | \$ 982,460.80   |                | \$ 1.00  |
|                |   |       | May-10 | 2010 | Q2      | \$ 982,033.10               | \$ 45,979.77           | 0.55%         | \$ 450.10   | \$ 1,028,462.97 |                | \$ 1.00  |
|                |   |       | Jun-10 | 2010 | Q2      | \$ 1,028,012.87             | \$ 54,553.56           | 0.55%         | \$ 471.17   | \$ 1,083,037.60 |                | \$ 1.00  |
|                |   |       | Jul-10 | 2010 | Q3      | \$ 1,082,566.43             | \$ 51,389.09           | 0.89%         | \$ 802.90   | \$ 1,134,758.42 |                | \$ 1.00  |
|                |   |       | Aug-10 | 2010 | Q3      | \$ 1,133,955.52             | \$ 49,175.35           | 0.89%         | \$ 841.02   | \$ 1,183,971.89 |                | \$ 1.00  |
|                |   |       | Sep-10 | 2010 | Q3      | \$ 1,183,130.87             | \$ 51,629.70           | 0.89%         | \$ 877.49   | \$ 1,235,638.06 |                | \$ 1.00  |
|                |   |       | Oct-10 | 2010 | Q4      | \$ 1,234,760.57             | \$ 46,764.24           | 1.20%         | \$ 1,234.76 | \$ 1,282,759.57 |                | \$ 1.00  |
|                |   |       | Nov-10 | 2010 | Q4      | \$ 1,281,524.81             | \$ 53,904.81           | 1.20%         | \$ 1,281.52 | \$ 1,336,711.14 |                | \$ 1.00  |
|                |   |       | Dec-10 | 2010 | Q4      | \$ 1,335,429.62             | \$ 49,184.69           | 1.20%         | \$ 1,335.43 | \$ 1,385,949.74 | \$ 604,524.24  | \$ 1.00  |
|                |   |       | Jan-11 | 2011 | Q1      | \$ 1,384,614.31             | \$ 51,831.41           | 1.47%         | \$ 1,696.15 | \$ 1,438,141.87 |                | \$ 1.00  |
|                |   |       | Feb-11 | 2011 | Q1      | \$ 1,436,445.72             | \$ 47,379.20           | 1.47%         | \$ 1,759.65 | \$ 1,485,584.57 |                | \$ 1.00  |
|                |   |       | Mar-11 | 2011 | Q1      | \$ 1,483,824.92             | \$ 56,749.56           | 1.47%         | \$ 1,817.69 | \$ 1,542,392.17 |                | \$ 1.00  |
|                |   |       | Apr-11 | 2011 | Q2      | \$ 1,540,574.48             | \$ 45,213.39           | 1.47%         | \$ 1,887.20 | \$ 1,587,675.07 |                | \$ 1.00  |
|                |   |       | May-11 | 2011 | Q2      | \$ 1,585,787.87             | \$ 44,543.94           | 1.47%         | \$ 1,942.59 | \$ 1,632,274.40 |                | \$ 1.61  |
|                |   |       | Jun-11 | 2011 | Q2      | \$ 1,630,331.81             | \$ 68,810.40           | 1.47%         | \$ 1,997.16 | \$ 1,701,139.37 |                | \$ 1.61  |
|                |   |       | Jul-11 | 2011 | Q3      | \$ 1,699,142.21             | \$ 59,497.16           | 1.47%         | \$ 2,081.45 | \$ 1,760,720.82 |                | \$ 1.61  |
|                |   |       | Aug-11 | 2011 | Q3      | \$ 1,758,639.37             | \$ 107,629.14          | 1.47%         | \$ 2,154.33 | \$ 1,868,422.84 |                | \$ 1.61  |
|                |   |       | Sep-11 | 2011 | Q3      | \$ 1,866,268.51             | \$ 84,089.21           | 1.47%         | \$ 2,286.18 | \$ 1,952,643.90 |                | \$ 1.61  |
|                |   |       | Oct-11 | 2011 | Q4      | \$ 1,950,357.72             | \$ 77,006.55           | 1.47%         | \$ 2,389.19 | \$ 2,029,753.46 |                | \$ 1.61  |
|                |   |       | Nov-11 | 2011 | Q4      | \$ 2,027,364.27             | \$ 87,721.70           | 1.47%         | \$ 2,483.52 | \$ 2,117,569.49 |                | \$ 1.61  |
|                |   |       | Dec-11 | 2011 | Q4      | \$ 2,115,085.97             | \$ 77,190.94           | 1.47%         | \$ 2,590.98 | \$ 2,194,867.89 | \$ 832,748.69  | \$ 1.61  |
|                |   |       | Jan-12 | 2012 | Q1      | \$ 2,192,276.91             | \$ 91,554.11           | 1.47%         | \$ 2,685.54 | \$ 2,286,516.56 |                | \$ 1.61  |
|                |   |       | Feb-12 | 2012 | Q1      | \$ 2,283,831.02             | \$ 82,138.77           | 1.47%         | \$ 2,797.69 | \$ 2,368,767.48 |                | \$ 1.61  |



This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

| Interest Rates                         | Approved Deferral<br>and Variance<br>Accounts | CWIP |        |      |         | Opening Balance | Funding Adder | Interest | Interest     | Closing Balance | Annual amounts  | Board Approved Smart<br>Meter Funding Adder<br>(from Tariff) |
|--|---|------|--------|------|---------|-----------------|---------------|----------|--------------|-----------------|-----------------|--|
|  |   |      | Date   | Year | Quarter | (Principal)     | Revenues      | Rate     |              |                 |                 |  |
|  |   |      | Mar-12 | 2012 | Q1      | \$ 2,365,969.79 | \$ 80,000.00  | 1.47%    | \$ 2,898.31  | \$ 2,448,868.10 |                 | \$ 1.61  |
|  |   |      | Apr-12 | 2012 | Q2      | \$ 2,445,969.79 | \$ 80,000.00  | 1.47%    | \$ 2,996.31  | \$ 2,528,966.10 |                 | \$ 1.61  |
|  |   |      | May-12 | 2012 | Q2      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Jun-12 | 2012 | Q2      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Jul-12 | 2012 | Q3      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Aug-12 | 2012 | Q3      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Sep-12 | 2012 | Q3      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Oct-12 | 2012 | Q4      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Nov-12 | 2012 | Q4      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Dec-12 | 2012 | Q4      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 | \$ 345,070.73   |  |
| Total Funding Adder Revenues Collected |   |      |        |      |         | \$ 2,525,969.79 |               |          | \$ 70,952.02 | \$ 2,596,921.81 | \$ 2,596,921.81 |  |



## Cambridge and North Dumfries Hydro Inc.

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

Account 1556 - Su

| Prescribed<br>Interest<br>Rates | Approved<br>Deferral and<br>Variance<br>Accounts | CWIP  | Date   | Year | Quarter | Opening Balance<br>(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      | -                              |
| 2010 Q2                         | 0.55%  | 4.34% | Jun-07 | 2007 | Q2      | -                              |
| 2010 Q3                         | 0.89%  | 4.66% | Jul-07 | 2007 | Q3      | -                              |
| 2010 Q4                         | 1.20%  | 4.01% | Aug-07 | 2007 | Q3      | -                              |
| 2011 Q1                         | 1.47%  | 4.29% | Sep-07 | 2007 | Q3      | -                              |
| 2011 Q2                         | 1.47%  | 4.29% | Oct-07 | 2007 | Q4      | -                              |
| 2011 Q3                         | 1.47%  | 4.29% | Nov-07 | 2007 | Q4      | -                              |

|         |       |       |  |        |      |    |   |
|---------|-------|-------|--|--------|------|----|---|
| 2011 Q4 | 1.47% | 4.29% |  | Dec-07 | 2007 | Q4 | - |
| 2012 Q1 | 1.47% | 4.29% |  | Jan-08 | 2008 | Q1 | - |
| 2012 Q2 | 0.00% | 4.29% |  | Feb-08 | 2008 | Q1 | - |
| 2012 Q3 | 0.00% | 4.29% |  | Mar-08 | 2008 | Q1 | - |
| 2012 Q4 | 0.00% | 4.29% |  | Apr-08 | 2008 | Q2 | - |
|         |       |       |  | May-08 | 2008 | Q2 | - |
|         |       |       |  | Jun-08 | 2008 | Q2 | - |
|         |       |       |  | Jul-08 | 2008 | Q3 | - |
|         |       |       |  | Aug-08 | 2008 | Q3 | - |
|         |       |       |  | Sep-08 | 2008 | Q3 | - |
|         |       |       |  | Oct-08 | 2008 | Q4 | - |
|         |       |       |  | Nov-08 | 2008 | Q4 | - |
|         |       |       |  | Dec-08 | 2008 | Q4 | - |
|         |       |       |  | Jan-09 | 2009 | Q1 | - |
|         |       |       |  | Feb-09 | 2009 | Q1 | - |
|         |       |       |  | Mar-09 | 2009 | Q1 | - |
|         |       |       |  | Apr-09 | 2009 | Q2 | - |
|         |       |       |  | May-09 | 2009 | Q2 | - |
|         |       |       |  | Jun-09 | 2009 | Q2 | - |
|         |       |       |  | Jul-09 | 2009 | Q3 | - |
|         |       |       |  | Aug-09 | 2009 | Q3 | - |
|         |       |       |  | Sep-09 | 2009 | Q3 | - |
|         |       |       |  | Oct-09 | 2009 | Q4 | - |
|         |       |       |  | Nov-09 | 2009 | Q4 | - |
|         |       |       |  | Dec-09 | 2009 | Q4 | - |
|         |       |       |  | Jan-10 | 2010 | Q1 | - |
|         |       |       |  | Feb-10 | 2010 | Q1 | - |
|         |       |       |  | Mar-10 | 2010 | Q1 | - |
|         |       |       |  | Apr-10 | 2010 | Q2 | - |
|         |       |       |  | May-10 | 2010 | Q2 | - |
|         |       |       |  | Jun-10 | 2010 | Q2 | - |
|         |       |       |  | Jul-10 | 2010 | Q3 | - |
|         |       |       |  | Aug-10 | 2010 | Q3 | - |
|         |       |       |  | Sep-10 | 2010 | Q3 | - |
|         |       |       |  | Oct-10 | 2010 | Q4 | - |
|         |       |       |  | Nov-10 | 2010 | Q4 | - |
|         |       |       |  | Dec-10 | 2010 | Q4 | - |
|         |       |       |  | Jan-11 | 2011 | Q1 | - |
|         |       |       |  | Feb-11 | 2011 | Q1 | - |
|         |       |       |  | Mar-11 | 2011 | Q1 | - |
|         |       |       |  | Apr-11 | 2011 | Q2 | - |
|         |       |       |  | May-11 | 2011 | Q2 | - |
|         |       |       |  | Jun-11 | 2011 | Q2 | - |
|         |       |       |  | Jul-11 | 2011 | Q3 | - |
|         |       |       |  | Aug-11 | 2011 | Q3 | - |
|         |       |       |  | Sep-11 | 2011 | Q3 | - |
|         |       |       |  | Oct-11 | 2011 | Q4 | - |
|         |       |       |  | Nov-11 | 2011 | Q4 | - |
|         |       |       |  | Dec-11 | 2011 | Q4 | - |

