



June 8, 2012

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

Attention: Ms. Walli

**Re: Espanola Regional Hydro Distribution Corporation's (ERHDC) 2012 Cost of Service
Electricity Distribution Rate Application EB-2011-0319 Responses to VECC
Interrogatories.**

ERHDC has attached responses to the VECC Interrogatories in the above noted proceedings.
The responses have been filed through the Web Portal.

In the event of any additional information, questions or concerns, please contact Jennifer
Uchmanowicz, Rate and Regulatory Affairs Officer, at Jennifer.Uchmanowicz@ssmpuc.com or
(705) 759-3009.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Uchmanowicz". The signature is fluid and cursive, with the first name and last name clearly legible.

Jennifer Uchmanowicz
on behalf of Espanola Regional Hydro Distribution Corporation
Rates and Regulatory Affairs Officer
PUC Services
Sault Ste. Marie Ont.
Email: jennifer.uchmanowicz@ssmpuc.com
Phone: 705-759-3009

Question #1

RATE BASE

Reference: Exhibit 2, Tab 2, Schedule 2, page 1

- a) Please explain the large difference between the 2008 Board Approved Gross Fixed Assets and Accumulated Depreciation and the 2008 actual amounts (i.e. \$3.7 vs. \$6.1 million and \$1.87 vs. \$4.23 million).

ERHDC Response

- a) In 2008 the Board approved gross assets were reported net of any fully depreciated assets in the 2008 cost of service application. This was due to the way the 2008 model calculated depreciation. The actual amounts include assets that are fully depreciation. The net book value difference between board approved 2008 and 2008 actuals is approximately \$58,000.

Question #2

Reference: Exhibit 2, Tab 2, Schedule 1, page 2

- a) Please provide the change in fixed assets in 2011 and 2012 related to the smart meter program.

ERHDC Response

- a) In 2011 the smart meter capital costs were included in the 1555 variance accounts. In 2012 the smart meter capital costs were transferred into fixed assets. The amount transferred to capital was \$655,906 in account 1860 (smart meters) and \$19,999 in account 1925 (computer software – smart meters).

Question #3

Reference: Exhibit 2, Tab 1, Schedule 4, page 1/Tab 4, Schedule 1, page 1.

- a. On April 12, 2012 the Board issued guidelines implementing a 13% working capital calculation for utilities who have not undertaken their own lead-lag study. Does ERHDC intend to adopt the 13% working capital allowance for 2012 rates? If not, please explain why a 15% rate is more appropriate.

ERHDC Response

- a) The Boards filing guidelines for a 2012 Cost of Service rate application states that the applicant can take 2 approaches to the calculation of its allowance for working capital; (1) the 15% allowance approach, or (2) filing a lead/lag study. ERHDC has not completed a lead/lag study and therefore applied for the 15% allowance approach. The guidelines issued April 12, 2012 are for 2013 cost of service applications.

Question # 4

Depreciation

Reference: Exhibit 2, Tab 2, Schedule 3, page 4

- a) ERHDC has proposed different useful lives for some asset from the typical life used in the Kinectric's Report (e.g. switches, switchgear, switchgear and junction cubicle, industrial meters etc.). Please provide a table showing those assets with different lives from the Kinectric's typical life. Please include a column for each item which shows the adjustment to 2012 depreciation amounts if the Kinectrics typical life was used rather than the asset life proposed by ERHDC.

ERHDC Response

Switches are historically included with overhead conductors and are an insignificant portion of the costs. ERHDC did not tack separately the cost of the switches. The 2012 depreciation expense for overhead conductors under IFRS is \$15,043 using a 60 year proposed useful life. If the 50 year useful life, as per the Kinectrics report, was used the depreciation would be \$18,051. The total difference would be \$3,080 of which an estimated 5% of the costs may be related to switches resulting in a \$154 increase in depreciation expense.

Switchgears have historically been recorded with transformers and ERHDC does not have the historical information to separate switchgears from the transformers. For the purpose of this interrogatory question ERHDC estimates 5% of the costs of transformers would be switchgears. The depreciation expense for transformers in 2012 was \$17,393 using 40 years. The depreciation rate as per the Kinectrics report is 50 years resulting in \$13,914 depreciation. The difference in depreciation is \$3,479. An estimated 5% relates to switchgear would result in a \$1,739 decrease in depreciation expense.

Switchgear and junction cubicle are grouped together in the underground system. The cost of the switchgear and junction cubicle is not significant and has been grouped with underground cable and depreciated over 40 years. The Kinectrics report's typical life is 30 years. The depreciation expense at 40 years is \$1,981. If the Kinectrics typical life was used the depreciation expense would be \$2,641. The total difference is \$660 if an estimated 5% related to switchgear and junction cubicle it would result in a \$33 increase in depreciation expense.

The depreciation for industrial meter in 2012 was \$216 using a 25 year life. If 30 years was used as per the Kinectrics report the depreciation would be \$180, therefore there would be \$35 decrease in depreciation expense.

Overall, ERHDC does not have the historical data to determine the actual costs of some immaterial assets that have been grouped together. For the purpose of this interrogatory and to provide an estimate of the impact on depreciation, ERHDC would estimate the impact to be a \$1,600 overstatement in depreciation expense.

Question #5

Capital Expenditures

Reference: Exhibit 2, Tab 2, Schedule 7

- a) Please provide a table showing all current vehicles, year of acquisition, acquisition cost, estimated year of replacement and estimated replacement cost.

ERHDC Response

Vehicle / Unit #	Description	Year of Aquisition	Aquisition Cost	Proposed Replacement - Year	Estimated Repalcement Cost
1	2005 International 4300, mounted with 2005 Altec DM47 Radial Boom Derrick	2010	\$90,000.00	2025	Unknown
2	2005, Chevrolet 2500 HD 4x4	2005	\$38,282.00	2025	Unknown
3	1986 GMC Topkick mounted with 1967 Pitman HS 36C Single Bucket Aerial device	2003	\$5,000.00	2012	\$190,000.00
4	1996 Ford F 800 HDC mounted with Simon, Telelect Hi Ranger 500M Double Bucket Aerial Dev.	2006	\$184,629.00	2015	\$300,000.00
5	1993 Ford, F series Super Duty, with Dump Box	2008	\$8,000	Unknown	Unknown

Question #6

Reference: Exhibit 2, Tab 2, Schedule 7, page 7

- a. Please update the 2011 capital projects Table 2-22 for 2011 year-end actuals (audited or unaudited).

ERHDC Response

ERHDC has provided below an updated capital projects table for 2011 actuals. The projects costs have been grouped according to the available accounting records.

Year: 2011 Actual

USoA #	Description	Stations	New Services and Capitalized Upgrades	Center Street Project	Pole Replace	Station Road Transfer to new poles	Golf Course Spanish River Drive Rebuild	Winkles PMH - Replace	Misc. Unplanned Capital	Vanier Road Rebuild	Clear Lake 3 poles	Total
1805	Land											19,068
1820	Distribution Station	\$ 50,678										\$ 50,678
1830	Poles Towers and Fixtures			\$ 27,150	\$ 92,438	\$ 5,156	\$ 29,386			\$21,334	\$ 1,726	\$ 177,190
1835	Overhead Conductors and Devices			\$ 3,392		\$ 693	\$ 3,893		\$ 21,959	\$ 2,181		\$ 32,118
1840	Underground Conduit			\$ 7,246								\$ 7,246
1845	Underground Conductors and Devices			\$ 7,059					\$ 11,155			\$ 18,214
1850	Line Transformers			\$ 7,027		\$ 4,525				\$ 1,944	\$ 252	\$ 13,496
1855	Services		\$ 22,246	\$ 2,722								\$ 24,968
1860	Meters								\$ 2,700			\$ 2,700
												\$ -
1995	Contributions and Grants - Credit		-\$ 11,926									-\$ 11,926
Total		\$ 50,678	\$ 10,320	\$ 54,596	\$ 92,438	\$ 10,374	\$ 33,279	\$ -	\$ 35,814	\$25,459	\$ 1,978	\$ 333,752

Question #7

LOAD FORECAST AND REVENUE OFFSETS

Reference: Exhibit 3, Tab 2, Schedule 1, page 2

- a) On what basis are R-squared values of 76% and 71% judged as being "well below an acceptable range"?

ERHDC Response

- a) R-Squared is a statistic that provides information about the reliability and "fit" of a model. In regression, the R-Square coefficient of determination is a statistical measure of how well the regression line approximates the real data points. An R-Square of 100% indicates that the regression line perfectly fits the data. It is preferred to have a range of over 90% when performing the weather normalization and determining the accuracy of the regression analysis. A result of 76% and 71% indicates that the output and regression line is not a good fit.

Question #8

Reference: Exhibit 3, Tab 2, Schedule 1, page 7 (lines 15-21)

- a) Did ERHDC undertake a "step-wise" elimination of these three variables listed in order to determine if the elimination of one or two of the variables would result in the remaining variables having statistically significant coefficients?

ERHDC Response

- a) ERHDC did perform a "step-wise" elimination approach of the variables to determine if the elimination of one or two of the variables would result in the remaining variables having statistically significant coefficients.

Question #9

Reference: Exhibit 3, Tab 2, Schedule 1, pages 9-10

- a) Provide a table that sets out for 2009 and 2010 the following:
- The actual purchases for each year
 - The actual HDD and CDD values for each year
 - The "weather normal" HDD and CDD values for each year (as defined by ERHDC)
 - The HDD and CDD coefficients per ERHDC's regression model
 - The weather normal adjustment for each year based on the product of a) the HDD and CDD coefficients and b) the differences between the actual and "weather normal" values for HDD and CDD respectively.
 - The estimated "weather normal purchases" calculated by adjusting actual purchases by the values calculated in the preceding bullet.
- b) Please confirm whether the normalized forecast results reported in Table 3-7 for 2011 and 2012 are before or after the CDM adjustment. If after, please explain why the 2011 and 2012 values are the same.
- c) Please outline the CDM programs offered by ERHDC in 2011 and provide any reports from the OPA (quarterly or annual) regarding savings achieved in 2011.
- d) For purposes of the CDM adjustment has ERHDC assumed the 552,000 kWh of CDM savings are billed energy or purchased energy?
- e) Over what historical period was the 1.0675 loss factor calculated? Please reconcile with the proposed loss factor of 1.0714 based on a 5-year historical average (per Exhibit 8/Tab 1/Schedule 6, page 1).
- f) What are the billed kW associated with the CDM savings included in the 2012 load forecast for the GS>50, Sentinel Lighting and Street Lighting classes?

ERHDC Response

- a) Refer to Exhibit 3/Appendix A/ Page1 to 5 for the requested information.
- b) In table 3-7 the amounts for 2011 and 2012 are the predicted purchases before any CDM adjustment, loss adjustment factor, or allocation of weather sensitive amount.
- c) In 2011 we offered the following CDM programs:

Consumer Customer Class

- Fridge and Freezer Pick Up
- Heating and Cooling Initiative
- Exchange Event
- New Home Construction Initiative
- CDM Coupon Events

Commercial and Institutional Customer Class

- Small Business Lighting
- Retrofit Program
- Energy Audit Initiative
- Existing Building Commissioning
- High Performance New Construction

Industrial Customer Class

- Process and Systems

ERHDC has included below the year end 2011 report from the OPA.



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Ontario Power Authority Q4 2011 Conservation & Demand Management Status Report

January 1, 2011 to December 31, 2011

Espanola Regional Hydro Distribution Corporation

2011 At a Glance

The following tables show progress to OEB targets first: following the OPA reporting practice of 1 year persistence for demand response and second: assuming demand response remains in your territory until 2014 .

Unverified 2014 Peak Demand Savings Target Achieved (%):	2.3%
Unverified 2011-2014 Cumulative Energy Target Achieved (%):	11.3%

Assuming Demand Response resources remain in your territory until 2014:	Standing:
Unverified 2014 Peak Demand Savings Target Achieved (%):	2.3% 68 of 77
Unverified 2011-2014 Cumulative Energy Target Achieved (%):	11.3% 67 of 77

Message from the Vice President

The OPA Conservation team is pleased to provide the Q4 2011 CDM Status Report. Province-Wide programs are showing success and we are well positioned to meet our 2011-14 targets, thanks to the efforts of the OPA and you, the LDCs. A "Standing" column has been included in this report (in the table above) which reflects your position based on the percent of target achieved. This is based on preliminary results and is intended to provide you with a snapshot of how your LDC is performing relative to the others in the province.

We have achieved 80% of our 2011 Province-Wide programs peak demand savings forecast - more data will be available as projects progress through the final stages of approval. We will continue to update preliminary 2011 data (which will be reflected in the "Program-to-Date" columns) until the results are verified later this year.

We invite you to continue to look for opportunities to improve this report to meet your needs and welcome your suggestions. Additionally, if you are having any concerns with roll-out or have a particular success to share, please contact the OPA Conservation Business Development team at ldc.support@powerauthority.on.ca.

- Andrew Pride
Vice President, Conservation
Ontario Power Authority



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About this Report:

This report contains:

- Peak demand and energy savings for OPA-Contracted Province-Wide programs (does not incl. Ontario Energy Board (OEB) approved CDM programs or other conservation efforts undertaken by an LDC).
- Unverified quarterly results discounted using forecasted net-to-gross ratios. Once full Evaluation, Measurement & Verification (EM&V) occurs in the following year, results will be identified as final (verified).
- Data presented in this report represents program activity (i.e. projects completed, appliances picked up) completed on or before December 31, 2011 and received and entered into the OPA processing systems as per the dates specified in table 5.
- Updates to the previous quarter's participation due to more data availability.

Future reports will contain:

- More data for the Home Assistance Program
- **peaksaver** PLUS preliminary results representing all participants that are enrolled in **peaksaver** PLUS.
- Full, bar-code specific 2011 Coupon and Bi-Annual Retailer Event data (Retailers have until March 31, 2012 to submit coupons redeemed in 2011 to the OPA). Results are currently provincially allocated; once bar-code specific data is gathered, results can be attributed to a particular LDC. Data will be available to LDCs once retailers have submitted the coupons and QA/QC by the OPA is undertaken.

