WELLINGTON NORTH POWER INC.
2012 RATES REBASING CASE
EB-2011-0249

ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES

Interrogatory #1

Ref: Exhibit A1, Tab 1, Schedule 1, page 19

a) Is WNP proposing to recover the entire 2012 revenue deficiency through rates in 2012, including a rate rider in whatever period remains in 2012 after a final rate order has been issued by the Board? If yes, please explain why WNP should be allowed to recover the full annual deficiency despite filing the evidence 7.5 months late.

b) If the Board were to determine that the deficiency to be recovered should only be for the remaining months in 2012 at the time of the Decision in this proceeding, how would WNP prorate the approved deficiency to reflect recovery of this partial deficiency over the remaining months of 2012?

Wellington North Power Inc. - Response:

a. Wellington North Power Inc. confirms it is proposing to recover the entire 2012 revenue deficiency through 2012 rates. The approved rates will be implemented on the date approved by the Board and WNP expects a foregone revenue rider with a sunset date of April 30, 2013 will be approved to cover the foregone revenue from an effective date of May 1, 2012.

Wellington North Power Inc. did not plan to be 7.5 months late in their Cost of Service filing. However, in January of 2011 the company's finance and rates employee resigned unexpectedly. The search for a suitable, qualified candidate took time and training in an electricity distribution environment needed to be provided, which subsequently delayed the Cost of Service application filing.

b. Since WNP approved 2012 rates will be in effect until April 30, 2013, the LDC believes that it would not be appropriate to recover the deficiency over the remaining months of 2012. WNP has provided the proposed methodology to recover the entire deficiency in the response to part (a) above.

Interrogatory #2

Ref: Exhibit 1, Tab 1, Schedule 1, page 26

Paragraph 9.1.2 of Appendix B to the Report of the Board on the Transition to International Financial Reporting Standards of July, 2009 (EB-2008-0408) as amended with the Board's March 15, 2011 letter, states than in addition to filing the test year data in modified IFRS formation, the historical, bridge and test years must be provided in CGAAP-based format. Has WNP provided 2012 data in CGAAP format? If not, why not?

Wellington North Power Inc. - Response:

WNP confirms that in its application, the LDC provided 2012 data in CGAAP format. This is demonstrated in Exhibit 11 which is a separate Exhibit that compares the variance under Modified IFRS to CGAAP. In particular, Exhibit 11, Schedule 12, table 13 illustrates the Continuity Schedule for the 2012 Test Year under CGAAP.

The table on the following page illustrates the forecasted Revenue Deficiency for the 2012 Test Year under Modified IFRS and CGAPP:

	Modified IFRS	CGAAP
Description	**2012 Test - Required Revenue**	**2012 Test - Required Revenue**
Revenue		
Revenue Deficiency	**$722,184**	**$892,257**
Distribution Revenue	$1,685,387	$1,685,387
Other Operating Revenue (Net)	$141,585	$141,585
Total Revenue	**$2,549,156**	**$2,719,228**
Costs and Expenses		
Administrative & General, Billing & Collecting	$1,170,813	$1,170,813
Operation & Maintenance	$533,657	$533,657
Depreciation & Amortization	$358,142	$511,747
Property Taxes	$12,006	$12,006
Capital Taxes	$0	$0
Deemed Interest	$193,370	$189,016
Total Costs and Expenses	**$2,267,987**	**$2,417,238**
Less OCT Included Above	$0	$0
Total Costs and Expenses Net of OCT	**$2,267,987**	**$2,417,238**
Utility Income Before Income Taxes	**$281,169**	**$301,991**
Income Taxes		
Corporate Income Taxes	$5,176	$32,212
Total Income Taxes	**$5,176**	**$32,212**
Utility Net Income	**$275,993**	**$269,779**
Capital Tax Expense Calculation:		
Total Rate Base	$7,565,598	$7,395,252
Exemption	$15,000,000	$15,000,000
Deemed Taxable Capital	**($7,434,402)**	**($7,604,748)**
Ontario Capital Tax	0	0
Income Tax Expense Calculation:		
Accounting Income	$281,169	$301,991
Tax Adjustments to Accounting Income	($247,778)	($94,173)
Taxable Income	**$33,391**	**$207,818**
Income Tax Expense	$5,176	$32,212
Tax Rate Reflecting Tax Credits	15.50%	15.50%
Actual Return on Rate Base:		
Rate Base	$7,565,598	$7,395,252
Interest Expense	$193,370	$189,016
Net Income	$275,993	$269,779
Total Actual Return on Rate Base	**$469,363**	**$458,795**
Actual Return on Rate Base	6.20%	6.20%
Required Return on Rate Base:		
Rate Base	$7,565,598	$7,395,252
Return Rates:		
Return on Debt (Weighted)	4.26%	4.26%
Return on Equity	9.12%	9.12%
Deemed Interest Expense	$193,370	$189,016
Return On Equity	$275,993	$269,779
Total Return	**$469,363**	**$458,795**
Expected Return on Rate Base	6.20%	6.20%

Interrogatory #3

Ref: Exhibit 1, Tab 1, Schedule 1, page 34

Please indicate if the two new positions shown in Table 1-9 were filled in April 2012 as forecast. If not, please indicate if these positions are currently filled or vacant. If vacant, please update the date when these positions are now expected to be filled.

Wellington North Power Inc. - Response:

WNP confirms that the new positions shown in Table 1-9 were not filled in April 2012, but expects to fill these positions as soon as the 2012 Cost of Service rate application has been approved by the Ontario Energy Board. WNP is reluctant to proceed with hiring for these positions until rate approval because of the revenue deficiency identified in its application.

Interrogatory #4

Ref: Exhibit 1, Tab 2, Schedule 1, page 43

a) Do the customer impacts shown in Table 1-11 include the impact of changes in the recovery/rebate of deferral and variance accounts? If not, please provide a revised table that includes these impacts.

b) Do the customer impacts shown in Table 1-11 include the impact of the Smart Metering Charge (SMC) of $0.81 per RPP-eligible customer as noted on page 22 of Exhibit 1, Tab 1, Schedule 1? If not, please provide a revised table that includes these impacts, along with those noted in part (a) above.

Wellington North Power Inc. - Response:

a. WNP confirms that the customer impacts shown in table 1-11 includes:

- Recovery of the Deferral / Variance accounts;
- Recovery of the deficit between Smart Meters roll-out and implementation versus the revenue collected through the Smart Meter Rate Adder; and
- Recovery of the disposition of Stranded Meter assets.
-

Excluded from table 1-11 are:

- The Global Adjustment balance of approximately $484,478, which would be recovered through a Rate Rider;
- Smart Metering Charge (SMC) of $0.81 per RPP-eligible customer per month.

b. No, the customer impact table does not include the IESO proposed Smart Metering Charge of $0.81 per month per RPP-eligible customer.

As requested, WNP has included this billing determinant and the updated customer bill impact table is shown below:

Customer Class	Consumption kWh	Current Bill	Proposed Bill	Bill Impact	
Residential	800	$103.99	$121.73	$17.74	17.06%
GS < 50 kW	2,000	$264.48	$294.05	$29.57	11.18%
GS 50 - 999 kW	200,000	$24,094.90	$26,007.94	$1,913.03	7.94%
GS 1,000 - 4,999 kW	1,000,000	$112,974.22	$125,434.03	$12,459.81	11.03%
Sentinel Lights	231	$96.01	$50.94	($45.08)	-46.95%
Street Lighting	718,000	$90,935.91	$104,232.31	$13,296.40	14.62%
Unmetered Scattered Loads	940	$116.81	$141.25	$24.44	20.92%

WNP have assumed that the "proposed" IESO Smart Metering Charge will be a pass-through cost and treated similar to the Wholesale Market Service Charge. For 2012, WNP have allocated this pass-through cost against Wholesale Market Service Charge accounts 4708 and 4062

It should be noted that as well as the inclusion of the Smart Metering Charge (SMC) of $0.81 per month per RPP-eligible customer, the above table also reflects the revised Cost of Power charges effective May 1, 2012 as issued by the OEB on 2nd April in the RPP Price Report.

Below is an illustration of the Residential bill impact reflecting the requested changes:

		Consumption	800	kWh								
			Current Board-Approved			Proposed			Impact			
	Charge Unit		Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change		
Monthly Service Charge			$ 13.8800	1	$ 13.88	$ 18.7700	1	$ 18.77	$ 4.89	35.23%		
Smart Meter Rate Adder			$ 2.5000	1	$ 2.50	$ 0.6787	1	$ 0.68	-$ 1.82	-72.85%		
Service Charge Rate Adder(s)				1	$ -		1	$ -	$ -			
Service Charge Rate Rider(s)			$ 0.1500	1	$ 0.15	$ -	1	$ -	-$ 0.15	-100.00%		
Distribution Volumetric Rate			$ 0.0139	800	$ 11.12	$ 0.0188	800	$ 15.04	$ 3.92	35.25%		
Low Voltage Rate Adder			$ 0.0016	800	$ 1.28	$ 0.0018	800	$ 1.42	$ 0.14	10.88%		
Volumetric Rate Adder(s)				800	$ -		800	$ -	$ -			
Volumetric Rate Rider(s)				800	$ -		800	$ -	$ -			
Smart Meter Disposition Rider				800	$ -		800	$ -	$ -			
LRAM & SSM Rate Rider			$ 0.0004	800	$ 0.32	$ -	800	$ -	-$ 0.32	-100.00%		
Deferral/Variance Account Disposition Rate Rider			-$ 0.0058	800	-$ 4.64	-$ 0.0081	800	-$ 6.51	-$ 1.87	40.26%		
Stranded Meter Rate Rider					$ -	$ 1.1490	1	$ 1.15	$ 1.15			
					$ -			$ -	$ -			
Mitigation Rider					$ -		800	$ -	$ -			
					$ -			$ -	$ -			
Sub-Total A - Distribution					**$ 24.61**			**$ 30.55**	**$ 5.94**	**24.13%**		
RTSR - Network			$ 0.0053	855.886	$ 4.54	$ 0.0054	857.361	$ 4.66	$ 0.12	2.69%		
RTSR - Line and Transformation Connection			$ 0.0037	855.886	$ 3.17	$ 0.0038	857.361	$ 3.25	$ 0.08	2.63%		
Sub-Total B - Delivery (including Sub-Total A)					**$ 32.31**			**$ 38.46**	**$ 6.14**	**19.01%**		
Wholesale Market Service Charge (WMSC)			$ 0.0052	855.886	$ 4.45	$ 0.0052	857.361	$ 4.46	$ 0.01	0.17%		
Rural and Remote Rate Protection (RRRP)			$ 0.0013	855.886	$ 1.11	$ 0.0011	857.361	$ 0.94	-$ 0.17	-15.24%		
Special Purpose Charge				855.886	$ -		857.361	$ -	$ -			
Standard Supply Service Charge			$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%		
Debt Retirement Charge (DRC)			$ 0.0070	800	$ 5.60	$ 0.0070	800	$ 5.60	$ -	0.00%		
Energy			$ 0.0684	855.886	$ 58.53	$ 0.0807	857.361	$ 69.18	$ 10.65	18.21%		
Smart Metering Charge (IESO)	monthly				$ -	$ 0.8100	1	$ 0.81	$ 0.81			
					$ -			$ -	$ -			
Total Bill (before Taxes)					**$ 102.25**			**$ 119.70**	**$ 17.45**	**17.06%**		
HST			13%		$ 13.29	13%		$ 15.56	$ 2.27	17.06%		
Total Bill (including Sub-total B)					**$ 115.54**			**$ 135.26**	**$ 19.72**	**17.07%**		
Ontario Clean Energy Benefit (OCEB)			-10%		**-$ 11.55**	-10%		**-$ 13.53**	**-$ 1.98**	**17.14%**		
Total Bill (including OCEB)					**$ 103.99**			**$ 121.73**	**$ 17.74**	**17.06%**		
Loss Factor (%)	**Note 1**		6.99%			7.17%						

Below is an illustration of the General Service <50kW bill impact reflecting the amendments discussed in part b above:

			Consumption	2000	kWh								
				Current Board-Approved			Proposed			Impact			
		Charge Unit		Rate ($)	Volume	Charge ($)		Rate ($)	Volume	Charge ($)		$ Change	% Change
1	Monthly Service Charge			$ 27.8800	1	$ 27.88		$ 38.1100	1	$ 38.11		$ 10.23	36.69%
2	Smart Meter Rate Adder			$ 2.5000	1	$ 2.50		$ 1.8367	1	$ 1.84		-$ 0.66	-26.53%
3	Service Charge Rate Adder(s)				1	$ -			1	$ -		$ -	
4	Service Charge Rate Rider(s)			$ 0.3300	1	$ 0.33		$ -	1	$ -		-$ 0.33	-100.00%
5	Distribution Volumetric Rate			$ 0.0120	2000	$ 24.00		$ 0.0164	2000	$ 32.80		$ 8.80	36.67%
6	Low Voltage Rate Adder			$ 0.0015	2000	$ 3.00		$ 0.0015	2000	$ 2.97		-$ 0.03	-0.91%
7	Volumetric Rate Adder(s)				2000	$ -			2000	$ -		$ -	
8	Volumetric Rate Rider(s)				2000	$ -			2000	$ -		$ -	
9	Smart Meter Disposition Rider				2000	$ -			2000	$ -		$ -	
10	LRAM & SSM Rider			$ 0.0022	2000	$ 4.40		$ -	2000	$ -		-$ 4.40	-100.00%
11	Deferral/Variance Account Disposition Rate Rider			-$ 0.0042	2000	-$ 8.40		-$ 0.0085	2000	-$ 17.01		-$ 8.61	102.54%
12	Stranded Meter Rate Rider					$ -		$ 1.1490	1	$ 1.15		$ 1.15	
13						$ -				$ -		$ -	
14						$ -				$ -		$ -	
15						$ -				$ -		$ -	
16	**Sub-Total A - Distribution**					**$ 53.71**				**$ 59.86**		**$ 6.15**	**11.44%**
17	RTSR - Network			$ 0.0049	2139.72	$ 10.48		$ 0.0050	2143.4	$ 10.77		$ 0.28	2.69%
18	RTSR - Line and Transformation Connection			$ 0.0031	2139.72	$ 6.63		$ 0.0032	2143.4	$ 6.81		$ 0.17	2.63%
19	**Sub-Total B - Delivery (including Sub-Total A)**					**$ 70.83**				**$ 77.43**		**$ 6.60**	**9.32%**
20	Wholesale Market Service Charge (WMSC)			$ 0.0052	2139.72	$ 11.13		$ 0.0052	2143.4	$ 11.15		$ 0.02	0.17%
21	Rural and Remote Rate Protection (RRRP)			$ 0.0013	2139.72	$ 2.78		$ 0.0011	2143.4	$ 2.36		-$ 0.42	-15.24%
22	Special Purpose Charge				2139.72	$ -			2143.4	$ -		$ -	
23	Standard Supply Service Charge			$ 0.2500	1	$ 0.25		$ 0.2500	1	$ 0.25		$ -	0.00%
24	Debt Retirement Charge (DRC)			$ 0.0070	2000	$ 14.00		$ 0.0070	2000	$ 14.00		$ -	0.00%
25	Energy			$ 0.0684	750	$ 51.29		$ 0.0807	750	$ 60.52		$ 9.23	18.00%
26				$ 0.0790	1389.72	$ 109.79		$ 0.0880	1393.4	$ 122.62		$ 12.83	11.69%
27	Smart Metering Charge (IESO)	monthly				$ -		$ 0.8100	1	$ 0.81		$ 0.81	
28	**Total Bill (before Taxes)**					**$ 260.06**				**$ 289.13**		**$ 29.07**	**11.18%**
29	HST			13%		$ 33.81		13%		$ 37.59		$ 3.78	11.18%
30	**Total Bill (including Sub-total B)**					**$ 293.87**				**$ 326.72**		**$ 32.85**	**11.18%**
31	**Ontario Clean Energy Benefit (OCEB)**			-10%		**-$ 29.39**		-10%		**-$ 32.67**		**-$ 3.28**	**11.16%**
32	**Total Bill (including OCEB)**					**$ 264.48**				**$ 294.05**		**$ 29.57**	**11.18%**
33	**Loss Factor**	(1)		6.99%				7.17%					

Interrogatory #5

Ref: Exhibit 2, Tab 2, Schedule 2, page 196

Please update Table 2-9 to reflect actual data for 2011.

Wellington North Power Inc. - Response:

The table below reflects the 2011 actual data as requested:

Wellington North Power Inc. Budget									
	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Proposed	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operations Capital Budget		$362,107	$527,803	$760,812	$824,033	$898,901	$955,303	$859,819	$739,746
Administration Capital Budget	$1,056,211	$348,596	$456,000	$75,000	$156,000	$73,850	$30,000	$97,350	$105,000
Subtotal	$1,056,211	$710,702	$983,803	$835,812	$980,033	$972,751	$985,303	$957,169	$844,746

Please note:

- For 2011, this amount spent is prior to Capital Contributions (The LDC did receive $113,405 as a Capital Contribution & Grant).

Interrogatory #6

Ref: Exhibit 2, Tab 2, Schedule 3 &
Exhibit 11, Schedule 2

The CGAAP and MIFRS fixed asset additions shown for 2011 and 2012 on pages 203 and 204 of Exhibit 2, Tab 2, Schedule 3 (MIFRS) and in Tables 11-2 and 11-3 in Exhibit 11, Schedule 2 (CGAAP) are identical. Please confirm that this means there has been no impact on the capitalization of any OM&A costs on WNP of moving from CGAAP to MIFRS. If this cannot be confirmed, please explain why the capital cost additions shown for 2011 and 2014 are the same under MIFRS as under CGAAP.

Wellington North Power Inc. - Response:

WNP confirms that in its application, the Asset Additions calculated under Modified IFRS and CGAAP for the years of 2011 and 2012 are identical:

	CGAAP	M-IFRS
2011 Additions	$516,428	$516,428
2012 Additions	$983,803	$983,803

At the time of preparing its application, WNP was transferring from CGAAP to Modified IFRS, with 2012 being the "transition year". However, since filing its application, following updated communication from both the Ontario Energy Board and the Accounting Standards Board (AcSB), Wellington North Power has made the decision to defer transition to IFRS to at least 2013 – this is subject to further decisions and direction from the respected financial and regulatory bodies.

WNP confirms, there is no impact on the treatment of capitalization of OM&A costs between the years of 2011 and 2012.

Interrogatory #7

Ref: Exhibit 2, Tab 5, Schedule 1, page 227

Please provide the estimates included in the evidence related to the repairs, renovations or alternatives noted on the top of the page. If now available, please also provide the quotes obtained from building engineers and architects to assess the building structure and to provide the feasibility study noted.

Wellington North Power Inc. - Response:

Wellington North Power Inc. has included the following documentation for your review. An example of the "request for proposal" letter that was provided to five engineering design and architect firms is included as well as the proposals received from three of those firms. BM Ross was selected as the successful engineering firm and the assessment phase of the project is now underway. BM Ross provided the most thorough proposal.

Below is the criteria used to select the successful proposal:

- Competitive pricing;
- Completeness of the tender document including a list of proposed sub-contractors;
- Preference was given to firms local to Wellington North Power's service area;
- Management's preference and/or confidence in the engineers and architects; and
- Project references.

Wellington North Power Inc.
290 Queen Street West, PO Box 359, Mount Forest, ON N0G 2L0
Phone: 519.323.1710 Fax: 519.323.2425 E-mail: wnp@wellingtonnorthpower.com
www.wellingtonnorthpower.com

February 13, 2012

To: James Fryett Architect Inc.
115 Metcalfe St., P.O. Box 88
Elora, Ontario NOB 1S0

Project Owner: Wellington North Power Inc. (WNP)

WNP Contact: Matthew Aston, C.E.T., M.B.A.
Manager of Operations
maston@wellingtonnorthpower.com

Subject: Project Scope – Renovation Feasibility Report
Building and Property Evaluation at 290 Queen St West, Mount Forest
Request for Proposal

Dear Sir/Madam,

Wellington North Power Inc. is evaluating its' existing operations facility at 290 Queen Street West in Mount Forest with the intention of:

- Improving and increasing staff work space;
- Creating an accessible front entrance; and
- Enhancing the customer service area.

The result of this renovation project will see the company having an operations facility that can be effectively utilized by the company for the next twenty years as well as conforming to both current health and safety laws and building code regulations.

Wellington North Power Inc. is formally requesting a firm quotation from your company to provide the engineering services required to evaluate the options available to address our work space and accessibility issues. The quotation will need to include:

- The cost to undertake a formal assessment of the existing property and buildings at 290 Queen Street West in Mount Forest;
- A formal report that will be presented to the company's Board of Directors; and
- In the Appendix, I have detailed the minimum requirements that this report needs address to aid the decision-making process for the Board of Directors.