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



preciation expense, based on monthly data.

ib-accounts Operating Expenses, Amortization Expenses, Carrying Charges

| OM&A Expenses | Amortization /<br>Depreciation<br>Expense | Closing Balance<br>(Principal) | (Annual)<br>Interest<br>Rate | Interest (on<br>opening<br>balance) | Cumulative<br>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%                        | -                                   | -                      |
|               |   | -                              | 4.59%                        | -                                   | -                      |
|               |   | -                              | 4.59%                        | -                                   | -                      |
|               |   | -                              | 4.59%                        | -                                   | -                      |
|               |   | -                              | 5.14%                        | -                                   | -                      |
|               |   | -                              | 5.14%                        | -                                   | -                      |



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|---|-------|---|---|
| - | 1.47% | - | - |
| - | 1.47% | - | - |
| - | 1.47% | - | - |
| - | 1.47% | - | - |
| - | 0.00% | - | - |
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| - | 0.00% | - | - |
| - | 0.00% | - | - |
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| - | 0.00% | - | - |
| - | 0.00% | - | - |
| - | 0.00% | - | - |

-



# EXHIBIT C

RESPONSE TO BOARD STAFF INTERROGATORY 10 a)

Cambridge and North Dumfries Hydro Inc. EB-2012-0086



Ontario Energy Board

## Smart Meter Model

## Choose Your Utility:

|   |   |
|---|---|
| Cambridge and North Dumfries Hydro Inc.             | - |
| Canadian Niagara Power Inc. - Eastern Ontario Power | - |

## Application Contact Information

|                                      |                             |
|--------------------------------------|-----------------------------|
| Name:                                | Grant Brooker               |
| Title:                               | Manager, Regulatory Affairs |
| Phone Number:                        | 519.621-8405 ext 2340       |
| Email Address:                       | gbrooker@camhydro.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

*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

### Cambridge and North Dumfries 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<br>Audited Actual | 2007<br>Audited Actual | 2008<br>Audited Actual | 2009<br>Audited Actual | 2010<br>Audited Actual | 2011<br>Audited Actual | 2012 and later<br>Forecast | Total   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------------|---------|
| Residential   |                        |                        |                        | 7,205                  | 38,304                 | 558                    |                            | 46067   |
| General Service < 50 kW   |                        |                        |                        | 285                    | 4,053                  | 304                    |                            | 4642    |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only) | 0                      | 0                      | 0                      | 7490                   | 42357                  | 862                    | 0                          | 50709   |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed      | 0.00%                  | 0.00%                  | 0.00%                  | 14.77%                 | 98.30%                 | 100.00%                | 0.00%                      | 100.00% |
| Actual/Planned number of GS > 50 kW meters installed                              |                        |                        |                        |                        |                        |                        |                            | 0       |
| Other (please identify)   |                        |                        |                        |                        |                        |                        |                            | 0       |
| Total Number of Smart Meters installed or planned to be installed                 | 0                      | 0                      | 0                      | 7490                   | 42357                  | 862                    | 0                          | 50709   |

#### 1 Capital Costs

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

|  | Asset Type  | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast |              |
|--|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| 1.1.1 Smart Meters (may include new meters and modules, etc.)                                  | Smart Meter |                |                |                | 1,241,940      | 5,251,664      | 402,965        |          | \$ 6,896,569 |
| 1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)            | Smart Meter |                |                |                |                | 423,522        | 0              |          | \$ 423,522   |
| 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.) |             |                |                |                |                |                |                |          | \$ -         |
| <b>Total Advanced Metering Communications Devices (AMCD)</b>                                   |             | \$ -           | \$ -           | \$ -           | \$ 1,241,940   | \$ 5,675,187   | \$ 402,965     | \$ -     | \$ 7,320,092 |

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

|   | Asset Type  | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast |            |
|---|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|------------|
| 1.2.1 Collectors  | Smart Meter |                |                | 148,665        | 276,076        |                |                |          | \$ 424,741 |
| 1.2.2 Repeaters (may include radio licence, etc.)   |             |                |                |                |                |                |                |          | \$ -       |
| 1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.) |             |                |                |                |                |                |                |          | \$ -       |
| <b>Total Advanced Metering Regional Collector (AMRC) (Includes LAN)</b>                   |             | \$ -           | \$ -           | \$ 148,665     | \$ 276,076     | \$ -           | \$ -           | \$ -     | \$ 424,741 |

### 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 |                |                |                | 205,278        |                | 0              |          | \$ 205,278 |
|                   |                |                |                |                |                |                |          | \$ -       |
|                   |                |                |                |                |                |                |          | \$ -       |
|                   | \$ -           | \$ -           | \$ -           | \$ 205,278     | \$ -           | \$ -           | \$ -     | \$ 205,278 |

### 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 |      |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|------|
|            |                |                |                |                |                |                |          | \$ - |
|            | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -     | \$ - |

### 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 |              |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|--------------|
| Other Equipment   |                |                |                |                |                |                |          | \$ -         |
| Computer Software |                |                |                | 22,550         | 11,890         | 8,753          |          | \$ 43,193    |
| Computer Hardware |                |                |                | 39,459         |                |                |          | \$ 39,459    |
| Computer Hardware |                |                |                |                |                |                |          | \$ -         |
| Computer Software |                |                | 24,197         | 36,570         | 40,779         | 43,687         |          | \$ 145,233   |
| Computer Software |                |                |                |                |                | 0              |          | \$ -         |
|                   | \$ -           | \$ -           | \$ 24,197      | \$ 98,579      | \$ 52,669      | \$ 52,440      | \$ -     | \$ 227,885   |
|                   | \$ -           | \$ -           | \$ 172,862     | \$ 1,821,873   | \$ 5,727,856   | \$ 455,405     | \$ -     | \$ 8,177,996 |

### 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 |                |                |                |                |                |                |          | \$ -         |
|                       |                |                |                |                |                |                |          | \$ -         |
|                       | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -     | \$ -         |
|                       | \$ -           | \$ -           | \$ 172,862     | \$ 1,821,873   | \$ 5,727,856   | \$ 455,405     | \$ -     | \$ 8,177,996 |

## 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)

#### 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   |              |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------|--------------|
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -         |
|  |                |                |                | 68,823         | 94,291         | 92,842         | 190,095    | \$ 446,050   |
|  |                |                |                |                |                | 0              |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  | \$ -           | \$ -           | \$ -           | 68,823         | 94,291         | 92,842         | 190,095    | \$ 446,050   |
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -         |
|  |                |                |                |                |                |                | 13,690     | \$ 13,690    |
|  |                |                |                | 3,718          | 34,509         | 0              | 29,876     | \$ 68,104    |
|  |                |                |                |                |                |                | 41,069     | \$ 41,069    |
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                | 76             | 6,541          | 0              |                |            | \$ 6,617     |
|  |                |                |                | 741            | 104,817        | 21,357         | 581,280    | \$ 708,196   |
|  | \$ -           | \$ -           | \$ 76          | \$ 11,000      | \$ 139,327     | \$ 21,357      | \$ 665,915 | \$ 837,675   |
|  | \$ -           | \$ -           | \$ 76          | \$ 79,823      | \$ 233,617     | \$ 114,199     | \$ 856,010 | \$ 1,283,726 |
|  | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual |            |              |
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  |                |                |                |                |                |                |            | \$ -         |
|  | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -           | \$ -       | \$ -         |
|  | \$ -           | \$ -           | \$ 76          | \$ 79,823      | \$ 233,617     | \$ 114,199     | \$ 856,010 | \$ 1,283,726 |

### 3 Aggregate Smart Meter Costs by Category

|       |                       |      |      |            |              |              |            |            |              |  |
|-------|-----------------------|------|------|------------|--------------|--------------|------------|------------|--------------|--|
| 3.1   | Capital               |      |      |            |              |              |            |            |              |  |
| 3.1.1 | Smart Meter           | \$ - | \$ - | \$ 148,665 | \$ 1,518,016 | \$ 5,675,187 | \$ 402,965 | \$ -       | \$ 7,744,833 |  |
| 3.1.2 | Computer Hardware     | \$ - | \$ - | \$ -       | \$ 244,737   | \$ -         | \$ -       | \$ -       | \$ 244,737   |  |
| 3.1.3 | Computer Software     | \$ - | \$ - | \$ 24,197  | \$ 59,120    | \$ 52,669    | \$ 52,440  | \$ -       | \$ 188,426   |  |
| 3.1.4 | Tools & Equipment     | \$ - | \$ - | \$ -       | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |  |
| 3.1.5 | Other Equipment       | \$ - | \$ - | \$ -       | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |  |
| 3.1.6 | Applications Software | \$ - | \$ - | \$ -       | \$ -         | \$ -         | \$ -       | \$ -       | \$ -         |  |
| 3.1.7 | Total Capital Costs   | \$ - | \$ - | \$ 172,862 | \$ 1,821,873 | \$ 5,727,856 | \$ 455,405 | \$ -       | \$ 8,177,996 |  |
| 3.2   | OM&A Costs            |      |      |            |              |              |            |            |              |  |
| 3.2.1 | Total OM&A Costs      | \$ - | \$ - | \$ 76      | \$ 79,823    | \$ 233,617   | \$ 114,199 | \$ 856,010 | \$ 1,283,726 |  |