New this quarter based on LDC feedback:

- Demand response is now reported only in the "YTD Incremental" column. This value represents the total demand response under contract in your LDC territory as of the end of the current reporting period.
- The allocation methodology used to attribute non-bar code specific coupon redemptions from the Instant Coupon Booklet and Bi-Annual Retailer Event to each LDC was updated to reflect each LDC's proportion of the average 2008 and 2009 residential throughput as per the OEB yearbook.
- Table 5 on the final page of this report is intended to assist the LDC in reconciling internal data sources with the data contained in this report by communicating: **1.** The date in which the OPA considers savings to 'start'; **2.** At what point the data becomes available to the OPA; **3.** The date in which the data was collected for reporting purposes; **4.** The expected probability and magnitude of updates to the data as more information becomes available.

Reporting Methodology (Quarterly, Unverified results):

The OPA's policy on reporting preliminary results for prescriptive measures (i.e. standard technologies and items) is to determine the activity (i.e. appliances collected, projects completed, coupons redeemed, etc.) in the most detail possible and multiply these values by Prescriptive Input Assumptions (PIAs) and net-to-gross (NTG) ratios that were used to forecast the programs if available.

$$\text{Preliminary Net Savings} = \text{Activity} * \text{Gross per unit PIA} * \text{Net-to-gross ratio}$$

For engineered or custom projects, the calculated savings from each participant worksheet are summed and then multiplied by the forecasted net-to-gross ratio used for program planning purposes.



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2011-2014 Summary

2011 Quarter 4

January 1, 2011 to December 31, 2011

This section provides a portfolio level view of net peak demand savings and net energy savings procured through Tier 1 programs to date.

Table 1 presents preliminary net peak demand savings results from 2011 to date by implementation period. This table also presents the net annual peak demand savings that are expected to persist through to 2014 from program activity completed to date. Please note that demand response 1 and 3 have a persistence of 1 year.

Table 1: Net Peak Demand Savings at the End-User Level (MW)

#	Implementation Period	Annual			
		2011	2012	2013	2014
1	2011 - Reported - Quarter 1	0.00	0.00	0.00	0.00
2	2011 - Reported - Quarter 2	0.00	0.00	0.00	0.00
3	2011 - Reported - Quarter 3	0.01	0.01	0.01	0.01
4	2011 - Reported - Quarter 4	0.00	0.00	0.00	0.00
5	2012				
6	2013				
7	2014				
Annual Reported (Unverified)		0.01			
Annual Final (Verified)		n/a			
Unverified Net Annual Peak Demand Savings in 2014:					0.01
2014 Annual CDM Capacity Target:					0.52
Unverified 2014 Peak Demand Savings Target Achieved (%):					2.3%

Table 2 presents preliminary net annual energy savings results from 2011 to date by implementation period. This table also presents 2011-2014 net cumulative energy savings expected in 2014 from program activity completed to date.

Table 2: Net Energy Savings at the End-User Level (GWh)

#	Implementation Period	Annual				Cumulative
		2011	2012	2013	2014	2011-2014
1	2011 - Reported - Quarter 1	0.01	0.01	0.01	0.01	0.03
2	2011 - Reported - Quarter 2	0.02	0.02	0.02	0.02	0.08
3	2011 - Reported - Quarter 3	0.02	0.02	0.02	0.02	0.10
4	2011 - Reported - Quarter 4	0.03	0.03	0.03	0.03	0.11
5	2012					
6	2013					
7	2014					
Annual Reported (Unverified)		0.08				
Annual Final (Verified)		n/a				
Unverified Net Cumulative Energy Savings 2011-2014:						0.31
2011-2014 Cumulative CDM Energy Target:						2.76
Unverified 2011-2014 Cumulative Energy Target Achieved (%):						11.3%



2011-2014 Summary

2011 Quarter 4

January 1, 2011 to December 31, 2011

Figure 1 presents unverified net annual peak demand savings achieved and expected persistence through to 2014 for program activity completed to date. The 2014 annual peak demand savings target as per OEB is also presented.

Figure 1: Net Peak Demand Savings (MW)

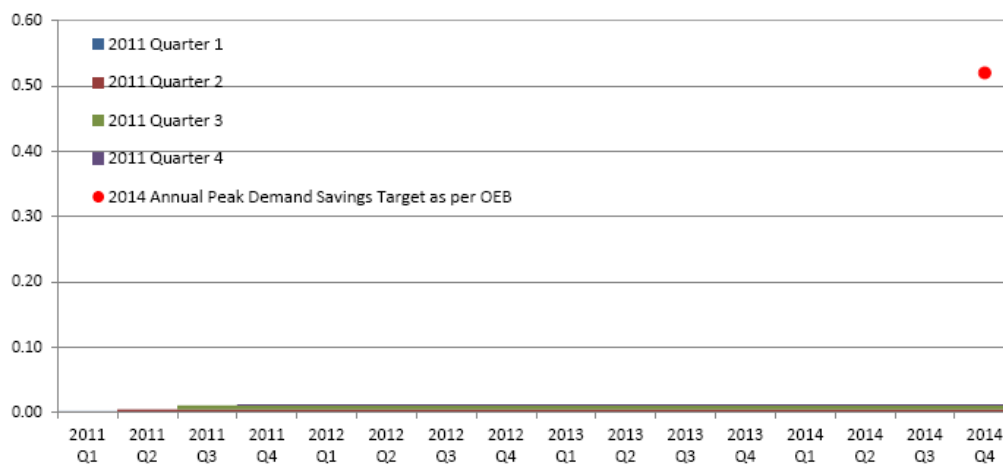
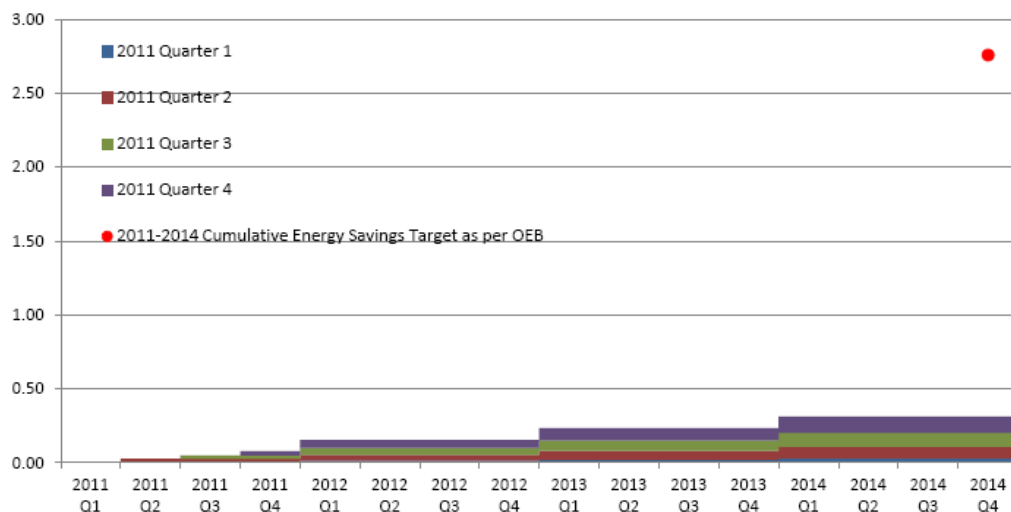


Figure 2 presents unverified net cumulative energy savings achieved including expected persistence to 2014 from program activity completed to date. The 2011-2014 cumulative energy savings target as per OEB is also presented.

Figure 2: Net Cumulative Energy Savings (GWh)



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Table 3: Espanola Regional Hydro Distribution Corporation Initiative and Program Level Savings

Shaded areas indicate data is not yet available

All results are NET and presented at the end-user level

All results are NET and presented at the end user level.										
#	Initiative	Activity			Net Peak Demand Savings (kW)			Net Energy Savings (kWh)		
		Unit	Incremental (Current Quarter)	Program-to-Date (2011-to-Date):	Incremental (Current Quarter)	YTD Incremental (2011-to-Date)	Program-to-Date: unverified annual savings in 2014	Incremental (Current Quarter)	YTD Incremental (2011-to-Date)	Program-to-Date: unverified cumulative savings in 2014
Consumer Program										
1	Appliance Retirement	Appliances	7	19	0	1	1	3,416	9,473	37,892
2	Appliance Exchange	Appliances	0	2	0	0	0	0	218	871
3	HVAC Incentives	Equipment	0	16	0	4	4	6,462	13,695	54,780
4	Conservation Instant Coupon Booklet	Coupons	74	119	0	0	0	5,843	9,329	37,315
5	Bi-Annual Retailer Event	Coupons	161	277	0	1	1	9,895	17,811	71,242
6	Retailer Co-op	Items	0	0	0	0	0	0	0	0
7	peak saver extension	Devices	0	0	0	0	0	0	0	0
8	Midstream Electronics	Items			not in market					
9	Midstream Pool Equipment	Items			not in market					
10	Residential New Construction	Houses	0	0	0.00	0.00	0.00	0	0	0
Consumer Program Total					1	7	7	25,616	50,525	202,101
Business Program										
11	Equipment Replacement Incentive	Projects	0	1	0	3	3	0	15,457	61,828
12	Direct Installed Lighting	Projects	0	0	0	0	0	0	0	0
13	Direct Service Space Cooling	Equipment			not in market					
14	Building Commissioning	Buildings	0	0	0	0	0	0	0	0
15	New Construction	Buildings	0	0	0	0	0	0	0	0
16	peak saver extension	Devices	0	0	0	0	0	0	0	0
17	Demand Response 1	Facilities		0		0	0		0	0
18	Demand Response 3	Facilities		0		0	0		0	0
Business Program Total					0	3	3	0	15,457	61,828
Industrial Program										
19	Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
20	Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
21	Energy Manager	Managers	0	0	0	0	0	0	0	0
22	Equipment Replacement Incentive	Projects	0	0	0	0	0	0	0	0
23	Demand Response 1	Facilities		0		0	0		0	0
24	Demand Response 3	Facilities		0		0	0		0	0
Industrial Program Total					0	0	0	0	0	0
Home Assistance Program										
25	Home Assistance Program	Units	0	0	0	0	0	0	0	0
Home Assistance Program Total					0	0	0	0	0	0
Pre-2011 Programs completed in 2011										
25	Electricity Retrofit Incentive Program	Projects	0	0	0	0	0	0	0	0
26	High Performance New Construction	Projects	0	0	0	2	2	1,592	12,298	49,190
27	Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0
28	Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0
Pre-2011 Programs completed in 2011 Total					0	2	2	1,592	12,298	49,190
OPA-Contracted Province-Wide Portfolio Total					1	12	12	27,208	78,280	313,119

Espanola Regional Hydro Distribution Corporation ("ERHDC")
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Table 4: Province-Wide Initiative and Program Level Savings

Shaded areas indicate data is not yet available

All results are NET and presented at the end-user level

Initiated areas indicate data is not yet available					All results are NET and presented at the end-user level					
#	Initiative	Activity			Net Peak Demand Savings (kW)			Net Energy Savings (kWh)		
		Unit	Incremental (Current Quarter)	Program-to-Date (2011-to-Date):	Incremental (Current Quarter)	YTD Incremental (2011-to-Date)	Program-to-Date: unverified annual savings in 2014	Incremental (Current Quarter)	YTD Incremental (2011-to-Date)	Program-to-Date: unverified cumulative savings in 2014
Consumer Program										
1	Appliance Retirement	Appliances	15,019	56,035	1,194	4,333	4,333	7,716,329	28,872,984	115,491,936
2	Appliance Exchange	Appliances	0	4,715	0	479	479	0	604,709	2,418,836
3	HVAC Incentives	Equipment	7,397	56,127	1,717	12,512	12,512	1,134,038	17,784,401	71,137,602
4	Conservation Instant Coupon Booklet	Coupons	90,106	144,467	269	468	468	7,114,454	11,358,484	45,433,938
5	Bi-Annual Retailer Event	Coupons	195,529	337,358	374	791	791	12,047,863	21,685,594	86,742,376
6	Retailer Co-op	Items	0	152	0	0	0	0	41	162
7	peaksaver extension	Devices	10	18,435	8	14,352	14,352	156	287,033	1,148,132
8	Midstream Electronics	Items			not in market					
9	Midstream Pool Equipment	Items			not in market					
10	Residential New Construction	Houses	5	5	0.04	0.04	0.04	557	557	2,227
Consumer Program Total					3,561	32,934	32,934	28,013,397	80,593,802	322,375,209
Business Program										
11	Equipment Replacement Incentive	Projects	243	944	1,845	8,223	8,223	7,170,097	37,650,286	150,601,145
12	Direct Installed Lighting	Projects	2,422	18,667	1,546	10,407	10,407	11,414,663	77,311,193	309,244,770
13	Direct Service Space Cooling	Equipment			not in market					
14	Building Commissioning	Buildings	0	0	0	0	0	0	0	0
15	New Construction	Buildings	0	0	0	0	0	0	0	0
16	peaksaver extension	Devices	0	121	0	201	201	0	4,029	16,117
17	Demand Response 1	Facilities		0		0	0		0	0
18	Demand Response 3	Facilities		145		21,390	0		667,368	667,368
Business Program Total					3,391	40,222	18,832	18,584,760	115,632,876	460,529,401
Industrial Program										
19	Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
20	Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
21	Energy Manager	Managers	0	0	0	0	0	0	0	0
22	Equipment Replacement Incentive	Projects	35	179	439	1,636	1,636	2,056,245	7,800,798	31,203,192
23	Demand Response 1	Facilities		0		0	0		0	0
24	Demand Response 3	Facilities		125		67,276	0		699,670	699,670
Industrial Program Total					439	68,912	1,636	2,056,245	8,500,468	31,902,862
Home Assistance Program										
25	Home Assistance Program	Units	494	494	1	1	1	18,047	18,047	72,188
Home Assistance Program Total					1	1	1	18,047	18,047	72,188
Pre-2011 Programs completed in 2011										
25	Electricity Retrofit Incentive Program	Projects	29	483	397	5,079	5,079	1,441,254	19,451,459	77,805,835
26	High Performance New Construction	Projects	28	220	650	4,723	4,723	4,306,415	33,266,180	133,064,719
27	Toronto Comprehensive	Projects	27	576	1,559	13,774	13,774	13,405,628	83,570,866	334,283,463
28	Multifamily Energy Efficiency Rebates	Projects	0	110	0	1,886	1,886	0	7,218,883	28,875,534
Pre-2011 Programs completed in 2011 Total					2,606	25,461	25,461	19,153,297	143,507,388	574,029,551
OPA-Contracted Province-Wide Portfolio Total					9,998	167,529	78,863	67,825,747	348,252,582	1,388,909,212



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Glossary

Annual: the peak demand or energy savings that occur in a given year (includes resource savings from new program activity in a given year and resource savings persisting from previous years).