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

Best regards,

WELLINGTON NORTH POWER INC.
Matthew Aston, Manager of Operations

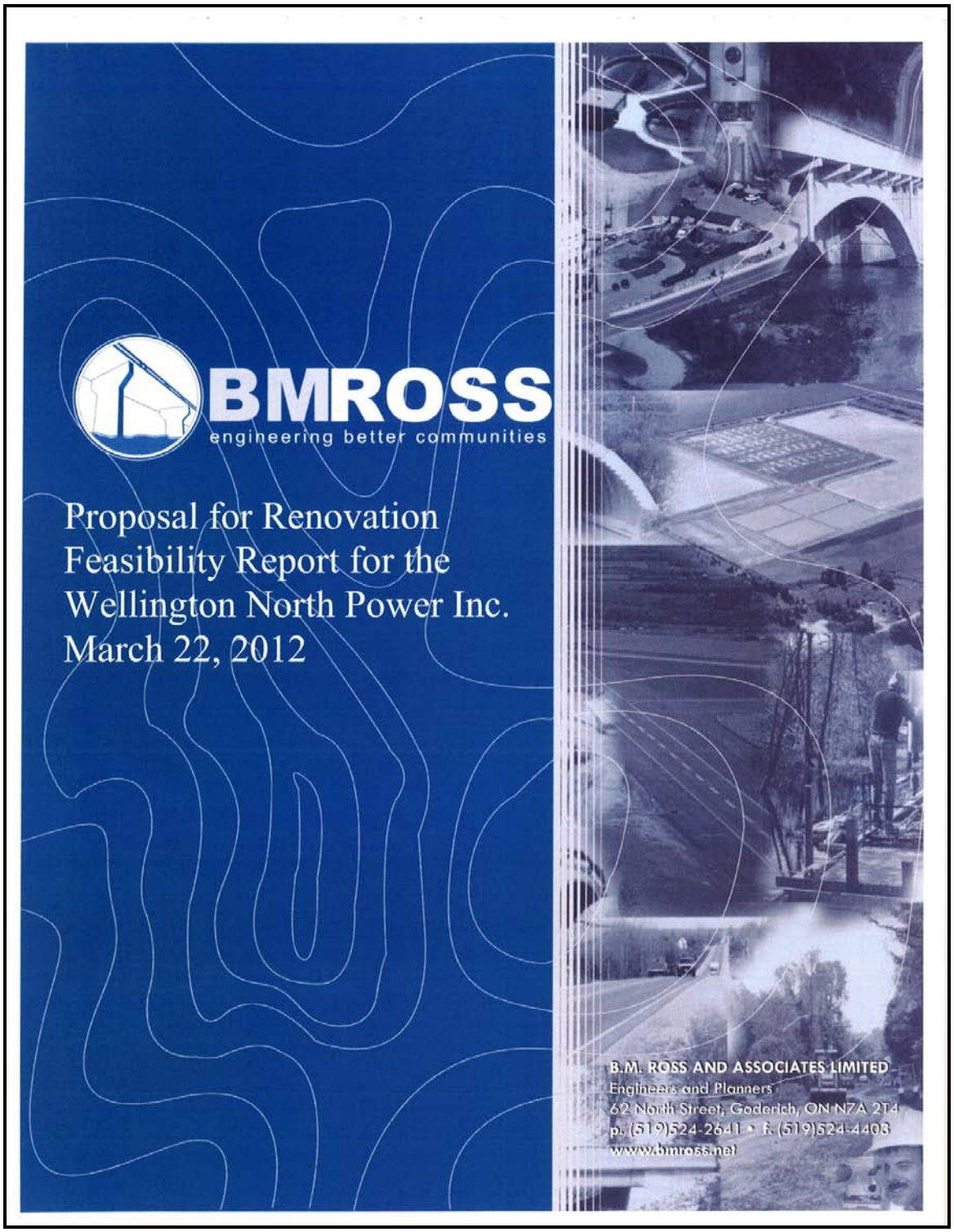
APPENDIX A

This appendix provides the minimum criteria that is required to meet the report objectives of Wellington North Power Inc.:

1. Structural assessment of the three buildings at 290 Queen Street West in Mount Forest.
2. Storm water management assessment of the existing property at 290 Queen Street West in Mount Forest.
3. Traffic flow and parking space assessment of the existing property at 290 Queen Street West in Mount Forest.
4. Work space, building layout and use-of-space assessment of the main office building at 290 Queen Street West in Mount Forest. This assessment should include a review of the existing amount of workspace given current and future staffing requirements, the floor plan, office lighting, truck fumes, and availability of natural light. For the purpose of this project, a future staff of 15 (fifteen) can be assumed.
5. Recommendation of feasible alternatives for WNP that satisfy the stated project objectives:
    a. Improve existing workspace and lay-out for staff;
    b. Increase office space for staff;
    c. Create a customer service entrance and internal space that is fully accessible including a public washroom;
    d. Minimize project cost;
6. Estimated engineering costs and time-line for proposed alternatives; and
7. Estimated construction costs and time-line of proposed alternatives.

Project deliverables:

1. Written report to management as well as PDF report.


BMROSS
engineering better communities
Proposal for Renovation
Feasibility Report for the
Wellington North Power Inc.
March 22, 2012
B.M. ROSS AND ASSOCIATES LIMITED
Engineers and Planners
62 North Street, Goderich, ON N7A 2T4
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File No. 12045

March 22, 2012

Matthew Aston, Manager of Operations
Wellington North Power Inc.
290 Queen Street West, PO Box 359
Mount Forest, ON N0G 2L0

Re: Proposal for Renovation Feasibility Report for Building and Evaluation at 290 Queen St. West, Mount Forest

As discussed during our meeting, the existing operating facility at the above site is deficient in numerous ways. An expanded or new facility and site improvements are required to address the needs of your organization; however, it is important to develop a true understanding of your needs and options before selecting a solution. This proposal explains how we can help Wellington North Power evaluate the options and solve this problem.

To help address your needs with an attractive, functional, and cost effective solution we are proposing the skills of an architect, and engineers would be used to assess the existing facility and complete the Feasibility Report. Interviews and consultation with your staff will be used to help determine the needs while a review of the existing buildings and site feature will be completed to determine the deficiencies that need to be addressed to provide a long term solution.

While space limitations and staging requirements may make the goal challenging, BMROSS can provide qualified people with the necessary skills and knowledge to complete an unbiased evaluation of the options and provide functional and attractive solutions. A list of reference projects and contacts will help demonstrate BMROSS have successfully completed such projects in the past.

Thank you for the invitation and we look forward to working with you.

Yours very truly

B. M. ROSS AND ASSOCIATES LIMITED

Per _____
Ken D. Logtenberg, P. Eng.

KDL:es
Encl.

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File No. 12045

PROPOSAL FOR RENOVATION FEASIBILITY REPORT FOR BUILDING AND PROPERTY AT 290 QUEEN ST. WEST MOUNT FOREST

1.0 UNDERSTANDING OF THE PROJECT NEEDS

This proposal has been submitted in response to receiving a Request for Proposal (RFP) to prepare a Renovation Feasibility Report on Wellington North Power's (WNP) main office building and patrol yard property in Mount Forest. The completion of this project includes a condition assessment of the existing facility, determining your facility needs, evaluation of suitable upgrade options with conceptual designs and probable cost estimates. It is understood a renovation, and rebuild option are to be investigated. This proposal will demonstrate our team's qualifications and outline how BMROSS will help WNP obtain a cost effective and functional solution, while incorporating the needs identified.

As outlined in the RFP or discussed during our site visit, the upgraded facility is to be expanded or replaced, as necessary, to incorporate the following:

- Improved interior environments layout and increased staff space for 15 employees
- Create an accessible front entrance and enhanced customer service area that is fully accessible and welcoming for visitors. This is to include a barrier-free, accessible washroom that may be used by visitors and employees.
- Methods to address the deficiencies or maintenance needs identified in the building condition assessment are to be incorporated into the solution.

To help determine that all the facility features that may affect cost of the renovation or replacement options are incorporated in the report, it was identified that structural, site drainage, traffic flow and parking space assessments shall also be completed and incorporated into the proposed solutions.

2.0 SCOPE OF WORK

An outline of the proposed scope of work and description of the approach that would be taken has been provided for your review. These tasks have generally been provided in a chronological order.

2.1 Project Initiation and Data Collection

Upon being awarded the project we would ask for a copy of the available building floor plan drawings and set-up a time for a project kick-off meeting and the building reviews.

The proposed project kick-off meeting would be an opportunity to introduce the key personnel, confirm the work plan, list of deliverables and schedule and identify which staff members would be interviewed to help better define the list of needs. At the time of this meeting, copies of all other available background information and a list of available operational requirements would be supplied by WNP.

Building reviews would be completed to identify shortcomings or areas of concern with the existing buildings and site. Some of these inspections would be completed on the same day as the kick-off meeting. This would include a review of the structural components in each building and the existing floor plans for the main office building would be checked for completeness and accuracy. The information gathered from the building review and supplied documentation will help us develop a basic understanding of the deficiencies and areas of concern.

Included in this proposal is the cost to bring qualified mechanical and electrical Professional Engineers on site to review the heating, air conditioning, ventilation, and electrical components. They would assess the age and condition of them, and discuss problem areas with maintenance staff. Their comments would be included in the building condition portion of the report and used to develop a realistic list of building improvements needed to renovate and expand the existing building. They would also comment on the energy efficiency of existing components and if there are practical improvement options that they feel should be considered. Note, if WNP feels that this work is not necessary or they already have enough background information to document the condition of these existing components, their capacity and shortcomings, we will develop a list of the components and present the supplied information in the Renovation Feasibility Report at a reduced cost.

To further develop a list of your current and projected future facility needs, operational requirements and a list of features that WNP management and staff would prefer be included in the new facility, BMROSS are proposing interviews with key personnel. This would help to document the desire for features such as natural lighting, appropriately sized and arranged workspaces, meeting rooms, possible change rooms, and potentially other features. Also to document any health and safety concerns such as keeping truck fumes from entering the office areas. It is assumed these would be conducted with at least two management representatives and three other staff members.

It has been proposed that a detailed site survey also be completed to determine the property line locations, parking spaces, site electrical and drainage features and building locations. Completion of this survey at this time would allow the accurate presentation of the site plans and this survey could be used during the design stage.

Note, BMROSS recommends that a Hazardous and Designated Materials Survey of the buildings on the site be completed. This survey is required before a building can be demolished or extensive renovations can take place. If it is prepared before the evaluation process is finished, any requirements identified in the report can be taken into consideration in our cost comparisons. Note, we are willing to help arrange for this survey but have assumed that WNP would pay for the costs associated with it.

2.2 Analyse Data and Prepare Preliminary Report

The background documentation, comments from the interviews and building condition assessments will be considered when developing a list of facility needs. Other tasks to be completed and considered when developing the list include:

- Building code and site zoning checks
- Site drainage and servicing assessments
- Structural assessment
- Work space layout assessment for office sizes, lighting, features, etc.
- Mechanical and electrical assessment
- Traffic flow patterns and space requirements
- Entrance accessibility requirements

Once the information has been assessed by BMROSS and the specialists working with us, schematic designs of options to be considered would be prepared along with a preliminary copy of the Feasibility Report. The schematic design will show a basic site layout, with building footprint sizes and arrangement but will not show a detailed floor plan at this time.

As discussed during our site meeting, staging of the work or development of a design that will allow the operations of WNP to continue on the site while the new facility is being built must be taken into consideration when evaluating the options.

The information provided in the Preliminary Report and the schematic sketches would be presented at a meeting with WNP. Preliminary budget prices for the options to be considered would also be provided. As a minimum, 2 schematic designs will be prepared for discussion purposes. At least one renovation option and one re-build option would be prepared. This meeting will give WNP management an opportunity to confirm that their needs are adequately addressed and comment on the schematic sketches and rough cost estimate before additional time is spent developing the more detailed conceptual designs with floor plans.

2.3 Conceptual Design and Final Report

The comments received at the preliminary report meeting or shortly afterwards would be incorporated in the more detailed conceptual drawings with floor plans, probable cost estimates and a draft copy of the final Renovation Feasibility Report. Again a meeting to present the conceptual designs has been proposed and comments received would be incorporated into the Final Conceptual Drawings and Renovation Feasibility Report.

Estimates would be developed for the construction costs, engineering fees and timelines for each. With the preferred solution identified, the information provided in this Preliminary Feasibility Report should be adequate for a designer to begin the preliminary design stage of this project.

3.0 KEY STAFF AND SUB-CONSULTANTS

The Senior Engineer and Project Manager for the project would be **Ken Logtenberg, P. Eng.** Ken is a Principal with BMROSS. He has over 14 years experience as a project manager on structural projects. Ken will complete the building reviews to check for structural concerns, coordinate and review all aspects of the needs list and feasibility reports and assist with development of the schematic and conceptual designs.

Ken has experience preparing structural designs for numerous types of buildings including water and sewage treatment plants, commercial and retail buildings and managing structural projects with multiple sub-consultants, including those listed in this proposal.

Sub-Consultants

Adolfo Spaleta, Architect would be responsible for gathering the information and meeting with staff to assemble the 'Renovation Feasibility Report". He would also provide Architectural assistance such as preparing schematic and conceptual layout drawings, and make practical recommendations on how to make the building functional and attractive. Mr. Spaleta has completed similar needs assessments and designs working as a sub-consultant for BMROSS and directly for other clients.

Runge and Associates Ltd. would assist with the evaluation of existing mechanical and electrical components within the building. They would also make recommendations pertaining to the energy efficiency of the existing system and list some improvements they feel are worth considering based on their experience and knowledge they have gained preparing mechanical and electrical designs for other clients.

Jim MacKeracher, P.Eng. is the Mechanical Engineer and **Gerhard Runge, P.Eng**. is the Electrical Engineer that would be responsible for the completion of this work.

CVs are enclosed in Appendix A.

4.0 SIMILAR PROJECTS

BMROSS has undertaken many projects that have similar needs and scope. BMROSS has also worked as a sub-consultant providing assistance with the structural and site design of various types of buildings. With the first two project listed below BMROSS was responsible for the project management, facility needs assessments and design, with assistance from Adolfo Spaleta. With the third project, Mr. Spaleta did not provide assistance. With the fourth project, Mr. Spaleta took the lead and BMROSS assisted during the design stage. See Appendix B for additional information about these projects.

- ***Municipality of Kincardine, Kincardine Water Treatment Plant (2005 – 2006)***
  While designing upgrades to this water treatment plant, BMROSS co-ordinated an assessment of their facility needs with assistance from Adolfo Spaleta. The plant expansion included the addition of office space, lunch room, change rooms, a laboratory, an equipment storage bay and space for additional water treatment components. Total project cost $2.75 million, building component approximately $1.0 million. For a reference contact Jim O'Rourke, Public Works Manager at 519-396-3468.

- ***Bruce Power, Main Guardhouse and Site Entrance***
  With this project we helped Bruce Power determine the requirements of this facility to address the functionality and security requirements of the guardhouse building at the site entrance used by all site visitors with a tight schedule. Site improvements included channelized entrance lanes, inspection areas, vehicle scanning equipment, lighting, staff and storage parking spaces, facility pumping station, SCADA monitoring system, and back-up generator and other security features. BMROSS was retained to document the needs, develop the site and building design to address the needs, co-ordinate design work of mechanical and electrical sub-consultants and provide contract administration and construction review services. Total project cost $2,750,000. For a reference, contact the Project Engineer with Bruce Power Paul Ready at 519-361-7709.

- ***Municipality of Strathroy, Equipment Storage Building***
  The project included construction of an equipment storage building for the water department and included four access bays for equipment, second floor storage platform and heated working areas. BMROSS were retained to review the design, co-ordinate design work of mechanical and electrical sub-consultants, prepare tender package, provide contract administration and construction review services. Total project cost $275,000. For a reference contact Mark Harris, Director of Environmental Services at 519-245-2010 ext. 24.

- ***New Thrift Store and Offices for the Salvation Army in Goderich***
  Adolfo Spaleta Architect assisted the local branch, working through the Governing Council of the Salvation Army, to determine their needs and design a building to accommodate a loading and sorting area, administration offices, thrift store and food bank facility. BMROSS assisted during the design stage with the site servicing, grading and structural design aspects of the project. The project was completed in 2008 for a total cost of about $730,000.

5.0 Schedule and Fees

A schedule showing the key aspects of the project and a proposed timeline is provided. An aggressive timeline has not been shown; therefore, if delays occur it may be possible to re-prioritize the schedule to bring it back on track. Short time periods have been included to allow WNP time to review submissions and provide their comments.

Wellington North Power
Renovation Feasibility Report Project
for Building and Property at 290 Queen St. Mount Forest

TASK		Week Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
		Month/Year	Apr-12	May-12	May-12	May-12	May-12	Jun-12	Jun-12	Jun-12	Jun-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Aug-12	Aug-12	Aug-12	Aug-12	Sep-12
		Monday Date	30	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	3
1.0	**Project Iniation and Data Collection**																				
1.1	Project Iniation at assumed acceptance date																				
1.2	Start-up Meeting, set schedule																				
1.3	Building Inspection assemble notes																				
1.4	Create floor plan, check dimensions																				
1.5	Complete site survey, create base plan																				
1.6	Interview Meetings, follow-up notes																				
2.0	**Analyse Data and Prepare Prel. Report**																				
2.1	Documentation gathering and reviewed																				
2.2	Code and zoning check, site drainage and assessment of other facility components																				
2.3	Prepare schematic sketches and rough cost estimate																				
2.4	Prepare Facilities Needs Report																				
2.5	Submit and Present Facilities Needs Report																				
2.6	Receive comments and revise, as required																				
3.0	**Conceptual Design and Final Report**																				
3.1	Prepare Conceptual Drawings																				
3.2	Develop Probable cost estimate																				
3.3	Prepare Final Feasibility Report																				
3.4	Submit and present Final Report with Conceptual Design																				
3.5	Receive comments and revise, as required																				

Legend:
- Review period allotted for WNP Staff
- BMROSS and Sub-consultant work periods
- Assumed meeting dates

The following table shows a breakdown of our time commitments, and anticipated costs for the tasks in this project. We are prepared to complete the work outlined in this proposal for a fee of $26,400, plus HST.

Separate prices have been listed for inspection of the mechanical and electrical components in the building and incorporation of that work into the evaluation process. If necessary for comparison purposes or if not required by WNP, that task may be changed to $1,000 if BMROSS is only required to list the mechanical and electrical components and their shortcomings in the report.

The costs excluded from our fee schedule include co-ordination and completion of a hazardous and designated materials survey of the buildings.

Breakdown of Estimated Time Commitments and Cost to Complete Assessments and Renovation Feasibility Report

Task	Total Hours	Fee*
Project initiation, kick-off meeting, administration and general correspondence throughout	20	$ 2,000
Building reviews, interviews, assessments and preparation of notes by:		
• Architectural	22	2,400
• Structural	15	2,000
• Mechanical and electrical	24	3,000**
• Site survey and create base plate	21	2,000
• Create floor plan of existing building and check dimensions	20	1,600
	16	1,200
Review documents and information gathered to develop a list of needs	16	2,000
Prepare schematic sketches, cost estimates, and preliminary report	30	4,000
Present sketches and preliminary report at a meeting	16	3,200
Prepare conceptual drawings with floor plans, updated estimates and finalize feasibility report	10	1,500
Present final report at a meeting		1,500
TOTAL		$26,400

Note:

*The fees include expenses such as mileage, photocopying, photo development, and use of surveying equipment. The fees do not include courier charges, if required, and taxes.

** Optional task which may be reduced to $1,00 if a site review by a mechanical and electrical engineer is not required.

We look forward to the opportunity to work with you.

All of which is respectfully submitted.

B. M. ROSS AND ASSOCIATES LIMITED

Per _____
Ken D. Logtenberg, P. Eng.

KDL:es
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APPENDIX A

CURRICULA VITAE

BMROSS
engineering better communities

B. M. ROSS AND ASSOCIATES LIMITED
Engineers and Planners
62 North Street, Goderich, ON N7A 2T4
p. (519) 524-2641 • f. (519) 524-4403
www.bmross.net

KENNETH D. LOGTENBERG, M.A.Sc., P.Eng.

EDUCATION

- M.A.Sc. (Construction Management) University of Waterloo, 1994.
  Thesis entitled, Investigation into the Quality of Epoxy Coated Reinforcement.
  Post-graduate courses in Bridge Design, Construction Management and Labour Relations.

- B.A.Sc. (Civil Engineering) University of Waterloo, 1992.

EMPLOYMENT HISTORY

Jan. 2001 - Present	Principal, B. M. Ross and Associates Limited
Jan. 1998 - Jan. 2001	Project Engineer, B. M. Ross and Associates Limited
Mar. 1997 - Jan. 1998	Contract Engineer, B. M. Ross and Associates Limited at Ontario Hydro, BNPD Transportation Service Department
Dec. 1994 - Sept. 1996	Project Engineer, B. M. Ross and Associates Limited
Apr. 1994 - Dec. 1994	Senior Inspector, Cyril J. Demeyere Limited, Tiverton, Ontario.

PROFESSIONAL EXPERIENCE

With B. M. Ross and Associates Limited

- Experienced working on bridge repair or replacement projects for more than 12 years with involvement in over 200 bridge projects. Responsible for preparation of the design and tender documents, contract administration and construction supervision. This involved projects on rigid frame, steel truss, single and multi-span steel and prestressed concrete bridges.

- Structural design of industrial, commercial and public type buildings for new construction or renovation projects. Responsible for design of concrete, steel, masonry and wood components, as required. Project Manager throughout design and contract administration stage for many projects. Projects include Kincardine Water Treatment Plant expansion-$2.75 million, Bruce Power Main Guardhouse and Site Improvement-$3.0 million, Huron-East Seniors Apartments-$4.5 million, and Goderich Town Hall-$2.8 million.

- Bridge, road and building condition reviews for preparation of asset management reports, with prioritized rehabilitation and cost budgeting recommendations.

- Structural design of sewage pumping stations and water treatment plant buildings, storage facilities, inlet works and various other forms of municipal civil works structures. Projects include Goderich, Mitchell and Seaforth Underground Water Storage Reservoirs, St. Marys Wellhouse and Treatment Buildings.

- Performed design and contract preparation for M.T.O. highway redesign and structure rehabilitation projects. Responsibilities have included the supervision of surveying, drafting, preparing contract documents, design tasks and the quality assurance program as per M.T.O. requirements. Responsibilities as a designer have included bridge rehabilitation, highway and storm sewer and traffic signage designs.

While on Contract at Ontario Hydro

- Contract administration and construction supervision of road maintenance projects and an upgrade to the fuel storage system.

- Road Management Study completed on the site roads, included developing a five year road maintenance and rehabilitation schedule.

With Cyril J. Demeyere Limited

- Construction review on the Elgin Area Water System Project, approximately 16 km of 450 mm watermain, including services and chambers.

Workshops or Seminars Attended

- International Short & Medium Span Bridge Conference by CSCE
- Project Managers Boot Camp by PMSJ
- Upgrading Bridge Inspection Skills, EPIC
- Managing Bridges Within Your Budget, EPIC
- Various In situ Sewer Repair Seminars, CATT
- MTO - Construction Estimating and Scheduling Course

Membership

- Professional Engineers of Ontario
  Licenced since 1995
- Canadian Society of Civil Engineers: Member

A D O L F O S P A L E T A A R C H I T E C T
125 Anglesea St. Goderich Ontario, N7A 1V2, Tel. 519.524.8948

CURRICULUM VITAE

ADOLFO SPALETA, B.E.S., A.A. Diploma, M. Phil. (Cantab.), O.A.A.

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1. ACADEMIC QUALIFICATIONS:

- Bachelor of Environmental Studies, University of Waterloo
- Architectural Association Diploma, Architectural Association, London U. K.
- Master of Philosophy in Architecture, Cambridge University, Cambridge U. K.

2. PROFESSIONAL AFFILIATIONS:

- Member of the Ontario Association of Architects
- Formerly registered with The Architects Registration Council (UK)

3. EXPERIENCE:

Mr. Spaleta has been involved with a number of architectural offices in Canada, Britain and the Middle East. Most notably he has worked with the international firm of Arthur Erickson Architects in the Vancouver, Saudi Arabia and Kuwait offices, and with Colin St. John Wilson and Partners in London England.

After returning to Canada in 1988 he joined the firm of Christopher Borgal Architect. As a senior member of the firm he was responsible for the design, management and realization of a variety of new public buildings, restoration projects and feasibility studies. Mr. Spaleta also worked for the Firm of Stephen Teeple Architect in Toronto and was involved with public and commercial buildings.