## Cambridge and North Dumfries Hydro Inc.

|  | 2006   | 2007   |
|--|--------|--------|
| <b>Cost of Capital</b>   |        |        |
| <b>Capital Structure<sup>1</sup></b>                           |        |        |
| Deemed Short-term Debt Capitalization                          |        |        |
| Deemed Long-term Debt Capitalization                           | 50.0%  | 50.0%  |
| Deemed Equity Capitalization                                   | 50.0%  | 50.0%  |
| Preferred Shares   |        |        |
| <b>Total</b>   | 100.0% | 100.0% |
| <b>Cost of Capital Parameters</b>                              |        |        |
| Deemed Short-term Debt Rate                                    |        |        |
| Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>      | 4.99%  | 4.99%  |
| Target Return on Equity (ROE)                                  | 9.0%   | 9.00%  |
| Return on Preferred Shares                                     |        |        |
| <b>WACC</b>  | 7.00%  | 7.00%  |
| <b>Working Capital Allowance</b>                               |        |        |
| Working Capital Allowance Rate                                 | 15.0%  | 15.0%  |
| <i>(% of the sum of Cost of Power + controllable expenses)</i> |        |        |
| <b>Taxes/PILs</b>  |        |        |
| Aggregate Corporate Income Tax Rate                            | 36.12% | 36.12% |
| Capital Tax (until July 1st, 2010)                             | 0.30%  | 0.225% |
| <b>Depreciation Rates</b>                                      |        |        |
| <i>(expressed as expected useful life in years)</i>            |        |        |
| Smart Meters - years   | 15     | 15     |
| - rate (%)   | 6.67%  | 6.67%  |
| Computer Hardware - years                                      | 5      | 5      |
| - rate (%)   | 20.00% | 20.00% |
| Computer Software - years                                      | 3      | 3      |
| - rate (%)   | 33.33% | 33.33% |

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

#### CCA Rates

|                                   |     |     |
|-----------------------------------|-----|-----|
| Smart Meters - CCA Class          | 47  | 47  |
| Smart Meters - CCA Rate           | 8%  | 8%  |
| Computer Equipment - CCA Class    | 45  | 50  |
| Computer Equipment - CCA Rate     | 45% | 55% |
| General Equipment - CCA Class     | 8   | 8   |
| General Equipment - CCA Rate      | 20% | 20% |
| Applications Software - CCA Class |     |     |
| Applications Software - CCA Rate  |     |     |

#### Assumptions

- <sup>1</sup> Planned smart meter installations occur evenly throughout the year.
- <sup>2</sup> Fiscal calendar year (January 1 to December 31) used.
- <sup>3</sup> Amortization is done on a straight line basis and has the "half-year" rule applied.



Ontario Energy Board

## Smart Meter Model



| 2008   | 2009   | 2010   | 2011   | 2012 and later   |
|--|--|--|--|--|
| <div><div>0.0%</div><div>53.3%</div><div>46.7%</div><div>100.0%</div></div>                        | <div><div>0.0%</div><div>56.7%</div><div>43.3%</div><div>100.0%</div></div>                        | <div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div>100.0%</div></div>                        | <div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div>100.0%</div></div>                        | <div><div>4.0%</div><div>56.0%</div><div>40.0%</div><div>100.0%</div></div>                        |
| <div><div>0.00%</div><div>4.99%</div><div>9.00%</div><div>6.86%</div></div>                        | <div><div>0.00%</div><div>4.99%</div><div>9.00%</div><div>6.73%</div></div>                        | <div><div>2.07%</div><div>4.99%</div><div>9.85%</div><div>6.82%</div></div>                        | <div><div>2.07%</div><div>4.99%</div><div>9.85%</div><div>6.82%</div></div>                        | <div><div>2.07%</div><div>4.99%</div><div>9.85%</div><div>6.82%</div></div>                        |
| <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  | <div><div>15.0%</div></div>  |
| <div><div>33.50%</div><div>0.225%</div></div>  | <div><div>33.00%</div><div>0.225%</div></div>  | <div><div>31.00%</div><div>0.075%</div></div>  | <div><div>28.25%</div><div>0.00%</div></div>   | <div><div>26.25%</div><div>0.00%</div></div>   |
| <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> | <div><div>15</div><div>6.67%</div><div>5</div><div>20.00%</div><div>3</div><div>33.33%</div></div> |

|        |        |        |        |        |
|--------|--------|--------|--------|--------|
| 10     | 10     | 10     | 10     | 10     |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| 10     | 10     | 10     | 10     | 10     |
| 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |

|    |    |    |    |    |
|----|----|----|----|----|
| 47 | 47 | 47 | 47 | 47 |
| 8% | 8% | 8% | 8% | 8% |

|     |     |      |      |      |
|-----|-----|------|------|------|
| 50  | 50  | 50   | 50   | 50   |
| 55% | 55% | 100% | 100% | 100% |

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 8   | 8   | 8   | 8   | 8   |
| 20% | 20% | 20% | 20% | 20% |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|  |  |  |  |  |



Ontario Energy Board

Smart Meter Model

Cambridge and North Dumfries Hydro Inc.

|   | 2006 | 2007 | 2008       | 2009         | 2010         | 2011         |
|---|------|------|------------|--------------|--------------|--------------|
| <b>Net Fixed Assets - Smart Meters</b>  |      |      |            |              |              |              |
| <b>Gross Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | \$ 148,665   | \$ 1,666,681 | \$ 7,341,868 |
| Capital Additions during year (from Smart Meter Costs)                        | \$ - | \$ - | \$ 148,665 | \$ 1,518,016 | \$ 5,675,187 | \$ 402,965   |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ 148,665 | \$ 1,666,681 | \$ 7,341,868 | \$ 7,744,833 |
| <b>Accumulated Depreciation</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | -\$ 4,956    | -\$ 65,467   | -\$ 365,752  |
| Amortization expense during year  | \$ - | \$ - | -\$ 4,956  | -\$ 60,512   | -\$ 300,285  | -\$ 502,890  |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | -\$ 4,956  | -\$ 65,467   | -\$ 365,752  | -\$ 868,642  |
| <b>Net Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ 143,710   | \$ 1,601,214 | \$ 6,976,116 |
| Closing Balance   | \$ - | \$ - | \$ 143,710 | \$ 1,601,214 | \$ 6,976,116 | \$ 6,876,191 |
| Average Net Book Value  | \$ - | \$ - | \$ 71,855  | \$ 872,462   | \$ 4,288,665 | \$ 6,926,153 |
| <b>Net Fixed Assets - Computer Hardware</b>                                   |      |      |            |              |              |              |
| <b>Gross Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | \$ -         | \$ 244,737   | \$ 244,737   |
| Capital Additions during year (from Smart Meter Costs)                        | \$ - | \$ - | \$ -       | \$ 244,737   | \$ -         | \$ -         |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ -       | \$ 244,737   | \$ 244,737   | \$ 244,737   |
| <b>Accumulated Depreciation</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ -         | -\$ 24,474   | -\$ 73,421   |
| Amortization expense during year  | \$ - | \$ - | \$ -       | -\$ 24,474   | -\$ 48,947   | -\$ 48,947   |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ -       | -\$ 24,474   | -\$ 73,421   | -\$ 122,369  |
| <b>Net Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ -         | \$ 220,263   | \$ 171,316   |
| Closing Balance   | \$ - | \$ - | \$ -       | \$ 220,263   | \$ 171,316   | \$ 122,369   |
| Average Net Book Value  | \$ - | \$ - | \$ -       | \$ 110,132   | \$ 195,790   | \$ 146,842   |
| <b>Net Fixed Assets - Computer Software (including Applications Software)</b> |      |      |            |              |              |              |
| <b>Gross Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   |      | \$ - | \$ -       | \$ 24,197    | \$ 83,317    | \$ 135,986   |
| Capital Additions during year (from Smart Meter Costs)                        | \$ - | \$ - | \$ 24,197  | \$ 59,120    | \$ 52,669    | \$ 52,440    |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | \$ 24,197  | \$ 83,317    | \$ 135,986   | \$ 188,426   |
| <b>Accumulated Depreciation</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | -\$ 4,033    | -\$ 21,952   | -\$ 58,502   |
| Amortization expense during year  | \$ - | \$ - | -\$ 4,033  | -\$ 17,919   | -\$ 36,551   | -\$ 54,069   |
| Retirements/Removals (if applicable)  |      |      |            |              |              |              |
| Closing Balance   | \$ - | \$ - | -\$ 4,033  | -\$ 21,952   | -\$ 58,502   | -\$ 112,571  |
| <b>Net Book Value</b>   |      |      |            |              |              |              |
| Opening Balance   | \$ - | \$ - | \$ -       | \$ 20,164    | \$ 61,365    | \$ 77,484    |
| Closing Balance   | \$ - | \$ - | \$ 20,164  | \$ 61,365    | \$ 77,484    | \$ 75,855    |
| Average Net Book Value  | \$ - | \$ - | \$ 10,082  | \$ 40,765    | \$ 69,424    | \$ 76,669    |

**Net Fixed Assets - Tools and Equipment**

**Gross Book Value**

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

**Accumulated Depreciation**

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

**Net Book Value**

|                        |             |             |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Closing Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Average Net Book Value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**Net Fixed Assets - Other Equipment**

**Gross Book Value**

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

**Accumulated Depreciation**

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

**Net Book Value**

|                        |             |             |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Closing Balance        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Average Net Book Value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |



2012 and later

|    |           |
|----|-----------|
| \$ | 7,744,833 |
| \$ | -         |
| \$ | 7,744,833 |

|     |           |
|-----|-----------|
| -\$ | 868,642   |
| -\$ | 516,322   |
| -\$ | 1,384,964 |

|    |           |
|----|-----------|
| \$ | 6,876,191 |
| \$ | 6,359,869 |
| \$ | 6,618,030 |

|    |         |
|----|---------|
| \$ | 244,737 |
| \$ | -       |
| \$ | 244,737 |

|     |         |
|-----|---------|
| -\$ | 122,369 |
| -\$ | 48,947  |
| -\$ | 171,316 |

|    |         |
|----|---------|
| \$ | 122,369 |
| \$ | 73,421  |
| \$ | 97,895  |

|    |         |
|----|---------|
| \$ | 188,426 |
| \$ | -       |
| \$ | 188,426 |

|     |         |
|-----|---------|
| -\$ | 112,571 |
| -\$ | 62,809  |
| -\$ | 175,380 |

|    |        |
|----|--------|
| \$ | 75,855 |
| \$ | 13,046 |
| \$ | 44,451 |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |

|    |   |
|----|---|
| \$ | - |
| \$ | - |
| \$ | - |



Ontario Energy Board

## Smart Meter Model

### Cambridge and North Dumfries Hydro Inc.

|   | 2006        | 2007        | 2008             | 2009                | 2010                | 2011                 | 2012 and Later       |
|---|-------------|-------------|------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Average Net Fixed Asset Values (from Sheet 4)</b>        |             |             |                  |                     |                     |                      |                      |
| Smart Meters  | \$ -        | \$ -        | \$ 71,855        | \$ 872,462          | \$ 4,288,665        | \$ 6,926,153         | \$ 6,618,030         |
| Computer Hardware   | \$ -        | \$ -        | \$ -             | \$ 110,132          | \$ 195,790          | \$ 146,842           | \$ 97,895            |
| Computer Software   | \$ -        | \$ -        | \$ 10,082        | \$ 40,765           | \$ 69,424           | \$ 76,669            | \$ 44,451            |
| Tools & Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| Other Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Net Fixed Assets</b>                               | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 81,937</b> | <b>\$ 1,023,358</b> | <b>\$ 4,553,879</b> | <b>\$ 7,149,665</b>  | <b>\$ 6,760,375</b>  |
| <b>Working Capital</b>                                      |             |             |                  |                     |                     |                      |                      |
| Operating Expenses (from Sheet 2)                           | \$ -        | \$ -        | \$ 76            | \$ 79,823           | \$ 233,617          | \$ 114,199           | \$ 856,010           |
| Working Capital Factor (from Sheet 3)                       | 15%         | 15%         | 15%              | 15%                 | 15%                 | 15%                  | 15%                  |
| Working Capital Allowance                                   | \$ -        | \$ -        | \$ 11            | \$ 11,973           | \$ 35,043           | \$ 17,130            | \$ 128,402           |
| <b>Incremental Smart Meter Rate Base</b>                    | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 81,948</b> | <b>\$ 1,035,332</b> | <b>\$ 4,588,921</b> | <b>\$ 7,166,795</b>  | <b>\$ 6,888,777</b>  |
| <b>Return on Rate Base</b>                                  |             |             |                  |                     |                     |                      |                      |
| <b>Capital Structure</b>                                    |             |             |                  |                     |                     |                      |                      |
| Deemed Short Term Debt                                      | \$ -        | \$ -        | \$ -             | \$ -                | \$ 183,557          | \$ 286,672           | \$ 275,551           |
| Deemed Long Term Debt                                       | \$ -        | \$ -        | \$ 43,678        | \$ 587,033          | \$ 2,569,796        | \$ 4,013,405         | \$ 3,857,715         |
| Equity  | \$ -        | \$ -        | \$ 38,270        | \$ 448,299          | \$ 1,835,569        | \$ 2,866,718         | \$ 2,755,511         |
| Preferred Shares  | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Capitalization</b>                                 | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 81,948</b> | <b>\$ 1,035,332</b> | <b>\$ 4,588,921</b> | <b>\$ 7,166,795</b>  | <b>\$ 6,888,777</b>  |
| <b>Return on</b>  |             |             |                  |                     |                     |                      |                      |
| Deemed Short Term Debt                                      | \$ -        | \$ -        | \$ -             | \$ -                | \$ 3,800            | \$ 5,934             | \$ 5,704             |
| Deemed Long Term Debt                                       | \$ -        | \$ -        | \$ 2,180         | \$ 29,293           | \$ 128,233          | \$ 200,269           | \$ 192,500           |
| Equity  | \$ -        | \$ -        | \$ 3,444         | \$ 40,347           | \$ 180,804          | \$ 282,372           | \$ 271,418           |
| Preferred Shares  | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Return on Capital</b>                              | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 5,624</b>  | <b>\$ 69,640</b>    | <b>\$ 312,836</b>   | <b>\$ 488,575</b>    | <b>\$ 469,622</b>    |
| <b>Operating Expenses</b>                                   | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 76</b>     | <b>\$ 79,823</b>    | <b>\$ 233,617</b>   | <b>\$ 114,199</b>    | <b>\$ 856,010</b>    |
| <b>Amortization Expenses (from Sheet 4)</b>                 |             |             |                  |                     |                     |                      |                      |
| Smart Meters  | \$ -        | \$ -        | \$ 4,956         | \$ 60,512           | \$ 300,285          | \$ 502,890           | \$ 516,322           |
| Computer Hardware   | \$ -        | \$ -        | \$ -             | \$ 24,474           | \$ 48,947           | \$ 48,947            | \$ 48,947            |
| Computer Software   | \$ -        | \$ -        | \$ 4,033         | \$ 17,919           | \$ 36,551           | \$ 54,069            | \$ 62,809            |
| Tools & Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| Other Equipment   | \$ -        | \$ -        | \$ -             | \$ -                | \$ -                | \$ -                 | \$ -                 |
| <b>Total Amortization Expense in Year</b>                   | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 8,988</b>  | <b>\$ 102,904</b>   | <b>\$ 385,783</b>   | <b>\$ 605,906</b>    | <b>\$ 628,078</b>    |
| <b>Incremental Revenue Requirement before Taxes/PILs</b>    | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 14,688</b> | <b>\$ 252,367</b>   | <b>\$ 932,236</b>   | <b>\$ 1,208,680</b>  | <b>\$ 1,953,710</b>  |
| <b>Calculation of Taxable Income</b>                        |             |             |                  |                     |                     |                      |                      |
| Incremental Operating Expenses                              | \$ -        | \$ -        | \$ 76            | \$ 79,823           | \$ 233,617          | \$ 114,199           | \$ 856,010           |
| Amortization Expense  | \$ -        | \$ -        | \$ 8,988         | \$ 102,904          | \$ 385,783          | \$ 605,906           | \$ 628,078           |
| Interest Expense  | \$ -        | \$ -        | \$ 2,180         | \$ 29,293           | \$ 132,032          | \$ 206,203           | \$ 198,204           |
| <b>Net Income for Taxes/PILs</b>                            | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 3,444</b>  | <b>\$ 40,347</b>    | <b>\$ 180,804</b>   | <b>\$ 282,372</b>    | <b>\$ 271,418</b>    |
| <b>Grossed-up Taxes/PILs (from Sheet 7)</b>                 | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 284.00</b> | <b>\$ 6,646.83</b>  | <b>\$ 13,466.14</b> | <b>\$ 105,058.36</b> | <b>\$ 118,801.40</b> |
| <b>Revenue Requirement, including Grossed-up Taxes/PILs</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 14,972</b> | <b>\$ 245,720</b>   | <b>\$ 918,770</b>   | <b>\$ 1,313,739</b>  | <b>\$ 2,072,512</b>  |



Ontario Energy Board

Smart Meter Model

Cambridge and North Dumfries Hydro Inc.

## For PILs Calculation

### UCC - Smart Meters

|  | 2006<br>Audited Actua | 2007<br>Audited Actua | 2008<br>Audited Actua | 2009<br>Audited Actua | 2010<br>Audited Actua | 2011<br>Audited Actua | 2012 and later<br>Forecast |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Opening UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ 142,718.40         | \$ 1,588,596.29       | \$ 6,909,687.68       | \$ 6,743,759.30            |
| Capital Additions                          | \$ -                  | \$ -                  | \$ 148,665.00         | \$ 1,518,016.00       | \$ 5,675,186.56       | \$ 402,965.24         | \$ -                       |
| Retirements/Removals (if applicable)       | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| UCC Before Half Year Rule                  | \$ -                  | \$ -                  | \$ 148,665.00         | \$ 1,660,734.40       | \$ 7,263,782.85       | \$ 7,312,652.92       | \$ 6,743,759.30            |
| Half Year Rule (1/2 Additions - Disposals) | \$ -                  | \$ -                  | \$ 74,332.50          | \$ 759,008.00         | \$ 2,837,593.28       | \$ 201,482.62         | \$ -                       |
| Reduced UCC                                | \$ -                  | \$ -                  | \$ 74,332.50          | \$ 901,726.40         | \$ 4,426,189.57       | \$ 7,111,170.30       | \$ 6,743,759.30            |
| CCA Rate Class                             | 47                    | 47                    | 47                    | 47                    | 47                    | 47                    | 47                         |
| CCA Rate                                   | 8%                    | 8%                    | 8%                    | 8%                    | 8%                    | 8%                    | 8%                         |
| CCA  | \$ -                  | \$ -                  | \$ 5,946.60           | \$ 72,138.11          | \$ 354,095.17         | \$ 568,893.62         | \$ 539,500.74              |
| Closing UCC                                | \$ -                  | \$ -                  | \$ 142,718.40         | \$ 1,588,596.29       | \$ 6,909,687.68       | \$ 6,743,759.30       | \$ 6,204,258.55            |

### UCC - Computer Equipment

|  | 2006<br>Audited Actua | 2007<br>Audited Actua | 2008<br>Audited Actua | 2009<br>Audited Actua | 2010<br>Audited Actua | 2011<br>Audited Actua | 2012 and later<br>Forecast |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Opening UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ 17,542.83          | \$ 228,190.60         | \$ 26,334.59          | \$ 26,220.02               |
| Capital Additions Computer Hardware        | \$ -                  | \$ -                  | \$ -                  | \$ 244,737.00         | \$ -                  | \$ -                  | \$ -                       |
| Capital Additions Computer Software        | \$ -                  | \$ -                  | \$ 24,197.00          | \$ 59,120.00          | \$ 52,669.18          | \$ 52,440.03          | \$ -                       |
| Retirements/Removals (if applicable)       | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| UCC Before Half Year Rule                  | \$ -                  | \$ -                  | \$ 24,197.00          | \$ 321,399.83         | \$ 280,859.78         | \$ 78,774.62          | \$ 26,220.02               |
| Half Year Rule (1/2 Additions - Disposals) | \$ -                  | \$ -                  | \$ 12,098.50          | \$ 151,928.50         | \$ 26,334.59          | \$ 26,220.02          | \$ -                       |
| Reduced UCC                                | \$ -                  | \$ -                  | \$ 12,098.50          | \$ 169,471.33         | \$ 254,525.19         | \$ 52,554.61          | \$ 26,220.02               |
| CCA Rate Class                             | 45                    | 50                    | 50                    | 50                    | 50                    | 50                    | 50                         |
| CCA Rate                                   | 45%                   | 55%                   | 55%                   | 55%                   | 100%                  | 100%                  | 100%                       |
| CCA  | \$ -                  | \$ -                  | \$ 6,654.18           | \$ 93,209.23          | \$ 254,525.19         | \$ 52,554.61          | \$ 26,220.02               |
| Closing UCC                                | \$ -                  | \$ -                  | \$ 17,542.83          | \$ 228,190.60         | \$ 26,334.59          | \$ 26,220.02          | \$ -                       |