Cumulative Energy Savings: represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

Current Reporting Period: the calendar quarter specified on page 1 of this report.

End-User Level: resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

Final Savings: savings achieved that have undergone annual Evaluation, Measurement & Verification (EM&V) and thus have had activity audited and savings assumptions measured and verified.

Implementation Period: the particular calendar quarter or calendar year that conservation activity is achieved based on when the savings are considered to 'start' (please see table 5).

Incremental: the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start' (please see table 5).

Initiative: a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

Net Energy Savings (MWh): energy savings attributable to conservation and demand management activities net of free-riders, etc.

Net Peak Demand Savings (MW): peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

Program-to-Date: the reporting period from January 1, 2011 until the end of the Current Reporting Period.

Program: a group of initiatives that target a particular market sector (i.e. Consumer, Industrial).

Reported Savings: savings achieved that are based on reported activity and forecasted savings assumptions. These savings are not verified, i.e. have not undergone the Evaluation, Measurement & Verification processes.

Unit: for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 5: Data Qualifiers for Initiatives currently in market

For Example: Preliminary results for Retrofit are reported in this quarter if a project is completed on or before Dec. 31, 2011 and had the iCON status "Approved for payment by LDC" or "Released for Payment" as of Jan. 20, 2012. There is a high probability that there are more results coming in for this initiative.

Initiative	Savings 'start' Date	Data Available	As of:	Updates:
Consumer Program				
Conservation Instant Coupon Booklet	Invoice date from coupon clearinghouse	Once data is submitted to the OPA by retailers	Dec. 21, 2011	High
Bi-Annual Retailer Event				
Appliance exchange initiative	Event date		Dec. 16, 2011	Low
Retailer co-op activities	Will vary by specific project	Varies by specific project	Dec. 31, 2011	Low
Appliance Retirement	Pick-up date	When database is queried	Jan. 11, 2012	Moderate
HVAC Incentives	Installation date	Customers submit rebate and invoices are processed	Oct. 31, 2011	High
peaksaver extension	Device installation date	Upon payment to LDC	Jan. 26, 2012	Moderate
New construction	Project completion	Preliminary Billing Report issued to LDC	Jan. 2, 2012	Low
Home Assistance Program				
Home Assistance Program	Project Completion Date	TBD	Jan. 23, 2012	High
Business (Commercial & Institutional) Program				
Direct Installed Lighting	Project Completion Date	Work-order: invoiced, approved and paid to LDC	Dec. 1, 2011	High
Equipment Replacement Incentive		"Approved for Payment by LDC" or "Released for Payment" status on iCON	Jan. 20, 2012	High
Process & Systems Upgrades			Jan. 20, 2012	Low
Building Commissioning		Upon payment to LDC	Jan. 20, 2012	Moderate
New Construction		Upon payment to LDC	Jan. 20, 2012	Low
peaksaver extension		Device installation Date	Upon payment to LDC	Jan. 26, 2012
Demand Response (DR1, DR3)	Facility is available under contract	Facility under contract with aggregator	Dec. 31, 2011	Low
Pre-2011 Projects Completed in 2011				
High Performance New Construction	Project Completion Date	Upon payment to LDC	Jan. 16, 2012	High
Electricity Retrofit Incentive Program			Jan. 13, 2012	High
Multifamily Energy Efficiency Rebates			Nov. 2011	Low
Toronto Comprehensive			Jan. 11, 2012	High
Industrial Program				
Equipment Replacement Incentive	Project Completion Date	"Approved for Payment by LDC" or "Released for Payment" status on iCON	Jan. 20, 2012	High
Process & System Upgrades	In Service Date		Jan. 20, 2012	Low
Monitoring & Targeting	2nd year Report	Report submitted	Jan. 20, 2012	Low
Demand Response (DR1, DR3)	Facility is available under contract	Facility available under contract	Dec. 31, 2011	Low
Energy Manager	Quarterly Report Date	Report submitted quarterly	Jan. 20, 2012	Low

d) For the purposes of the CDM adjustment ERHDC has assumed

552,000 kWh of savings on billed energy.

e) The historical period the loss factor of 1.0675 was calculated for is 2003 to 2010 which is the same period of time the data was collected for the weather normalization. The loss factor in Exhibit 8/ tab 1/ Schedule 3/ Page 1, was calculated for the period 2006 to 2010 as per the OEB guidelines using the last historical 5 years. If the loss factor used in the weather normalization was calculated using the last 5 historical years it would yield the same results and be 1.0714.

f) The total billed kW associated with the CDM savings included in the 2012 load forecast is as follows:

- General Service > 50 kW – 392 kW
- Sentinel Lights – 0.63 kW
- Street Lights – 17 kW

Question #10

Reference: Exhibit 3, Tab 2, Schedule 1, page `15

- a. Please re-do Table 3-17 in order to show also how the CDM adjustment by customer class (per Table 3-8) was incorporated into the derivation of the billed energy forecast by customer class.

ERHDC Response

Year	Total	Residential	General Service < 50	General Service >50	USL	Sentinel Lights	Street Lights
Non Weather Corrected Forecast							
2011	59,898,370	31,010,696	11,084,381	16,973,540	182,520	24,809	622,423
2012	58,806,132	30,796,628	10,616,402	16,524,339	215,301	24,390	629,071
Weather Corrected Forecast							
2011	62,801,997	32,570,645	11,641,964	17,759,635	182,520	24,809	622,423
2012	62,801,999	32,969,802	11,365,553	17,597,882	215,301	24,390	629,071
Less: CDM Adjustment	552,000	289,081	99,654	155,110	2,021	229	5,905
Totals		32,680,721	11,265,899	17,442,772	213,280	24,161	623,166
%							
% Weather Sensitive							
2011	2,903,627	28,731,410	10,269,679	14,478,429	-	-	-
2012	3,995,865	28,533,076	9,836,096	14,095,261	-	-	-
Allocation of Weather Sensitive Amount							
2011	2,903,627	1,559,949	557,584	786,095	-	-	-
2012	3,995,865	2,173,174	749,150	1,073,542	-	-	-

Question #11

Reference: Exhibit 3, Tab 3, Schedule 1, page 1

- a) Please explain why there is no reported Interest and Dividend income (Account #4405).
- b) Please explain the increase in 2010 for each of the following accounts and why the increased value is not forecast to continue in 2011 and 2012:
 - Specific Service Charges (#4235)
 - Late Payment Charges (#4225)

ERHDC Response

- a) ERHDC did not include interest income in table 3-22 as other operating revenue as ERHDC considered the amount to be immaterial. ERHDC has bank interest income as follows:
 - 2009 - \$833
 - 2010 - \$1,230
 - 2011 - \$1,233
- b) In ERHDC 2012 forecast compared to 2010 actuals there is a decrease of 7% in specific service charges. In ERHDC's 2012 forecast there were less revenues forecast for disconnect and re-connect charges as a result of the revised customer service rules enforced by the OEB (such as arrears management programs and low-income assistance programs, etc) ERHDC confirms the actual 2011 specific customer service charges were \$69,000.

Late payment charges are based on the last 3 historical years and then reduced by approximately 3% to account for the reduction in late payment charges as a result of the revised customer service rules.

Question #12

Reference: Exhibit 3, Tab 3, Schedule 1, page 1

- a) Please describe the sources of revenues for Account #4325 (Revenues from Merchandise, Jobbing, etc.) and why the revenues are forecast to decline in 2011 and 2012.

ERHDC Response

- a) ERHDC's revenue from merchandising and jobbing fluctuates annually depending on the specific situations that may arise. Due to the uncertainty of the revenue in the 2012 test year and the nature of historical costs usually being one-time, ERHDC forecast \$2,500. For example in 2007 ERHDC performed work for a neighbouring utility that was one-time in nature. The historical amounts in account 4325 are as follows:

2004 - \$0
2005 - \$0
2006 - \$10,000
2007 - \$30,000
2008 - \$14,662
2009 - \$6,939
2010 - \$7,526
2011 - \$2,500
2012 - \$2,500

Question # 13

Reference: Exhibit 3, Tab 3, Schedule 1, page 1

- a) How many Micro-Fit customers does ERHDC currently have (i.e., year-end 2011)? How many are forecast for year-end 2012?
- b) Where is the revenue from Micro-Fit service charges captured in Table 3-22?

ERHDC Response

- a) ERHDC has 1 Micro-Fit customer at the end of 2011. It is difficult to forecast the number of Micro-Fit customers in 2012 but based on the fact that there is only 1 connection to date it would be reasonable to assume that 1 or 2 connections could be forecast for 2012.
- b) The revenue from Micro-fit service charges is captured in account 4235.

Question #14

OPERATING COSTS

Reference: Exhibit 4, Tab 1, Schedule 1, page 1.

Please provide the 2011 annual inflation CPI inflation rate ERHDC and the most recent annualized 2011 rate published by Statistics Canada.

ERHDC Response

ERHDC forecast costs based on account specific circumstances and projections. An overall inflationary factor was not used for all OM&A accounts. The most recent annualized 2011 inflation CPI published by Statistics Canada is an average 2.91%.

Question #15

Reference: Exhibit 4, Tab 1, Schedule 1, Tables 4-1 to 4-4

- a) Please restate the 2011 and 2012 OM&A table (Table 4-5) on a CGAAP basis and show any IFRS adjustment in a separate column.

ERHDC Response

	2011	2012 Test Year	2012	2012	Variance	Percentage Change
	Bridge	Forecast	IFRS	Test Year	\$	%
	CGAAP	CGAAP	Adjustment	under IFRS		
Operations	\$ 244,601	\$ 249,346		\$ 249,346	\$ 4,745	1.94%
Maintenance	\$ 315,008	\$ 397,159		\$ 397,159	\$ 82,151	26.08%
Billing and Collecting	\$ 305,760	\$ 371,722		\$ 371,722	\$ 65,962	21.57%
Community Relations	\$ 1,000	\$ 1,000		\$ 1,000	\$ -	0.00%
Administrative and Gen	\$ 312,069	\$ 360,018	-\$ 6,620	\$ 353,398	\$ 41,329	13.24%
Total OM&A Expenses	\$1,178,438	\$ 1,372,625	-\$ 6,620	\$ 1,372,625	\$194,187	16.48%
Inflation Rate						2.70%

Question #16

Reference: Exhibit 4, Tab 1, Schedule 1/Schedule 5 Tables 4-7

- a. Please update the 2011 OM&A Tables to show 2011 actual results.
- b. Please show for each account category (i.e. Maintenance/Billing & Collecting, etc.) the costs for services provided by PUC. [For example in 2012 ERHDC proposes to spend \$397,159 on Maintenance. The added row in the revised table would show what amount of this figure is forecast to be remitted to PUC in accordance with the service contract].

ERHDC Response

a)

Account Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year	2011 Actual	2012 Test Year
Operations						
5005 Operation Supervision and Engineering	\$ 37,847	\$ 39,246	\$ 27,312	27,312	18,663	28,199
5010 Load Dispatching						
5012 Station Buildings and Fixtures Expense	\$ 10,163	\$ 8,308	\$ 3,917	13,487	74	20,896
5014 Transformer Station Equipment - Operation Labour						
5015 Transformer Station Equipment - Operation Supplies and Expenses						
5016 Distribution Station Equipment - Operation Labour	\$ 5,611	\$ 5,750	\$ 4,940	8,448	11,361	8,716
5017 Distribution Station Equipment - Operation Supplies and Expenses	\$ 16,500	\$ 17,485	\$ 20,999	20,500	17,752	20,100
5020 Overhead Distribution Lines and Feeders - Operation Labour	\$ 39,359	\$ 46,996	\$ 25,233	37,108	56,039	38,128
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	\$ 34,716	\$ 32,819	\$ 23,616	25,000	36,389	25,750
5030 Overhead Sub-transmission Feeders - Operation						
5035 Overhead Distribution Transformers - Operation	\$ 13,287	\$ 12,157	\$ 10,696	11,444	10,735	11,657
5040 Underground Distribution Lines and Feeders - Operation Labour	\$ 40,384	\$ 38,706	\$ 16,368	15,054	37,253	10,969
5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses	\$ 10,235	\$ 23,345	\$ 17,824	18,532	21,404	19,000
5050 Underground Sub-transmission Feeders - Operation						
5055 Underground Distribution Transformers - Operation	\$ 2,388	\$ 14,135	\$ 3,886	7,217	2,189	7,584
5060 Street Lighting and Signal System Expense						
5065 Meter Expense	\$ 2,864	\$ 3,005	\$ 1,214	3,624	6,824	3,357
5070 Customer Premises - Operation Labour	\$ 18,123	\$ 14,756	\$ 11,358	12,203	22,747	12,959
5075 Customer Premises - Operation Materials and Expenses	\$ 3,825	\$ 7,260	\$ 6,816	7,500	8,443	7,000
5085 Miscellaneous Distribution Expenses	\$ 3,781	\$ 39,699	\$ 7,539	23,472	12,123	21,631
5090 Underground Distribution Lines and Feeders - Rental Paid						
5095 Overhead Distribution Lines and Feeders - Rental Paid	\$ 13,327	\$ 13,327	\$ 13,327	13,700	13,442	13,400
5096 Other Rent						
Total - Operations	\$ 252,410	\$ 316,994	\$ 195,045	\$ 244,601	\$ 275,438	\$ 249,346