Since 1999 Mr. Spaleta has operated his own architectural practice in Goderich Ontario. Select projects in which he has participated include the following:

As a senior designer and project manager with the firm of Christopher Borgal Architect:

- **Fire Station No. 2**, Woodstock Ontario, 1990
- **Additions to St. Rita and Ste. Marguerite Elementary Schools,** Woodstock Ontario, 1991
- **Addition and Renovation to Southside Aquatic Centre,** Woodstock Ontario, 1991
- **Feasibility Study for Goderich PUC,** Goderich Ontario, 1991
- **Addition to Goderich Public Library,** Goderich Ontario, 1991
- **New Offices for The Huron County Children's Aid Society,** Goderich Ontario, 1993
- **Canoe Lake Comfort Station,** Algonquin Provincial Park Ontario, 1993

As a senior designer and project manager with the firm of Stephen Teeple Architect:

- **Renovations to Birkdale Childcare Centre,** Scarborough Ontario, 1998
- **CIBC Bank Branch Renovation,** Ajax Ontario, 1998
- **CIBC Bank Branch Renovation,** Mississauga Ontario, 1998

As owner and principal of Adolfo Spaleta Architect:

- **Renovation to Volvo washrooms**, Goderich Ontario, 2003, (in association with B. M. Ross and Associates)
- **New Bruce Power Main Guardhouse,** near Tiverton Ontario, 2005
- **Offices for Kincardine Water Treatment Plant,** Kincardine Ontario, 2005, (in association with B. M. Ross and Associates)
- **Life Safety Study for Three Clinton Churches,** Clinton Ontario, 2005, (in association with B. M. Ross and Associates)
- **Renovations to Bruce Power Guard House A,** near Tiverton Ontario, 2007
- **New Salvation Army Thrift Store and Offices,** Goderich Ontario, 2007
- **Upgrades to Bruce Power Main Entrance,** near Tiverton Ontario, 2007
- **Metcalf Street Pumping Station,** Municipality of Strathroy-Caradoc, 2008 (in association with B. M. Ross and Associates)
- **Renovations to Goderich Place Retirement Residence,** Goderich Ontario, 2009
- **Renovations to Lions Harbour Park Band Shell,** Goderich Ontario, 2009
- **New Public Washrooms for Lions Harbour Park,** Goderich Ontario, 2009

runge
& associates inc. ENGINEERS

Profession

Senior Mechanical Engineer

Education

B.A.Sc. Mechanical Engineering, University of Waterloo, 1972

Professional Societies

Association of Professional Engineers of Ontario

Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (NAPEGG)

Association of Professional Engineers and Geoscientists of the Province of Manitoba (APEGM)

American Society of Mechanical Engineers

American Society of Heating, Refrigerating and Air Conditioning Engineers

American Water Works Association

Water Environment Federation

Employment Record

Senior Mechanical Engineer, Runge & Associates Inc. (2010-Present)

Senior Mechanical Engineer, R.J. Burnside & Associates Limited (2000-2010)

President, MacKeracher Engineering Ltd. (1990-2000)

Manager of Mechanical & Electrical Engineering, Ainley & Associates Limited (1982-1990)

Process Design and Construction Engineer, MacLaren Engineering Inc., (Formerly James F. MacLaren Ltd.) (1972-1982)

Citizenship

Canadian

Languages

English

Jim MacKeracher, B.A.Sc., P.Eng.

Jim MacKeracher, P.Eng. is the Senior Mechanical Engineer at Runge & Associates Inc. Mr. MacKeracher has over thirty years of experience in the design and construction supervision in the building services field, (heating ventilating & air conditioning, plumbing & drainage and fire protection), on commercial, institutional and residential projects. Jim also has extensive design and construction review experience of process and mechanical building services for municipal water and sewage treatment projects.

Sample Project Listing

Mechanical Engineering Team Leader for the design of the Meno Ya Win Health Centre in Sioux Lookout, Ontario (2011)

Supervise the design of heating, ventilating and air conditioning as well as plumbing and drainage, fire protection sprinkler system and medical gas systems for a new 60 bed acute care hospital in this remote northern Ontario community. Project included the relocation of patients, medical equipment and systems from the old facility to the new hospital with no interruption of patient cars.

Mechanical Building Services Consultant, CFB Borden, Government of Canada, Ontario

Indoor air quality investigations and remedial design to rectify problems in buildings at CFB Borden including the Dental School, 4 mess hall kitchens and a humidity control system for the ammunition repair building at CFAD Angus.

Mechanical Engineer for the assessment and design of remedial works for three arenas in the Municipality of Bluewater

Conduct building mechanical systems audits on Bayfield, Hensell and Zurich arenas and provide conceptual designs and budget estimates for the recommended remedial works.

Mechanical Engineer, Various Industrial Hazardous Classification and Fire Code Analysis Investigations (1990-2005)

This work involves the investigation, inspection and hazardous classification of industrial and municipal processing areas under the Ontario Electrical Safety Code. Fire Code analysis involved investigation and remedial design work for industrial operations storing and using hazardous flammable or explosive materials in their processes.

Building Services Engineer, Constance Lake School, Constance Lake First Nation, Ontario (2004)

Responsible for mechanical design (Building Services) for a new school near Hearst, Ontario. Design included heating, air conditioning, plumbing, and drainage and fire protection for a day care +K – 12 school. The project incorporated the existing community centre into the school as its gymnasium.

runge
& associates inc. ENGINEERS

Profession

Senior Electrical Engineer

Education

B.Tech., Electrical Engineering, Ryerson Polytechnical Institute, Power Option, Toronto, ON 1988

Professional Societies

Professional Engineers of Ontario

Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (NAPEGG)

Association of Professional Engineers and Geoscientists of the Province of Manitoba (APEGM)

IEEE: Institute of Electrical and Electronic Engineers

Employment Record

President, Runge & Associates Inc. (2008-Present)

Senior Electrical Engineer, Power-Controls-Instrumentation, Building Sciences, R.J. Burnside & Associates Limited (2002-2007)

Advanced Project Engineer, Pilkington Glass of Canada Ltd. (1997-2002)

Electrical Engineer, Power-Controls-Instrumentation, MacViro Consultants Inc. (1991-1997)

Engineering Designer, MacLaren Engineers Inc. (1988-1991)

Citizenship

Canadian

Languages

English

Gerhard Runge, P.Eng.

Gerhard Runge has been providing engineering services in Canada since 1988 as an electrical power, lighting, building systems, fire alarm and controls engineer. Client sectors include municipal, land development servicing, commercial, industrial, institutional and renewable energy. Gerhard is responsible for equipment inspections and assessments, preliminary design brief preparation, pre-design planning, cost estimating, detailed engineering design, electrical (hydro) assessments, generator assessments, control system integration, specification and tendering preparation, construction inspections, shop drawing reviews, start-up assistance and commissioning, and project management.

Sample Project Listing

Stayner Collegiate School Fire Alarm System Upgrade, Simcoe County District School Board, Stayner, Ontario (2012)

Upgrade of an existing high school fire alarm system to an addressable system. Work included detail design for all detectors, detailed inspection of existing conditions, and coordination with local fire marshal. Project is currently out for tender.

Toronto Ski Club - Clubhouse Expansion, Town of Blue Mountains, Ontario (2010)

Electrical detail design of clubhouse facilities for 4,000 sq-ft expansion and 16,000 sq-ft renovation.

YMCA Renovation, Town of Collingwood, Ontario (2008 and 2012)

Electrical detail design and construction review to provide an addition and renovation of existing facilities, pool area, main lobby, reception area, child care room, fitness room, locker rooms and offices. Design included power distribution, lighting systems, communication network, site plan lighting and fire alarm upgrade.

Electrical Engineering Team Leader for the Design of the Meno Ya Win Health Centre in Sioux Lookout, Ontario (2003-2011)

Electrical detail design and construction review of a 60-bed health care facility which was completed in 2010. Project continued in 2011 with the addition of withdrawal management system, parking lot expansion and other minor additions.

Herridge Pumping Station Upgrade & Reservoir, Region of Peel (2008-2011)

Responsible for the electrical (hydro) assessment of the existing pumping station and reservoir site. Construction of a new 15ML in-ground water reservoir and relocation of existing substation. Substation size increased from two 3MVA to a two 4MVA transformers with 4160V switchgear. Project includes electrical power detail design, utility coordination and new PLC control system integration.

Town of Blue Mountains Maintenance Garage, Collingwood, Ontario (2009)

New construction of a maintenance garage and offices. Work included design for Electrical building services, periodic site inspections and acceptance of construction as per the "Issued for building permit" drawings.

APPENDIX B

REFERENCE PROJECTS

BMROSS
engineering better communities

PROJECT PROFILE

Kincardine Water Treatment Plant

CLIENT: Municipality of Kincardine

LOCATION: Kincardine, Ontario

DESCRIPTION:

B. M. Ross and Associates was retained to determine and implement the most feasible solutions to address deficiencies identified by the Ministry of the Environment at the Kincardine Water Treatment Plant. The most challenging of these was the plant's inability to deal with periodic occurrences of high raw water turbidity and a site with limited space for physical expansion.

The building expansion included office administration, laboratory, washrooms, a vehicle storage bay and exterior landscaping.

BMROSS was the lead consulting firm with Adolfo Spaleta, Architects Ltd. as a sub-consultant. Total cost of the project was approximately $2.75 million. The building upgrade which was about 4000 ft^2 in size with 2 floors in the office area cost approximately $1.0 million. The project was completed in the fall of 2006.

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PROJECT PROFILE

Strathroy-Caradoc Patrol Yard Shed

CLIENT: Strathroy-Caradoc

LOCATION: Strathroy, Ontario

DESCRIPTION:

B. M. Ross and Associates was retained to finalize the design and provide contract administration services for construction of a 4500 ft^2 Patrol Yard Shed in Strathroy-Caradoc.

The design of concrete foundations and a concrete slab on grade were required for this pole-barn style structure that was designed by a separate engineering firm. BMROSS also coordinated the design of the electrical and the heating and ventilation systems, and specified the insulation and building envelope requirements.

BMROSS was retained to finalize the design, prepare tender documents, assist with contract administration and provide part-time construction review. Contract administration was generally performed by the client. Total cost of the project was approximately $310,000, not including the engineering design work for the building. The project will be completed in the winter of 2012.

BMROSS
engineering better communities

PROJECT PROFILE

Bruce Power Main Guardhouse and Site Entrance

CLIENT: Bruce Power

LOCATION: Bruce Power, Tiverton, Ontario

DESCRIPTION:

B. M. Ross and Associates was retained to complete a site and facility needs assessment in order to develop a building and road layout to meet the security and traffic requirements of the site at the main site entrance. The final design included channelized entrance lanes, specialized security equipment, lighting design, staff and storage parking, facility pumping station and a back-up generator.

The building was designed to accommodate security features and specialty equipment required by the security forces using the building and back-up systems for key components.

BMROSS was the lead consulting firm throughout the project, working with Adolfo Spaleta, Architects Ltd. and Melex Engineering as sub-consultants. Total cost of the project was approximately $2.75 million. The project was completed in the fall of 2006.

A D O L F O S P A L E T A A R C H I T E C T
125 Anglesea St. Goderich Ontario. N7A 1V2. Tel 519 524 8048

New Thrift Store and Offices for the Goderich Salvation Army – 2008

Location: Goderich, Ontario

Client: Governing Council of the Salvation Army in Canada

Project Cost: Approximately $730,000
Area: Approximately 330 square metres

Consultants:
Architectural and Prime Consultant – Adolfo Spaleta Architect
Structural and Civil – B. M. Ross and Associates
Mechanical and Electrical – Melex Engineering

Contractor – Bronnenco Construction Ltd.

The facility provides a base from which the local Salvation Army distributes clothes and food to the needy. It is also a lively second hand store for the community. The building contains a thrift store, loading and sorting areas, administrative offices and a food bank.

Extensive interviews were carried out with both staff and volunteers to ensure that the building fully met the needs of users. A limited budget necessitated a rigorous cost checking process at each stage of design.

JAMES FRYETT
ARCHITECT INC.
Telephone 519-846-2201 Fax 519-846-0343
115 Metcalfe St., P.O. Box #88, Elora, ON N0B 1S0

March 14, 2012

Mr. Matthew Aston
Manager of Operations
Wellington North Power Inc
290 Queen Street West
Mount Forest, Ontario
N0G2L0

Re: Fee Proposal for Feasibility Report,
Building and Property Evaluation at 290 Queen Street West, Mount Forest, ON
Wellington North Power Inc

Dear Mr. Aston:

As requested, we have prepared an estimate of consulting fees to undertake this project, including all services required for a detailed feasibility study. We have visited the site with you, and Judy Roseburg to review the existing conditions and program requirements. We understand that the project includes the assessment of the property of Wellington North Power Inc. at 290 Queen Street West in Mount Forest. The area to be assessed includes the main office buildings with several truck bays and two outdoor storage buildings of Wellington North Power Inc. As per the "Request For Proposal" discussed on site the feasibility study is to include:

- Main office building with truck bays,
- Exterior storage buildings,
- Parking layout and traffic circulation on property,
- Front entrance accessibility.

The design will be completed in accordance with current Ministry and ODA design requirements as well as with the Ontario Building Code.

The scope of our work for this feasibility study phase is as follows:

1) Prepare a detailed site condition assessment report outlining deficiencies. The report will include the following disciplines:
   - Architectural,
   - Structural,
   - Civil as part of the storm water management report.

2) The civil engineering assessment report will include the following:
   - Detailed topographic survey documenting existing grades, services, fences etc.
   - Evaluation of existing site services (storm, sanitary, water main).
   - Assessment of existing storm water management system.

3) Provide an Ontario Building Code analysis of the facility in respect to Health and Safety i.e. fire separations, ventilation and environmental concerns.

4) Review accessibility requirements.

5) Analysis of work space areas and needs with future growth potential in mind.

6) Prepare comments and recommendation for feasible options.

7) Provide schedule.

8) Prepare preliminary construction cost estimate for two options: renovation & new construction.

We propose a fee of $18,000.00 plus HST to complete the scope of work as noted above. Disbursements are not included in the fee.

While the investigation of the mechanical and electrical performance of the existing buildings is not part of the scope of work mentioned in the RFP, it is recommend to have the M&E equipment evaluated as part of this feasibility study. We propose for the mechanical and electrical assessment an additional fee of $5,000.00 plus HST. Any work being done outside the scope of work will be based on an hourly rate. Our fee schedule is attached.

We confirm that we will begin work on the project immediately following your authorization to proceed.

We trust that this proposal meets your requirements. Thank you for the opportunity to submit this proposal.

We look forward to working with you.

Yours very truly,

Michaela Bahm, B.Eng. LEED AP
OAA

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JAMES FRYETT
ARCHITECT INC.
Telephone 519-846-2201 Fax 519-846-0343
115 Metcalfe St., P.O. Box #88, Elora, ON N0B 1S0

FEE SCHEDULE

Print Date: January 19, 2012

1. SCHEDULE OF HOURLY RATES:

Principal/Associates	$135.00 / hour
Senior Project Manager	$110.00 / hour
Project Architect	$ 85.00 / hour
Senior Technologist	$ 58.00 / hour
Intermediate Draftsman	$ 48.00 / hour
Junior Staff	$ 40.00 / hour
Clerical	$ 36.00 / hour

Rates are effective for a six month period commencing on the date noted above and subject to negotiation and review based on conventional parameter after this time.
* Principal: attendance at public meetings, act as expert witness shall be $150.00 / hour.

2. SCHEDULE OF DISBURSEMENTS:

2.1 Internal costs

Mileage		$ 0.60 / km
Graphic Reproduction:		
Blueprints	30 x 42	$2.50 / copy
Blueprints	24 x 36	$1.75 / copy
Photocopies	8.5 x 11	$ .15 / copy
Photocopies	11 x 17	$. 30 / copy
Colour Copies	8.5 x 11	$1.00 / copy
Colour Plot	8.5 x 11	$2.50 / colour plot
Plotting	30 x 42	$7.50 / plot
Plotting	24 x 36	$5.00 / plot
Plotting	11 x 17	$3.00 / plot
Facsimile and phone transmissions:		at cost

2.2 External Costs

Graphic reproduction services, material, courier and other third party: at cost plus 10%

2.3 Additional Consultants

Consultants fee will be billed at cost plus 15%.

3. GOODS AND SERVICE TAX

Harmonized Sales Tax (HST) is to be assessed in addition to the Basic Fee

L. Alan Grinham Architect Inc.
20 Douglas Street , Guelph , Ontario N1H 2S9
Tel: (519)-766-1580 Fax: (519)-766-1377 info@grinham.ca

22 March 2012

Wellington North Power Inc.
290 Queen Street West
P.O. Box 359
Mount Forest, Ontario, N0G 2L0

Attn.: Matthew Aston, C.E.T., M.B.A.
Re.: Building and Property Evaluation – Renovation Feasibility Report

Dear Matthew,

Thank you for the opportunity to provide Wellington North Power Inc. with this Proposal of Professional Services and Fees. And thanks as well to yourself and Judy Rosebrugh for taking the time to meet with me on site to discuss the project background, your initial thoughts and objectives in greater detail. The latter was very helpful in our efforts to identify what we hope to be a realistic and appropriate level of investigative detail and reporting strategy for the first phase of this Project.

It is our current understanding that Wellington North Power Inc. (WNP) is planning to undertake a redevelopment of its existing facility on Queen Street in Mount Forest in order to more appropriate address a number of issues and facility shortcomings that are becoming problematic due to the age and extent of the current building. These issues include staff and Board work and meeting space, particularly as it relates to planned growth to an estimated future office / field staff of 15 - potentially overlapping with Board (5 member) meetings and activities through the day.

We understand that WNP also seeks to improve its Customer Service facilities and features, including proper upgrades inside and out to address current and impending Accessibility requirements both for the public and in the workplace. It is the expectation of WNP that the requested Study and Report will identify an appropriate and cost effective strategy for achieving these programmatic objectives to realize a successful enhancement serviceability lifespan of at least 20 years hence.

In this Proposal we have included a brief outline of our initial / anticipated minimum Work Plan of tasks and activities needed to carry out the necessary on-site and in-house investigations and consulting services - along with our list of proposed specialist Sub-Consultants – both of which we would expect to review and confirm / revise as necessary with WNP Management prior to commencement of these Services. This proposed Work Plan and Project Team list subsequently informs the calculation of estimated time and expenses, and in turn the proposal of our Professional Fees anticipated to complete both the Study and Report as we currently envision them.

We further understand that the required timeframe of WNP for the Study data and complete or Final Report deliverables to be approx. 3 – 4 months following award of the Phase 1 Evaluation work such that the subsequent Design and Documentation work of Phase 2 – if approved – could commence in the fall of 2012 towards a Spring 2013 construction start of the preferred Alternative.

Continued on Page 2

Based upon our review of the Request for Proposal and Appendix A provided we have assembled the following team of Sub-Consultants to carry out this Study if selected:

➢ Architectural (Prime Consultant):	L. Alan Grinham Architect Inc, Guelph
➢ Interior Space Planning:	Professional Design Solutions, Guelph
➢ Structural Engineering:	Tacoma Engineers, Guelph
➢ Mechanical Engineering:	M.A. Bryan Engineering, Waterloo
➢ Electrical Engineering:	Fortech Engineering, Waterloo
➢ Site Services & Traffic Engineering:	Lonsdale Consulting Engineers, Guelph

In order to carry out the necessary Professional Services to complete our evaluations of the existing Facility towards the identification of recommendations, estimated Costs and preparation of the necessary Reports to move the Project forward with the Wellington North Power Inc. Board of Directors and (as may be required) the Ontario Energy Board we propose to undertake the following "on site" and/or "in house" tasks and activities including but not limited to:

- Assembly of any existing technical or record documentation for the existing buildings and site including Zoning and Planning status and potential amendment requirements;
- Conduct a comprehensive multi-disciplinary review of the existing buildings and site engaging the services of all named Sub-Consultants above;
- Conduct interviews with current staff towards more complete understanding of current and future operational needs and expectations for the facility;
- Conduct a review of all current and impending applicable legislation that would inform staff or public facility aspects of the new or renovated facility;
- Identify and chart "Pros and Cons" of Renovation versus New Construction Alternatives;
- Prepare Preliminary Construction Cost Estimates related to each Alternative scenario;
- Prepare Preliminary Construction Timeframe Estimates related to each Alternative scenario;
- Prepare DRAFT report and recommendations for review and comment by W.N.P.Inc Management;
- Revise and prepare Final Draft Report and Recommendations for submission to WNP Inc Management and Board of Directors
- Meet with Board to present and discuss Findings and Recommendations;
- Revise and Resubmit Final Report and Recommendations to WNP Management and Board.

Based on the information contained in your Request for Proposal and Appendix "A" and in anticipation of acceptance and approval by Wellington North Power Inc. of an overall Work Plan similar to that outlined above we would complete the proposed Scope of Professional Services as required for a Total Fixed Fee of **$ 19,975.00 (*Nineteen Thousand Nine Hundred Seventy-Five dollars*)** *including* travel and expenses and *excluding* HST. A preliminary breakdown illustrating the general distribution of the various Professional Fees, including optional "additional" services (such as Ontario Land Surveyor or Geotechnical investigations) is Appended to this Proposal.

We trust the foregoing Proposal will serve to reflect our understanding of the current needs and expectations of Wellington North Power Inc. as it approaches the challenging task of carefully and efficiently addressing the current and future needs of the Utility. Should you require any additional information or clarification please do not hesitate to contact the undersigned.

Yours Truly,
L. Alan Grinham Architect Inc.

Lloyd A. Grinham, B.E.S., B.Arch., OAA, MRAIC

Wellington North Power Inc.
Renovation Feasibility Study and Report

22 March 2012

APPENDIX ONE - Consultant Fees Distribution

Discipline	Basic Fees	Expenses	HST	Total	Comments
Core Services					
Architectural (Prime Consultant)	$6,000	$450	$839	$7,289	
Interior Space Planning	$800	$50	$111	$961	
Structural Engineering	$3,000	$175	$413	$3,588	
Mechanical Engineering	$2,000	$150	$280	$2,430	
Electrical Engineering	$2,500	$150	$345	$2,995	
Site Services & Traffic Engineering	$4,500	$200	$611	$5,311	
Sub-Total Core Service Fees:	**$18,800**	**$1,175**	**$2,597**	**$22,572**	
Optional / Additional Services					
Ontario Land Surveyor (*quote*)	$2,500	$200	$351	$3,051	*Legal / Boundary survey and marker placement*
Geotechnical Engineering (*estimate*)	$10,000	$500	$1,365	$11,865	*Initial Field Review, Report and Recommendations for Phase 2 Construction work*
Environmental Engineering (*estimate*)	$15,000	$700	$2,041	$17,741	*Field work, lab analysis and reporting if soils contamination known or suspected*
Other(s)					
Sub-Total Optional Service Fees:	$27,500	$1,400	$3,757	$32,657	

Note: Optional / Additional Services would only be initiated with prior approval of Wellington North Power Inc. *and* such services - if concurrent with the Study period - would be co-ordinated by the Prime Consultant.

April 3, 2012

Hi Judy,

Here is some initial analysis:

Components offered:	BM Ross	J. Fryett	Grinham
Architectural	X	X	X
Structural	X	X	X
Mechanical	X	Additional $2,500	X
Electrical	X	Additional $2,500	X
Site Survey	X	X	Additional $2,700
Floor Plan	X	?	X
Civil/Site Services	X	X	X
Traffic	X	X	X
Total Cost	$26,400	$18,000	$19,975
Comparable Cost	$26,400	$23,000	$22,675

Comments on each:

BM Ross (Goderich, Ontario)
Listed sub-contracts. Group from Goderich, Ontario. Local BM Ross office would have expert knowledge of Mount Forest's service infrastructure.