### UCC - General Equipment

|  | 2006<br>Audited Actua | 2007<br>Audited Actua | 2008<br>Audited Actua | 2009<br>Audited Actua | 2010<br>Audited Actua | 2011<br>Audited Actua | 2012 and later<br>Forecast |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Opening UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Capital Additions Tools & Equipment        | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Capital Additions Other Equipment          | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Retirements/Removals (if applicable)       | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| UCC Before Half Year Rule                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Half Year Rule (1/2 Additions - Disposals) | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Reduced UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| CCA Rate Class                             | 8                     | 8                     | 8                     | 8                     | 8                     | 8                     | 8                          |
| CCA Rate                                   | 20%                   | 20%                   | 20%                   | 20%                   | 20%                   | 20%                   | 20%                        |
| CCA  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |
| Closing UCC                                | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                       |



## PILs Calculation

|   | 2006 Audited Actual | 2007 Audited Actual | 2008 Audited Actual | 2009 Audited Actual | 2010 Audited Actual | 2011 Audited Actual | 2012 and later Forecast |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
| <b>INCOME TAX</b>                                     |                     |                     |                     |                     |                     |                     |                         |
| Net Income  | \$ -                | \$ -                | \$ 3,444.28         | \$ 40,346.87        | \$ 180,803.51       | \$ 282,371.71       | \$ 271,417.81           |
| Amortization  | \$ -                | \$ -                | \$ 8,988.33         | \$ 102,904.23       | \$ 385,782.88       | \$ 605,906.14       | \$ 628,078.32           |
| CCA - Smart Meters                                    | \$ -                | \$ -                | \$ 5,946.60         | \$ 72,138.11        | \$ 354,095.17       | \$ 568,893.62       | \$ 539,500.74           |
| CCA - Computers                                       | \$ -                | \$ -                | \$ 6,654.18         | \$ 93,209.23        | \$ 254,525.19       | \$ 52,554.61        | \$ 26,220.02            |
| CCA - Applications Software                           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| CCA - Other Equipment                                 | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| Change in taxable income                              | \$ -                | \$ -                | \$ 168.16           | \$ 22,096.24        | \$ 42,033.96        | \$ 266,829.63       | \$ 333,775.37           |
| Tax Rate (from Sheet 3)                               | 36.12%              | 36.12%              | 33.50%              | 33.00%              | 31.00%              | 28.25%              | 26.25%                  |
| Income Taxes Payable                                  | \$ -                | \$ -                | \$ 56.33            | \$ 7,291.76         | \$ 13,030.53        | \$ 75,379.37        | \$ 87,616.03            |
| <b>ONTARIO CAPITAL TAX</b>                            |                     |                     |                     |                     |                     |                     |                         |
| Smart Meters  | \$ -                | \$ -                | \$ 143,709.50       | \$ 1,601,213.97     | \$ 6,976,115.57     | \$ 6,876,190.80     | \$ 6,359,868.62         |
| Computer Hardware                                     | \$ -                | \$ -                | \$ -                | \$ 220,263.30       | \$ 171,315.90       | \$ 122,368.50       | \$ 73,421.10            |
| Computer Software<br>(Including Application Software) | \$ -                | \$ -                | \$ 20,164.17        | \$ 61,365.17        | \$ 77,483.82        | \$ 75,855.12        | \$ 13,046.38            |
| Tools & Equipment                                     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| Other Equipment                                       | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                    |
| Rate Base   | \$ -                | \$ -                | \$ 163,873.67       | \$ 1,882,842.43     | \$ 7,224,915.29     | \$ 7,074,414.42     | \$ 6,446,336.09         |
| Less: Exemption                                       |                     |                     |                     |                     |                     |                     |                         |
| Deemed Taxable Capital                                | \$ -                | \$ -                | \$ 163,873.67       | \$ 1,882,842.43     | \$ 7,224,915.29     | \$ 7,074,414.42     | \$ 6,446,336.09         |
| 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)                   | \$ -                | \$ -                | \$ 368.72           | \$ 4,236.40         | \$ 5,418.69         | \$ -                | \$ -                    |
| Change in Income Taxes Payable                        | \$ -                | \$ -                | \$ 56.33            | \$ 7,291.76         | \$ 13,030.53        | \$ 75,379.37        | \$ 87,616.03            |
| Change in OCT   | \$ -                | \$ -                | \$ 368.72           | \$ 4,236.40         | \$ 5,418.69         | \$ -                | \$ -                    |
| PILs  | \$ -                | \$ -                | \$ 312.38           | \$ 3,055.36         | \$ 7,611.84         | \$ 75,379.37        | \$ 87,616.03            |
| <b>Gross Up PILs</b>                                  |                     |                     |                     |                     |                     |                     |                         |
| Tax Rate  | 36.12%              | 36.12%              | 33.50%              | 33.00%              | 31.00%              | 28.25%              | 26.25%                  |
| Change in Income Taxes Payable                        | \$ -                | \$ -                | \$ 84.71            | \$ 10,883.22        | \$ 18,884.82        | \$ 105,058.36       | \$ 118,801.40           |
| Change in OCT   | \$ -                | \$ -                | \$ 368.72           | \$ 4,236.40         | \$ 5,418.69         | \$ -                | \$ -                    |
| PILs  | \$ -                | \$ -                | \$ 284.00           | \$ 6,646.83         | \$ 13,466.14        | \$ 105,058.36       | \$ 118,801.40           |





Ontario Energy Board

Smart Meter Model

Cambridge and North Dumfries Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