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Account Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year	2011 Actual	2012 Test Year
Maintenance						
5105 Maintenance Supervision and Engineering	\$ 37,847	\$ 39,257	\$ 27,312	27,312	18,663	28,199
5110 Maintenance of Buildings and Fixtures - Distribution Stations	\$ 611	\$ 9,962	\$ 143	10,759	654	35,332
5112 Maintenance of Transformer Station Equipment						
5114 Maintenance of Distribution Station Equipment	\$ 11,121	\$ 2,058	\$ 8,292	18,673	2,787	9,566
5120 Maintenance of Poles, Towers and Fixtures	\$ 5,330	\$ 17,200	\$ 13,342	18,185	13,997	18,355
5125 Maintenance of Overhead Conductors and Devices	\$ 32,336	\$ 22,132	\$ 32,991	26,533	22,631	27,929
5130 Maintenance of Overhead Services	\$ 34,497	\$ 37,728	\$ 47,945	48,490	35,595	49,968
5135 Overhead Distribution Lines and Feeders - Right of Way	\$ 64,272	\$ 100,443	\$ 135,566	123,916	71,048	186,001
5145 Maintenance of Underground Conduit	\$ 731	\$ -	\$ -	11,452	1,192	11,473
5150 Maintenance of Underground Conductors and Devices	\$ 4,422	\$ 8,568	\$ 5,038	10,109	11,095	10,162
5155 Maintenance of Underground Services	\$ 701	\$ 441	\$ 165	573	155	584
5160 Maintenance of Line Transformers	\$ 6,231	\$ 14,127	\$ 12,189	15,383	10,110	16,234
5165 Maintenance of Street Lighting and Signal Systems						
5170 Sentinel Lights - Labour	\$ 870	\$ 1,503	\$ 38	1,837	1,158	1,931
5172 Sentinel Lights - Materials and Expenses						
5175 Maintenance of Meters	\$ 30	\$ 1,571	\$ 31	1,787		1,425
5178 Customer Installations Expenses - Leased Property						
5195 Maintenance of Other Installations on Customer Premises						
Total - Maintenance	\$ 198,999	\$ 254,990	\$ 283,052	\$ 315,008	\$ 189,085	\$ 397,159

Account Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year	2011 Actual	2012 Test Year
Billing and Collecting						
5305 Supervision						
5310 Meter Reading Expense	\$ 39,252	\$ 39,277	\$ 39,425	30,717	38,042	100,327
5315 Customer Billing	\$ 146,209	\$ 151,223	\$ 153,783	168,098	159,928	175,668
5320 Collecting	\$ 72,572	\$ 80,495	\$ 76,034	98,945	76,668	87,727
5325 Collecting - Cash Over and Short						
5330 Collection Charges						
5335 Bad Debt Expense	\$ 7,532	\$ 12,170	\$ 5,714	8,000	12,114	8,000
5340 Miscellaneous Customer Accounts Expenses						
Total - Billing and Collecting	\$ 265,565	\$ 283,165	\$ 274,956	\$ 305,760	\$ 286,752	\$ 371,722

Account Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year	2011 Actual	2012 Test Year
Community Relations						
5405 Supervision						
5410 Community Relations - Sundry	\$ 1,800	\$ 815	\$ 636	\$ 1,000	\$ -	\$ 1,000
5415 Energy Conservation						
5420 Community Safety Program						
5425 Miscellaneous Customer Service and Informational Expenses						
5505 Supervision						
5510 Demonstrating and Selling Expense						
5515 Advertising Expenses						
5520 Miscellaneous Sales Expense						
Total - Community Relations	\$ 1,800	\$ 815	\$ 636	\$ 1,000	\$ -	\$ 1,000

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Account Description	2008 Actual	2009 Actual	2010 Actual	2011 Bridge Year		2012 Test Year
Administrative and General Expenses						
5605 Executive Salaries and Expenses	\$ 19,158	\$ 19,158	\$ 19,158	19,200	18,474	19,200
5610 Management Salaries and Expenses	\$ 68,284	\$ 61,066	\$ 55,088	71,440	53,627	98,958
5615 General Administrative Salaries and Expenses						
5620 Office Supplies and Expenses	\$ 56,533	\$ 62,560	\$ 64,694	62,175	66,779	66,998
5625 Administrative Expense Transferred - Credit						
5630 Outside Services Employed	\$ 63,012	\$ 63,726	\$ 72,165	78,754	104,143	90,442
5635 Property Insurance	\$ 5,298	\$ 5,504	\$ 5,504	5,500	5,504	5,600
5640 Injuries and Damages	\$ 8,217	\$ 8,085	\$ 4,343	8,200	8,018	5,000
5645 Employee Pensions and Benefits	\$ 3,674	\$ 3,169	\$ 19,889	20,000	1,883	20,000
5650 Franchise Requirements						
5655 Regulatory Expenses	\$ 50,401	\$ 19,369	\$ 28,970	25,000	47,772	35,000
5660 General Advertising Expenses	\$ 497	\$ 505	\$ 643	500	532	600
5665 Miscellaneous General Expenses	\$ 7,398	\$ 6,757	\$ 1,824	6,500	3,220	6,800
5670 Rent						
5675 Maintenance of General Plant						
5680 Electrical Safety Authority Fees	\$ 2,641	\$ 2,766	\$ 2,751	2,800	2,813	2,800
5681 Special Purpose Charge Expense					9,905	
5685 Independent Electricity System Operator Fees and Penalties						
5695 OM&A Contra Account						
6205 Donations (Charitable Contributions)				\$ 12,000	\$ 2,000	\$ 2,000
Total - Administrative and General Expenses	\$ 285,113	\$ 252,665	\$ 275,029	\$ 312,069	\$ 324,670	\$ 353,398
Total OM&A	\$ 1,003,887	\$ 1,108,629	\$ 1,028,718	\$ 1,178,438	\$ 1,075,945	\$ 1,372,625

- b) ERHDC has included in the tables below the costs for services provided by PUC for 2010 actual and 2011 and 2012 forecast.

Account Description	2010 Actual	Services provided by PUC 2010	2011 Bridge Year	2011 Actual	Services provided by PUC 2011	2012 Test Year	Services provided by PUC 2012
Operations							
5005 Operation Supervision and Engineering	\$ 27,312		27,312	18,663		28,199	
5010 Load Dispatching							
5012 Station Buildings and Fixtures Expense	\$ 3,917		13,487	74		20,896	
5014 Transformer Station Equipment - Operation Labour							
5015 Transformer Station Equipment - Operation Supplies and Expenses							
5016 Distribution Station Equipment - Operation Labour	\$ 4,940		8,448	11,361		8,716	
5017 Distribution Station Equipment - Operation Supplies and Expenses	\$ 20,999		20,500	17,752		20,100	
5020 Overhead Distribution Lines and Feeders - Operation Labour	\$ 25,233		37,108	56,039		38,128	
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	\$ 23,616		25,000	36,389		25,750	
5030 Overhead Sub-transmission Feeders - Operation							
5035 Overhead Distribution Transformers - Operation	\$ 10,696		11,444	10,735		11,657	
5040 Underground Distribution Lines and Feeders - Operation Labour	\$ 16,368		15,054	37,253		10,969	
5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses	\$ 17,824		18,532	21,404		19,000	
5050 Underground Sub-transmission Feeders - Operation							
5055 Underground Distribution Transformers - Operation	\$ 3,886		7,217	2,189		7,584	
5060 Street Lighting and Signal System Expense							
5065 Meter Expense	\$ 1,214		3,624	6,824		3,357	
5070 Customer Premises - Operation Labour	\$ 11,368		12,203	22,747		12,959	
5075 Customer Premises - Operation Materials and Expenses	\$ 6,816		7,500	8,443		7,000	
5085 Miscellaneous Distribution Expenses	\$ 7,539		23,472	12,123		21,631	
5090 Underground Distribution Lines and Feeders - Rental Paid							
5095 Overhead Distribution Lines and Feeders - Rental Paid	\$ 13,327		13,700	13,442		13,400	
5096 Other Rent							
Total - Operations	\$ 195,045	\$ 71,545	\$ 244,601	\$ 275,438	\$ 71,719	\$ 249,346	\$ 73,871

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Account Description	2010 Actual	Services provided by PUC 2010	2011 Bridge Year	2011 Actual	Services provided by PUC 2011	2012 Test Year	Services provided by PUC 2012
Maintenance							
5105 Maintenance Supervision and Engineering	\$ 27,312		27,312	18,663		28,199	
5110 Maintenance of Buildings and Fixtures - Distribution Stations	\$ 143		10,759	654		35,332	
5112 Maintenance of Transformer Station Equipment							
5114 Maintenance of Distribution Station Equipment	\$ 8,292		18,673	2,787		9,566	
5120 Maintenance of Poles, Towers and Fixtures	\$ 13,342		18,185	13,997		18,355	
5125 Maintenance of Overhead Conductors and Devices	\$ 32,991		26,533	22,631		27,929	
5130 Maintenance of Overhead Services	\$ 47,945		48,490	35,595		49,968	
5135 Overhead Distribution Lines and Feeders - Right of Way	\$ 135,566		123,916	71,048		186,001	
5145 Maintenance of Underground Conduit	\$ -		11,452	1,192		11,473	
5150 Maintenance of Underground Conductors and Devices	\$ 5,038		10,109	11,095		10,162	
5155 Maintenance of Underground Services	\$ 165		573	155		584	
5160 Maintenance of Line Transformers	\$ 12,189		15,383	10,110		16,234	
5165 Maintenance of Street Lighting and Signal Systems							
5170 Sentinel Lights - Labour	\$ 38		1,837	1,158		1,931	
5172 Sentinel Lights - Materials and Expenses							
5175 Maintenance of Meters	\$ 31		1,787			1,425	
5178 Customer Installations Expenses - Leased Property							
5195 Maintenance of Other Installations on Customer Premises							
Total - Maintenance	\$ 283,052	\$ 71,545	\$ 315,008	\$ 189,085	\$ 71,719	\$ 397,159	\$ 73,871

Account Description	2010 Actual	Services provided by PUC 2010	2011 Bridge Year	2011 Actual	Services provided by PUC 2011	2012 Test Year	Services provided by PUC 2012
Billing and Collecting							
5305 Supervision							
5310 Meter Reading Expense	\$ 39,425		30,717	38,042		100,327	
5315 Customer Billing	\$ 153,783		168,098	159,928		175,668	
5320 Collecting	\$ 76,034		98,945	76,668		87,727	
5325 Collecting - Cash Over and Short							
5330 Collection Charges							
5335 Bad Debt Expense	\$ 5,714		8,000	12,114		8,000	
5340 Miscellaneous Customer Accounts Expenses							
Total - Billing and Collecting	\$ 274,956	\$ 192,956	\$ 305,760	\$ 286,752	\$ 197,975	\$ 371,722	\$ 203,249

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Account Description	2010 Actual	Services provided by PUC 2010	2011 Bridge Year	2011 Actual	Services provided by PUC 2011	2012 Test Year	Services provided by PUC 2012
Community Relations							
5405 Supervision							
5410 Community Relations - Sundry	\$ 636		\$ 1,000	\$ -		\$ 1,000	
5415 Energy Conservation							
5420 Community Safety Program							
5425 Miscellaneous Customer Service and Informational Expenses							
5505 Supervision							
5510 Demonstrating and Selling Expense							
5515 Advertising Expenses							
5520 Miscellaneous Sales Expense							
Total - Community Relations	\$ 636		\$ 1,000	\$ -		\$ 1,000	\$ -

Account Description	2010 Actual	Services provided by PUC 2010	2011 Bridge Year	2011 Actual	Services provided by PUC 2011	2012 Test Year	Services provided by PUC 2012
Administrative and General Expenses							
5605 Executive Salaries and Expenses	\$ 19,158		19,200	18,474		19,200	
5610 Management Salaries and Expenses	\$ 55,088		71,440	53,627		98,958	
5615 General Administrative Salaries and Expenses							
5620 Office Supplies and Expenses	\$ 64,694		62,175	66,779		66,998	
5625 Administrative Expense Transferred - Credit							
5630 Outside Services Employed	\$ 72,165		78,754	104,143		90,442	
5635 Property Insurance	\$ 5,504		5,500	5,504		5,600	
5640 Injuries and Damages	\$ 4,343		8,200	8,018		5,000	
5645 Employee Pensions and Benefits	\$ 19,889		20,000	1,883		20,000	
5650 Franchise Requirements							
5655 Regulatory Expenses	\$ 28,970		25,000	47,772		35,000	
5660 General Advertising Expenses	\$ 643		500	532		600	
5665 Miscellaneous General Expenses	\$ 1,824		6,500	3,220		6,800	
5670 Rent							
5675 Maintenance of General Plant							
5680 Electrical Safety Authority Fees	\$ 2,751		2,800	2,813		2,800	
5681 Special Purpose Charge Expense				9,905			
5685 Independent Electricity System Operator Fees and Penalties							
5695 OM&A Contra Account							
6205 Donations (Charitable Contributions)			\$ 12,000	\$ 2,000		\$ 2,000	
Total - Administrative and General Expenses	\$ 275,029	\$ 36,554	\$ 312,069	\$ 324,670	\$ 36,643	\$ 353,398	\$ 37,742
Total OM&A	\$ 1,028,718		\$ 1,178,438	\$ 1,075,945		\$ 1,372,625	\$ 388,733

Capital Expenditures	\$ 53,660	\$ 53,790	\$ 55,404
Total costs from PUC	\$ 426,260	\$ 431,846	\$ 444,137

Question #17

Reference: Exhibit 4, Tab 2, Schedule 4, BDR Report page 11

- a) Please update the OM&A Cohort comparator table shown at page 11 of this report for the most recent 2010 (and 2011 if available) OM&A per customer figures.