J. Fryett (Elora, Ontario)
Did not list sub-contracts. Civil or service infrastructure work would be necessary for J. Fryett to sub-contract. When mechanical and electrical assessments are considered, price is mid-range.

Grinham (Guelph, Ontario)
Sub-contractor for every function but Architecture, were Grinham is lead. He has recommended an interior design company as part of the internal space evaluation. No other proposal is offering this service as a sub-contract; typically Architect is handling this duty. I think we could lower the price by having Alex Wilson do the survey work but ensure Grinham is involved.

Three good proposals were provided, which gives us good information to proceed.

I would like for you and I to discuss the proposals on Friday or next week.

Regards,
Matt A.

April 24, 2012

At April's Board Meeting a resolution was passed to engage BM Ross of Goderich, Ontario, to create a feasibility study with respect to the proposed renovation project.

BM Ross was recommended by management for the following reasons:

- All feasibility study quotations were within $4,000 (approximately 20%) of each other which supports the fact all pricing was consistent with the market for this type of feasibility study;
- BM Ross provided a list of sub-contractors with their proposal;
- BM Ross local office would have expert knowledge of the Town of Mount Forest;
- Architect and Civil Engineer involved in proposal process;
- Proposal included reference to similar project work; and
- Management had the most confidence in the team sponsoring this proposal.

Please consider this as supporting evidence of management's recommendation of BM Ross for the building renovation project feasibility study at a cost of $26,400 plus taxes.

Judy Rosebrugh
President and CEO

Matthew Aston
Manager of Operations

WELLINGTON NORTH POWER INC.
P.O. Box 359, 290 QUEEN STREET WEST
MOUNT FOREST, ON N0G 2L0
PHONE (519) 323-1710 FAX (519) 323-2425

Date: April 24, 2012

Resolution: # 2012-0424-

Moved by: [signature]

Seconded by: [signature]

Be it Resolved

THAT the Board of Directors for Wellington North Power Inc. approve, the recommendation of Management, to move forward with the selection of the architect / engineering firm to perform a feasibility study at 290 Queen Street West, Mount Forest. The three candidates are Grinham Architects, BM Ross and James Fryett:

Recommendation: It is the recommendation of management to move forward with the feasibility study in 2012 awarding the contract to BM Ross and Associates in the amount of $26,400.

	Quote
• Grinham Architects	$22,675
• BM Ross and Associates	$26,400
• James Fryett	$23,000

[signature]
Chairman

Interrogatory #8

Ref: Exhibit 2, Tab 5, Schedule 2, page 228

Please provide more details on the $307,642 actual spend shown in Table 2-52 as part the contingency line.

WNP Response:

In Table 2-52, WNP identified a capital spend of $307,642 in 2008 as "contingency. As requested, WNP has fully itemized 2008's capital spending and this is shown in the table below.

A spreadsheet version, together with corresponding GL entries is included in the Appendices that have been filed on the OEB's RESS site.
(Filename: WellingtonNorth_IR_Responses_Appendix_June12)

Ref:	Item	2008 Application	2008 Board Approved Decision	Actual Spend	Variance Board Approved v Actual Cost
P11	Pick-up Truck #10 Replacement	$30,000	$30,000	$26,668	($3,332)
P13	Single Bucket Truck	$250,000	$250,000	$213,245	($36,755)
A	Purchase of a pre-owned RBD truck	$0	$0	$164,700	$164,700
B	Purchase of a pre-owned pole trailer	$0	$0	$10,800	$10,800
C	Purchase of pick-up truck to replace vehicle that was written-off (caused by another party)	$0	$0	$26,429	$26,429
P14	*Smart Meters*	*$1,051,201*	*$0*		*$0*
P8	Main Street North, Mount Forest - Replace aging infrastructure (safety & reliability) Replacement of 40 poles, 1,000m of primary & 300m of secondary bus. 5 x 3phase and 15 single phase transformers will be replaced	$305,713	$305,713	$284,904	($20,809)
P9	Fergus Street - Distribution upgrade Replace 45 existing poles. Install 3,780m of 336 mcm conductor & 1,260m of 3/0 triplex plus 300m of triplex. Requires installation of 8 x 50 kVA transformers	$217,341	$217,341	$233,593	$16,252
P10	Durham Street East - Distribution upgrade Required to replace aging assets & to increase the height of the poles to increase clearance. Replacement of 10 poles, 3 x 50 kVA transformers and re-string of 375m of 3 phase 4 kV primary & secondary bus.	$73,971	$73,971	$73,655	($316)
P15	System Software upgrades Purchase of Loris Technology Inc (documenting & archiving system) and Quadra (a project management & job estimating tool)	$100,000	$100,000	$84,739	($15,261)
D	Building and fixture renovations Project was scoped to replace ceiling tiles, added support beams to floor in front office and crawl space, remove walls, redirect heat ducts, install ceiling, flooring, shelving in storage area and repairing to drywall.	$0	$0	$9,170	$9,170
P1.2	George Street Replace Deteriorated Poles Project was scoped to replace deteriorating poles on George Street due to safety concerns. Projected included the removal of deteriorated poles and OH along with the installation of new poles and OH, a contractor was brought in to assist WNP.	$0	$0	$135,695	$135,695
P1.3	Birmingham Street - replace aging infrastructure Projected was completed in 2007 but there was a delayed invoice in 2008.	$0	$0	$377	$377
-	Catherine Street LCBO - connection of store to distribution system Project was scoped to pick-up LCBO in Arthur, which was previously a Hydro One customer. Project included installation of poles, conductor, transformer and OH service cable.	$0	$0	$9,017	$9,017
-	North Water Street - Lift Station Project was scoped to replace existing OH service with underground service. Project included the installation of UG service cable, UG conduit and UG transformer.	$0	$0	$2,660	$2,660
-	Industrial Drive Project was scoped to extend the distribution system along Industrial Drive in Mount Forest. Project included the installation of poles and conductors.	$0	$0	$25,422	$25,422
-	Waste Management Project was scoped to install new service for Waste Management building. Project included the installation of poles, conductors and transformer.	$0	$0	$17,916	$17,916
-	Normanby Street - 44kVA Insulators Project was scoped to replace existing glass insulators with polymer. This project looked to replace old material technology with safer, more reliable, material technology.	$0	$0	$14,976	$14,976
-	Golden Valley Farms Project was scoped to support the installation of a new, customer-owned station. Project included the installation of poles and conductors.	$0	$0	$12,269	$12,269
-	Foster Street - Daycare Project was scoped to install new service. Project included the installation of poles, conductors, transformer and UG service cable.	$0	$0	$17,354	$17,354
-	Wellington Street Project was scoped to extend the distribution system in Mount Forest for residential development (E - Pete Reeves). Project included the installation of poles and conductors.	$0	$0	$10,164	$10,164
-	Library Project was scoped to replace existing service with new service. Project included the installation of transformer and UG service cable.	$0	$0	$7,205	$7,205
-	Cork Street Project was scoped to extend the distribution system in Mount Forest for new waste water plant. Project included the installation of poles and conductors.	$0	$0	$1,065	$1,065
-	Sewer Plant Project was scoped to install new service. Project included the installation of poles, OH conductors, UG conductors and transformer.	$0	$0	$723	$723
-	Centre Street - Holstein Project was scope to replace existing distribution assets in Holstein. Project included the installation of poles and conductor.	$0	$0	$6,437	$6,437
-	Replacement of decaying poles in ther service area	$0	$0	$18,910	$18,910
-	Martin Street Project was scoped to replace existing distribution assets in Mount Forest to new residential development. Project included the installation of poles and OH conductor.	$0	$0	$3,262	$3,262
-	St Mary's Church Project was scoped to replace existing service with new service. Project included the installation of transformer and UG service cable.	$0	$0	$1,655	$1,655
-	IDA Store - Project was scoped to install new service to IDA store in Arthur. Project included the installation of transformer and OH service cable.	$0	$0	$1,440	$1,440
-	New Services - Project was for new connections in 2008. These costs included the layouts, meter installs and the connects of the new services.	$0	$0	$14,637	$14,637
-	Computer Equipment - Project was to replace an aging and unrealiable computer and printer.	$0	$0	$5,690	$5,690
-	Office Equipment - Project was to purchase a conference call phone	$0	$0	$768	$768
	Total	**$2,028,226**	**$977,025**	**$1,435,546**	**$458,521**
	Total *(excluding Smart Meters)*	**$977,025**	**$977,025**	**$1,435,546**	**$458,521**

Interrogatory #9

Ref: Exhibit 2, Tab 5, Schedules 2, 3 & 4

a) Do Tables 2-52, 2-53 and/or 2-54 include any estimated or actual costs related to smart meters that were to be recorded in account 1555? If yes, please provide versions of these tables that do not include any amounts that were ultimately recorded in account 1555.

b) When was the 2009 capital addition budget approved by the Board of Directors?

c) When was the 2010 capital addition budget approved by the Board of Directors?

Wellington North Power Inc. - Response:

a. WNP can confirm that Table 2-52 – "2008 Capital Projects", does not include any costs associated to Smart Meter implementation.

In its application, table 2-53 – "2009 Capital Projects" does include costs associated to Smart Meters. As requested, the table below excludes any capital Smart Meter costs incurred in 2009:

Ref:	Item	2009 Estimated Cost	Actual Spend	Variance Actual Cost v Estimated Cost	Comments
2009-001	Oakview Crescent - Replace sub-standard 15V U/G primary cable & loop to Albert St	$146,800	$0	($146,800)	Transferred to 2012
2009-002	Forest Glen Drive - Loop U/G primary & replace live front transformers (3 x 50kV padmount)	$35,000	$0	($35,000)	Transferred to 2014
2009-003	Forest Glen Crescent - Loop U/G primary & replace live front transformers (3 x 50kV padmount)	$40,000	$0	($40,000)	Transferred to 2014
2009-004	Church Crescent - Replace O/H primary with U/G primary	$40,000	$29,732	($10,268)	
2009-005	Elgin Street North - Replace 6 poles, upgrade primary & secondary conductors & replace 1 x polemount	$15,000	$0	($15,000)	Transferred to 2012
2009-006	Frederick Street (Isabella to George) - Replace 7 poles and replace 1 polemount transformer	$20,000	$1,868	($18,132)	Dependant upon Wellington North County
2009-007	Smith St (Conestoga to Preston) - replace 8 poles and 1 polemount transformer	$22,000	$0	($22,000)	Transferred to 2011
2009-008	Replace Truck #35 (2005 Dodge Dakota)	$32,400	$31,455	($945)	
2009-009	George St and Frederick Street - Replace corner pole and upgrade in conjunction with new traffic light installation	$6,000	$20,438	$4,438	
2009-010	Smith Street (beside United Church) - Replace pole and 1 transformer	$10,000			
2009-011	Francis Street North - Replace deteriorated poles and primary & secondary devices	$10,000	$0	($10,000)	Transferred to 2018
2009-017	Transportation Equipment Security - GPS units & tracking software	$5,500	$0	($5,500)	
2009-018	Tools - Battery operated Cable Cutters	$2,700	$844	($1,856)	
2009-019	Overhead garage doors for shop	$2,000		($2,000)	
2009-020	Princess Anne Street - Upgrade primary conductor	$2,000	$0	($2,000)	Transferred to 2012
2009-021	Prince Charles Street - Upgrade primary Conductor	$2,000	$0	($2,000)	Transferred to 2012
2009-022	William Street - Upgrade primary conductor	$3,000		($3,000)	
2009-023	2009 - P109 Meter Base Jump Set - Jumpers required to temporarily feed (during fault conditions)	$4,644	$2,395	($2,249)	
2009-024	Mobile tablets - 2 x tablets for workforce management	$4,345	$0	($4,345)	
2009-025	Server - Harris server upgrade (current server is 6 years old)	$40,000	$25,582	($14,418)	
2009-026	Server software upgrades	$10,000		($10,000)	
2009-027	Replace aging printer	$2,160	$7,167	$5,007	
2009-028	Cayenta Financials - Installation of financial package to prepare for future compliance for transition to IFRS	$113,782	$169,329	$55,547	
2009-029	Building renovation - Replace carpet in 2 x offices	$4,752	$0	($4,752)	Transferred to 2012
2009-030	Replace 2 x laptop computers	$4,320	$3,846	($474)	
2009-031	Building renovation - Installation of security camera system	$2,160	$0	($2,160)	Transferred to 2012
	Contingency - Other items not included in 2009 Capital Budget and spent in 2009	$0	$74,564	$74,564	
	Total	**$580,563**	**$367,219**	**($213,344)**	

Actual Spend Rate	63.25%
2009 Initial Capital Budget	$580,563
Revised 2009 Capital Budget Total	**$580,563**
2009 Actual Capital spent	$367,219
Actual Spend Rate	63.25%

In its application, table 2-54 – "2010 Capital Projects" does include costs associated to Smart Meters. As requested, the table below excludes any capital Smart Meter costs incurred in 2010:

Ref:	Item	2010 Estimated Cost	Actual Spend	Variance Actual Cost v Estimated Cost	Comments
2010-003	Feed-In Tariff Solar Generation <500 kW for customer (Loblaw - No Frills) To adhere to the Government's Green Energy Act for LDC to connect a <500 kW customer as part of embedded generation	$45,000		($45,000)	
2010-004	Foster Street & Durham Street - Relocate distribution lines & poles that conflict with new Sewer Pumping Station	$65,000	$52,236	($12,764)	
2010-005	Cork St - Relocate lines that conflict with new Sewer Pumping station and install 3 phase transformer for new service	$13,000	$12,428	($572)	
2010-006	Waterloo Street & Cork Street - Relocate poles due to road reconstruction and revised radius of corner	$12,000	$18,923	$6,923	
2010-007	Egremont Street - Relocate poles due to road reconstruction and necessity to replace aging & deteriorated poles	$10,000	$26,526	$16,526	
2010-008	Birmingham Lodge to Egremont Street - Replace old transformer bank & structure with pad mount or new pole mounts	$15,000	$12,799	($2,201)	
2010-009	Reeves Sub-Division King Street to Albert Street - Requires 5 x pad mount transformers & installation	$18,500	$13,357	($5,143)	
2010-010	440 King Street East - Requires 2 x 100kVA pad mount transformers & installation	$18,000	$0	($18,000)	
2010-011	New Baptist Church - Requires 3 phase transformer bank (600/347v) & installation	$8,000	$12,157	$4,157	
2010-012	OPP Station addition - Requires either O/H or U/G hydro lines and transformers	$40,000	$11,126	($28,874)	Rolled in 2011
2010-013	Preston Street Sub-Division Townhouses - 6 x 50kVA pad mounts required & installation	$22,200	$0	($22,200)	
2010-014	Eastlink development - Requires (estimation) 20 x pole replacements to accommodate new optic fibre line	$50,000		($50,000)	Reliant on a 3rd party
2010-015	Customer Information System (CIS) Upgrade - Harris (CIS) upgrade from version 5.2.19 to 6.3 for system enhancements & IS support	$40,000	$89,597	$49,597	Reliant on a 3rd party
2010-016	Internal server - Purchase an installation of 1 x new server to manage increased data & communication	$10,000	$7,257	($2,743)	
A	Replacement of Distribution Substation (previous substation was truck by lightning)		$165,345		
	Total	**$366,700**	**$421,750**	**($110,295)**	
		Actual Spend Rate	**115.01%**		
		2010 Initial Capital Budget		$366,700	
		Revised 2010 Capital Budget Total		**$366,700**	
		2010 Actual Capital spent		$421,750	
		Actual Spend Rate		**115.01%**	

b. The 2009 Capital Budget was approved by Board of Directors for Wellington North Power Inc. at the meeting held Tuesday, November 25, 2008. The insert below has been copied directly from the Corporation's Minute Book:

> **MOVED BY** John Matusinec, **SECONDED BY** Alan Rawlins, **BE IT RESOLVED THAT** the Board of Directors for Wellington North Power Inc. approved in principle the 2009 Preliminary Capital Budget as prepared and presented by the Operations Committee.
>
> **"CARRIED"**

c. The 2010 Budget was approved by Board of Directors for Wellington North Power Inc. at the meeting held Tuesday, January 26, 2010. The insert below has been copied directly from the Corporation's Minute Book:

> **MOVED BY** John Matusinec, **SECONDED BY** Pieter de Josselin de Jong, **BE IT RESOLVED THAT** the Board of Directors for Wellington North Power Inc., approves the recommendation of the Operations Committee, to adopt the 2010 Preliminary Capital and Operating Budgets for the company and endorse the proposed expenditures and expenses in principle.
>
> **"CARRIED"**

Interrogatory #10

Ref: Exhibit 2, Tab 5, Schedule 5

a) Please provide a table in a similar level of detail for 2011 as shown for 2010 in Table 2-54. Please explain any significant variance from the 2011 forecast of $516,428 shown in Table 2-56.

b) When was the 2011 capital addition budget shown in Table 2-56 approved by the Board of Directors?

c) Please provide a description of any projects completed in 2011 and included in rate base that are not included in the list of capital projects shown on pages 235 through 243.

Wellington North Power Inc. - Response:

a. On the following page, the table lists all Capital Projects undertaken by Wellington North Power Inc. in 2011 together with the budget variance analysis.

A spreadsheet version, together with corresponding GL entries is included in the Appendices that have been filed on the OEB's RESS site.
(Filename: WellingtonNorth_IR_Responses_Appendix_June12)

In 2011, WNP actual spent on Capital Projects was $689,846 (before any Capital Contributions & Grants) which is over $170,000 more than budgeted. In terms of variances from the 2011 forecast, the following points should be considered:

- Great Plains (Financial System) Installation incurred a project over-spend of 36% ($61,549). This development was the implementation of a new financial system that would allow the LDC to be prepared for the transition to IFRS. Additional costs incurred by WNP, that were not included in the budgeted forecast include: to:
  - Additional time incurred by WNP employees to test and implement the new system as well as load in historic data. This additional time incurred overtime expenses;
  - In addition to the above point, there were additional consultancy costs incurred to assist with the implementation and integration of this new financial system;
  - Enhancements to develop system to integrate to the requirements and specifications of WNP.
- $21,374 was spent in 2011 to complete projects that were started in 2010. These projects were not able to be completed in 2010 due to either

weather conditions or reliance on other parties to complete their work. These projects are illustrated in the table below:

2010 Carry-over:				
Year	Item	Project	Description	2011 Actual Spend
2011	2010-005	Cork St SPS - Install Transformer	Carry over from 2010	$ 995
2011	2010-006	Cork St SPS-replace Poles	Carry over from 2010	$ 1,502
2011	2010-014	Eastlink Mount Forest	Carry over from 2010	$ 248
2011	2010-014	Eastlink Arthur	Carry over from 2010	$ 1,261
2011		Albert St Estates, Reeves Sub-Division	Carry over from 2010	$ 13,814
2011		Albert St-Install SB Switches	Carry over from 2010	$ 3,554
				$ 21,374

- $187,905 was spent in 2011 on projects that were not scheduled in the 2011 Budget. These projects are detailed in part (c) of this response.
- Taking into account the above point, WNP did not complete some of the capital projects that it had planned to undertake in 2011 and will need to review these projects to include in subsequent year's activities. It should be noted that the LDC did prioritize considering distribution system reliability and safety.

Year	Item	Project	Description	2011 Estimated Cost	2011 Actual Spend	Variance Actual Cost v Estimated Cost	
2011	2011-022	2011 Great Plains (Financial System) Installation	Financial Software - IFRS Compliancy	$169,000	$ 230,549	36%	$61,549
2011	2011-027	Albert St Estates, Reeves Sub-Division	Carry over from 2010		$ 13,814		$13,814
2011		Coffey/Eastridge Landing PH2	New sub-division		$ 15,110		$15,110
2011	2011-010	2011 OPP Station	Forensic lab (New service requires pole and 300 kV transformer)	$18,619	$ 21,602	16%	$2,982
2011		Insulator Replacement - Perth St	Replace insulation on Perth St		$ 4,046		$4,046
2011	2011-005	Connect New Service	Provision for installation of equipment for new services with capitalized assets and attracting labour costs	$42,623	$ 14,821	-65%	($27,802)
2011		Service Upgrade	Upgrading Services		$ 13,715		$13,715
2011		Well#5 O/H to U/G	Change service from O/H to U/G at well #5		$ 4,281		$4,281
2011		Conestoga St S - Construct Line			$ 8,526		$8,526
2011	2011-002	Replace Broken Pole#479 Dublin	Critical Hydro Pole Replacements	$3,096	$ 1,300	-58%	($1,796)
2011		Install Rd Crossing Pole & Anc	Install Road crossing poles		$ 1,181		$1,181
2011		Disconnect 191 Durham St W	Upgrading Services		$ 615		$615
2011	2011-027	Albert St-Install SB Switches	Carry over from 2010		$ 3,554		$3,554
2011	2011-006	Replace Transformer Bank-Perth	To replace transformers in the distribution system		$ 9,840		$9,840
2011		Rd Crossing Pole 535 Waterloo	Install Road crossing poles		$ 1,300		$1,300
2011		Connect Temp Service	Connect Temp Services		$ 357		$357
2011	2011-006	Parkside Dr-Trans Replacement	To replace transformers in the distribution system		$ 2,882		$2,882
2011		Parkside Dr P709 - Guying			$ 354		$354
2011	2011-011	Main St S of Queen	Secondary Pole Replacement	$70,221	$ 42,170	-40%	($28,052)
2011	2011-007	Princess Anne/Dublin OH Rebuild	Increase conductor size and upgrade distribution line	$21,392	$ 8,596	-60%	($12,796)
2011	2011-003	Replace Pole-Grant St	Replacement of hydro poles in distribution system	$34,056	$ 12,705	-63%	($21,350)
2011	2011-007	OH Rebuild - Prince Charles	Increase conductor size and upgrade distribution line	$21,392	$ 7,628	-64%	($13,763)
2011		Micro-Fit			$ 717		$717
2011	2011-002	Install Pole - P77 Walton	Critical Hydro Pole Replacements	$3,096	$ 1,996	-36%	($1,099)
2011		Meter Verification			$ 20,002		$20,002
2011	2011-001	Smith St	System Upgrade Poles, Conductor and Transformers	$74,684	$ 91,945	23%	$17,261
2011		Stub Pole - Grant and Parkside			$ 1,991		$1,991
2011		Pole Line Upgrade Clyde St			$ 2,765		$2,765
2011		Holstein - Church St			$ 7,465		$7,465
2011	2010-006	Cork St SPS-replace Poles	Carry over from 2010		$ 1,502		$1,502
2011	2010-005	Cork St SPS - Install Transformer	Carry over from 2010		$ 995		$995
2011		Township of WN Works Yard Reconstruct Hy			$ 11,683		$11,683
2011	2010-014	Eastlink Mount Forest	Carry over from 2010		$ 248		$248
2011	2010-014	Eastlink Arthur	Carry over from 2011		$ 1,261		$1,261
2011		D&R 391 Main St - Repair Stack	D&R at 391 Main St - repair stack		$ 332		$332
2011		Connect Temp U/G Service	Connect Temp Services		$ 477		$477
2011	2011-013	MS 3 Fence Replacement	MS-3 Fence Replacement	$13,440	$ 14,100	5%	$660
2011	2011-015	Photocopier	Replace existing older model	$9,000	$ 6,495	-28%	($2,505)
2011	2011-019	Telephone System Upgrade	OEB requirement to have ability to record customer payment arrangement	$3,800	$ 6,864	81%	$3,064
2011	2011-023	Global Cadd Systems	AutoCAD and Spida Cal Softwared for Distribution Engineering and Drawings	$10,673	$ 7,181	-33%	($3,492)
2011		Asset Management - Rodan	Asset Management - Rodan		$ 27,911		$27,911
2011		Easements	Easement		$ 1,006		$1,006
2011		Building Upgrades	Building Upgrades		$ 10,268		$10,268
2011		Barrier Free Drawings	Barrier Free Drawings		$ 3,400		$3,400
2011		Office Funiture	Replacement of office funiture		$ 5,606		$5,606
2011		New Hydolic Cylinder	New hydrolic cylinder		$ 6,719		$6,719
2011	2011-021	Power Measurement Software	Hydro Monitoring System requires software updates	$11,000	$ 8,800	-20%	($2,200)
2011		Replacement Printer for Billing	Replacement printer of billing		$ 7,167		$7,167
2011		New Computer Hardware	New computer Hardware		$ 18,191		$18,191
2011	2011-018	Workstation Replacements	Employee workstations are on a rotation for replacement 2 units annually	$5,000	$ 3,815	-24%	($1,185)
				$511,090	$ 689,846		$178,755

b. The 2011 Capital Budget was approved by Board of Directors for Wellington North Power Inc. held Tuesday, February 22, 2011 and a revised eight year Capital and Operating Budgets at the meeting May 24, 2011. The inserts below have been copied directly from the Corporation's Minute Book.