| Interest Rates | Approved Deferral and Variance Accounts | CWIP  | Date   | Year | Quarter | Opening Balance (Principal) | Funding Adder Revenues | Interest Rate | Interest    | Closing Balance | Annual amounts | Board Approved Smart Meter Funding Adder (from Tariff) |
|----------------|---|-------|--------|------|---------|-----------------------------|------------------------|---------------|-------------|-----------------|----------------|--|
| 2006 Q1        |   |       | Jan-06 | 2006 | Q1      | \$ -                        | \$ -                   | 0.00%         | \$ -        | \$ -            |                |  |
| 2006 Q2        | 4.14%                                   | 4.68% | Feb-06 | 2006 | Q1      | \$ -                        | \$ -                   | 0.00%         | \$ -        | \$ -            |                |  |
| 2006 Q3        | 4.59%                                   | 5.05% | Mar-06 | 2006 | Q1      | \$ -                        | \$ -                   | 0.00%         | \$ -        | \$ -            |                |  |
| 2006 Q4        | 4.59%                                   | 4.72% | Apr-06 | 2006 | Q2      | \$ -                        | \$ -                   | 4.14%         | \$ -        | \$ -            |                |  |
| 2007 Q1        | 4.59%                                   | 4.72% | May-06 | 2006 | Q2      | \$ -                        | \$ -                   | 4.14%         | \$ -        | \$ -            |                |  |
| 2007 Q2        | 4.59%                                   | 4.72% | Jun-06 | 2006 | Q2      | \$ -                        | \$ 5,948.57            | 4.14%         | \$ -        | \$ 5,948.57     |                | \$ 0.27  |
| 2007 Q3        | 4.59%                                   | 5.18% | Jul-06 | 2006 | Q3      | \$ 5,948.57                 | \$ 11,259.88           | 4.59%         | \$ 22.75    | \$ 17,231.20    |                | \$ 0.27  |
| 2007 Q4        | 5.14%                                   | 5.18% | Aug-06 | 2006 | Q3      | \$ 17,208.45                | \$ 13,331.09           | 4.59%         | \$ 65.82    | \$ 30,605.36    |                | \$ 0.27  |
| 2008 Q1        | 5.14%                                   | 5.18% | Sep-06 | 2006 | Q3      | \$ 30,539.54                | \$ 12,382.03           | 4.59%         | \$ 116.81   | \$ 43,038.38    |                | \$ 0.27  |
| 2008 Q2        | 4.08%                                   | 5.18% | Oct-06 | 2006 | Q4      | \$ 42,921.57                | \$ 12,752.32           | 4.59%         | \$ 164.18   | \$ 55,838.07    |                | \$ 0.27  |
| 2008 Q3        | 3.35%                                   | 5.43% | Nov-06 | 2006 | Q4      | \$ 55,673.89                | \$ 13,722.44           | 4.59%         | \$ 212.95   | \$ 69,609.28    |                | \$ 0.27  |
| 2008 Q4        | 3.35%                                   | 5.43% | Dec-06 | 2006 | Q4      | \$ 69,396.33                | \$ 12,190.40           | 4.59%         | \$ 265.44   | \$ 81,852.17    | \$ 82,434.68   | \$ 0.27  |
| 2009 Q1        | 2.45%                                   | 6.61% | Jan-07 | 2007 | Q1      | \$ 81,586.73                | \$ 13,302.95           | 4.59%         | \$ 312.07   | \$ 95,201.75    |                | \$ 0.27  |
| 2009 Q2        | 1.00%                                   | 6.61% | Feb-07 | 2007 | Q1      | \$ 94,889.68                | \$ 12,840.62           | 4.59%         | \$ 362.95   | \$ 108,093.25   |                | \$ 0.27  |
| 2009 Q3        | 0.55%                                   | 5.67% | Mar-07 | 2007 | Q1      | \$ 107,730.30               | \$ 13,337.47           | 4.59%         | \$ 412.07   | \$ 121,479.84   |                | \$ 0.27  |
| 2009 Q4        | 0.55%                                   | 4.66% | Apr-07 | 2007 | Q2      | \$ 121,067.77               | \$ 12,805.23           | 4.59%         | \$ 463.08   | \$ 134,336.08   |                | \$ 0.27  |
| 2010 Q1        | 0.55%                                   | 4.34% | May-07 | 2007 | Q2      | \$ 133,873.00               | \$ 13,399.27           | 4.59%         | \$ 512.06   | \$ 147,784.33   |                | \$ 0.27  |
| 2010 Q2        | 0.55%                                   | 4.34% | Jun-07 | 2007 | Q2      | \$ 147,272.27               | \$ 12,819.77           | 4.59%         | \$ 563.32   | \$ 160,655.36   |                | \$ 0.27  |
| 2010 Q3        | 0.89%                                   | 4.66% | Jul-07 | 2007 | Q3      | \$ 160,092.04               | \$ 13,362.81           | 4.59%         | \$ 612.35   | \$ 174,067.20   |                | \$ 0.27  |
| 2010 Q4        | 1.20%                                   | 4.01% | Aug-07 | 2007 | Q3      | \$ 173,454.85               | \$ 13,439.51           | 4.59%         | \$ 663.46   | \$ 187,557.82   |                | \$ 0.27  |
| 2011 Q1        | 1.47%                                   | 4.29% | Sep-07 | 2007 | Q3      | \$ 186,894.36               | \$ 12,728.90           | 4.59%         | \$ 714.87   | \$ 200,338.13   |                | \$ 0.27  |
| 2011 Q2        | 1.47%                                   | 4.29% | Oct-07 | 2007 | Q4      | \$ 199,623.26               | \$ 12,778.15           | 5.14%         | \$ 855.05   | \$ 213,256.46   |                | \$ 0.27  |
| 2011 Q3        | 1.47%                                   | 4.29% | Nov-07 | 2007 | Q4      | \$ 212,401.41               | \$ 14,663.43           | 5.14%         | \$ 909.79   | \$ 227,974.63   |                | \$ 0.27  |
| 2011 Q4        | 1.47%                                   | 4.29% | Dec-07 | 2007 | Q4      | \$ 227,064.84               | \$ 11,519.79           | 5.14%         | \$ 972.59   | \$ 239,557.22   | \$ 164,351.56  | \$ 0.27  |
| 2012 Q1        | 1.47%                                   | 4.29% | Jan-08 | 2008 | Q1      | \$ 238,584.63               | \$ 13,451.80           | 5.14%         | \$ 1,021.94 | \$ 253,058.37   |                | \$ 0.27  |
| 2012 Q2        |   | 4.29% | Feb-08 | 2008 | Q1      | \$ 252,036.43               | \$ 12,869.84           | 5.14%         | \$ 1,079.56 | \$ 265,985.83   |                | \$ 0.27  |
| 2012 Q3        |   | 4.29% | Mar-08 | 2008 | Q1      | \$ 264,906.27               | \$ 13,462.14           | 5.14%         | \$ 1,134.68 | \$ 279,503.09   |                | \$ 0.27  |
| 2012 Q4        |   | 4.29% | Apr-08 | 2008 | Q2      | \$ 278,368.41               | \$ 12,898.11           | 4.08%         | \$ 946.45   | \$ 292,212.97   |                | \$ 0.27  |
|                |   |       | May-08 | 2008 | Q2      | \$ 291,266.52               | \$ 13,479.94           | 4.08%         | \$ 990.31   | \$ 305,736.77   |                | \$ 0.27  |
|                |   |       | Jun-08 | 2008 | Q2      | \$ 304,746.46               | \$ 12,904.41           | 4.08%         | \$ 1,036.14 | \$ 318,687.01   |                | \$ 0.27  |
|                |   |       | Jul-08 | 2008 | Q3      | \$ 317,650.87               | \$ 14,058.56           | 3.35%         | \$ 886.78   | \$ 332,596.21   |                | \$ 0.27  |
|                |   |       | Aug-08 | 2008 | Q3      | \$ 331,709.43               | \$ 12,282.61           | 3.35%         | \$ 926.02   | \$ 344,918.06   |                | \$ 0.27  |
|                |   |       | Sep-08 | 2008 | Q3      | \$ 343,992.04               | \$ 13,478.54           | 3.35%         | \$ 960.31   | \$ 358,430.89   |                | \$ 0.27  |
|                |   |       | Oct-08 | 2008 | Q4      | \$ 357,470.58               | \$ 13,517.65           | 3.35%         | \$ 997.94   | \$ 371,986.17   |                | \$ 0.27  |
|                |   |       | Nov-08 | 2008 | Q4      | \$ 370,988.23               | \$ 12,830.00           | 3.35%         | \$ 1,035.68 | \$ 384,853.91   |                | \$ 0.27  |
|                |   |       | Dec-08 | 2008 | Q4      | \$ 383,818.23               | \$ 12,881.96           | 3.35%         | \$ 1,071.49 | \$ 397,771.68   | \$ 170,202.86  | \$ 0.27  |
|                |   |       | Jan-09 | 2009 | Q1      | \$ 396,700.19               | \$ 13,492.44           | 2.45%         | \$ 809.93   | \$ 411,002.56   |                | \$ 0.27  |
|                |   |       | Feb-09 | 2009 | Q1      | \$ 410,192.63               | \$ 12,950.58           | 2.45%         | \$ 837.48   | \$ 423,980.69   |                | \$ 0.27  |
|                |   |       | Mar-09 | 2009 | Q1      | \$ 423,143.21               | \$ 13,614.22           | 2.45%         | \$ 863.92   | \$ 437,621.35   |                | \$ 0.27  |
|                |   |       | Apr-09 | 2009 | Q2      | \$ 436,757.43               | \$ 13,063.22           | 1.00%         | \$ 363.96   | \$ 450,184.61   |                | \$ 0.27  |
|                |   |       | May-09 | 2009 | Q2      | \$ 449,820.65               | \$ 14,515.05           | 1.00%         | \$ 374.85   | \$ 464,710.55   |                | \$ 1.00  |
|                |   |       | Jun-09 | 2009 | Q2      | \$ 464,335.70               | \$ 29,612.93           | 1.00%         | \$ 386.95   | \$ 494,335.58   |                | \$ 1.00  |
|                |   |       | Jul-09 | 2009 | Q3      | \$ 493,948.63               | \$ 47,641.87           | 0.55%         | \$ 226.39   | \$ 541,816.89   |                | \$ 1.00  |
|                |   |       | Aug-09 | 2009 | Q3      | \$ 541,590.50               | \$ 48,571.89           | 0.55%         | \$ 248.23   | \$ 590,410.62   |                | \$ 1.00  |
|                |   |       | Sep-09 | 2009 | Q3      | \$ 590,162.39               | \$ 50,239.15           | 0.55%         | \$ 270.49   | \$ 640,672.03   |                | \$ 1.00  |
|                |   |       | Oct-09 | 2009 | Q4      | \$ 640,401.54               | \$ 48,984.55           | 0.55%         | \$ 293.52   | \$ 689,679.61   |                | \$ 1.00  |
|                |   |       | Nov-09 | 2009 | Q4      | \$ 689,386.09               | \$ 50,295.98           | 0.55%         | \$ 315.97   | \$ 739,998.04   |                | \$ 1.00  |
|                |   |       | Dec-09 | 2009 | Q4      | \$ 739,682.07               | \$ 49,276.46           | 0.55%         | \$ 339.02   | \$ 789,297.55   | \$ 397,589.05  | \$ 1.00  |
|                |   |       | Jan-10 | 2010 | Q1      | \$ 788,958.53               | \$ 43,946.09           | 0.55%         | \$ 361.61   | \$ 833,266.23   |                | \$ 1.00  |
|                |   |       | Feb-10 | 2010 | Q1      | \$ 832,904.62               | \$ 46,395.05           | 0.55%         | \$ 381.75   | \$ 879,681.42   |                | \$ 1.00  |
|                |   |       | Mar-10 | 2010 | Q1      | \$ 879,299.67               | \$ 53,866.70           | 0.55%         | \$ 403.01   | \$ 933,569.38   |                | \$ 1.00  |
|                |   |       | Apr-10 | 2010 | Q2      | \$ 933,166.37               | \$ 48,866.73           | 0.55%         | \$ 427.70   | \$ 982,460.80   |                | \$ 1.00  |
|                |   |       | May-10 | 2010 | Q2      | \$ 982,033.10               | \$ 45,979.77           | 0.55%         | \$ 450.10   | \$ 1,028,462.97 |                | \$ 1.00  |
|                |   |       | Jun-10 | 2010 | Q2      | \$ 1,028,012.87             | \$ 54,553.56           | 0.55%         | \$ 471.17   | \$ 1,083,037.60 |                | \$ 1.00  |
|                |   |       | Jul-10 | 2010 | Q3      | \$ 1,082,566.43             | \$ 51,389.09           | 0.89%         | \$ 802.90   | \$ 1,134,758.42 |                | \$ 1.00  |
|                |   |       | Aug-10 | 2010 | Q3      | \$ 1,133,955.52             | \$ 49,175.35           | 0.89%         | \$ 841.02   | \$ 1,183,971.89 |                | \$ 1.00  |
|                |   |       | Sep-10 | 2010 | Q3      | \$ 1,183,130.87             | \$ 51,629.70           | 0.89%         | \$ 877.49   | \$ 1,235,638.06 |                | \$ 1.00  |
|                |   |       | Oct-10 | 2010 | Q4      | \$ 1,234,760.57             | \$ 46,764.24           | 1.20%         | \$ 1,234.76 | \$ 1,282,759.57 |                | \$ 1.00  |
|                |   |       | Nov-10 | 2010 | Q4      | \$ 1,281,524.81             | \$ 53,904.81           | 1.20%         | \$ 1,281.52 | \$ 1,336,711.14 |                | \$ 1.00  |
|                |   |       | Dec-10 | 2010 | Q4      | \$ 1,335,429.62             | \$ 49,184.69           | 1.20%         | \$ 1,335.43 | \$ 1,385,949.74 | \$ 604,524.24  | \$ 1.00  |
|                |   |       | Jan-11 | 2011 | Q1      | \$ 1,384,614.31             | \$ 51,831.41           | 1.47%         | \$ 1,696.15 | \$ 1,438,141.87 |                | \$ 1.00  |
|                |   |       | Feb-11 | 2011 | Q1      | \$ 1,436,445.72             | \$ 47,379.20           | 1.47%         | \$ 1,759.65 | \$ 1,485,584.57 |                | \$ 1.00  |
|                |   |       | Mar-11 | 2011 | Q1      | \$ 1,483,824.92             | \$ 56,749.56           | 1.47%         | \$ 1,817.69 | \$ 1,542,392.17 |                | \$ 1.00  |
|                |   |       | Apr-11 | 2011 | Q2      | \$ 1,540,574.48             | \$ 45,213.39           | 1.47%         | \$ 1,887.20 | \$ 1,587,675.07 |                | \$ 1.00  |
|                |   |       | May-11 | 2011 | Q2      | \$ 1,585,787.87             | \$ 44,543.94           | 1.47%         | \$ 1,942.59 | \$ 1,632,274.40 |                | \$ 1.61  |
|                |   |       | Jun-11 | 2011 | Q2      | \$ 1,630,331.81             | \$ 68,810.40           | 1.47%         | \$ 1,997.16 | \$ 1,701,139.37 |                | \$ 1.61  |
|                |   |       | Jul-11 | 2011 | Q3      | \$ 1,699,142.21             | \$ 59,497.16           | 1.47%         | \$ 2,081.45 | \$ 1,760,720.82 |                | \$ 1.61  |
|                |   |       | Aug-11 | 2011 | Q3      | \$ 1,758,639.37             | \$ 107,629.14          | 1.47%         | \$ 2,154.33 | \$ 1,868,422.84 |                | \$ 1.61  |
|                |   |       | Sep-11 | 2011 | Q3      | \$ 1,866,268.51             | \$ 84,089.21           | 1.47%         | \$ 2,286.18 | \$ 1,952,643.90 |                | \$ 1.61  |
|                |   |       | Oct-11 | 2011 | Q4      | \$ 1,950,357.72             | \$ 77,006.55           | 1.47%         | \$ 2,389.19 | \$ 2,029,753.46 |                | \$ 1.61  |
|                |   |       | Nov-11 | 2011 | Q4      | \$ 2,027,364.27             | \$ 87,721.70           | 1.47%         | \$ 2,483.52 | \$ 2,117,569.49 |                | \$ 1.61  |
|                |   |       | Dec-11 | 2011 | Q4      | \$ 2,115,085.97             | \$ 77,190.94           | 1.47%         | \$ 2,590.98 | \$ 2,194,867.89 | \$ 832,748.69  | \$ 1.61  |
|                |   |       | Jan-12 | 2012 | Q1      | \$ 2,192,276.91             | \$ 91,554.11           | 1.47%         | \$ 2,685.54 | \$ 2,286,516.56 |                | \$ 1.61  |
|                |   |       | Feb-12 | 2012 | Q1      | \$ 2,283,831.02             | \$ 82,138.77           | 1.47%         | \$ 2,797.69 | \$ 2,368,767.48 |                | \$ 1.61  |