ERHDC Response

ERHDC updated the OM&A Cohort comparator table below based on the 2010 yearbook issued by the OEB (2011 is not available yet).

LDC	Operating	Maintenance	Administrative	Other	Total OM&A	Customers	Expense/ Customer
Algoma Power Inc.	\$1,097,534	\$3,426,509	\$4,123,260	\$56,576	\$8,703,879	11,612	\$750
Atikokan Hydro Inc.	\$332,111	\$51,665	\$615,874	\$0	\$999,650	1,663	\$601
Chapleau Public Utilities Corporation	\$203,961	\$0	\$335,034	\$9,588	\$548,582	1,306	\$420
Espanola Regional Hydro Distribution Corp.	\$195,034	\$282,982	\$550,700	\$18,327	\$1,047,043	3,300	\$317
Fort Frances Power Corporation	\$192,399	\$183,394	\$949,892	\$12,850	\$1,338,534	3,777	\$354
Northern Ontario Wires Inc.	\$401,967	\$343,735	\$1,307,987	\$2,913	\$2,056,602	6,026	\$341
Parry Sound Power Corporation	\$70,690	\$219,988	\$922,570	\$0	\$1,213,249	3,377	\$359
Renfrew Hydro Inc.	\$198,937	\$163,008	\$679,154	\$0	\$1,041,099	4,155	\$251
Sioux Lookout Hydro Inc.	\$493,191	\$116,678	\$563,578	\$0	\$1,173,447	2,754	\$426
						Espanola Rank	2
						median	\$359
						mean	\$424

Question #18

Reference: Exhibit 4, Tab 2, Schedule 5

- a. There does not appear to be any reference in the Asset Condition Assessment & Asset Management Plan to vegetation issues. Did Metsco/Costello identify vegetation as an issue?
- b. Please explain how ERHDC develop its vegetation management budget.
- c. Please provide the reasons ERHDC neglected its tree trimming responsibilities prior to 2008.
- d. Please explain the steps that were taken in each year since 2008 to assess the state of vegetation growth near distribution plant.
- e. When did ERHDC become aware of the Bass Lake Road vegetation issue?
- f. What process was used to select the vegetation contractor (Wilderness Environmental Services)?

ERHDC Response

- a) The vegetation issues were not part of the scope of the Asset Management Plan performed by Metsco/Costello.
- b) ERHDC develops it's vegetation management budget based on historical allocation of labour together with observed progress and expected vegetation growth. The service territory was divided into three geographical areas identified by ERHDC as Line Clearing sections "A, B, and C" with the intent of working toward a three year cycle with the assistance of a contracted line clearing service provider.
- c) ERHDC didn't neglect its tree trimming responsibilities but there was a lack of funds and resources to perform the required vegetation management.
- d) In 2009, it was determined that the volume of required line clearing was beyond the capability of available internal staff and that only approximately 70% of "section A" had been completed in 2008. In 2009 ERHDC allocated 653 internal hours toward line clearing in "section B" and identified critical areas. Contracted utility arborists provided an additional 393 hours of line clearing services in 2009. In November of 2009 ERHDC consulted with a Utility Arborist to identify areas of immediate concern. It was concluded that increased efforts in successive years was required in order to appropriately manage the tree growth

throughout the system. In 2010, ERHDC allocated 1098 internal hours toward line clearing in "section C" and identified critical areas and contracted utility arborists provided an additional 461 hours of line clearing services. In 2011, ERHDC allocated 494 internal hours toward line clearing in "section A" and identified critical areas and contracted utility arborists provided an additional 389 hours of line clearing services. In 2011, a further 340 contractor hours were planned, but cancelled due to budgetary constraints. As in 2008 "section A" which includes the Bass Lake Road area had been left incomplete. In July of 2011, a survey of the Bass Lake Road Area by ERHDC and a Utility Arborist resulted in the report presented for 2012 budget and rate application purposes. In October of 2011, Wilderness Environmental Services provided a report on the state of vegetation encroachment issues in the Bass Lake Road sections and provided a budgetary estimate to complete the required work which is included in the application.

- e) ERHDC became aware of the Bass Lake Road vegetation concern in 2009 but prioritized the line clearing based on the most urgent public safety concerns but has continued to fall behind due to underestimation of the successive years growth rates.
- f) Wilderness Environmental Services, if selected, will be through a tendering process.

Question #19

Reference: Exhibit 4, Tab 2, Schedule 5, pg.16 /pg.26

- a) Please reconcile for 2012 the amount shown in Account 5655 – Regulatory Expense – (\$35,000) and the amount shown in Table 4-15 (total costs \$108,000).

ERHDC Response

Regulatory costs in table 4-15 include the costs associated with the cost of service rate application such as, preparation of the asset management plan, green energy act plan, consultants for LRAM, and 1562 PILs determination. These costs are estimated to be \$97,500 which have been spread over 4 years as they are one-time costs. In account 5655 there is $\frac{1}{4}$ of the cost which is \$24,375 plus estimated annual costs of \$10,500 for a total of approximately \$35,000. The annual costs consist of OEB assessments, section 30 costs, and miscellaneous regulatory costs.

Question #20

Reference: Exhibit 4, Tab 2, Schedule 6, pg. 2

- a) Please explain the variance between the 2008 Board approved total compensation of \$526,423 and the 2008 actual spending of \$446,219.

ERHDC Response

- a) In the 2008 Board approved compensation there was an employee expected to be hired which did not happen until a later date.

Question # 21

COST ALLOCATION

Reference: Exhibit 7, Tab 1, Schedule 2, page 2
2012 Cost Allocation Model, Tab I7.1 (Meter Capital)
Exhibit 9, Table 9-10

- a) In the Cost Allocation Model ERHDC has assumed that the cost of a smart meter is the same for all customer classes (\$295). However, the discussion of its smart meter program (Exhibit 9, Tab 2, Table 9-10) indicates that the cost of smart meters varies by customer class. Please reconcile and provide a revised Cost Allocation Model run which reflects the relative cost of smart meters by customer class.
- b) Please update Table 7-4 based on the results of this revised Cost Allocation.

ERHDC Response

- a) ERHDC has re-run the cost allocation model to include the smart meter costs based on the rate class specific costs and has submitted the model with the interrogatory responses.
- b) A revised Table 7-4 is below:

<u>Service Class</u>	<u>2012 Updated Revenue to Cost Ratio</u>	<u>2012 Proposed Revenue to Cost Ratio</u>	<u>Revised Revenue to Cost Ratios</u>	<u>Board Target Low</u>	<u>Board Target High</u>
Residential	93.2%	95.1%	95.2%	85%	115%
General Service < 50kW	115.9%	115.9%	115.9%	80%	120%
General Service > 50 kW	132.7%	120.0%	120.0%	80%	120%
USL	114.9%	114.9%	114.9%	80%	120%
Sentinel Lights	68.1%	80.0%	80.0%	80%	120%
Street Lights	68.5%	70.0%	70.0%	70%	120%

Question #22

RATE DESIGN

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

- a. Please confirm that the cost of providing the transformer allowance (\$11,512) is incorporated in the variable charge for the GS>50 class. If not, how is the cost recovered?

ERHDC Response

ERHDC confirms that the transformer allowance is incorporated in the variance charge for the GS > 50 kW class.

Question #23

Reference: Exhibit 8, Tab 1, Schedule 4, page 1

- a) Please explain how the total forecast LV cost of \$276,397 was derived.
- b) What were ERHDC's actual LV costs for 2011 and what were ERHDC's actual total energy purchases for 2011?

ERHDC Response

- a) The \$276,397 is the total for the basis for allocation of the LV costs not the total LV costs. The allocation is based on applying the appropriate Hydro One sub transmission charges to the forecast 2012 units.
- b) ERHDC reviewed the calculation for the LV costs and has revised the costs from \$144,544 to \$229,228.

ERHDC has 5 accounts that calculate LV charges, Espanola TS-M2, Webwood ME, Espanola Regional H, Espanola PME1 and Massey ME. These accounts are charged based on a combination of monthly service charges, Specific ST Lines charge per KM, LVDS charge per KW, common ST lines per KW and HVDS-Low per KW. ERHDC forecast the load to be billed by taking the average billed amounts from 2008 to 2011. ERHDC then applied the current 2012 Hydro One rates to the averages. ERHDC revised 2012 forecast of Low Voltage costs are \$229,288. ERHDC has included the calculation of the LV charges and revised rate riders below.

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[illegible]

Low Voltage Costs Allocated by Customer Class					
Customer Class	Retail Transmission Connection Rate (\$)		Basis for Allocation (\$)	Allocation Percentages	Allocated \$
	per KWh	per kW			
Residential	0.0045		147,063	53.21%	121,998
GS < 50 kW	0.0042		47,317	17.12%	39,252
GS >50 kW		1.7889	78,808	28.51%	65,376
Sentinel Lights		1.2879	85	0.03%	71
Street Lighting		1.2616	2,228	0.81%	1,848
USL	0.0042		896	0.32%	743
TOTALS			276,397	100%	229,288

RATES - Low Voltage Adjustment						
Customer Class	LV Adj. Allocated	Calculated kWh	Calculated kW	Volumetric Rate Type	LV/ Adj. Rates/kWh	LV Adj. Rates/ kW
Residential	121,998	32,680,721	0	kWh	0.0037	
GS < 50 kW	39,252	11,265,899	0	kWh	0.0035	
GS >50 kW	65,376	17,442,772	44,054	kW		1.4840
Sentinel Lights	71	24,161	66	kW		1.0684
Street Lighting	1,848	623,166	1,766	kW		1.0466
USL	743	213,280	0	kWh	0.0035	
TOTALS	229,288	62,249,999	45,886			

ERHDC's actual low voltage charges are as follows:

2008 - \$ 139,321
2009 - \$ 140,975
2010 - \$135,663
2011 - \$203,607

Question #24

Reference: Exhibit 8, Tab 2, Schedule 5

- a) Please confirm that the rate impacts shown in Appendix A are the impacts after the adoption of the rate mitigation measures set out at page 1, lines 11-16. If not, please re-do the residential impact analysis based on the proposed rates.
- b) Based on the most recent 12 months of billing data please indicate the number of Residential customers whose average monthly use falls into each of the following consumption ranges:
- i. 0-250 kWh
 - ii. >250-500 kWh
 - iii. >500-800 kWh
 - iv. >800 – 1,500 kWh
 - v. >1,500 kWh
- c) At page 1 (lines 4-8) ERHDC states that it has "taken measures to mitigate these costs to the fairest and most reasonable extent possible". Are the "measures" referenced here to the ones described at lines 11-16? If additional measures were explicitly taken to mitigate costs please outline what they were.

ERHDC Response

- a) ERHDC confirms the rate impacts shown in Appendix A are the impacts after the adoption of the rate mitigation measures set out in page 1 lines 11-16.
- b)

kWh's	Customer Number	Percentage
> 1500	513	18%
0 - 250	152	5%
251 - 500	466	16%
501 - 800	724	25%
801 - 1500	999	35%
Grand Total	2854	100%

- c) The measures taken to mitigate costs are described in lines 11-16. No other additional measures were explicitly taken to mitigate costs.

Question #25

LRAM

Reference: ***Exhibit 10, page 161***

- a) When will OPA results for 2010 Programs be available and how may this affect the LRAM and Load forecast?
- b) List and confirm OPA's input assumptions for EKC (if offered) 2005 and 2006 including the measure life and unit kwh savings for Compact Fluorescent Lights and Seasonal Light Emitting Diodes. Confirm some of these assumptions were changed in 2007 and again in 2009 and compare the values
- c) Confirm/ demonstrate whether the claimed savings shown in the response to part b) reflect the measure lives in place at the time the programs were run or reflect the latest OPA Measures and Assumptions list values.
- d) Adjust the LRAM claim as necessary to reflect the measure lives (and Unit savings) for any/all measures that have expired starting in 2010

ERHDC Response

- a) ERHDC utilized the final 2010 OPA results therefore there will be no effect on the LRAM and Load forecast.
- b) The table below confirms final OPA-verified 2006 EKC results for 2006 EKC CFLs and seasonal light emitting diodes (SLEDs), final OPA-verified 2007 EKC results, and assumptions from the 2009 OPA Measures and Assumptions list. Input assumptions for CFLs and SLEDs have changed periodically, including in 2009, as reflected in updates to the generic OPA Measures and Assumptions list. EKC was not offered in 2005.

Comparison of inputs from three different sources for CFLs and SLEDs

	OPA-verified Final 2006 EKC results			OPA-verified Final 2007 EKC results			From 2009 OPA M&A list		
Measure	Measure life	Gross savings (kWh/a)	Free rider rate	Measure life	Gross savings (kWh/a)	Free rider rate	Measure life	Gross savings (kWh/a)	Free rider rate
Energy	4	104	10%	8	43	22%	8	43	30%

	OPA-verified Final 2006 EKC results			OPA-verified Final 2007 EKC results			From 2009 OPA M&A list		
Measure	Measure life	Gross savings (kWh/a)	Free rider rate	Measure life	Gross savings (kWh/a)	Free rider rate	Measure life	Gross savings (kWh/a)	Free rider rate
Star® CFL									
SLEDs	30	31	10%	5	14	51%	5	14	30%

- c) Claimed savings shown in part b) reflect the measure lives from the final OPA-verified evaluations of the 2006 EKC and 2007 EKC programs. They do not reflect the generic measure lives of the OPA Measures and Assumptions list.
- d) No adjustments are necessary to reflect measure lives and unit savings for measures that have expired starting in 2010.

Question #26

Reference: Update Summary

- a) In order to assist in tracking updates to the original application, please complete a table similar to the one shown below for all changes made (whether due to interrogatory response or otherwise).