MOVED BY Ray Tout**, SECONDED BY** Wayne Lytle**, BE IT RESOLVED THAT** the Board of Directors for Wellington North Power Inc. approve the recommendation of the Operations Committee:

Recommendation: It is the recommendation, of the Operations Committee, that the Board of Directors approve, in principle, the 2011-2015 Capital and Operating Budgets as presented.

"CARRIED"

MOVED BY Wayne Lytle**, SECONDED BY** David Comissiong**, BE IT RESOLVED THAT** the Board of Directors for Wellington North Power Inc. approve the recommendation of the Operations Committee:

Recommendation: It is the recommendation, of the Operations Committee, that the Board of Directors approve, in principle, the revised 2011-2018 Capital and Operating Budgets as presented.

"CARRIED"

c. The table below details the capital projects that were completed in 2011 and included in the LDC's Rate Base that were not included in the list if Capital Projects for 2011 in WNP's application:

2011 Unplanned Projects Completed:			
Replace Transformer Bank-Perth	To replace transformers in the distribution system		$ 9,840
Parkside Dr-Trans Replacement	To replace transformers in the distribution system		$ 2,882
Albert St Estates, Reeves Sub-Division	Carry over from 2010		$ 13,814
Albert St-Install SB Switches	Carry over from 2010		$ 3,554
Coffey/Eastridge Landing PH2	New sub-division		$ 15,110
Insulator Replacement - Perth St	Replace insulation on Perth St		$ 4,046
Service Upgrade	Upgrading Services		$ 13,715
Well#5 O/H to U/G	Change service from O/H to U/G at well #5		$ 4,281
Conestoga St S - Construct Line			$ 8,526
Install Rd Crossing Pole & Anc	Install Road crossing poles		$ 1,181
Disconnect 191 Durham St W	Upgrading Services		$ 615
Rd Crossing Pole 535 Waterloo	Install Road crossing poles		$ 1,300
Connect Temp Service	Connect Temp Services		$ 357
Parkside Dr P709 - Guying			$ 354
Micro-Fit			$ 717
General Service >50 kW customer meter (account 1860)			$ 20,002
Stub Pole - Grant and Parkside			$ 1,991
Pole Line Upgrade Clyde St			$ 2,765
Holstein - Church St			$ 7,465
Township of WN Works Yard Reconstruct Hy			$ 11,683
D&R 391 Main St - Repair Stack	D&R at 391 Main St - repair stack		$ 332
Connect Temp U/G Service	Connect Temp Services		$ 477
Asset Management - Rodan	Asset Management - Rodan		$ 27,911
Easements	Easement		$ 1,006
Building Upgrades	Building Upgrades		$ 10,268
Barrier Free Drawings	Barrier Free Drawings		$ 3,400
Office Funiture	Replacement of office funiture		$ 5,606
New Hydolic Cylinder	New hydrolic cylinder		$ 6,719
Replacement Printer for Billing	Replacement printer of billing		$ 7,167
New Computer Hardware	New computer Hardware		$ 18,191
			$ 205,272

Interrogatory #11

Ref: Exhibit 2, Tab 5, Schedule 6

a) Please explain the increase to $260,028 in customer driven costs shown in Table 2-57 for 2012 as compared to the forecast of $61,242 shown in Table 2-56 for 2011. Is this increase all related to the OPP station?

b) What was the actual customer driven costs in each of 2008, 2009, 2010 and 2011?

c) Why are there no contributions and grants shown in Table 2-57 for the test year?

d) What was the actual level of contributions and grants in each of 2008, 2009, 2010 and 2011?

e) Is the estimated cost of $215,087 for item #2012-008 the net cost after a customer contribution? If yes, please show the gross cost and the forecasted contribution. If no, please explain why no customer contribution has been forecast.

f) The last line on page 248 does not appear to be completed on page 249. Please complete the sentence that begins "This active data".

g) Is there any forecasted changes to the 2012 test year capital expenditures as the result of any variance between forecasted and actual 2011 capital expenditures, or any other reason? If yes, please provide details.

Wellington North Power Inc. - Response:

a. The table below illustrates the customer-driven costs for the projects that were planned for the 2011 Bridge Year and 2012 Test Year:

Year	Ref	Name	Description	Justification	Estimated Cost	Job No	Category
2011	2011-005	New Services	Provision for installation of equipment for new services with capitalized assets and attracting labour costs	Required for maintenance of system (reliability & safety)	$42,622.80	601	Customer-driven
2011	2011-010	Main St N. - OPP Forensic Lab	Forensic lab (New service requires pole and 300 kV transformer)	New service at OPP station-WNP provides transformation	$18,619.41	598	Customer-driven
				Total	**$61,242.21**		

Year	Ref	Name	Description	Justification	Estimated Cost	Job No	Category
2012	2012-008	Extend 44 kV Expansion	Extension of the 44 kV Line on Main Street South Murphy property	System Expansion of $1.2m over five years	$215,087.05	608	Customer-driven
2012	2012-009	New Services	Provision for installation of equipment for new services with capitalized assets and attracting labour costs	Required for maintenance of system (reliability & safety)	$44,940.80	607	Customer-driven
				Total	**$260,027.85**		

The above shows that the increase in 2012 Test Year relates to the extension of the 44kV line on Main Street South Murphy property, with a proposed cost in excess of $215,000.
There is a small increase of $2,318 in the "New Services" proposed capital items between the 2011 Bridge Year and 2012 Test Year.

b. WNP is unable to answer this question on the basis of:
   - The term "customer-driven" has only been used for the WNP's Capital Budget for the years of 2011 and 2012. This is to assist with the LDC's Cost of Service application in an attempt to classify why these capital projects are required.
     This term has been applied to projects where the "need" to undertake the activity is driven not by the LDC or for safety / reliability but by a customer.
   - The term "customer-driven" has been used by the "new" Regulatory Compliance Analyst who started working at the LDC in February 2011 and therefore does not have the wealth of experience to assess if the prior years' projects were "customer-driven" or not.

c. At the time of preparing the application, the LDC was unaware of any expected Capital Contributions and Grants for the 2012 Test Year

d. The value of Contributions and Grants, for Wellington North Power is
   - In 2008 = $0
   - In 2009 = $0
   - In 2010 = $71,043.30
   - In 2011 = $113,405.13

e. WNP can confirm that the estimated cost of $215,087 for item #2012-008 is not net cost after a customer contribution. This is an anticipated capital project to extend the 44kV line to connect to a proposed new sub-division. At the time of filing its application and to date, the LDC has not yet been provided with full details of dates, project scope or build- phasing. Therefore WNP is unable to conduct an economic evaluation to assess the value of the Contributed Capital.

f. The completed sentence should have read:
   "This active data will assist the LDC in analyzing consumptions trends and behaviours at a customer level, which in the future would assist Wellington North Power Inc. future Cost of Service applications, specifically Load Forecasts."

g. WNP can confirm, at the time or writing, that there are no changes to the 2012 Test Year capital expenditures.

Interrogatory #12

Ref: Exhibit 3, Tab 1, Schedule 1

Please update Table 3-0 to include actual data for 2011.

Wellington North Power Inc. - Response:

The table below is a comparison of WNP's Throughput Revenue for the years 2008 onwards. This data has been updated to include 2011 actual data:

Summary of Operating Revenue Table	2008 Board Approved	2008 Actual	Variance from 2008 Board Approved	2009 Actual	2010 Actual	2011 Actual
	($'s)	($'s)	($'s)	($'s)	($'s)	($'s)
Distribution Revenue						
Residential	851,679	806,376	(45,303)	875,796	865,808	902,621
GS < 50 kW	290,734	219,253	(71,481)	294,035	289,627	308,694
GS 50 - 999 kW	290,734	266,713	(24,021)	374,212	333,145	329,632
GS 1,000 - 4,999 kW	218,697	141,075	(77,622)	186,098	199,619	197,514
Sentinel Lights	7,220	4,421	(2,799)	9,583	10,542	10,534
Street Lighting	48,741	22,889	(25,852)	62,062	65,742	70,811
Unmetered Scattered Loads	2,394	442	(1,952)	221	248	215
Total	**1,710,199**	**1,461,168**	**(249,031)**	**1,802,007**	**1,764,731**	**1,820,021**
% of Total Revenue	90.49%	87.73%		82.60%	90.91%	93.42%
Other Distribution Revenue						
Late Payment Charges	18,034	18,614	580	20,947	20,833	26,047
Specific Service Charges	54,450	61,681	7,231	65,097	58,820	45,870
Other Distribution Revenue	107,210	80,579	(26,631)	76,761	54,642	60,733
Other Income and Expenses	0	43,489	43,489	216,839	42,262	(4,531)
Total	**179,694**	**204,363**	24,669	**379,642**	**176,558**	**128,119**
% of Total Revenue	9.51%	12.27%		17.40%	9.09%	6.58%
Grand Total:	**1,889,893**	**1,665,531**	-224,362	**2,181,649**	**1,941,289**	**1,948,142**

It should be noted, in 2009 other Income and Expenses of $379,642 included a gain on disposal for an insurance claim for a lightning strike at a Wellington North Power sub-station. The recovery from the insurance claim was $192,195.

Interrogatory #13

Ref: Exhibit 3, Tab 2, Schedule 1

a) How did WNP remove the billed and line loss amounts associated with the three GS 1000 - 4999 kW customers that were forecast separately? In particular, how did WNP calculate the line losses associated with these customers?

b) Please update Table 3-1 to reflect actual 2011 data.

c) Please update Table 3-4 to reflect actual 2011 data.

d) Please update the tables shown on page 337, along with Table 3-7 on page 338, to reflect actual data for 2011.

e) Please update Table 3-14 to reflect actual 2011 data.

Wellington North Power Inc. - Response:

a. For each of the three "sensitive" customers, WNP used the meter reading data for each month. This data is available through the company's CIS system and an external data provider (Utili-Smart).
WNP the applied the Loss Adjusted factor of 1.0699 to the monthly meter reading data to create a billed with loss value for each customer.
The loss factor of 1.0699 has been consistent over the past six years as illustrated in Exhibit 8, Tab 8, Schedule 2, table 8-14. Table 8-14 shows Wellington North Power Inc. calculated of the Total and Distribution loss factor based on the average Wholesale and Retail kWh for a six year period from 2005 to 2010.

b. The table below has been updated to reflect 2011 Purchase Load Actual as requested:

Total including 2011 Actuals: (3 sensitve customers + All other customers)					
	Historic Purchase Load - kWh				
	2007	2008	2009	2010	2011 Actual
January	9,471,440	9,724,722	8,778,546	9,555,507	9,903,507
February	8,867,908	9,282,696	7,661,282	8,513,222	9,130,223
March	9,202,851	9,335,764	8,189,544	8,793,380	9,825,256
April	8,276,828	8,210,709	7,376,418	7,779,667	8,000,503
May	8,110,169	7,883,595	6,711,504	8,100,891	7,972,210
June	8,194,020	7,787,375	6,849,734	7,984,499	7,947,472
July	7,703,200	7,815,607	6,821,425	8,350,976	8,282,741
August	8,380,226	7,810,492	7,581,948	8,692,122	8,881,989
September	7,710,376	7,677,287	7,570,598	8,099,924	8,383,667
October	8,336,948	8,247,980	8,346,682	8,501,568	8,946,252
November	8,743,245	8,166,427	8,386,159	8,832,882	8,876,428
December	8,907,988	8,567,606	9,141,543	9,403,627	9,391,756
Total	**101,907,206**	**100,512,269**	**93,417,391**	**102,610,275**	**105,542,005**

c. The table below has been updated to reflect 2011 actual data for kWh Billed and customer / connection count:

Summary of Load and Customer/Connection Actuals						
Year	Billed (kWh)	Growth (kWh)	**Percentage Change %**	Customer/ Connection Count	Growth	**Percentage Change %**
2004	89,194,708			4,318		
2005	92,239,845	3,045,137	3.41%	4,354	35	0.82%
2006	93,628,881	1,389,036	1.51%	4,405	51	1.18%
2007	95,248,613	1,619,732	1.73%	4,431	27	0.61%
2008	93,521,080	-1,727,533	-1.81%	4,479	48	1.08%
2009	86,446,481	-7,074,599	-7.56%	4,478	-1	-0.03%
2010	96,062,450	9,615,969	11.12%	4,519	41	0.92%
2011 Actuals	**99,140,087**	**3,077,638**	**3.20%**	**4,546**	**27**	**0.59%**

d. The tables below include 2011 actual data as requested:

Billed Energy and Number of Customers by Rate Class

Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load	Total
Energy (kWh)								
2004	24,384,437	12,478,963	22,994,865	28,467,921	727,714	38,904	101,904	89,194,708
2005	25,217,181	12,036,675	23,752,850	30,363,260	728,596	39,379	101,904	92,239,845
2006	25,227,824	11,886,853	24,784,448	30,857,138	731,832	38,909	101,877	93,628,881
2007	25,023,794	11,930,026	24,233,832	33,212,587	727,707	38,081	82,586	95,248,613
2008	25,142,788	11,678,034	25,169,769	30,725,657	748,942	36,606	19,284	93,521,080
2009	25,158,787	11,573,828	20,973,876	27,961,217	738,099	33,138	7,536	86,446,481
2010	25,200,723	11,323,787	20,890,084	37,885,731	720,757	31,636	9,732	96,062,450
2011 Actual	**25,802,534**	**11,781,553**	**21,438,642**	**39,368,359**	**713,439**	**28,024**	**7,536**	**99,140,087**

Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load	Total
Number of Customers/Connections								
2004	2,825	452	38	9	942	41	12	4,318
2005	2,869	462	40	5	942	23	13	4,354
2006	2,923	460	38	5	942	23	13	4,405
2007	2,959	455	39	4	942	24	9	4,431
2008	3,002	464	41	4	942	24	2	4,479
2009	3,037	468	43	5	900	22	2	4,478
2010	3,073	479	40	5	900	21	1	4,519
2011 Actual	**3,103**	**478**	**38**	**5**	**900**	**20**	**1**	**4,546**

Annual kWh Usage per Customer/Connection

Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load
2004	8,631	27,634	613,196	8,216,551	773	949	0
2005	8,791	26,039	600,072	10,943,591	773	1,712	0
2006	8,630	25,841	645,148	11,154,844	777	1,692	0
2007	8,458	26,205	625,389	13,645,996	773	1,609	0
2008	8,375	25,191	613,897	14,951,320	795	1,510	8,900
2009	8,283	24,717	486,821	10,731,711	820	1,506	3,478
2010	8,201	23,640	526,641	14,638,695	801	1,506	7,786
2011	**8,315**	**24,660**	**559,269**	**7,873,672**	**793**	**1,413**	**5,320**

Annual Growth Rate in kWh Usage per Customer/Connection

Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load
2004							
2005	1.0184	0.9423	0.9786	3.1594	1.0012	1.8044	0.0000
2006	0.9817	0.9924	1.0751	2.0651	1.0044	0.9881	0.0000
2007	0.9800	1.0141	0.9694	2.8970	0.9944	0.9512	0.0000
2008	0.9902	0.9613	0.9816	2.3475	1.0292	0.9381	0.0000
2009	0.9891	0.9812	0.7930	1.4232	1.0315	0.9978	0.3908
2010	0.9900	0.9564	1.0818	2.7491	0.9765	1.0001	2.2384
2011	**1.0139**	**1.0431**	**1.0620**	**0.5379**	**0.9898**	**0.9379**	**0.6833**

e. The annual results of the Purchase Load prediction formula (as described in Exhibit 3, Tab 2, Schedule 1) compared to the actual annual purchases from 2004 to 2010 are shown in the table below. As requested, this table has been updated to include 2011 Actual kWh Purchase data:

Model F - All WNP portfolio excluding 3 x Sensitive customers

Actual vs. Predicted Purchases (kWh)

Year	Actual	Predicted	% Difference
2004	72,890,680	73,669,216	**1.1%**
2005	71,971,867	74,395,323	**3.4%**
2006	72,292,023	72,464,822	**0.2%**
2007	73,766,416	73,647,457	-0.2%
2008	75,194,816	73,336,966	-2.5%
2009	72,559,407	72,934,963	**0.5%**
2010	74,978,072	73,204,534	-2.4%
2011 Bridge - Actual	76,384,759	74,101,326	-3.0%
2012 Test		75,059,199	

Interrogatory #14

Ref: Exhibit 3, Tab 2, Schedule 1

a) Table 3.9 has a footnote that indicates the source of the data is Owen Sound/Collingwood, while the text immediately prior to the table indicates the data is sourced from the Windsor weather station. Please reconcile

.

b) Please explain why the Windsor weather station data was used to calculate the 10 and 20 year trends while the equation used to forecast volumes utilizes Owen Sound/Collingwood data.

Wellington North Power Inc. - Response:

a. WNP can confirm that the source of the data is Owen Sound / Collingwood weather station.

b. WNP can confirm that Owen Sound / Collingwood weather data was used to calculate the 10 year and 20 year trends.

Interrogatory #15

Ref: Exhibit 3, Tab 2, Schedule 1

a) Please update Table 3-15 to reflect actual data for 2011.

b) Please explain why 2004 data was used in the calculation of the average when it is not substantially different from the 2009 data which was excluded.

c) What is the impact on the revenue deficiency if the 2005 -2010 average (excluding 2009) is used for the 2012 forecast for these three customers. Please show the change in the billed kWh and kW that result from using this average.

d) Did WNP try any regression analysis techniques on the volume associated with the three customers noted in terms of using explanatory variables such as provincial GDP, unemployment rate, etc. that would reflect economic conditions? If not, why not? If yes, please provide the results of those equations, including the statistics, the forecasts for these three accounts using the regression equation and a live Excel spreadsheet that includes the data and equations tested.

Wellington North Power Inc. - Response:

a. Using 2011 Actuals for the three sensitive customers, WNP has updated table 3-15 (that was illustrated in Exhibit 3, Tab 2, Schedule 1) as shown in the table below:

Year	Total Billed (kWh)	Average Billed kWh per customer (Total Billed / 3 customers)	Predicted Purchase kWh
2004	20,831,385	6,943,795	
2005	25,428,234	8,476,078	
2006	25,642,352	8,547,451	
2007	26,300,386	8,766,795	
2008	23,661,505	7,887,168	
2009	19,493,387	6,497,796	
2010	25,825,024	8,608,341	
2011	27,252,309	9,084,103	
2004-2011 Average	24,304,323	8,101,441	
2004-2011 Average (Excluding 2009)	24,991,599	8,330,533	
2011 Bridge using Actuals	24,991,599	Total Loss Factor: 1.0699	26,738,512
2012 Test Year	24,991,599	Total Loss Factor: 1.0717	26,783,497

It should be noted that:

- 2011 kWh Billed Actuals for these three customers were noticeably higher (at 27,252,309 kWh) than prior years. Including 2011 Billed Actuals in the averages has seen an increase of over 300,000 kWh when compared with WNP's initial application Table 3-15. Consequently, the 2011 Bridge Year and 2012 Test Year Predicted kWh Purchase have increased.
- 2012 Test Year Loss factor has reduced from 1.0723 to 1.0717 as per Board Staff request (IR Question 27) requesting that a 5 year Loss Factor average be applied rather than a 6 year average).

b. 2004 data was included for consistency as throughout Exhibit 3, WNP explained that data was available from that year.
However, WNP acknowledge that 2004's data is of a similar scale to that of 2009. If both 2004 and 2009 had been excluded, the average billed kWh and Predicted kWh Purchases for 2011 Bridge Year and 2012 Test Year would have been:

Year	Total Billed (kWh)	Average Billed kWh per customer (Total Billed / 3 customers)	Predicted Purchase kWh
2005	25,428,234	8,476,078	
2006	25,642,352	8,547,451	
2007	26,300,386	8,766,795	
2008	23,661,505	7,887,168	
2010	25,825,024	8,608,341	
2005 - 2010 Average (excluding 2004 and 2009)	25,371,500	8,457,167	
2011 Bridge using above Averages	25,371,500	Total Loss Factor: 1.0699	27,144,968
2012 Test using above Averages	25,371,500	Total Loss Factor: 1.0717	27,190,637

The above table shows that the Billed kWh and Predicted kWh Purchases for the Bridge and Test Year are approx 400,000 kWh greater than the values shown in the table in part (a).

c. The table below illustrates the change in billed kWh and kW for the three customers using the method described in IR #15 part c above.