This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

| Interest Rates                         | Approved Deferral<br>and Variance<br>Accounts | CWIP |        |      |         | Opening Balance | Funding Adder | Interest | Interest     | Closing Balance | Annual amounts  | Board Approved Smart<br>Meter Funding Adder<br>(from Tariff) |
|--|---|------|--------|------|---------|-----------------|---------------|----------|--------------|-----------------|-----------------|--|
|  |   |      | Date   | Year | Quarter | (Principal)     | Revenues      | Rate     |              |                 |                 |  |
|  |   |      | Mar-12 | 2012 | Q1      | \$ 2,365,969.79 | \$ 80,000.00  | 1.47%    | \$ 2,898.31  | \$ 2,448,868.10 |                 | \$ 1.61  |
|  |   |      | Apr-12 | 2012 | Q2      | \$ 2,445,969.79 | \$ 80,000.00  | 1.47%    | \$ 2,996.31  | \$ 2,528,966.10 |                 | \$ 1.61  |
|  |   |      | May-12 | 2012 | Q2      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Jun-12 | 2012 | Q2      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Jul-12 | 2012 | Q3      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Aug-12 | 2012 | Q3      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Sep-12 | 2012 | Q3      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Oct-12 | 2012 | Q4      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Nov-12 | 2012 | Q4      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 |                 |  |
|  |   |      | Dec-12 | 2012 | Q4      | \$ 2,525,969.79 | \$ -          | 0.00%    | \$ -         | \$ 2,525,969.79 | \$ 345,070.73   |  |
| Total Funding Adder Revenues Collected |   |      |        |      |         | \$ 2,525,969.79 |               |          | \$ 70,952.02 | \$ 2,596,921.81 | \$ 2,596,921.81 |  |



## Cambridge and North Dumfries Hydro Inc.

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

Account 1556 - Su

| Prescribed<br>Interest<br>Rates | Approved<br>Deferral and<br>Variance<br>Accounts | CWIP  | Date   | Year | Quarter | Opening Balance<br>(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      | -                              |
| 2010 Q2                         | 0.55%  | 4.34% | Jun-07 | 2007 | Q2      | -                              |
| 2010 Q3                         | 0.89%  | 4.66% | Jul-07 | 2007 | Q3      | -                              |
| 2010 Q4                         | 1.20%  | 4.01% | Aug-07 | 2007 | Q3      | -                              |
| 2011 Q1                         | 1.47%  | 4.29% | Sep-07 | 2007 | Q3      | -                              |
| 2011 Q2                         | 1.47%  | 4.29% | Oct-07 | 2007 | Q4      | -                              |
| 2011 Q3                         | 1.47%  | 4.29% | Nov-07 | 2007 | Q4      | -                              |

|         |       |       |  |        |      |    |              |
|---------|-------|-------|--|--------|------|----|--------------|
| 2011 Q4 | 1.47% | 4.29% |  | Dec-07 | 2007 | Q4 | -            |
| 2012 Q1 | 1.47% | 4.29% |  | Jan-08 | 2008 | Q1 | -            |
| 2012 Q2 | 0.00% | 4.29% |  | Feb-08 | 2008 | Q1 | -            |
| 2012 Q3 | 0.00% | 4.29% |  | Mar-08 | 2008 | Q1 | -            |
| 2012 Q4 | 0.00% | 4.29% |  | Apr-08 | 2008 | Q2 | -            |
|         |       |       |  | May-08 | 2008 | Q2 | -            |
|         |       |       |  | Jun-08 | 2008 | Q2 | -            |
|         |       |       |  | Jul-08 | 2008 | Q3 | -            |
|         |       |       |  | Aug-08 | 2008 | Q3 | -            |
|         |       |       |  | Sep-08 | 2008 | Q3 | -            |
|         |       |       |  | Oct-08 | 2008 | Q4 | -            |
|         |       |       |  | Nov-08 | 2008 | Q4 | -            |
|         |       |       |  | Dec-08 | 2008 | Q4 | -            |
|         |       |       |  | Jan-09 | 2009 | Q1 | 76.10        |
|         |       |       |  | Feb-09 | 2009 | Q1 | 2,714.33     |
|         |       |       |  | Mar-09 | 2009 | Q1 | 3,167.55     |
|         |       |       |  | Apr-09 | 2009 | Q2 | 3,698.51     |
|         |       |       |  | May-09 | 2009 | Q2 | 3,805.43     |
|         |       |       |  | Jun-09 | 2009 | Q2 | 3,980.64     |
|         |       |       |  | Jul-09 | 2009 | Q3 | 4,191.51     |
|         |       |       |  | Aug-09 | 2009 | Q3 | 4,355.77     |
|         |       |       |  | Sep-09 | 2009 | Q3 | 5,099.07     |
|         |       |       |  | Oct-09 | 2009 | Q4 | 5,382.34     |
|         |       |       |  | Nov-09 | 2009 | Q4 | 5,567.88     |
|         |       |       |  | Dec-09 | 2009 | Q4 | 58,972.05    |
|         |       |       |  | Jan-10 | 2010 | Q1 | 79,900.25    |
|         |       |       |  | Feb-10 | 2010 | Q1 | 109,119.04   |
|         |       |       |  | Mar-10 | 2010 | Q1 | 137,895.77   |
|         |       |       |  | Apr-10 | 2010 | Q2 | 178,938.64   |
|         |       |       |  | May-10 | 2010 | Q2 | 226,539.78   |
|         |       |       |  | Jun-10 | 2010 | Q2 | 279,471.30   |
|         |       |       |  | Jul-10 | 2010 | Q3 | 322,004.41   |
|         |       |       |  | Aug-10 | 2010 | Q3 | 357,468.49   |
|         |       |       |  | Sep-10 | 2010 | Q3 | 393,440.96   |
|         |       |       |  | Oct-10 | 2010 | Q4 | 478,547.35   |
|         |       |       |  | Nov-10 | 2010 | Q4 | 516,883.20   |
|         |       |       |  | Dec-10 | 2010 | Q4 | 556,779.45   |
|         |       |       |  | Jan-11 | 2011 | Q1 | 604,803.18   |
|         |       |       |  | Feb-11 | 2011 | Q1 | 663,522.19   |
|         |       |       |  | Mar-11 | 2011 | Q1 | 713,350.35   |
|         |       |       |  | Apr-11 | 2011 | Q2 | 770,985.99   |
|         |       |       |  | May-11 | 2011 | Q2 | 829,963.52   |
|         |       |       |  | Jun-11 | 2011 | Q2 | 889,819.20   |
|         |       |       |  | Jul-11 | 2011 | Q3 | 947,601.26   |
|         |       |       |  | Aug-11 | 2011 | Q3 | 1,004,614.70 |
|         |       |       |  | Sep-11 | 2011 | Q3 | 1,061,540.87 |
|         |       |       |  | Oct-11 | 2011 | Q4 | 1,117,578.25 |
|         |       |       |  | Nov-11 | 2011 | Q4 | 1,173,893.38 |
|         |       |       |  | Dec-11 | 2011 | Q4 | 1,232,919.39 |

|  |        |      |    |              |
|--|--------|------|----|--------------|
|  | Jan-12 | 2012 | Q1 | 1,301,573.80 |
|  | Feb-12 | 2012 | Q1 | 1,301,573.80 |
|  | Mar-12 | 2012 | Q1 | 1,301,573.80 |
|  | Apr-12 | 2012 | Q2 | 1,301,573.80 |
|  | May-12 | 2012 | Q2 | 1,301,573.80 |
|  | Jun-12 | 2012 | Q2 | 1,301,573.80 |
|  | Jul-12 | 2012 | Q3 | 1,301,573.80 |
|  | Aug-12 | 2012 | Q3 | 1,301,573.80 |
|  | Sep-12 | 2012 | Q3 | 1,301,573.80 |
|  | Oct-12 | 2012 | Q4 | 1,301,573.80 |
|  | Nov-12 | 2012 | Q4 | 1,301,573.80 |
|  | Dec-12 | 2012 | Q4 | 1,301,573.80 |



preciation expense, based on monthly data.