SUMMARY OF PROPOSED CHANGES

Reference		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILS	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficit
	Original Submission	4,185,471	7.02%	59,653,664	40,569,453	6,085,418	2,327,524	321,256	5,852,617	12,686,868	12,209,580	1,177,288
VECC IR #10	Updated cost of debt	4,213,572	7.06%	59,653,664	40,569,453	6,085,418	2,327,524	321,256	5,852,617	12,714,969	12,237,681	1,207,288
	Change	28,101	0	0	0	0	0	0	0	28,101	28,101	0
Board Staff #3, #4, #8	Revised 2011	4,183,054	7.06%	59,221,611	40,569,453	6,085,418	2,279,493	315,954	5,852,617	12,631,118	12,153,829	1,127,289

ERHDC Response

ERHDC has included a summary of proposed adjustments by Exhibit below:

Exhibit 2 - Rate Base

ERHDC increased the rate base by \$12,711.

The amount represents the increase in cost of power of \$84,744 for the underestimation of Low Voltage Charges as per question OEB #23. ($\$84,744 \times 15\%$ working capital allowance = \$12,711)

Exhibit 3 – Operating Costs

ERHDC decreased depreciation by \$2,324.

ERHDC increased the reduction to depreciation expense as a result of the PP&E deferral account and transition to IFRS by \$2,325 as per OEB question #40.

ERHDC decrease PILS by \$847

ERHDC decreased the PILs requirement based on the decreased revenue amount from the interrogatory updates.

Exhibit 5 – Cost of Capital and Rate of Return

ERHDC updated the capital structure and the rate base calculations for 2012 based on the cost of capital parameters issued by the OEB for 2012 cost of service rate applications.

ROE – 9.12%

Deemed LT Debt Rate – 4.41%

Deemed ST Debt Rate – 2.08%

2012		
Description	Deemed Portion	Effective Rate
Long-Term Debt	56.00%	4.41%
Short-Term Debt	4.00%	2.08%
Return On Equity	40.00%	9.12%
Weighted Debt Rate		4.25%
Regulated Rate of Return		6.20%
WORKING CAPITAL ALLOWANCE FOR 2012		
Distribution Expenses		
Distribution Expenses - Operation		249,346
Distribution Expenses - Maintenance		397,158
Billing and Collecting		371,722
Community Relations		1,000
Administrative and General Expenses		353,398
Taxes Other than Income Taxes		-
Less: Capital Taxes within 6105		-
Total Eligible Distribution Expenses		1,372,624
Power Supply Expenses		6,226,613
Total Working Capital Expenses		7,599,237
Working Capital Allowance rate of 15%		1,139,885
RATE BASE CALCULATION FOR 2012		
Fixed Assets Opening Balance 2012 (IFRS)		3,062,546
Fixed Assets Closing Balance 2012 (IFRS)		3,150,903
Average Fixed Asset Balance for 2012		3,106,725
Working Capital Allowance		1,139,885
Rate Base		4,246,610
Regulated Rate of Return		6.20%
Regulated Return on Capital		263,324
Deemed Interest Expense		108,407
Deemed Return on Equity		154,916

Exhibit 6 – Revenue Deficiency or Surplus

ERHDC updated the revenue deficiency calculation and revised the original deficiency amount of \$445,113 to \$423,422. Refer to the schedule below:

Espanola Regional Hydro Distribution Corporation Revenue Deficiency Determination		
Description	2012 Test Existing Rates	2012 Test - Required Revenue
Revenue		
Revenue Deficiency		423,422
Distribution Revenue	1,225,251	1,225,251
Other Operating Revenue (Net)	139,899	139,899
Total Revenue	1,365,150	1,788,572
Costs and Expenses		
Administrative & General, Billing & Collecting	726,120	726,120
Operation & Maintenance	646,504	646,504
Depreciation & Amortization	143,296	143,296
Property Taxes	0	0
Capital Taxes	0	0
Deemed Interest	108,407	108,407
Total Costs and Expenses	1,624,327	1,624,327
Less OCT Included Above	0	0
Total Costs and Expenses Net of OCT	1,624,327	1,624,327
Utility Income Before Income Taxes	(259,177)	164,245
Income Taxes:		
Corporate Income Taxes	9,329	9,329
Total Income Taxes	9,329	9,329
Utility Net Income	(268,506)	154,917
Capital Tax Expense Calculation:		
Total Rate Base	4,246,610	4,246,610
Exemption	15,000,000	15,000,000
Deemed Taxable Capital	(10,753,390)	(10,753,390)
Ontario Capital Tax	0	0
Income Tax Expense Calculation:		
Accounting Income	(259,177)	164,245
Tax Adjustments to Accounting Income	(104,059)	(104,059)
Taxable Income	(363,236)	60,186
Income Tax Expense	(56,302)	9,329
Tax Rate Refecting Tax Credits	15.50%	15.50%
Actual Return on Rate Base:		
Rate Base	4,246,610	4,246,610
Interest Expense	108,407	108,407
Net Income	(268,506)	154,917
Total Actual Return on Rate Base	(160,098)	263,324
Actual Return on Rate Base	-3.77%	6.20%
Required Return on Rate Base:		
Rate Base	4,246,610	4,246,610
Return Rates:		
Return on Debt (Weighted)	4.25%	4.25%
Return on Equity	9.42%	9.42%
Deemed Interest Expense	108,407	108,407
Return On Equity	154,916	154,916
Total Return	263,324	263,324
Expected Return on Rate Base	6.20%	6.20%
Revenue Deficiency After Tax	423,422	(0)
Revenue Deficiency Before Tax	423,422	(0)
Tax Exhibit		2012
Deemed Utility Income		154,916
Tax Adjustments to Accounting Income		(104,059)
Taxable Income prior to adjusting revenue to PILs		50,857
Tax Rate		15.50%
Total PILs before gross up		7,883
Grossed up PILs		9,329

Exhibit 7 – Cost Allocation

ERHDC revised the cost allocation model for the revised demand data in I8 and the update to the smart meter cost allocations. The result was 0.1% change in allocation to the residential customer rate class.

Cost Allocation Based Calculations											
Class	Revenue Requirement - 2012 Cost Allocation Model	2012 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2012 Cost Allocation Model	Total Revenue	Revenue Cost Ratio	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	1,157,917	985,560	94,675	1,080,235	93.3%	95.2%	1,101,882	94,675	1,007,207	85%	115%
GS < 50 kW	322,809	346,021	22,553	368,574	114.2%	115.9%	374,136	22,553	351,583	80%	120%
GS >50 kW	187,066	241,975	11,696	253,671	135.6%	120.0%	224,479	11,696	212,783	80%	120%
Sentinel Lights	2,503	1,462	246	1,708	68.2%	80.0%	2,002	246	1,756	80%	120%
Street Lighting	110,975	65,855	10,187	76,042	68.5%	70.0%	77,683	10,187	67,496	70%	120%
USL	7,302	7,800	542	8,342	114.2%	114.9%	8,390	542	7,848	80%	120%
TOTAL	1,788,572	1,648,673	139,899	1,788,572	100.0%		1,788,572	139,899	1,648,673		

Exhibit 8 – Rate Design

ERHDC revised the Low Voltage rate riders as per question #23.

ERHDC revised the Retail Transmission Service Rates as per question #24

The revised base revenue requirement is below:

Service Revenue Requirement	\$ 1,788,572
Less: Revenue Offsets	\$ 139,899
Total Base Revenue Requirement	\$ 1,648,673
Addback LV Charges	\$ 229,288
Addback Transformer Allowances	\$ 11,512
Gross Revenues For Rates	\$ 1,889,473

ERHDC did not change the allocation of the fixed and variable split. The updated rates are as follows:

Fixed Charge Analysis								
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2011 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)	Target Fixed Charge Split	Fixed Charge with Target Split
Residential	53.54%	46.46%	100.00%	13.70	9.96	19.73	46.46%	13.70
GS < 50 kW	64.40%	35.60%	100.00%	24.54	17.95	28.37	35.60%	24.54
GS >50 kW	70.93%	29.07%	100.00%	190.93	161.36	70.53	29.07%	190.93
Sentinel Lights	62.96%	37.04%	100.00%	2.09	1.29	7.70	37.04%	2.09
Street Lighting	63.85%	36.15%	100.00%	1.93	1.40	8.48	36.15%	1.93
USL	41.57%	58.43%	100.00%	11.94	8.82	14.22	58.43%	11.94

Distribution Rate Allocation Between Fixed & Variable Rates For 2012 Test Year										
Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	1,007,207	61.09%	13.70	\$0.0165	\$ 467,922	\$ 539,285		1,007,207	121,998	1,129,205
GS < 50 kW	351,583	21.33%	24.54	\$0.0201	\$ 125,161	\$ 226,422		351,583	39,252	390,835
GS >50 kW	212,783	12.91%	190.93	\$3.6872	\$ 61,861	\$ 150,922	\$ 11,512	224,295	65,376	289,672
Sentinel Lights	1,756	0.11%	2.09	\$16.7548	\$ 651	\$ 1,106		1,756	71	1,827
Street Lighting	67,496	4.09%	1.93	\$24.4048	\$ 24,397	\$ 43,099		67,496	1,848	69,344
USL	7,848	0.48%	11.94	\$0.0153	\$ 4,585	\$ 3,263		7,848	743	8,591
TOTAL	1,648,673	100%			\$ 684,577	\$ 964,096	\$ 11,512	\$ 1,660,185	\$ 229,288	\$ 1,889,473
			Forecast Fixed/Variable Ratio		41.235%	58.072%	0.693%	100.000%		

ERHDC has included the updated bill impacts below:

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RESIDENTIAL										
		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%	40.49%
100 kWh	Distribution (kWh)	100	0.0120	1.20	100	0.0165	1.65	0.45	37.50%	4.88%
	Low Voltage Rider (kWh)	100	0.0023	0.23	100	0.0037	0.37	0.14	60.87%	1.09%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%	6.74%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04		
	LRAM & SSM Rider (kWh)	100	0.0000	0.00	100	0.0016	0.16	0.16		0.47%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)		0.00%
	Deferral & Variance Acct (kWh)	100	0.0000	0.00	100	0.0017	0.17	0.17		0.50%
	Distribution Sub-Total			12.57			19.37	6.80	54.10%	57.25%
	Retail Transmission (kWh)	105	0.0099	1.04	107	0.0097	1.04	(0.00)	(0.43%)	3.07%
	Delivery Sub-Total			13.61			20.41	6.80	49.92%	60.33%
	Other Charges (kWh)	105	0.0135	1.42	107	0.0133	1.42	0.00	0.12%	4.21%
	Cost of Power Commodity (kWh)	105	0.0757	7.98	107	0.0757	8.11	0.13	1.62%	23.96%
	Total Bill Before Taxes			23.01			29.94	6.93	30.12%	88.50%
	GST		13.00%	2.99		13.00%	3.89	0.90	30.10%	11.50%
	Total Bill			26.00			33.83	7.83	30.12%	100.00%

RESIDENTIAL										
		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%	24.58%
250 kWh	Distribution (kWh)	250	0.0120	3.00	250	0.0165	4.13	1.13	37.50%	7.40%
	Low Voltage Rider (kWh)	250	0.0023	0.58	250	0.0037	0.93	0.35	60.87%	1.66%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%	4.09%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04		
	LRAM & SSM Rider (kWh)	250	0.0000	0.00	250	0.0016	0.40	0.40		0.72%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)		0.00%
	Deferral & Variance Acct (kWh)	250	0.0000	0.00	250	0.0017	0.43	0.43		0.76%
	Distribution Sub-Total			14.72			22.90	8.18	55.59%	41.08%
	Retail Transmission (kWh)	264	0.0099	2.61	268	0.0097	2.60	(0.01)	(0.43%)	4.66%
	Delivery Sub-Total			17.32			25.49	8.17	47.15%	45.74%
	Other Charges (kWh)	264	0.0135	3.56	268	0.0133	3.56	0.00	0.12%	6.39%
	Cost of Power Commodity (kWh)	264	0.0757	19.94	268	0.0757	20.26	0.32	1.62%	36.36%
	Total Bill Before Taxes			40.82			49.32	8.51	20.84%	88.50%
	GST		13.00%	5.31		13.00%	6.41	1.10	20.81%	11.50%
	Total Bill			46.13			55.73	9.61	20.84%	100.00%

RESIDENTIAL										
		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%	14.85%
500 kWh	Distribution (kWh)	500	0.0120	6.00	500	0.0165	8.25	2.25	37.50%	8.95%
	Low Voltage Rider (kWh)	500	0.0023	1.15	500	0.0037	1.85	0.70	60.87%	2.01%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%	2.47%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04		
	LRAM & SSM Rider (kWh)	500	0.0000	0.00	500	0.0016	0.80	0.80		0.87%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)		0.00%
	Deferral & Variance Acct (kWh)	500	0.0000	0.00	500	0.0017	0.85	0.85		0.92%
	Distribution Sub-Total			18.29			28.77	10.48	57.30%	31.19%
	Retail Transmission (kWh)	527	0.0099	5.22	536	0.0097	5.20	(0.02)	(0.43%)	5.63%
	Delivery Sub-Total			23.51			33.97	10.46	44.48%	36.83%
	Other Charges (kWh)	527	0.0135	7.12	536	0.0133	7.12	0.01	0.12%	7.73%
	Cost of Power Commodity (kWh)	527	0.0757	39.88	536	0.0757	40.53	0.65	1.62%	43.94%
	Total Bill Before Taxes			70.50			81.62	11.14	15.79%	88.50%
	GST		13.00%	9.17		13.00%	10.61	1.44	15.76%	11.50%
	Total Bill			79.67			92.23	12.56	15.79%	100.00%