			Adjusted		Previously	
Year	Purchases with Losses	Predicted Purchases kWh	Billed kWh	Billed kW	Billed kWh	Billed kW
2005	27,205,667					
2006	27,434,752					
2007	28,138,783					
2008	25,315,444					
2010	27,630,193					
2011 Bridge Year		27,176,279	25,358,081	52,395	24,573,451	52,326
2012 Test Year		27,224,679	25,403,243	52,464	24,614,814	52,419

Using the methodology described above, the change in the Cost of Power account is illustrated below:

	Prior to Adjustment	With Adjustment	
Cost of Power Account	2012	2012	Difference:
4705-Power Purchased	$7,974,180	$8,040,743	$66,563
4708-Charges-WMS	$522,111	$526,504	$4,394
4714-Charges-NW	$492,528	$492,563	$34
4716-Charges-CN	$320,446	$320,469	$22
4730-Rural Rate Assistance	$110,446	$111,376	$929
4750-Low Voltage	$145,762	$145,772	$10
Sub Total	**9,565,474**	**9,637,426**	$71,953
4710- Cost of Power Adjustment	$1,087,751	$1,087,751	
TOTAL	**$10,653,225**	**$10,725,178**	$71,953

The above shows an increase in Cost of Power of $71,953 resulting in WNP's Revenue Deficiency increasing from $722,184 to $729,350 for the 2012 Test Year (a rise of $7,166).

d. WNP did undertake separate regression analysis for the volume associated with the three "sensitive" customers which included the following variables:

Variable	Reason	Source
Weather data - Heating degree days	Weather impacts on load are apparent in both the winter heating season, and in the summer cooling season. For that reason, both Heating Degree Days (i.e. a measure of coldness in winter) and Cooling Degree Days (i.e. a measure of summer heat) are modeled	Data source from Owen Sound / Collingwood station
Weather data - Cooling degree days		
Real Ontario GDP	Historic view and forecasted view of economic growth, decline and/or stability	Real gross domestic product (GDP) for Ontario (1988 to 2006: 2003 and 2008 Ontario; Economic Outlook and Fiscal Review, Ontario Ministry of Finance, 2007 to 2011: 2010; Ontario Budget March 25, 2010, Ontario Ministry of Finance)
Number of days in the month	Identifies seasonal peaks and less/more days in calendar months	
Number of peak hours	Number of peak hours (16* number of business days in any given month, excluding weekends and holidays)	
Number of customers	Takes into account purchase load requirements subject to customer number growth, decline or stability	Wellington North Power Inc.'s historical analysis.

The results of this regression analysis are shown below:

SUMMARY OUTPUT

Regression Statistics	
Multiple R	30.97%
R Square	9.59%
Adjusted R Square	2.51%
Standard Error	321234.3458
Observations	84

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	6	8.53707E+11	1.42284E+11	1.65461	0.143686448
Residual	78	8.04894E+12	1.03192E+11		
Total	84	8.90264E+12			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-1291361.61	1942421.19	-0.66	0.51	-5158425.08	2575701.87	-5158425.08	2575701.87
Heating Degree Days	-123.43	187.65	-0.66	0.51	-497.01	250.15	-497.01	250.15
Cooling Degree Days	605.84	1331.17	0.46	0.65	-2044.33	3256.00	-2044.33	3256.00
Real Ontario GDP	19917.26	10033.60	1.99	0.05	-58.11	39892.63	-58.11	39892.63
Number of Days in Month	-8245.77	46655.93	-0.18	0.86	-101130.59	84639.05	-101130.59	84639.05
Number of Peak Hours	2992.70	2173.26	1.38	0.17	-1333.94	7319.33	-1333.94	7319.33
Number of Customers	0	0	65535	#NUM!	0	0	0	0

As requested, a spreadsheet version containing the data tested, regression equation and results has been provided. This has been uploaded on to the OEB's RESS site with the file name below:
(Filename: WellingtonNorth_IR_Responses_Appendix_June12)

Interrogatory #16

Ref: Exhibit 3, Tab 2, Schedule 1

Please update Tables 3-16, 3-17, 3-18 and 3-19 to reflect actual 2011 data.

Wellington North Power Inc. - Response:

Please find below updated tables, as requested, which include 2011 actual data:

Number of Customers/Connections								
Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load	Total
2004	2,825	452	38	9	942	41	12	4,318
2005	2,869	462	40	5	942	23	13	4,354
2006	2,923	460	38	5	942	23	13	4,405
2007	2,959	455	39	4	942	24	9	4,431
2008	3,002	464	41	4	942	24	2	4,479
2009	3,037	468	43	5	900	22	2	4,478
2010	3,073	479	40	5	900	21	1	4,519
2011 Actual	3,103	478	38	5	900	20	1	4,546

Growth Rate in Customers/Connections							
Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load
2004							
2005	1.0154	1.0236	1.0556	1.3333	1.0000	0.5610	1.0833
2006	1.0191	0.9951	0.9705	2.0000	1.0000	1.0000	0.9936
2007	1.0121	0.9897	1.0087	1.7083	1.0000	1.0290	0.6581
2008	1.0147	1.0183	1.0581	1.7059	1.0000	1.0246	0.2549
2009	1.0117	1.0101	1.0508	3.0000	0.9554	0.9072	1.0000
2010	1.0117	1.0230	0.9207	2.0000	1.0000	0.9545	0.5769
2011 Actuals	1.0099	0.9974	0.9664	2.5000	1.0000	0.9444	1.1333
2012 Normalized	1.0135	1.0081	1.0031	1.9734	0.9935	0.9015	0.7370

Annual kWh Usage per Customer/Connection							
Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load
2004	8,631	27,634	613,196	8,216,551	773	949	0
2005	8,791	26,039	600,072	10,943,591	773	1,712	0
2006	8,630	25,841	645,148	11,154,844	777	1,692	0
2007	8,458	26,205	625,389	13,645,996	773	1,609	0
2008	8,375	25,191	613,897	14,951,320	795	1,510	8,900
2009	8,283	24,717	486,821	10,731,711	820	1,506	3,478
2010	8,201	23,640	526,641	14,638,695	801	1,506	7,786
2011	8,315	24,660	559,269	7,873,672	793	1,413	5,320

The table below includes 2011 actual data. The 2012 Test Year and Geomean values have been updated to include the date for the years 2005 to 2011 inclusive:

Annual Growth Rate in kWh Usage per Customer/Connection							
Year	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load
2004							
2005	1.0184	0.9423	0.9786	3.1594	1.0012	1.8044	0.0000
2006	0.9817	0.9924	1.0751	2.0651	1.0044	0.9881	0.0000
2007	0.9800	1.0141	0.9694	2.8970	0.9944	0.9512	0.0000
2008	0.9902	0.9613	0.9816	2.3475	1.0292	0.9381	0.0000
2009	0.9891	0.9812	0.7930	1.4232	1.0315	0.9978	0.3908
2010	0.9900	0.9564	1.0818	2.7491	0.9765	1.0001	2.2384
2011	**1.0139**	**1.0431**	**1.0620**	**0.5379**	**0.9898**	**0.9379**	**0.6833**
2012 Normalized (2005 to 2011)	**0.9947**	**0.9839**	**0.9869**	**1.9119**	**1.0037**	**1.0585**	**0.8423**
Geomean	**0.9947**	**0.9839**	**0.9869**	**1.9119**	**1.0037**	**1.0585**	**0.8423**

Interrogatory #17

Ref: Exhibit 3, Tab 2, Schedule 1

a) Has WNP used the trend approach in forecasting the kW/kWh ratios, as shown in Table 3-24 or the average analysis approach, as stated at the bottom of page 352?

b) Please explain how the 2012 figure of 0.2772% was calculated as the kW/kWh ratio in Table 3-24 for the GS 1,000 - 4,999 kW class.

c) Please update Tables 3-23, 3-24 and 3-25 to reflect actual 2011 data.

d) Please provide the calculations for each of the classes shown in Table 3-25 of the 2012 kW forecasting using the weather normalized billed energy forecast shown in Table 3-22 and the kW/kWh ratios actually used (as it does not appear that the figures shown in Table 3-24 were used).

Wellington North Power Inc. - Response:

a. WNP can confirm that it used the Trend approach in forecasting the kW / kWh ratios.

b. The figure of 0.2772% was calculated by applying the Trend forecasting technique. The table below shows the summary of the data used.

To calculate 0.2772% 2012, the formula was:

=trend(select data percentages highlighted below for years 2004 to 2011 inclusive)

	General Service 1,000 - 4,999 kW		
	kW	kWH	
2004	82,224	28,467,921	0.2888%
2005	87,633	30,363,260	0.2886%
2006	91,294	30,857,138	0.2959%
2007	70,180	33,212,587	0.2113%
2008	68,718	30,725,657	0.2236%
2009	73,937	27,961,217	0.2644%
2010	85,226	37,885,731	0.2250%
2011			0.2903%
2012			0.2772%

c. Please find below updated tables as requested:

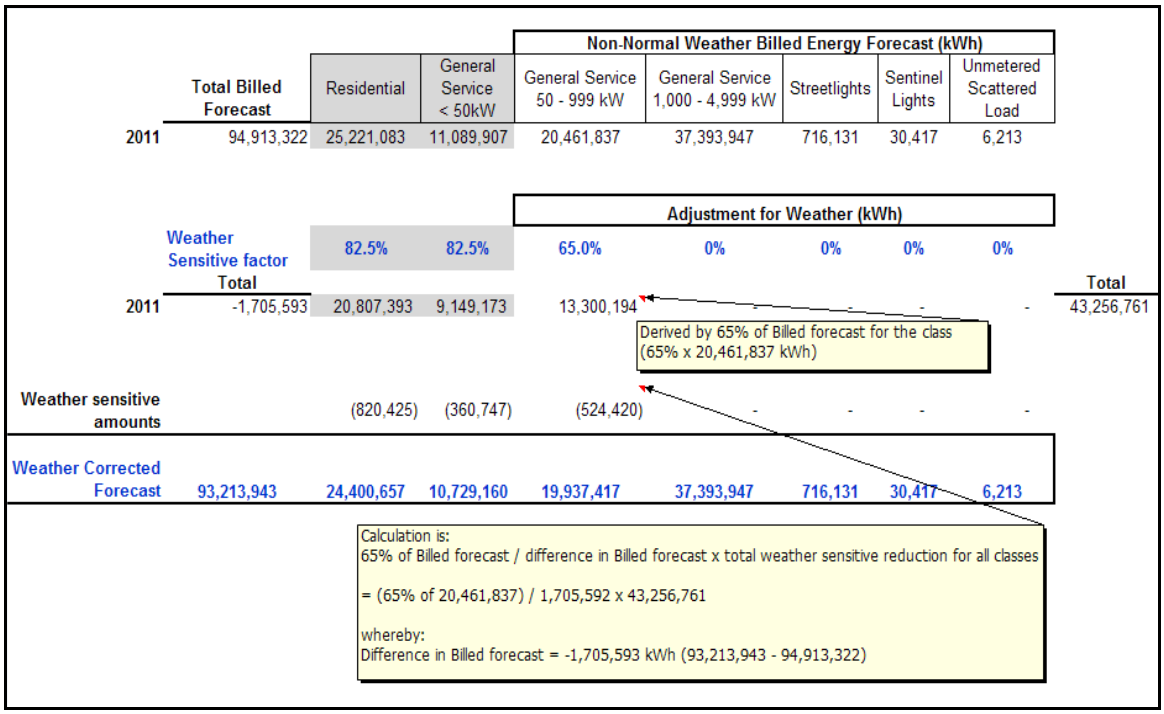
	Historical Annual kW				
Year	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	**Total**
2004	42,829	82,224	1,996	108	127,158
2005	45,546	87,633	1,998	109	135,287
2006	51,134	91,294	2,010	108	144,547
2007	72,261	70,180	1,669	88	144,199
2008	73,818	68,718	2,048	103	144,687
2009	64,960	73,937	2,026	93	141,016
2010	62,456	85,226	1,981	88	149,751
2011	54,347	71,285	1,636	70	127,338

kW / kWh Ratio				
Year	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights
2004	0.1863%	0.2888%	0.2743%	0.2778%
2005	0.1918%	0.2886%	0.2742%	0.2778%
2006	0.2063%	0.2959%	0.2746%	0.2778%
2007	0.2982%	0.2113%	0.2294%	0.2321%
2008	0.2933%	0.2236%	0.2734%	0.2820%
2009	0.3097%	0.2644%	0.2745%	0.2820%
2010	0.2990%	0.2250%	0.2749%	0.2778%
2011	0.2535%	0.1811%	0.2294%	0.2482%
2012 Trended	0.2001%	0.2954%	0.2742%	0.2754%

The table below outlines the 2011 kW actuals for the four applicable rate classes:

Year	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights
2011	54,347	71,285	1,636	70

d. The table below illustrates the calculation used that was applied to table 3-22 in Exhibit 3, Tab 2, Schedule 1 in WNP's application:



		Non-Normal Weather Billed Energy Forecast (kWh)						
	Total Billed Forecast	Residential	General Service < 50kW	General Service 50 - 999 kW	General Service 1,000 - 4,999 kW	Streetlights	Sentinel Lights	Unmetered Scattered Load
2011	94,913,322	25,221,083	11,089,907	20,461,837	37,393,947	716,131	30,417	6,213
				Adjustment for Weather (kWh)				
	Weather Sensitive factor	82.5%	82.5%	65.0%	0%	0%	0%	0%
	Total							Total
2011	-1,705,593	20,807,393	9,149,173	13,300,194	-	-	-	- 43,256,761
Weather sensitive amounts		(820,425)	(360,747)	(524,420)	-	-	-	-
Weather Corrected Forecast	93,213,943	24,400,657	10,729,160	19,937,417	37,393,947	716,131	30,417	6,213

Derived by 65% of Billed forecast for the class (65% x 20,461,837 kWh)

Calculation is:
65% of Billed forecast / difference in Billed forecast x total weather sensitive reduction for all classes

= (65% of 20,461,837) / 1,705,592 x 43,256,761

whereby:
Difference in Billed forecast = -1,705,593 kWh (93,213,943 - 94,913,322)

WNP acknowledges that the figures that were shown in Table 3-24 were not applied as suggested by Energy Probe.

Interrogatory #18

Ref: Exhibit 3, Tab 2, Schedule 1

Please update Table 3-26 to reflect actual 2011 data.

Wellington North Power Inc. - Response:

The table below includes the 2011 actual data as requested:

	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	95,178,179	99,177,535	99,726,775	101,905,199	100,510,261	93,415,382	102,608,265	105,542,005	
Predicted kWh Purchases	99,246,993	100,007,607	98,070,795	99,243,909	98,795,983	98,343,908	98,812,399	100,436,716	101,389,132
% Difference	4.3%	0.8%	-1.7%	-2.6%	-1.7%	5.3%	-3.7%	-4.8%	
Billed kWh	89,194,708	92,239,845	93,628,881	95,248,613	93,521,080	86,446,481	96,062,450	99,140,087	93,688,362
By Class									
Residential									
Customers	2,825	2,869	2,923	2,959	3,002	3,037	3,073	3,103	3,160
kWh	24,384,437	25,217,181	25,227,824	25,023,794	25,142,788	25,158,787	25,200,723	25,802,534	24,515,702
Consumption % Difference		3.30%	0.04%	-0.82%	0.47%	0.06%	0.17%	2.33%	-5.25%
General Service < 50 kW									
Customers	452	462	460	455	464	468	479	478	489
kWh	12,478,963	12,036,675	11,886,853	11,930,026	11,678,034	11,573,828	11,323,787	11,781,553	10,548,580
Consumption % Difference		-3.67%	-1.26%	0.36%	-2.16%	-0.90%	-2.21%	3.89%	-11.69%
General Service 50 - 999 kW									
Customers	38	40	38	39	41	43	40	38	40
kWh	22,994,865	23,752,850	24,784,448	24,233,832	25,169,769	20,973,876	20,890,084	21,438,642	19,588,615
kW	42,829	45,546	51,134	72,261	73,818	64,960	62,456	54,347	50,418
Consumption % Difference		3.19%	4.16%	-2.27%	3.72%	-20.01%	-0.40%	2.56%	-9.44%
General Service 1,000 - 4,999 kW									
Customers	9	5	5	4	4	5	5	5	4
kWh	28,467,921	30,363,260	30,857,138	33,212,587	30,725,657	27,961,217	37,885,731	39,368,359	38,290,664
kW	82,224	87,633	91,294	70,180	68,718	73,937	85,226	71,285	85,443
Consumption % Difference		6.24%	1.60%	7.09%	-8.09%	-9.89%	26.20%	3.77%	-2.81%
Street Lights									
Customers	942	942	942	942	942	900	900	900	886
kWh	727,714	728,596	731,832	727,707	748,942	738,099	720,757	713,439	711,587
kW	1,996	1,998	2,010	1,669	2,048	2,026	1,981	1,636	1,925
Consumption % Difference		0.12%	0.44%	-0.57%	2.84%	-1.47%	-2.41%	-1.03%	-0.26%
Sentinel Lights									
Connections	41	23	23	24	24	22	21	20	17
kWh	38,904	39,379	38,909	38,081	36,606	33,138	31,636	28,024	29,246
kW	108	109	108	88	103	93	88	70	80
Consumption % Difference		1.21%	-1.21%	-2.17%	-4.03%	-10.47%	-4.75%	-12.89%	4.18%
Unmetered Loads									
Connections	12	13	13	9	2	2	1	1	1
kWh	101,904	101,904	101,877	82,586	19,284	7,536	9,732	7,536	3,967
Consumption % Difference		0.00%	-0.03%	-23.36%	-328.26%	-155.89%	22.56%	-29.14%	-89.95%
Total									
Customer/Connections	4,318	4,354	4,405	4,431	4,479	4,478	4,519	4,546	4,597
kWh	89,194,708	92,239,845	93,628,881	95,248,613	93,521,080	86,446,481	96,062,450	99,140,087	93,688,362
kW from applicable classes	127,158	135,287	144,547	144,199	144,687	141,016	149,751	127,338	137,866

Interrogatory #19

Ref: Exhibit 3, Appendix 3A

a) Please provide the data shown in Appendix 3A in a live Excel spreadsheet.

b) Please confirm that the volumes shown in the "Purchased including Losses" exclude the billed kWh volumes for the three customers that were forecast independently.

c) Have the volumes noted above in the "Purchased including Losses" column been adjusted for the losses associated with the three customers that were forecast separately? If not, does this mean that the volumes in this column include actual purchases for all customers but the three that have been removed, including losses associated with the three customers that have been removed?

d) Please include in the live Excel spreadsheet the volumes associated with the three customers that were removed from the "Purchased including Losses" column as a separate column of data.

Wellington North Power Inc. - Response:

a. WNP has provided the data in an excel spreadsheet as requested. This has been uploaded on to the OEB's RESS site with the file name below:
(Filename: WellingtonNorth_IR_Responses_Appendix_June12)

b. WNP confirm that that the volumes shown in the "Purchased including Losses" exclude the billed kWh volumes for the three "sensitive" customers that were forecasted independently.

c. WNP confirm that the volumes in the "Purchased including Losses" column include actual purchases for all customers but the three that have been removed, including losses associated with the three customers that have been removed.

d. As requested, WNP has included the volumes associated with the three "sensitive" customers – this is shown in column 'I' of the worksheet.

Interrogatory #20

Ref: Exhibit 3, Tab 3, Schedule 2

a) Does Table 3-30 include interest associated with deferral and variance accounts? If no, please explain the negative amounts shown in account 4405 in 2008. If yes, please provide a revised Table 3-30 that excludes all interest associated with deferral and variance accounts.

b) Please confirm that the 2012 forecast does not include any interest associated with deferral and variance accounts.

c) Please provide an updated version of Table 3-30 that includes 2011 data.

d) Why was the $192,175 insurance recovery not booked as a reduction to the capital cost of fixing the substation that was destroyed? What was the cost associated with the destroyed substation that was included in capital expenditures in 2009 or subsequent years?

e) Please indicate where the figures of $54,823 and $27,267 in Table 3-31 are included in Table 3-30.

f) Please update Table 3-31 to reflect actual 2009 through 2011 data.

Wellington North Power Inc. - Response:

a. WNP can confirm that in its rate application, Table 3-30 in Exhibit 3, Tab 3, Schedule 2 did include interest associated with deferral and variance accounts. As requested, the table below excludes all interest associated with deferral and variance accounts:

Summary of Other Distribution Revenue							
Expense Description	2008 Board Approved	2008 Actual	Variance from 2008 Board Approved	2009 Actual	2010 Actual	2011 Actual	2012 Test
Other Distribution Revenue							
4082-Retail Services Revenues	7,312	7,565	253	7,944	8,591	7,521	8,679
4084-Service Transaction Requests (STR) Revenues	193	156	(38)	118	221	157	199
4210-Rent from Electric Property	32,886	36,281	3,395	34,597	30,617	30,334	27,267
4090- Electric Services Incidental to Energy Sales	11,487	20,194	8,707	11,901	0	0	0
4325-Other Electric Revenues	14,482	2,945	(11,537)	9,278	2,681	38,286	26,527
4330-Costs & Expenses of Merchandising & Jobbing		0		(510)	(1,024)	(29,237)	(21,928)
4225-Late Payment Charges	18,033	18,614	581	20,947	20,833	26,047	26,047
4235-Miscellaneous Service Revenues	54,450	61,681	7,231	65,097	58,820	45,870	57,043
4350-Losses from Disposition of Future Use Utility Plant	0	0	0	0	0	0	0
4355-Gain on Disposition of Utility and Other Property	0	20,100	20,100	233,782	16,713	134	0
4360-Loss on Disposition of Utility and Other Property	0	0	0	0	0	0	0
4375- Revenues from Non-Utility Operations	126,864	131,943	5,079	236,469	134,925	138,883	141,661
4380-Expenses from Non-Utility Operations	(80,962)	(96,880)	(15,918)	(252,966)	(122,267)	(136,532)	(139,262)
4385-Non-Utility Rental Income	0	9,473	9,473	0	0	0	0
4390-Miscellaneous Non-Operating Income	4,673	0	(4,673)	(8,569)	150	880	150
4405-Interest and Dividend Income	20,197	(20,510)	(40,707)	(5,216)	(5,553)	(7,896)	(9,818)
Sub-Total	**209,615**	**191,563**	**(18,052)**	**352,870**	**144,707**	**114,447**	**116,565**
4080-Distribution Services Revenue- SSS Admin Fee	21,795	13,438	(8,357)	13,433	13,557	13,673	13,792
Total	**231,409**	**205,000**	**(26,409)**	**366,303**	**158,264**	**128,119**	**130,357**
Specific Service Charges	54,450	61,681	7,231	65,097	58,820	45,870	57,043
Late Payment Charges	18,033	18,614	581	20,947	20,833	26,047	26,047
Other Distribution Revenues	88,155	80,579	(7,576)	76,761	54,642	60,733	54,537
Other Income and Expenses	70,772	44,126	(26,645)	203,499	23,968	(4,531)	(7,269)
Total	**231,409**	**205,000**	(26,409)	**366,303**	**158,264**	**128,119**	**130,357**

As noted above, in 2009 other Income and Expenses of $379,642 included a gain on disposal for an insurance claim for a lightning strike at a Wellington North Power sub-station. The recovery from the insurance claim was $192,195

b. WNP can confirm that it did not include any interest associated with deferral and variance accounts in the 2012 Test Year. The LDC has requested disposition of balances in the deferral and variances as described in Exhibit 9.

c. The table below has been updated to reflect 2011 actual data:

Summary of Other Distribution Revenue							
Expense Description	**2008 Board Approved**	**2008 Actual**	**Variance from 2008 Board Approved**	**2009 Actual**	**2010 Actual**	**2011 Bridge**	**2012 Test**
Other Distribution Revenue							
4082-Retail Services Revenues	7,312	7,565	253	7,944	8,591	7,521	8,679
4084-Service Transaction Requests (STR) Revenues	193	156	(38)	118	221	157	199
4210-Rent from Electric Property	32,886	36,281	3,395	34,597	30,617	30,334	27,267
4090- Electric Services Incidental to Energy Sales	11,487	20,194	8,707	11,901	0	0	0
4325-Other Electric Revenues	14,482	2,945	(11,537)	9,278	2,681	38,286	26,527
4330-Costs & Expenses of Merchandising & Jobbing		0		(510)	(1,024)	(29,237)	(21,928)
4225-Late Payment Charges	18,033	18,614	581	20,947	20,833	26,047	26,047
4235-Miscellaneous Service Revenues	54,450	61,681	7,231	65,097	58,820	45,870	57,043
4350-Losses from Disposition of Future Use Utility Plant	0	0	0	0	0	0	0
4355-Gain on Disposition of Utility and Other Property	0	20,100	20,100	233,782	16,713	134	0
4360-Loss on Disposition of Utility and Other Property	0	0	0	0	0	0	0
4375- Revenues from Non-Utility Operations	126,864	131,943	5,079	236,469	134,925	138,883	141,661
4380-Expenses from Non-Utility Operations	(80,962)	(96,880)	(15,918)	(252,966)	(122,267)	(136,532)	(139,262)
4385-Non-Utility Rental Income	0	9,473	9,473	0	0	0	0
4390-Miscellaneous Non-Operating Income	4,673	0	(4,673)	(8,569)	150	880	150
4405-Interest and Dividend Income	20,197	(21,147)	(41,344)	8,123	12,742	24,621	14,773
Sub-Total	**209,615**	**190,925**	**(18,689)**	**366,209**	**163,001**	**146,964**	**141,155**
4080-Distribution Services Revenue- SSS Admin Fee	21,795	13,438	(8,357)	13,433	13,557	13,673	13,792
Total	**231,409**	**204,363**	**(27,046)**	**379,642**	**176,558**	**160,637**	**154,947**
Specific Service Charges	54,450	61,681	7,231	65,097	58,820	45,870	57,043
Late Payment Charges	18,033	18,614	581	20,947	20,833	26,047	26,047
Other Distribution Revenues	88,155	80,579	(7,576)	76,761	54,642	60,733	54,537
Other Income and Expenses	70,772	43,489	(27,283)	216,839	42,262	27,987	17,321
Total	**231,409**	**204,363**	(27,046)	**379,642**	**176,558**	**160,637**	**154,947**

It should be noted, in 2009 other Income and Expenses of $379,642 included a gain on disposal for an insurance claim for a lightning strike at a Wellington North Power sub-station. The recovery from the insurance claim was $192,195

d. The substation could not be repaired. It was recognized as a “Gain on Disposal”. WNP spent $57,092.50 for renting a transformer in 2009. WNP purchased a new transformer for $137,602.80 in January 2010.

e. Table 3-30 in WNP's application incorrectly showed the values for the 2012 Year and should have reflected the numbers highlighted in the table below. This table now includes 2011 actual data:

Summary of Other Distribution Revenue							
Expense Description	**2008 Board Approved**	**2008 Actual**	**Variance from 2008 Board Approved**	**2009 Actual**	**2010 Actual**	**2011 Bridge**	**2012 Test**
Other Distribution Revenue							
4082-Retail Services Revenues	7,312	7,565	253	7,944	8,591	7,521	8,679
4084-Service Transaction Requests (STR) Revenues	193	156	(38)	118	221	157	199
4210-Rent from Electric Property	32,886	36,281	3,395	34,597	30,617	30,334	27,267
4090- Electric Services Incidental to Energy Sales	11,487	20,194	8,707	11,901	0	0	0
4325-Other Electric Revenues	14,482	2,945	(11,537)	9,278	2,681	38,286	26,527
4330-Costs & Expenses of Merchandising & Jobbing		0		(510)	(1,024)	(29,237)	(21,928)
4225-Late Payment Charges	18,033	18,614	581	20,947	20,833	26,047	26,047
4235-Miscellaneous Service Revenues	54,450	61,681	7,231	65,097	58,820	45,870	57,043
4350-Losses from Disposition of Future Use Utility Plant	0	0	0	0	0	0	0
4355-Gain on Disposition of Utility and Other Property	0	20,100	20,100	233,782	16,713	134	0
4360-Loss on Disposition of Utility and Other Property	0	0	0	0	0	0	0
4375- Revenues from Non-Utility Operations	126,864	131,943	5,079	236,469	134,925	138,883	141,661
4380-Expenses from Non-Utility Operations	(80,962)	(96,880)	(15,918)	(252,966)	(122,267)	(136,532)	(139,262)
4385-Non-Utility Rental Income	0	9,473	9,473	0	0	0	0
4390-Miscellaneous Non-Operating Income	4,673	0	(4,673)	(8,569)	150	880	150
4405-Interest and Dividend Income	20,197	(21,147)	(41,344)	8,123	12,742	24,621	14,773
Sub-Total	**209,615**	**190,925**	**(18,689)**	**366,209**	**163,001**	**146,964**	**141,155**
4080-Distribution Services Revenue- SSS Admin Fee	21,795	13,438	(8,357)	13,433	13,557	13,673	13,792
Total	**231,409**	**204,363**	**(27,046)**	**379,642**	**176,558**	**160,637**	**154,947**
Specific Service Charges	54,450	61,681	7,231	65,097	58,820	45,870	57,043
Late Payment Charges	18,033	18,614	581	20,947	20,833	26,047	26,047
Other Distribution Revenues	88,155	80,579	(7,576)	76,761	54,642	60,733	54,537
Other Income and Expenses	70,772	43,489	(27,283)	216,839	42,262	27,987	17,321
Total	**231,409**	**204,363**	(27,046)	**379,642**	**176,558**	**160,637**	**154,947**

f. The table below reflects the 2011 actual data as requested:

Specific Service Charges

Rate Code	Description	Standard Amount (Rate) $	Applicable?	2010 Volume	2011 Volume	2012 Volume	Test Year Volume (3 yr. avg.)	Calc. Method (attach. calc. & justification)	Amount for Rate Calculations $
Previously Approved Charges:									
3	Pulling post dated cheques	15.00	N	0	0	0	0	Standard	0.00
5	Request for other billing information	15.00	N	0	0	0	0	Standard	0.00
7	Income tax letter	15.00	N	0	0	0	0	Standard	0.00
8	Notification charge	15.00	Y	1,389	1,736	1,106	1,410	Standard	21,150.00
9	Account history	15.00	Y	5	1	1	2	Standard	30.00
11	Returned cheque charge (plus bank charges)	15.00	Y	71	59	51	60	Standard	900.00
13	Legal letter charge	15.00	Y	82	57	78	72	Standard	1,080.00
14	Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	30.00	Y	693	627	545	622	Standard	18,660.00
15	Special meter reads	30.00	Y	1	1	1	1	Standard	30.00
16	Collection of account charge - no disconnection	30.00	Y	19	36	25	27	Standard	810.00
18	Disconnect/Reconnect at meter - during regular hours	65.00	Y	158	110	112	127	Standard	8,255.00
19	Install/Remove load control device - during regular	65.00	Y	1	1	1	1	Standard	65.00
20	Disconnect/Reconnect at meter - after regular hours	185.00	Y	9	2	1	4	Standard	740.00
22	Disconnect/Reconnect at pole - during regular hours	185.00	Y	3	2	1	2	Standard	370.00
23	Disconnect/Reconnect at pole - after regular hours	415.00	Y	1	1	1	1	Standard	415.00
24	Meter dispute charge plus Measurement Canada fees (if meter found correct)	30.00	Y	1	1	1	1	Standard	30.00
25	Service call - customer-owned equipment	30.00	Y	1	1	1	1	Standard	30.00
26	Service call - after regular hours	165.00	Y	1	1	1	1	Standard	165.00
27	Temporary service install & remove - overhead - no transformer	500.00	Y	1	2	0	1	Standard	500.00
28	Temporary service install & remove - underground - no transformer	300.00	Y	1	1	1	1	Standard	300.00
33	Interval Meter Load Management Tool Charge	50.00	Y	36	36	36	36	Additional Service	1,800.00
1	Arrears certificate	15.00	Y	1	1	1	1	Standard	15.00
2	Statement of account	15.00	Y	1	1	1	1	Standard	15.00
4	Duplicate invoices for previous billing	15.00	Y	1	1	1	1	Standard	15.00
6	Easement letter	15.00	Y	1	1	1	1	Standard	15.00
10	Credit reference/credit check (plus credit agency costs)	15.00	Y	1	1	1	1	Standard	15.00
12	Charge to certify cheque	15.00	Y	1	1	1	1	Standard	15.00
17	Collection of account charge - no disconnection - after regular hours	165.00	Y	1	1	1	1	Standard	165.00
21	Install/Remove load control device - after regular hours	185.00	Y	1	1	1	1	Standard	185.00
29	Temporary service install & remove - overhead - with transformer	1,000.00	Y	1	1	1	1	Standard	1,000.00
30	Microfit Generation Monthly Service Chg	5.25	Y	8	9	11	9	Standard	273.00
								Total Specific Service Charge Revenue Account #4235	57,043.00
30	Specific Charge for Access to the Power Poles $/pole/year	22.35	Y	1,220	1,220	1,220	1,220	Standard	27,267.00
								Total Electricity Property Rents Account #4210	27,267.00

Interrogatory #21

Ref: Exhibit 4, Tab 1, Schedule 1

a) Please confirm that there is no impact on the 2011 or 2012 OM&A figures based on the change from CGAAP to MIFRS.

b) Please update Table 4-1 to reflect actual data for 2011.

Wellington North Power Inc. - Response:

a. Wellington North Power Inc. can confirm that there is that there is no impact on the 2011 or 2012 OM&A figures based on the change from CGAAP to MIFRS.

Since this is the second deferral of mandated IFRS implementation provided by the Accounting Standards Board of Canada, Wellington North Power will not move to International Financial Reporting Standards, until such time as it is mandated. WNP recommends the Board considers deferring the implementation of MIFRS until a firm commitment is made to transition to IFRS.

WNP has chosen to change its fixed asset useful lives in this Cost of Service application. Coincidentally, this is the only change made in the Application when moving to MIFRS. This means the MIFRS submission in this rate application is identical to CGAAP with a change in the depreciation rates.

b. The table below is the updated version that includes 2011 data. It should be noted the table above does not reflect amortization for smart meters that was allocated to Smart Meter OM&A costs in account 1556. The income taxes were calculated using the OEB PILs model and is showing as an expense, when actually WNP had a loss of ($90,187). Therefore the company's 2011 income tax is a credit of ($33,315.72). The actual 2011 expense was $2,051,962.21.

In the table below, for the forecasted 2012 Test Year, the OM&A operating costs are over $100,000 lower than the forecasted value in WNP's application. The reason for this reduction is an error that has been identified with account 5655 (Regulatory Expenses) which is described in Interrogatory #25.

Wellington North Power Inc. Summary of Operating Costs

	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Operations:	$ 266,250	$ 277,177	$ 242,297	$ 239,492	$ 307,367	$ 286,141
Maintenance:	$ 225,000	$ 170,399	$ 209,605	$ 182,571	$ 223,089	$ 247,516
Billing and Collection:	$ 230,000	$ 230,806	$ 257,652	$ 264,248	$ 369,768	$ 355,363
Community Relations:	$ 5,016	$ 2,830	$ 8,270	$ 2,834	$ 5,661	$ 6,804
Administrative and General Expenses :	$ 460,600	$ 507,572	$ 430,642	$ 565,006	$ 659,928	$ 706,848
Property Taxes :	$ 10,652	$ 10,764	$ 11,284	$ 11,769	$ 12,204	$ 12,006
	$1,197,518	**$1,199,548**	**$1,159,750**	**$1,265,921**	**$1,578,017**	**$1,614,677**
Amortization Expense:	$ 322,156	$ 322,156	$ 351,957	$ 376,379	$ 521,559	$ 347,629
Total Distribution Expense	**$1,519,674**	**$1,521,704**	**$1,511,707**	**$1,642,299**	**$2,099,576**	**$1,962,305**
LCT, OCT & Income Taxes		$ 12,575	$ 1,429	$ 49,434	$ 12,133	($5,070)
Total Operating Costs	**$1,519,674**	**$1,534,279**	**$1,513,136**	**$1,691,733**	**$2,111,709**	**$1,957,235**
Total OMA Costs (exc. Property Tax)	**$1,186,866**	**$1,188,784**	**$1,148,466**	**$1,254,152**	**$1,565,813**	**$1,602,671**
Variance from previous year		$ 1,918	($40,318)	$105,686	$311,661	$36,859
% change year over year		0.2%	-3.4%	9.2%	24.9%	2.4%
Average % change for 2008, 2009 and 2010			2.0%			
% change Bridge Year and Test Year versus Board Approved Year					31.9%	35.0%
% Change per year for Bridge Year and Test Year versus Board Approved Year					10.6%	8.8%

Interrogatory #22

Ref: Exhibit 4, Tab 2, Schedule 2

a) Please update Table 4-2 (page 388) to reflect actual data and provide an update to the variance analysis provided on pages 391-394.

b) Please identify and quantify all one-time OM&A expenses in 2011, such as the cost of accounting training for the financial position and the testing of the new financial system (that attracted overtime costs as well as external consultant costs) included in 2011.

Wellington North Power Inc. - Response:

a. The table below summarizes the changes in the 2011 Bridge Year and 2012 Test Year between when WNP filed it Cost of Service application using forecasted data for these years and as of today when 2011 actual data has been applied to assist with the fine-tuning of 2012 Test Year.

	WNP Application		WNP Updated	
Description	2011 Bridge	2012 Test	2011 Bridge	2012 Test
Operations	$303,290	$286,141	$307,367	$286,141
Maintenance	$226,629	$247,516	$223,089	$247,516
Billing & Collecting	$369,916	$355,363	$369,768	$355,363
Community Relations	$5,834	$6,804	$5,661	$6,804
Administration & General Expense	$677,822	$808,646	$659,928	$706,848
Total OM&A	$1,583,491	$1,704,469	$1,565,813	$1,602,671
			($17,678)	($101,798)

The following observations can be made about the above table:

- There is very minimal variation between the Bridge Year data, with 2011 actual data showing that WNP total OM&A cost was $17,678 lower than forecasted in WNP's application. This demonstrates that WNP forecast for the 2011 Bridge Year was quite accurate.
- It should be noted that all of the factors that were included in WNP's application on pages 391 to 394 are valid and justified in the actual numbers reported in the above

table. Major expenses incurred in 2011 that have fueled OM&A costs include, but limited to:

- In August 2011, one additional employee was appointed within Operations as Manager of Operations. The existing Manager of Operations retired on October 31, 2011. As part of effective succession planning and to ensure a smooth transition, there was a three-month period (August 2011 to October 2011) for the "former" Manager of Operations to handover accountabilities and responsibilities to his successor;
- In April 2011, a Customer Service Representative was hired at the LDC. This was an additional position and was required to assist with more complex billing and collection activities, which were needed in order to have two employees trained on doing billing requests to the IESO, validation of hourly meter reading versus historic monthly reads, trouble shooting meter communication issues and to cover vacation and sick days
- Data conversion and testing of a new financial system (Great Plains) to enable the LDC to report financials under International Financial Reporting Standards (IFRS) methodology. This project attracted overtime costs as well as external consultant costs;
- Preparing for and testing for Time-of-Use pricing which WNP transitioned to on 31st January 2012. Extensive testing and re-testing with data and data interfaces with MDM/R was involved which in 2011 attracted overtime costs as well as external contractor / consultancy costs;
- Allocation of costs associated with the preparation of the LDC's 2012 Cost-of-Service rate application which attracted overtime costs as well as external contractor / consultant costs.

b. The table below itemizes the one-off costs incurred by WNP in 2011:

Expense	Frequency	Amount Incurred
Customer Service Position advertising	1	$223.25
Employee Training on Year End	3	$11,942.40
Job Advertising	6	$2,450.00
Job Posting	3	$705.00
Meal & Mileage for Training	5	$640.35
Mileage for Training	9	$1,056.65
Per Diem & Mileage for Training	3	$2,195.32
Recruitment of new employees	4	$10,909.05
Training	34	$32,579.36
COS Rate Application	18	$59,888.69
Acturial for Rate application	1	$5,300.00
		$127,890.07

Notes regarding the above table:

- "Training" includes:
  - Costs of courses that WNP employees or management have attended. These are courses that individuals would not attend on a frequent basis, e.g. regulatory training that was provided for the Regulatory Analyst who was hired by WNP in February 2011; as well as finance training for the Financial Analyst.
  - Consultant costs incurred after the implementation of Great Plains Financial system (prior to implementation, such costs would have been capitalized).
- COS Rate Application – these are consultant and contractor costs incurred supporting WNP's application to adjust electricity distribution rates.
- In 2011, WNP hired four "new" employees and consequently incurred costs such as job advertising. In addition, for two of these positions, the services of a recruitment consultant was used which incurred further fees as illustrated above and recruitment costs

Interrogatory #23

Ref: Exhibit 4, Tab 2, Schedule 3

a) Please update Tables 4-5 through 4-10 to reflect actual 2011 data.

b) Does Table 4-7 include LEAP funding? If no, where is the LEAP funding included? If yes, what else is included in account 5410?

c) Please provide the percentage increase effective January 1, 2012 for each of the employee groups shown on pages 413 through 417.

d) Are the representatives from municipal council that are on the Board of Directors compensated at the same level as the independent members?

e) Please provide the average compensation (excluding expenses) of the members of the Board of Directors for each of 2008 through 2011 on an actual basis and the forecast for 2012.

Wellington North Power Inc. - Response:

a. The tables below represent the OM&A expenses incurred by WNP and have been updated to included 2011 actual data

Expense Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Operations						
5005-Operation Supervision and Engineering	125,228	111,372	71,787	79,462	104,525	88,743
5010-Load Dispatching	0	179	0	0	0	0
5012-Station Buildings and Fixtures Expense	15,872	12,873	14,495	13,271	12,691	12,322
5014-Transformer Station Equipment - Operation Labour	0	0	0	0	0	0
5015-Transformer Station Equipment - Operation Supplies and Expenses	0	0	0	0	0	0
5016-Distribution Station Equipment - Operation Labour	5,347	4,450	4,788	3,030	3,992	5,291
5017-Distribution Station Equipment - Operation Supplies and Expenses	0	293	38	660	721	799
5020-Overhead Distribution Lines and Feeders - Operation Labour	8,283	2,077	3,933	3,020	7,382	8,243
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	10,376	20,059	9,948	19,551	22,647	22,874
5030-Overhead Subtransmission Feeders - Operation	0	1,433	1,189	240	928	937
5035-Overhead Distribution Transformers- Operation	1,521	2,329	934	5,874	3,818	3,060
5040-Underground Distribution Lines and Feeders - Operation Labour	0	141	251	530	1,144	1,156
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	7,128	15,903	6,476	8,756	14,560	14,135
5050-Underground Subtransmission Feeders - Operation	0	0	0	0	0	0
5055-Underground Distribution Transformers - Operation	476	0	527	250	2,104	2,125
5060-Street Lighting and Signal System Expense	0	0	0	0	0	0
5065-Meter Expense	39,915	31,460	35,497	24,354	29,638	31,687
5070-Customer Premises - Operation Labour	4,967	32,675	45,496	23,685	26,659	29,370
5075-Customer Premises - Materials and Expenses	0	0	80	5,324	8,122	8,209
5085-Miscellaneous Distribution Expense	45,712	40,563	46,856	50,800	67,751	56,491
5090-Underground Distribution Lines & Feeders-Rental Paid	0	0	0	0	0	0
5095-Overhead Distribution Lines and Feeders - Rental Paid	1,425	1,370	0	685	685	699
5096-Other Rent	0	0	0	0	0	0
Sub-Total	**266,250**	**277,177**	**242,297**	**239,492**	**307,367**	**286,141**
% Change to previous period:		4%	-13%	-1%	28%	-7%

Expense Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Maintenance						
5105-Maintenance Supervision and Engineering	0	1,224	39,460	53,319	83,887	82,400
5110-Maintenance of Buildings and Fixtures - Distribution Stations	901	1,044	23,147	0	1,162	1,220
5112-Maintenance of Transformer Station Equipment	0	11,000	0	0	0	0
5114-Maintenance of Distribution Station Equipment	16,126	7,696	7,720	25,932	0	7,377
5120-Maintenance of Poles, Towers and Fixtures	30,461	22,970	11,502	1,543	11,831	12,967
5125-Maintenance of Overhead Conductors and Devices	61,664	34,073	24,265	32,100	10,582	9,181
5130-Maintenance of Overhead Services	13,019	21,793	15,708	12,683	23,420	30,938
5135-Overhead Distribution Lines and Feeders - Right of Way	54,371	30,677	50,250	40,981	68,778	79,835
5145-Maintenance of Underground Conduit	931	2,881	919	241	633	639
5150-Maintenance of Underground Conductors and Devices	7,523	6,897	6,774	576	594	588
5155-Maintenance of Underground Services	22,071	12,063	10,628	3,777	7,929	8,096
5160-Maintenance of Line Transformers	4,660	6,215	2,313	(5,049)	2,068	2,307
5165-Maintenance of Street Lighting and Signal Systems	0	0	0	0	0	0
5170-Sentinel Lights - Labour	0	0	0	0	0	0
5172-Sentinel Lights- Materials and Expenses	0	0	0	0	0	0
5175-Maintenance of Meters	13,273	11,866	16,920	16,467	12,205	11,969
5178-Customer Installations Expenses - Leased Property	0	0	0	0	0	0
5195-Maintenance of Other Installations on Customer Premises	0	0	0	0	0	0
Sub-Total	**225,000**	**170,399**	**209,605**	**182,571**	**223,089**	**247,516**
% Change to previous period:		-24%	23%	-13%	22%	11%

Expense Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Billing and Collections						
5305-Supervision	0	7,766	0	0	29,462	30,346
5310-Meter Reading Expense	46,598	56,220	51,781	47,763	52,912	60,198
5315-Customer Billing	66,667	65,352	77,962	75,255	140,238	98,149
5320-Collecting	54,871	59,058	63,302	56,446	77,105	93,198
5325-Collecting- Cash Over and Short	0	10	93	(986)	(5)	(5)
5330-Collection Charges	0	0	0	0	0	0
5335-Bad Debt Expense	5,764	(1,473)	7,885	724	11,699	14,381
5340-Miscellaneous Customer Accounts Expenses	56,100	43,873	56,630	85,047	58,356	59,095
Sub-Total	**230,000**	**230,806**	**257,652**	**264,248**	**369,768**	**355,363**
% Change to previous period:		0%	12%	3%	40%	-4%
Community Relations						
5405-Supervision	0	0	0	0	0	0
5410-Community Relations - Sundry	2,976	2,830	5,954	1,662	3,751	3,788
5415-Energy Conservation	0	0	910	172	0	1,106
5420-Community Safety Program	0	0	1,406	1,000	1,910	1,910
5510-Demonstrating and Selling Expense	0	0	0	0	0	0
5515-Advertising Expense	2,040	0	0	0	0	0
5520-Miscellaneous Sales Expense	0	0	0	0	0	0
Sub-Total	**5,016**	**2,830**	**8,270**	**2,834**	**5,661**	**6,804**

Expense Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Administrative and General Expenses						
5605-Executive Salaries and Expenses	41,609	160,931	162,039	169,619	182,617	187,590
5610-Management Salaries and Expenses	112,752	13,558	34,021	45,490	94,426	98,512
5615-General Administrative Salaries and Expenses	81,953	71,844	59,344	68,339	72,690	99,769
5620-Office Supplies and Expenses	49,731	39,650	34,513	49,697	53,585	53,757
5625-Adminsitrative Expense Transferred-Credit	0	0	0	0	0	0
5630-Outside Services Employed	74,350	63,569	45,064	65,296	99,849	75,433
5635-Property Insurance	25,159	27,021	27,160	32,908	30,006	30,407
5640-Injuries and Damages	0	0	7,584	8,294	150	7,207
5645-Employee Pensions and Benefits	1,855	12,561	12,953	14,080	9,029	9,118
5650-Franchise Requirements	0	0	0	0	0	0
5655-Regulatory Expenses	42,543	97,909	14,644	49,073	67,586	106,201
5660-General Advertising Expenses	364	0	284	0	300	300
5665-Miscellaneous General Expenses	26,752	17,099	30,524	32,022	35,288	35,401
5670-Rent	88	57	57	57	57	58
5675-Maintenance of General Plant	453	188	0	238	0	243
5680-Electrical Safety Authority Fees	2,992	3,186	2,454	2,682	2,717	2,853
5685-Independent Market Operator Fees and Penalties	0	0	0	27,212	11,627	0
Sub-Total	**460,600**	**507,572**	**430,642**	**565,006**	**659,928**	**706,848**
% Change to previous period:		10%	-15%	31%	17%	7%

Overview of Executive Salaries & Expense Account, Management Salaries & Expense Account and General Administrative Salaries & Expense Accounts

Expense Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Administrative and General Expenses						
5605-Executive Salaries and Expenses	41,609	160,931	162,039	169,619	182,617	187,590
5610-Management Salaries and Expenses	112,752	13,558	34,021	45,490	94,426	98,512
5615-General Administrative Salaries and Expenses	81,953	71,844	59,344	68,339	72,690	99,769
Sub-total of Salaries & Expenses	**$ 236,314**	**$ 246,333**	**$ 255,405**	**$283,447**	**$ 349,734**	**$ 385,871**
% Change to previous period:		4%	4%	11%	23%	10%

b. WNP can confirm that in its application, Table 4-7 in Exhibit 4, Tab 2, Schedule 3 does include LEAP funding.
In 2011 the total expense for account 5410 was $3,647 which consisted of:
- $2306 was paid by WNP as LEAP Funding;
- $382 was paid to the Chamber of Commerce;
- $859 was for local newspaper advertising promoting electrical safety awareness;
- $100 was a donation to a local golf tournament.

c. The percentage increase on January 1, 2012 for each employee group of Wellington North Power Inc. was 3%.

d. Wellington North Power Inc. has one municipal council member on the Board of Directors for Wellington North Power Inc. and they receive the same compensation as the independent Board members.

e. The table below represents the actual compensation received by Wellington North Power Inc. Board of Directors for 2008 to 2011 and a forecasted amount for 2012.