ib-accounts Operating Expenses, Amortization Expenses, Carrying Charges

| OM&A Expenses | Amortization /<br>Depreciation<br>Expense | Closing Balance<br>(Principal) | (Annual)<br>Interest<br>Rate | Interest (on<br>opening<br>balance) | Cumulative<br>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%                        | -                                   | -                      |
| \$ -          |   | -                              | 4.59%                        | -                                   | -                      |
| \$ -          |   | -                              | 4.59%                        | -                                   | -                      |
| \$ -          |   | -                              | 4.59%                        | -                                   | -                      |
| \$ -          |   | -                              | 4.59%                        | -                                   | -                      |
| \$ -          |   | -                              | 4.59%                        | -                                   | -                      |
| \$ -          |   | -                              | 5.14%                        | -                                   | -                      |
| \$ -          |   | -                              | 5.14%                        | -                                   | -                      |

|              |              |              |       |          |           |
|--------------|--------------|--------------|-------|----------|-----------|
| \$ -         |              | -            | 5.14% | -        | -         |
| \$ -         |              | -            | 5.14% | -        | -         |
| \$ -         |              | -            | 5.14% | -        | -         |
| \$ -         |              | -            | 5.14% | -        | -         |
| \$ -         |              | -            | 4.08% | -        | -         |
| \$ -         |              | -            | 4.08% | -        | -         |
| \$ -         |              | -            | 4.08% | -        | -         |
| \$ -         |              | -            | 3.35% | -        | -         |
| \$ -         |              | -            | 3.35% | -        | -         |
| \$ -         |              | -            | 3.35% | -        | -         |
| \$ -         |              | -            | 3.35% | -        | -         |
| \$ -         |              | -            | 3.35% | -        | -         |
| \$ 76.10     |              | 76.10        | 3.35% | -        | -         |
| \$ 2,638.23  |              | 2,714.33     | 2.45% | 0.16     | 0.16      |
| \$ 453.22    |              | 3,167.55     | 2.45% | 5.54     | 5.70      |
| \$ 530.96    |              | 3,698.51     | 2.45% | 6.47     | 12.16     |
| \$ 106.92    |              | 3,805.43     | 1.00% | 3.08     | 15.25     |
| \$ 175.21    |              | 3,980.64     | 1.00% | 3.17     | 18.42     |
| \$ 210.87    |              | 4,191.51     | 1.00% | 3.32     | 21.73     |
| \$ 164.26    |              | 4,355.77     | 0.55% | 1.92     | 23.66     |
| \$ 743.30    |              | 5,099.07     | 0.55% | 2.00     | 25.65     |
| \$ 283.27    |              | 5,382.34     | 0.55% | 2.34     | 27.99     |
| \$ 185.54    |              | 5,567.88     | 0.55% | 2.47     | 30.46     |
| \$ 53,404.17 |              | 58,972.05    | 0.55% | 2.55     | 33.01     |
| \$ 20,928.20 |              | 79,900.25    | 0.55% | 27.03    | 60.04     |
| \$ 4,944.98  | \$ 24,273.81 | 109,119.04   | 0.55% | 36.62    | 96.66     |
| \$ 4,502.92  | \$ 24,273.81 | 137,895.77   | 0.55% | 50.01    | 146.67    |
| \$ 16,769.06 | \$ 24,273.81 | 178,938.64   | 0.55% | 63.20    | 209.87    |
| \$ 23,327.33 | \$ 24,273.81 | 226,539.78   | 0.55% | 82.01    | 291.89    |
| \$ 28,657.71 | \$ 24,273.81 | 279,471.30   | 0.55% | 103.83   | 395.72    |
| \$ 18,259.30 | \$ 24,273.81 | 322,004.41   | 0.55% | 128.09   | 523.81    |
| \$ 11,190.27 | \$ 24,273.81 | 357,468.49   | 0.89% | 238.82   | 762.63    |
| \$ 11,698.66 | \$ 24,273.81 | 393,440.96   | 0.89% | 265.12   | 1,027.75  |
| \$ 60,832.58 | \$ 24,273.81 | 478,547.35   | 0.89% | 291.80   | 1,319.55  |
| \$ 14,062.04 | \$ 24,273.81 | 516,883.20   | 1.20% | 478.55   | 1,798.10  |
| \$ 15,622.44 | \$ 24,273.81 | 556,779.45   | 1.20% | 516.88   | 2,314.98  |
| \$ 23,749.96 | \$ 24,273.77 | 604,803.18   | 1.20% | 556.78   | 2,871.76  |
| \$ 10,171.40 | \$ 48,547.61 | 663,522.19   | 1.47% | 740.88   | 3,612.65  |
| \$ 1,280.55  | \$ 48,547.61 | 713,350.35   | 1.47% | 812.81   | 4,425.46  |
| \$ 9,088.03  | \$ 48,547.61 | 770,985.99   | 1.47% | 873.85   | 5,299.32  |
| \$ 10,429.92 | \$ 48,547.61 | 829,963.52   | 1.47% | 944.46   | 6,243.77  |
| \$ 11,308.07 | \$ 48,547.61 | 889,819.20   | 1.47% | 1,016.71 | 7,260.48  |
| \$ 9,234.45  | \$ 48,547.61 | 947,601.26   | 1.47% | 1,090.03 | 8,350.51  |
| \$ 8,465.83  | \$ 48,547.61 | 1,004,614.70 | 1.47% | 1,160.81 | 9,511.32  |
| \$ 8,378.56  | \$ 48,547.61 | 1,061,540.87 | 1.47% | 1,230.65 | 10,741.97 |
| \$ 7,489.77  | \$ 48,547.61 | 1,117,578.25 | 1.47% | 1,300.39 | 12,042.36 |
| \$ 7,767.52  | \$ 48,547.61 | 1,173,893.38 | 1.47% | 1,369.03 | 13,411.39 |
| \$ 10,478.40 | \$ 48,547.61 | 1,232,919.39 | 1.47% | 1,438.02 | 14,849.41 |
| \$ 20,106.77 | \$ 48,547.64 | 1,301,573.80 | 1.47% | 1,510.33 | 16,359.74 |

|  |  |              |       |          |           |
|--|--|--------------|-------|----------|-----------|
|  |  | 1,301,573.80 | 1.47% | 1,594.43 | 17,954.17 |
|  |  | 1,301,573.80 | 1.47% | 1,594.43 | 19,548.59 |
|  |  | 1,301,573.80 | 1.47% | 1,594.43 | 21,143.02 |
|  |  | 1,301,573.80 | 1.47% | 1,594.43 | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |
|  |  | 1,301,573.80 | 0.00% | -        | 22,737.45 |

\$ 427,716.77 \$ 873,857.03 \$ 1,301,573.80



# EXHIBIT D

RESPONSE TO BOARD STAFF INTERROGATORY 11 b)

Cambridge and North Dumfries Hydro Inc. EB-2012-0086



| Smart Meter<br>Funding Adder<br>Revenues<br>Year | Estimated SMFA Revenues |               |                                   |                 | Total |
|--|-------------------------|---------------|-----------------------------------|-----------------|-------|
|  | Residential             | GS < 50 kW    | Other Metered<br>Customer Classes |                 |       |
| 2006 (May 1, 2006)                               | \$ 72,763.14            | \$ 7,695.04   | \$ 1,128.55                       | \$ 81,586.73    |       |
| 2007   | \$ 140,299.98           | \$ 14,403.99  | \$ 2,293.93                       | \$ 156,997.90   |       |
| 2008   | \$ 141,073.05           | \$ 14,754.30  | \$ 2,288.21                       | \$ 158,115.56   |       |
| 2009   | \$ 349,395.05           | \$ 36,608.07  | \$ 6,255.22                       | \$ 392,258.34   |       |
| 2010   | \$ 532,183.17           | \$ 54,866.77  | \$ 8,605.84                       | \$ 595,655.78   |       |
| 2011   | \$ 719,831.48           | \$ 73,945.52  | \$ 13,915.60                      | \$ 807,692.60   |       |
| 2012 (to April 30,<br>2012)                      | \$ 332,338.72           | \$ 34,277.09  | \$ 5,961.23                       | \$ 372,577.04   |       |
|  | \$ 2,287,884.59         | \$ 236,550.78 | \$ 40,448.58                      | \$ 2,564,883.95 |       |
|  | 89.20%                  | 9.22%         | 1.58%                             | 100.00%         |       |
|  | 77.11%                  | 22.89%        |                                   |                 |       |
| Even allocation                                  | 50.00%                  | 50.00%        |                                   |                 |       |
| Allocation of 1.58% to Res and GS < 50 kW        | 0.789%                  | 0.789%        |                                   |                 |       |
|  | 89.99%                  | 10.01%        |                                   |                 |       |

|                                       |
|---------------------------------------|
| General<br>Service Less<br>than 50 kW |
|                                       |
| 25.86%<br>\$226,708.16                |
| 25.86%<br>\$285,386.05                |
| 4,642<br>\$39,153.86                  |
| \$551,248.06<br>\$19,511.17           |
| General<br>Service Less<br>than 50 kW |
| \$570,759.23                          |
| 22.89%                                |
| 9.22%                                 |
| 0.79%                                 |
| 10.01%<br>\$256,775.07                |
| \$313,984.16<br>4,642                 |
| \$3.07                                |