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RESIDENTIAL									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%
680 kWh	Distribution (kWh)	680	0.0120	8.16	680	0.0165	11.22	3.06	37.50%
	Low Voltage Rider (kWh)	680	0.0023	1.56	680	0.0037	2.52	0.95	60.87%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04	
	LRAM & SSM Rider (kWh)	680	0.0000	0.00	680	0.0016	1.09	1.09	0.92%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)	(100.00%)
	Deferral & Variance Acct (kWh)	680	0.0000	0.00	680	0.0017	1.16	1.16	0.98%
	Distribution Sub-Total			20.86			33.00	12.14	58.17%
	Retail Transmission (kWh)	717	0.0099	7.10	729	0.0097	7.07	(0.03)	(0.43%)
	Delivery Sub-Total			27.96			40.07	12.11	43.29%
	Other Charges (kWh)	717	0.0135	9.68	729	0.0133	9.69	0.01	0.12%
	Cost of Power Commodity (kWh)	717	0.0757	54.24	729	0.0757	55.11	0.88	1.62%
	Total Bill Before Taxes			91.88			104.87	13.00	14.15%
	GST		13.00%	11.94		13.00%	13.63	1.69	14.15%
	Total Bill			103.82			118.50	14.69	14.15%

RESIDENTIAL									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%
800 kWh	Distribution (kWh)	800	0.0120	9.60	800	0.0165	13.20	3.60	37.50%
	Low Voltage Rider (kWh)	800	0.0023	1.84	800	0.0037	2.96	1.12	60.87%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04	
	LRAM & SSM Rider (kWh)	800	0.0000	0.00	800	0.0016	1.28	1.28	0.94%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)	0.00%
	Deferral & Variance Acct (kWh)	800	0.0000	0.00	800	0.0017	1.36	1.36	1.00%
	Distribution Sub-Total			22.58			35.82	13.24	58.64%
	Retail Transmission (kWh)	843	0.0099	8.35	857	0.0097	8.31	(0.04)	(0.43%)
	Delivery Sub-Total			30.93			44.13	13.20	42.69%
	Other Charges (kWh)	843	0.0135	11.39	857	0.0133	11.40	0.01	0.12%
	Cost of Power Commodity (kWh)	843	0.0757	63.81	857	0.0757	64.84	1.03	1.62%
	Total Bill Before Taxes			106.12			129.37	14.25	13.43%
	GST		13.00%	13.80		13.00%	15.65	1.85	13.43%
	Total Bill			119.92			136.02	16.10	13.43%

RESIDENTIAL									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%
1,000 kWh	Distribution (kWh)	1,000	0.0120	12.00	1,000	0.0165	16.50	4.50	37.50%
	Low Voltage Rider (kWh)	1,000	0.0023	2.30	1,000	0.0037	3.70	1.40	60.87%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04	
	LRAM & SSM Rider (kWh)	1,000	0.0000	0.00	1,000	0.0016	1.60	1.60	0.97%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)	0.00%
	Deferral & Variance Acct (kWh)	1,000	0.0000	0.00	1,000	0.0017	1.70	1.70	1.03%
	Distribution Sub-Total			25.44			40.52	15.08	59.28%
	Retail Transmission (kWh)	1,054	0.0099	10.44	1,071	0.0097	10.39	(0.04)	(0.43%)
	Delivery Sub-Total			35.88			50.91	15.04	41.91%
	Other Charges (kWh)	1,054	0.0135	14.23	1,071	0.0133	14.25	0.02	0.12%
	Cost of Power Commodity (kWh)	1,054	0.0757	79.76	1,071	0.0757	81.05	1.29	1.62%
	Total Bill Before Taxes			129.87			146.21	16.35	12.59%
	GST		13.00%	16.88		13.00%	19.01	2.12	12.59%
	Total Bill			146.75			165.22	18.47	12.59%

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RESIDENTIAL									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			9.96			13.70	3.74	37.55%
1,500 kWh	Distribution (kWh)	1,500	0.0120	18.00	1,500	0.0165	24.75	6.75	37.50%
	Low Voltage Rider (kWh)	1,500	0.0023	3.45	1,500	0.0037	5.55	2.10	60.87%
	Smart Meter Disposition Rider (per month)			1.00			2.28	1.28	128.00%
	Stranded Smart Meter Rate Rider (per month)						1.04	1.04	
	LRAM & SSM Rider (kWh)	1,500	0.0000	0.00	1,500	0.0016	2.40	2.40	1.01%
	Late Payment (\$)		0.1800	0.18	0	0.0000	0.00	(0.18)	0.00%
	Deferral & Variance Acct (kWh)	1,500	0.0000	0.00	1,500	0.0017	2.55	2.55	1.07%
	Distribution Sub-Total			32.59			52.27	19.68	60.39%
	Retail Transmission (kWh)	1,581	0.0099	15.66	1,607	0.0097	15.59	(0.07)	(0.43%)
	Delivery Sub-Total			48.25			67.86	19.61	40.65%
	Other Charges (kWh)	1,581	0.0135	21.35	1,607	0.0133	21.37	0.02	0.12%
	Cost of Power Commodity (kWh)	1,581	0.0757	119.64	1,607	0.0757	121.58	1.94	1.62%
	Total Bill Before Taxes			189.23			210.81	21.58	11.40%
	GST		13.00%	24.60		13.00%	27.41	2.81	11.40%
	Total Bill			213.83			238.22	24.38	11.40%
GENERAL SERVICE < 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			17.95			24.54	6.59	36.71%
2,000 kWh	Distribution (kWh)	2,000	0.0147	29.40	2,000	0.0201	40.20	10.80	36.73%
	Low Voltage Rider (kWh)	2,000	0.0021	4.20	2,000	0.0035	7.00	2.80	66.67%
	Smart Meter Disposition Rider (per month)			1.00			2.51	1.51	151.00%
	Stranded Smart Meter Rate Rider (per month)						1.37	1.37	
	LRAM & SSM Rider (\$)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.00%
	Late Payment (kWh)		0.4200	0.42	0	0.0000	0.00	(0.42)	0.00%
	Deferral & Variance Acct (kWh)	2,000	0.0000	0.00	2,000	0.0018	3.60	3.60	1.10%
	Distribution Sub-Total			52.97			79.22	26.25	49.56%
	Retail Transmission (kWh)	2,109	0.0091	19.19	2,143	0.0089	19.07	(0.12)	(0.61%)
	Delivery Sub-Total			72.16			98.29	26.13	36.22%
	Other Charges (kWh)	2,109	0.0135	28.47	2,143	0.0133	28.50	0.03	0.12%
	Cost of Power Commodity (kWh)	2,109	0.0757	159.52	2,143	0.0757	162.10	2.59	1.62%
	Total Bill Before Taxes			260.14			288.89	\$28.75	11.05%
	GST		13.00%	33.82		13.00%	37.56	3.74	11.05%
	Total Bill			293.96			326.45	\$32.49	11.05%
GENERAL SERVICE < 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			17.95			24.54	6.59	36.71%
5,000 kWh	Distribution (kWh)	5,000	0.0147	73.50	5,000	0.0201	100.50	27.00	36.73%
	Low Voltage Rider (kWh)	5,000	0.0021	10.50	5,000	0.0035	17.50	7.00	66.67%
	Smart Meter Disposition Rider (per month)			1.00			2.51	1.51	151.00%
	Stranded Smart Meter Rate Rider (per month)						1.37	1.37	
	LRAM & SSM Rider (kWh)	5,000	0.0000	0.00	5,000	0.0000	0.00	0.00	0.00%
	Late Payment (\$)		0.4200	0.42	0	0.0000	0.00	(0.42)	0.00%
	Deferral & Variance Acct (kWh)	5,000	0.0000	0.00	5,000	0.0018	9.00	9.00	1.17%
	Distribution Sub-Total			103.37			155.42	52.05	50.35%
	Retail Transmission (kWh)	5,272	0.0091	47.97	5,357	0.0089	47.68	(0.29)	(0.61%)
	Delivery Sub-Total			151.34			203.10	51.76	34.20%
	Other Charges (kWh)	5,272	0.0135	71.17	5,357	0.0133	71.25	0.08	0.12%
	Cost of Power Commodity (kWh)	5,272	0.0757	398.79	5,357	0.0757	405.26	6.47	1.62%
	Total Bill Before Taxes			621.29			679.60	\$58.31	9.38%
	GST		13.00%	80.77		13.00%	88.35	7.58	9.38%
	Total Bill			702.06			767.95	\$65.89	9.38%

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GENERAL SERVICE < 50 kW											
			2011 BILL			2012 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge				17.95			24.54	6.59	36.71%	1.63%
	Distribution (kWh)	10,000	0.0147	147.00	10,000	0.0201	201.00	54.00	36.73%	13.37%	
10,000 kWh	Low Voltage Rider (kWh)	10,000	0.0021	21.00	10,000	0.0035	35.00	14.00	66.67%	2.33%	
	Smart Meter Disposition Rider (per month)			1.00			2.51	1.51		0.17%	
	Stranded Smart Meter Rate Rider (per month)						1.37	1.37			
	LRAM & SSM Rider (kWh)	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00		0.00%	
	Late Payment (\$)		0.4200	0.42	0	0.0000	0.00	(0.42)		0.00%	
	Deferral & Variance Acct (kWh)	10,000	0.0000	0.00	10,000	0.0018	18.00	18.00		1.20%	
	Distribution Sub-Total			187.37			282.42	95.05	50.73%	18.78%	
	Retail Transmission (kWh)	10,543	0.0091	95.94	10,714	0.0089	95.35	(0.59)	(0.61%)	6.34%	
	Delivery Sub-Total			283.31			377.77	94.46	33.34%	25.12%	
	Other Charges (kWh)	10,543	0.0135	142.33	10,714	0.0133	142.50	0.17	0.12%	9.48%	
	Cost of Power Commodity (kWh)	10,543	0.0757	797.58	10,714	0.0757	810.51	12.94	1.62%	53.90%	
	Total Bill Before Taxes			1,223.22			1,330.78	\$107.57	8.79%	88.50%	
	GST		13.00%	159.02		13.00%	173.00	13.98	8.79%	11.50%	
	Total Bill			1,382.24			1,503.79	\$121.55	8.79%	100.00%	

GENERAL SERVICE < 50 kW											
			2011 BILL			2012 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge				17.95			24.54	6.59	36.71%	1.31%
	Distribution (kWh)	12,500	0.0147	183.75	12,500	0.0201	251.25	67.50	36.73%	13.42%	
12,500 kWh	Low Voltage Rider (kWh)	12,500	0.0021	26.25	12,500	0.0035	43.75	17.50	66.67%	2.34%	
	Smart Meter Disposition Rider (per month)			1.00			2.51	1.51	151.00%	0.13%	
	Stranded Smart Meter Rate Rider (per month)						1.37	1.37			
	LRAM & SSM Rider (kWh)	12,500	0.0000	0.00	12,500	0.0000	0.00	0.00		0.00%	
	Late Payment (\$)		0.4200	0.42	0	0.0000	0.00	(0.42)		0.00%	
	Deferral & Variance Acct (kWh)	12,500	0.0000	0.00	12,500	0.0018	22.50	22.50		1.20%	
	Distribution Sub-Total			229.37			345.92	116.55	50.81%	18.48%	
	Retail Transmission (kWh)	13,179	0.0091	119.93	13,393	0.0089	119.19	(0.73)	(0.61%)	6.37%	
	Delivery Sub-Total			349.30			465.11	115.82	33.16%	24.85%	
	Other Charges (kWh)	13,179	0.0135	177.91	13,393	0.0133	178.12	0.21	0.12%	9.52%	
	Cost of Power Commodity (kWh)	13,179	0.0757	996.97	13,393	0.0757	1,013.14	16.17	1.62%	54.13%	
	Total Bill Before Taxes			1,524.18			1,656.38	\$132.19	8.67%	88.50%	
	GST		13.00%	198.14		13.00%	215.33	17.19	8.67%	11.50%	
	Total Bill			1,722.33			1,871.71	\$149.38	8.67%	100.00%	

GENERAL SERVICE < 50 kW											
			2011 BILL			2012 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge				17.95			24.54	6.59	36.71%	1.10%
	Distribution (kWh)	15,000	0.0147	220.50	15,000	0.0201	301.50	81.00	36.73%	13.46%	
15,000 kWh	Low Voltage Rider (kWh)	15,000	0.0021	31.50	15,000	0.0035	52.50	21.00	66.67%	2.34%	
	Smart Meter Disposition Rider (per month)			1.00			2.51	1.51	151.00%	0.11%	
	Stranded Smart Meter Rate Rider (per month)						1.37	1.37			
	LRAM & SSM Rider (kWh)	15,000	0.0000	0.00	15,000	0.0000	0.00	0.00		0.00%	
	Late Payment (\$)		0.4200	0.42	0	0.0000	0.00	(0.42)		0.00%	
	Deferral & Variance Acct (kWh)	15,000	0.0000	0.00	15,000	0.0018	27.00	27.00		1.21%	
	Distribution Sub-Total			271.37			409.42	138.05	50.87%	18.28%	
	Retail Transmission (kWh)	15,815	0.0091	143.91	16,071	0.0089	143.03	(0.88)	(0.61%)	6.39%	
	Delivery Sub-Total			415.28			552.45	137.17	33.03%	24.67%	
	Other Charges (kWh)	15,815	0.0135	213.50	16,071	0.0133	213.74	0.25	0.12%	9.54%	
	Cost of Power Commodity (kWh)	15,815	0.0757	1,196.37	16,071	0.0757	1,215.77	19.40	1.62%	54.28%	
	Total Bill Before Taxes			1,825.14			1,981.97	\$156.82	8.59%	88.50%	
	GST		13.00%	237.27		13.00%	257.66	20.39	8.59%	11.50%	
	Total Bill			2,062.41			2,239.62	\$177.21	8.59%	100.00%	

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GENERAL SERVICE > 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			161.36			190.93	29.57	18.33%
30,000 kWh	Distribution (kW)	100	3.1566	315.66	100	3.6872	368.72	53.06	16.81%
100 kW	Low Voltage Rider (kW)	100	0.8403	84.03	100	1.4840	148.40	64.37	76.60%
	Smart Meter Disposition Rider (per month)			1.00			3.78	2.78	278.00%
	Stranded Smart Meter Rate Rider (per month)						4.30	4.30	
	LRAM & SSM Rider (kW)	100		0.00	100	0.0000	0.00	0.00	0.00%
	Late Payment (\$)		3.3000	3.30	0	0.0000	0.00	(3.30)	0.00%
	Deferral & Variance Acct (kW)	100	0.0000	0.00	100	0.7582	75.82	75.82	1.68%
	Distribution Sub-Total			565.35			791.95	226.60	40.08%
	Retail Transmission (kW)	100	4.6269	462.69	100	3.5224	352.24	(110.45)	(23.87%)
	Delivery Sub-Total			1,028.04			1,144.19	116.15	11.30%
	Other Charges (kWh)	31,629	0.0135	426.99	32,142	0.0133	427.49	0.50	0.12%
	Cost of Power Commodity (kWh)	31,629	0.0757	2,392.73	32,142	0.0757	2,431.54	38.81	1.62%
	Total Bill Before Taxes			3,847.77			4,003.22	155.46	4.04%
	GST		13.00%	500.21		13.00%	520.42	20.21	4.04%
	Total Bill			4,347.97			4,523.64	175.66	4.04%

GENERAL SERVICE > 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			161.36			190.93	29.57	18.33%
75,000 kWh	Distribution (kW)	250	3.1566	789.15	250	3.6872	921.80	132.65	16.81%
250 kW	Low Voltage Rider (kW)	250	0.8403	210.08	250	1.4840	371.00	160.93	76.60%
	Smart Meter Disposition Rider (per month)			1.00			3.78	2.78	278.00%
	Stranded Smart Meter Rate Rider (per month)						4.30	4.30	
	LRAM & SSM Rider (kW)	250		0.00	250	0.0000	0.00	0.00	0.00%
	Late Payment (\$)		3.3000	3.30	0	0.0000	0.00	(3.30)	0.00%
	Deferral & Variance Acct (kW)	250	0.0000	0.00	250	0.7582	189.55	189.55	1.73%
	Distribution Sub-Total			1,164.89			1,681.36	516.48	44.34%
	Retail Transmission (kW)	250	4.6269	1,156.73	250	3.5224	880.60	(276.13)	(23.87%)
	Delivery Sub-Total			2,321.61			2,561.96	240.35	10.35%
	Other Charges (kWh)	79,073	0.0135	1,067.48	80,355	0.0133	1,068.72	1.24	0.12%
	Cost of Power Commodity (kWh)	79,073	0.0757	5,981.83	80,355	0.0757	6,078.86	97.02	1.62%
	Total Bill Before Taxes			9,370.92			9,709.54	338.61	3.61%
	GST		13.00%	1,218.22		13.00%	1,262.24	44.02	3.61%
	Total Bill			10,589.14			10,971.78	382.63	3.61%

GENERAL SERVICE > 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			161.36			190.93	29.57	18.33%
100,000 kWh	Distribution (kW)	350	3.1566	1,104.81	350	3.6872	1,290.52	185.71	16.81%
350 kW	Low Voltage Rider (kW)	350	0.8403	294.11	350	1.4840	519.40	225.30	76.60%
	Smart Meter Disposition Rider (per month)			1.00			3.78	2.78	278.00%
	Stranded Smart Meter Rate Rider (per month)						4.30	4.30	
	LRAM & SSM Rider (kW)	350		0.00	350	0.0000	0.00	0.00	0.00%
	Late Payment (\$)		3.3000	3.30	0	0.0000	0.00	(3.30)	0.00%
	Deferral & Variance Acct (kW)	350	0.0000	0.00	350	0.7582	265.37	265.37	1.80%
	Distribution Sub-Total			1,564.58			2,274.30	709.73	45.36%
	Retail Transmission (kW)	350	4.6269	1,619.42	350	3.5224	1,232.84	(386.58)	(23.87%)
	Delivery Sub-Total			3,183.99			3,507.14	323.15	10.15%
	Other Charges (kWh)	105,430	0.0135	1,423.31	107,140	0.0133	1,424.96	1.66	0.12%
	Cost of Power Commodity (kWh)	105,430	0.0757	7,975.78	107,140	0.0757	8,105.14	129.36	1.62%
	Total Bill Before Taxes			12,583.07			13,037.24	454.17	3.61%
	GST		13.00%	1,635.80		13.00%	1,694.84	59.04	3.61%
	Total Bill			14,218.87			14,732.08	513.21	3.61%

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GENERAL SERVICE > 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			161.36			190.93	29.57	18.33%
800,000 kWh	Distribution (kW)	2,000	3.1566	6,313.20	2,000	3.6872	7,374.40	1,061.20	16.81%
2,000 kW	Low Voltage Rider (kW)	2,000	0.8403	1,680.60	2,000	1.4840	2,968.00	1,287.40	76.60%
	Smart Meter Disposition Rider (per month)			1.00			3.78	2.78	278.00%
	Stranded Smart Meter Rate Rider (per month)						4.30	4.30	
	LRAM & SSM Rider (kW)	2,000		0.00	2,000	0.0000	0.00	0.00	0.00%
	Late Payment (\$)		3.3000	3.30	0	0.0000	0.00	(3.30)	0.00%
	Deferral & Variance Acct (kW)	2,000	0.0000	0.00	2,000	0.7582	1,516.40	1,516.40	1.41%
	Distribution Sub-Total			8,159.46			12,057.81	3,898.35	47.78%
	Retail Transmission (kW)	2,000	4.6269	9,253.80	2,000	3.5224	7,044.80	(2,209.00)	(23.87%)
	Delivery Sub-Total			17,413.26			19,102.61	1,689.35	9.70%
	Other Charges (kWh)	843,440	0.0135	11,386.44	857,120	0.0133	11,399.70	13.26	0.12%
	Cost of Power Commodity (kWh)	843,440	0.0757	63,806.24	857,120	0.0757	64,841.13	1,034.89	1.62%
	Total Bill Before Taxes			92,605.94			95,343.43	2,737.50	2.96%
	GST		13.00%	12,038.77		13.00%	12,394.65	355.87	2.96%
	Total Bill			104,644.71			107,738.08	3,093.37	2.96%
GENERAL SERVICE > 50 kW									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			161.36			190.93	29.57	18.33%
1,600,000 kWh	Distribution (kW)	4,000	3.1566	12,626.40	4,000	3.6872	14,748.80	2,122.40	16.81%
4,000 kW	Low Voltage Rider (kW)	4,000	0.8403	3,361.20	4,000	1.4840	5,936.00	2,574.80	76.60%
	Smart Meter Disposition Rider (per month)			1.00			3.78	2.78	278.00%
	Stranded Smart Meter Rate Rider (per month)						4.30	4.30	
	LRAM & SSM Rider (kW)			0.00	0	0.0000	0.00	0.00	0.00%
	Late Payment (\$)		3.3000	3.30	0	0.0000	0.00	(3.30)	0.00%
	Deferral & Variance Acct (kW)	4,000	0.0000	0.00	4,000	0.7582	3,032.80	3,032.80	1.41%
	Distribution Sub-Total			16,153.26			23,916.61	7,763.35	48.06%
	Retail Transmission (kW)	4,000	4.6269	18,507.60	4,000	3.5224	14,089.60	(4,418.00)	(23.87%)
	Delivery Sub-Total			34,660.86			38,006.21	3,345.35	9.65%
	Other Charges (kWh)	1,686,880	0.0135	22,772.88	1,714,240	0.0133	22,799.39	26.51	0.12%
	Cost of Power Commodity (kWh)	1,686,880	0.0757	127,612.47	1,714,240	0.0757	129,682.26	2,069.78	1.62%
	Total Bill Before Taxes			185,046.21			190,487.86	5,441.65	2.94%
	GST		13.00%	24,056.01		13.00%	24,763.42	707.41	2.94%
	Total Bill			209,102.22			215,251.28	6,149.06	2.94%
Street Lighting									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Billing Determinants	Monthly Service Charge	1,100	1.4000	1,540.00	1,100	1.9307	2,123.77	583.77	37.91%
1,100 Connections	Distribution (kW)	140	17.6963	2,477.48	140	24.4048	3,416.67	939.19	37.91%
52,000 kWh	Low Voltage Rider (kW)	140	0.6403	89.64	140	1.0466	146.52	56.88	63.45%
140 kW	LRAM & SSM Rider (kW)			0.00	0	0.0000	0.00	0.00	0.00%
	Late Payment (\$)	1,100	0.0200	22.00	1,100	0.0000	0.00	(22.00)	0.00%
	Deferral & Variance Acct (kW)	140	0.0000	0.00	140	0.2977	41.68	41.68	0.33%
	Distribution Sub-Total			4,129.12			5,728.64	1,599.52	38.74%
	Retail Transmission (kW)	140	2.7517	385.24	140	2.6835	375.69	(9.55)	(2.48%)
	Delivery Sub-Total			4,514.36			6,104.33	1,589.97	35.22%
	Other Charges (kWh)	54,824	0.0135	740.12	0.01330	55,713	740.98	0.86	0.12%
	Cost of Power Commodity (kWh)	54,824	0.0757	4,147.41	0.0757	55,713	4,214.67	67.27	1.62%
	Total Bill Before Taxes			9,401.89			11,059.99	1,658.10	17.64%
	GST		13.00%	1,222.25		13.00%	1,437.80	215.55	17.64%
	Total Bill			10,624.13			12,497.79	1,873.65	17.64%

Sentinel Lighting									
		2011 BILL			2012 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Billing Determinants	Monthly Service Charge	1	1.2900	1.29	1.0	2.0852	2.09	0.80	61.64%
	1 Connections								
	Distribution (kW)	0.2	10.3652	2.07	0.2	16.7548	3.35	1.28	61.64%
	80 kWh	0.2	0.641	0.13	0.2	1.0684	0.21	0.09	66.68%
	0.20 kW								
	LRAM & SSM Rider (kW)			0.00	0.0	0.0000	0.00	0.00	0.00%
	Late Payment (\$)	1.0	0.0300	0.03	1.0	0.0000	0.00	(0.03)	0.00%
	Deferral & Variance Acct (kW)	0.2	0.0000	0.00	0.2	0.5477	0.11	0.11	0.70%
	Distribution Sub-Total			3.52			5.76	2.24	63.56%
	Retail Transmission (kW)	0.2	2.7832	0.56	0.2	2.7147	0.54	(0.01)	(2.46%)
	Delivery Sub-Total			4.08			6.30	2.22	54.55%
	Other Charges (kWh)	84	0.0135	1.14	86	0.0133	1.14	0.00	0.12%
	Cost of Power Commodity (kWh)	84	0.0757	6.38	86	0.0757	6.48	0.10	1.62%
	Total Bill Before Taxes			11.60			13.93	2.33	20.08%
	GST		13.00%	1.51		13.00%	1.81	0.30	20.08%
	Total Bill			13.10			15.74	2.63	20.08%
Unmetered Scattered									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			8.82			11.94	3.12	35.38%
	250 kWh								
	Distribution (kWh)	250	0.0113	2.83	250	0.0153	3.83	1.00	35.40%
	Low Voltage Rider (kWh)	250	0.0021	0.53	250	0.0035	0.88	0.35	66.67%
	LRAM & SSM Rider (kWh)		0.0000	0.00		0.0000	0.00	0.00	0.00%
	Late Payment (\$)	0	0.1400	0.14	0	0.0000	0.00	(0.14)	0.00%
	Deferral & Variance Acct (kWh)	250	0.0000	0.00	250	0.0016	0.40	0.40	0.82%
	Distribution Sub-Total			12.31			17.04	4.73	38.43%
	Retail Transmission (kWh)	264	0.0091	2.40	268	0.0089	2.38	(0.01)	(0.61%)
	Delivery Sub-Total			14.71			19.42	4.72	32.06%
	Other Charges (kWh)	264	0.0135	3.56	268	0.0133	3.56	0.00	0.12%
	Cost of Power Commodity (kWh)	264	0.0757	19.94	268	0.0757	20.26	0.32	1.62%
	Total Bill Before Taxes			38.21			43.25	5.06	13.24%
	GST		13.00%	4.97		13.00%	5.62	0.66	13.20%
	Total Bill			43.17			48.87	5.71	13.23%
Unmetered Scattered									
		2010 BILL			2011 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	% of Total Bill
Consumption	Monthly Service Charge			8.82			11.94	3.12	35.38%
	500 kWh								
	Distribution (kWh)	500	0.0113	5.65	500	0.0153	7.65	2.00	35.40%
	Low Voltage Rider (kWh)	500	0.0021	1.05	500	0.0035	1.75	0.70	66.67%
	LRAM & SSM Rider (kWh)		0.0000	0.00		0.0000	0.00	0.00	0.00%
	Late Payment (\$)	0	0.1400	0.14	0	0.0000	0.00	(0.14)	0.00%
	Deferral & Variance Acct (kWh)	500	0.0000	0.00	500	0.0016	0.80	0.80	0.95%
	Distribution Sub-Total			15.66			22.14	6.48	41.38%
	Retail Transmission (kWh)	527	0.0091	4.80	536	0.0089	4.77	(0.03)	(0.61%)
	Delivery Sub-Total			20.46			26.91	6.45	31.54%
	Other Charges (kWh)	527	0.0135	7.12	536	0.0133	7.12	0.01	0.12%
	Cost of Power Commodity (kWh)	527	0.0757	39.88	536	0.0757	40.53	0.65	1.62%
	Total Bill Before Taxes			67.45			74.56	7.14	10.58%
	GST		13.00%	8.77		13.00%	9.69	0.92	10.54%
	Total Bill			76.22			84.25	8.06	10.57%

Exhibit 9 - Deferral and Variance Accounts

ERHDC has revised the smart meter disposition rate rider as per question #35.

Model to be submitted with the Interrogatory Responses

ERHDC has submitted electronically through the Boards portal the following excel model that reflect the above noted changes as a result of the interrogatory responses.

- Revenue requirement workform
- RTSR workform
- Cost Allocation model
- Smart meter disposition model
- PILs workform