	2008	2009	2010	2011	Forecast 2012
Board Chair	$6,600.00	$6,760.00	$6,962.80	$7,171.68	$7,386.83
Finance Chair	$6,000.00	$6,240.00	$6,427.20	$6,620.02	$6,818.62
Board Member	$5,000.00	$5,200.00	$5,356.00	$5,516.68	$5,682.18
Per Diem	$150.00	$156.00	$160.68	$165.50	$170.47

Interrogatory #24

Ref: Exhibit 4, Tab 2, Schedule 4

a) Please update Table 4-11 to reflect actual 2011 data.

b) What is the impact on the 2012 OM&A costs if the percentage increase to wages and salaries were reduced by one percentage point?

c) What is the impact on the 2012 OM&A costs if the forecast of inflation is reduced from 3% to 2% for 2012?

d) Please confirm that the Canadian CPI rate for the first four months of 2012 has averaged 2.25%.

Wellington North Power Inc. - Response:

a. The table below has been updated to reflect actual 2011 data as requested:

OM&A Cost Driver Table for Wellington North Power Inc.

	Cost Driver	2008 Actual versus 2008 Board Approved	2009 Actual	2010 Actual	2011 Bridge Year	2012 Test Year
	Opening Balance:	**$1,186,866**	**$1,188,784**	**$1,148,466**	**$1,254,152**	**$1,565,813**
A	Operation, Supervision & Engineering	($13,856)	($39,585)	$7,675	$25,062	($15,782)
B	Maintenance, Supervision & Engineering	$1,224	$38,236	$13,859	$30,569	($1,487)
C	Executive Salaries & Expenses	$119,322	$1,108	$7,580	$12,998	$4,973
D	Management Salaries & Expenses	($99,194)	$20,463	$11,468	$48,937	$4,085
E	General Administration & Expenses	($10,109)	($12,500)	$8,994	$4,351	$27,079
F	Meter Reading Expense	$9,622	($4,439)	($4,018)	$5,149	$7,286
G	Customer Billing	($1,315)	$12,609	($2,707)	$64,983	($42,088)
H	Collecting	$4,187	$4,244	($6,856)	$20,660	$16,093
I	Operations - Labour	($6,962)	$2,304	($2,391)	$5,938	$2,172
J	Operations - Supplies & Expenses	$20,516	($20,904)	$16,219	$9,447	($848)
K	Customer Premises - Operations Labour	$27,708	$12,822	($21,811)	$2,974	$2,710
L	Tree-trimming	($23,694)	$19,573	($9,268)	$27,797	$11,057
M	Distribution Maintenance	($30,908)	$19,634	($17,766)	$12,721	$13,370
N	Miscellaneous Customer Accounts Expense	($12,227)	$12,758	$28,416	($26,690)	$739
O	Employee Pensions & Benefits	$10,706	$392	$1,127	($5,051)	$89
P	Outside Services Employed	($10,781)	($18,506)	$20,232	$34,553	($24,416)
Q	Regulatory Expenses	$55,366	($83,264)	$34,429	$18,513	$38,615
	Sub Total Closing Balance	**$1,226,471**	**$1,153,729**	**$1,233,648**	**$1,547,062**	**$1,609,459**
	Other "Ad Hoc"	($37,687)	($5,263)	$20,504	$18,751	($6,788)
	% Variance to Actual Closing Balance	**-3.2%**	**-0.5%**	**1.6%**	**1.2%**	**-0.4%**
	Closing Balance	**$1,188,784**	**$1,148,466**	**$1,254,152**	**$1,565,813**	**$1,602,671**
	Inflation Rate Canada (CPI	2.4%	0.3%	1.8%	3.0%	3.0%
R	*Inflation Rate applied to Opening Balance:*	$28,485	$3,566	$20,672	$37,625	$46,974

b. Using the approach described, the impact to WNP's 2012 Test Year OM&A costs would be a reduction of $11,171 over the year, as shown below:

	2012 Test	OM& After Change	Difference due to Change
Operations:	$ 286,141	$ 284,138	($2,003)
Maintenance:	$ 247,516	$ 245,783	($1,733)
Billing and Collection:	$ 355,363	$ 352,876	($2,488)
Community Relations:	$ 6,804	$ 6,804	$0
Administrative and General Expenses :	$ 706,848	$ 701,900	($4,948)
Property Taxes :	$ 12,006	$ 12,006	$0
	$ 1,614,677	**$ 1,603,506**	($11,171)

c. Using the approach described, the impact to WNP's 2012 Test Year OM&A costs would be a reduction of $15,959 over the year, as shown below:

	2012 Test	Inflation @ 2%	Difference due to Change
Operations:	$ 286,141	$ 283,279	($2,861)
Maintenance:	$ 247,516	$ 245,041	($2,475)
Billing and Collection:	$ 355,363	$ 351,809	($3,554)
Community Relations:	$ 6,804	$ 6,804	$0
Administrative and General Expenses :	$ 706,848	$ 699,779	($7,068)
Property Taxes :	$ 12,006	$ 12,006	$0
	$1,614,677	**$ 1,598,718**	($15,959)

d. According to www.rateinflation.com, the first four months of 2012, the Canadian CPI rate is 2.25% as per table below:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Average
2012	2.46%	2.62%	1.93%	2.00%										2.25%
2011	2.35%	2.16%	3.29%	3.28%	3.70%	3.10%	2.74%	3.08%	3.17%	2.90%	2.89%	2.30%	2.95%	
2010	1.86%	1.58%	1.40%	1.84%	1.39%	0.96%	1.83%	1.74%	1.92%	2.44%	2.00%	2.35%	1.78%	
2009	1.07%	1.43%	1.24%	0.35%	0.09%	-0.26%	-0.95%	-0.78%	-0.86%	0.09%	0.96%	1.32%	0.30%	
2008	2.19%	1.81%	1.35%	1.70%	2.23%	3.13%	3.39%	3.49%	3.40%	2.60%	1.97%	1.16%	2.37%	

Interrogatory #25

Ref: Exhibit 4, Tab 2, Schedule 5

a) Please update Table 4-12 to reflect actual 2011 data.

b) Please confirm that the one-time costs shown in Table 4-12 of $135,731 are the costs related to the 2012 COS application.

Wellington North Power Inc. - Response:

a. Table 4-12 in Exhibit 4, Tab 2, Schedule 5 in WNP's application reflects 2011 actual data and therefore no updates are required.

b. WNP confirm that the one-time costs shown in Table 4-12 of $135,731 are the costs related to the 2012 COS application:

In its application, WNP requested recovery of $207,999 per year within its rates. However, this value is incorrect because the one-time costs should be recovered over the four-year period until the next Cost-of-Service application is due.

Therefore, the Regulatory Expenses in Account 5655 for the 2012 Test Year have been reduced from $207,999 to $106,201.

		Annual recovery of costs in Rates			
	2012 Test Year	2012	2013	2014	2015
On-Going Costs	$72,268	$72,268	$72,268	$72,268	$72,268
One-time Costs	$135,731	$33,933	$33,933	$33,933	$33,933
Total	$207,999	$106,201	$106,201	$106,201	$106,201
		one-time costs of $135,731 divided by 4 years			

The above change has contributed to the reduction of OM&A expenses by over $100,000 in the 2012 Test Year, which in-turn has also reduced the revenue deficiency.

Interrogatory #26

Ref: Exhibit 4, Tab 2, Schedule 6

a) Please update Table 4-13 to reflect actual 2011 data.

b) Please confirm that the line labeled "FTEEs / Customer" in Table 4-13 should be "Customers / FTEEs".

Wellington North Power Inc. - Response:

a. The table below has been updated to include 2011 actual data:

OM&A Cost per Customer and FTEE

	2008 Board Approved (Rebasing Year)	2008 Actual	2009 Actual (year 2)	2010 Actual (year 3)	2011 Bridge Year	2012 Test Year
Number of Customers / Connections	4,502	4,479	4,478	4,519	4,546	4,597
Total OM&A	$1,186,866	$1,188,784	$1,148,466	$1,254,152	$1,565,813	$1,602,671
OM&A cost per Customer	$263.63	$265.40	$256.48	$277.54	$344.47	$348.60
Number of FTEEs	10.5	10.5	10.5	11.5	12.5	14.5
Customer / FTEEs	428.76	426.59	426.45	392.94	363.65	317.06
OM&A cost per FTEE	$113,035	$113,217	$109,378	$109,057	$125,265	$110,529

b. WNP confirm that line labeled "FTEEs / Customer" in Table 4-13 should be "Customers / FTEEs – this has been corrected as illustrated in the above table.

Interrogatory #27

Ref: Exhibit 4, Tab 2, Schedule 10 &
Exhibit 4, Tab 2, Schedule 9

Please reconcile the figures for the three accounts shown in Table 4-23 in Exhibit 4, Tab 2, Schedule 9 with the Total Compensation (Salary, Wages & Benefits) shown in Table 4-24 in Exhibit 4, Tab 2, Schedule 10.

Wellington North Power Inc. - Response:

The table below is an updated version of Table 4-23 from Exhibit 4, Tab 2 Schedule 9 which includes 2011 actual data.

Overview of Executive Salaries & Expense Account, Management Salaries & Expense Account and General Administrative Salaries & Expense Accounts

Expense Description	2008 Board Approved	2008 Actual	2009 Actual	2010 Actual	2011 Bridge	2012 Test
Administrative and General Expenses						
5605-Executive Salaries and Expenses	41,609	160,931	162,039	169,619	182,617	187,590
5610-Management Salaries and Expenses	112,752	13,558	34,021	45,490	94,426	98,512
5615-General Administrative Salaries and Expenses	81,953	71,844	59,344	68,339	72,690	99,769
Sub-total of Salaries & Expenses	**$ 236,314**	**$246,333**	**$255,405**	**$283,447**	**$349,734**	**$385,871**
% Change to previous period:		4%	4%	11%	23%	10%

It is not possible to reconcile the above table with Table 4-24 from Exhibit 4, Tab 2 Schedule 9. This is because Table 4-24 includes all WNP employees and Board members whereas Table 4-23 does not include:

- Outside Labour - this expense is allocated to the Operations and Maintenance accounts (i.e. accounts 5005 and 5105); and
- Employees who are employed in Billing and Collection activities (i.e. 5310 and 5320).

Interrogatory #28

Ref: Exhibit 4, Tab 3, Schedule 2 &
Exhibit 2, Tab 2, Schedule 3

a) Please provide updated CCA schedules for 2011 and 2012 (Tables 4-44 and 4-46) that reflect the actual 2011 tax filings for WNP.

b) Please explain why the computer hardware shown in the tables on pages 203 and 204 of Exhibit 2, Tab 2, Schedule 3 indicate that the additions are related to CCA class 45.1 while in Tables 4-44 and 4-46 these additions are put into CCA Class 10.

c) Please confirm that computer hardware acquired after January 2011 should be included in CCA Class 50.

d) Please provide revised CCA schedules with the additions to computer hardware allocated to CCA Class 50 with a CCA rate of 55%.

e) Has WNP included any tax credits associated with the Co-Operative Education Tax Credit ("CETC"), the provincial Apprenticeship Training Tax Credit ("ATTC") or the federal Apprenticeship Job Creation Tax Credit ("AJCTC") in the calculation of its income taxes? If yes, please show the calculation of the credit(s) for 2012 and where they are reflected in the evidence.

f) Has WNP had any positions that qualified for any of these tax credits in 2008 through 2011 or are forecast to qualify for 2012? If yes, please provide details.

g) Please provide a copy of the 2011 Federal and Ontario Tax Return.

Wellington North Power Inc. - Response:

a. A copy of the updated CCA Schedules has been uploaded onto the OEB's RESS site (filename: WellingtonNorth_IR_Responses_Appendix_June12)

b. WNP have amended the Continuity Schedules tables to align to the CCA Schedule.
A copy of the revised Continuity Schedules has been uploaded onto the OEB's RESS site (filename: WellingtonNorth_IR_Responses_Appendix_June12)

c. WNP confirm that computer hardware acquired after January 2011 should be included in CCA Class 50.

d. A copy of the updated CCA Schedules has been uploaded onto the OEB's RESS site (filename: WellingtonNorth_IR_Responses_Appendix_June12)

e. Yes, Wellington North Power Inc. qualified for the provincial Apprenticeship Training Tax Credit in 2008 and 2009, but did not qualify for the Tax credit in 2010 or 2011:

f. In 2008, Wellington North Power Inc. qualified for a $5,000 Apprenticeship Training Tax Credit as shown below:

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 7 of 20
WELLINGTON NORTH POWER INC	1800217	2008-12-31	*DOLLARS ONLY*

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. 194
Eligible Credit From 6596 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896
Applies to employment of eligible apprentices. 202 1
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203 5,000

Other (specify) + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220 5,000

Specified Tax Credits *Applied to reduce Income Tax* = 225

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

In 2009, Wellington North Power Inc. qualified for a $7,781 Apprenticeship Training Tax Credit as shown below:

WELLINGTON NORTH POWER INC (20091231).209 2009-12-31 WELLINGTON NORTH POWER INC
2010-04-14 15:48 86688 8522 RC0001

– Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
266,587	266,587		14,662

Ontario basic income tax (from Schedule 500)	270	37,322		
Deduct: Ontario small business deduction (from schedule 500)	402	22,660		
Subtotal (if negative, enter "0")		14,662	▶	14,662 A6
Add:				
Surtax re Ontario small business deduction (from Schedule 500)	272			
Ontario additional tax re Crown royalties (from Schedule 504)	274			
Ontario transitional tax debits (from Schedule 506)	276			
Recapture of Ontario research and development tax credit (from Schedule 508)	277			
Subtotal			▶	B6
Subtotal (amount A6 **plus** amount B6)				14,662 C6
Deduct:				
Ontario resource tax credit (from Schedule 504)	404			
Ontario tax credit for manufacturing and processing (from Schedule 502)	406			
Ontario foreign tax credit (from Schedule 21)	408			
Ontario credit union tax reduction (from Schedule 500)	410			
Ontario transitional tax credits (from Schedule 506)	414			
Ontario political contributions tax credit (from Schedule 525)	415			
Subtotal			▶	D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0")				14,662 E6
Ontario research and development tax credit (from Schedule 508)	416			
Ontario corporate income tax payable before Ontario corporate minimum tax credit (amount E6 **minus** amount on line 416) (if negative, enter "0")				14,662 F6
Deduct:				
Ontario corporate minimum tax credit (from schedule 510)	418			
Ontario corporate income tax payable (amount F6 **minus** amount on line 418) (if negative, enter "0")				14,662 G6
Add:				
Ontario corporate minimum tax (from Schedule 510)	278	5,448		
Ontario special additional tax on life insurance corporations (from Schedule 512)	280			
Ontario capital tax (from Schedule 514 or Schedule 515, whichever applies)	282			
Subtotal		5,448	▶	5,448 H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				20,110 I6
Deduct:				
Ontario qualifying environmental trust tax credit	450			
Ontario co-operative education tax credit (from Schedule 550)	452			
Ontario apprenticeship training tax credit (from Schedule 552)	454	7,781		
Ontario computer animation and special effects tax credit (from Schedule 554)	456			
Ontario film and televison tax credit (from Schedule 556)	458			
Ontario production services tax credit (from Schedule 558)	460			
Ontario interactive digital media tax credit (from Schedule 560)	462			
Ontario sound recording tax credit (from Schedule 562)	464			
Ontario book publishing tax credit (from Schedule 564)	466			
Ontario innovation tax credit (from Schedule 566)	468			
Ontario business-research institute tax credit (from Schedule 568)	470			
Subtotal		7,781	▶	7,781 J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6) (if a credit, enter a negative amount) Include this amount on line 255.	290			12,329 K6

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In 2010, Wellington North Power did not qualify for an Apprenticeship Tax Credit, as the employee is no longer with the company.

WELLINGTON NORTH POWER INC (20101231).210 2010-12-31 WELLINGTON NORTH POWER INC
2011-04-26 18:07 86688 8522 RC0001

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
35,280	35,280	35,280	1,763

Ontario basic income tax (from Schedule 500)	270	4,584		
Deduct: Ontario small business deduction (from schedule 500)	402	2,821		
Subtotal (if negative, enter "0")		1,763	▶ 1,763	A6
Add:				
Surtax re Ontario small business deduction (from Schedule 500)	272			
Ontario additional tax re Crown royalties (from Schedule 504)	274			
Ontario transitional tax debits (from Schedule 506)	276			
Recapture of Ontario research and development tax credit (from Schedule 508)	277			
Subtotal			▶	B6
Subtotal (amount A6 **plus** amount B6)			1,763	C6
Deduct:				
Ontario resource tax credit (from Schedule 504)	404			
Ontario tax credit for manufacturing and processing (from Schedule 502)	406			
Ontario foreign tax credit (from Schedule 21)	408			
Ontario credit union tax reduction (from Schedule 500)	410			
Ontario transitional tax credits (from Schedule 506)	414			
Ontario political contributions tax credit (from Schedule 525)	415			
Subtotal			▶	D6
Subtotal (amount C6 **minus** amount D6) (if negative, enter "0")			1,763	E6
Ontario research and development tax credit (from Schedule 508)	416			
Ontario corporate income tax payable before Ontario corporate minimum tax credit (amount E6 **minus** amount on line 416) (if negative, enter "0")			1,763	F6
Deduct:				
Ontario corporate minimum tax credit (from schedule 510)	418	1,763		
Ontario corporate income tax payable (amount F6 **minus** amount on line 418) (if negative, enter "0")				G6
Add:				
Ontario corporate minimum tax (from Schedule 510)	278			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280			
Ontario capital tax (from Schedule 514 or Schedule 515, whichever applies)	282			
Subtotal			▶	H6
Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6)				I6
Deduct:				
Ontario qualifying environmental trust tax credit	450			
Ontario co-operative education tax credit (from Schedule 550)	452			
Ontario apprenticeship training tax credit (from Schedule 552)	454			
Ontario computer animation and special effects tax credit (from Schedule 554)	456			
Ontario film and television tax credit (from Schedule 556)	458			
Ontario production services tax credit (from Schedule 558)	460			
Ontario interactive digital media tax credit (from Schedule 560)	462			
Ontario sound recording tax credit (from Schedule 562)	464			
Ontario book publishing tax credit (from Schedule 564)	466			
Ontario innovation tax credit (from Schedule 566)	468			
Ontario business-research institute tax credit (from Schedule 568)	470			
Other Ontario tax credits				
Subtotal			▶	J6
Net Ontario tax payable or refundable credit (amount I6 **minus** amount J6)	290			K6

For 2011, Wellington North Power did not qualify for an Apprenticeship Tax Credit, as the employee was no longer with the company. Wellington North Power's tax return did not submit schedule 552, as there was not qualifying tax credit.

For 2012, Wellington North Power is not forecasting any qualifying Apprenticeship Tax Credit. The additional position for the Operations Department will be a fully qualified journey person / line technician.

g. Wellington North Power Inc. has included a copy of the 2011 Tax Return, as appendices to this interrogatory response.

Interrogatory #29

Ref: Exhibit 4, Tab 3, Schedule 1 &
Exhibit 6, Tab 1, Schedule 1

Please reconcile the 2012 regulatory taxable income of $28,216 shown in Table 4-43 in Exhibit 4, Tab 3, Schedule 1 with the taxable income of $33,391 shown in Table 6-2 in Exhibit 6, Tab 1, Schedule 1.

Wellington North Power Inc. - Response:

In WNP's application, the 2012 regulatory taxable income shown in Table 4-43 of Exhibit 4, Tab 3, Schedule of $28,215 is the taxable income prior to adjusting revenue to PILs.

This value needs to be multiplied by the Tax Rate (15%) to provide a grossed-up PILs value as illustrated in the table below:

Tax Exhibit	2012
Deemed Utility Income	275,993
Tax Adjustments to Accounting Income	(247,778)
Taxable Income prior to adjusting revenue to PILs	**28,215**
Tax Rate	15.50%
Total PILs before gross up	4,373
Grossed up PILs	**$5,176**

Taxable income	=	$28,215
Grossed-up PILs	=	$5176 +
		$33,391

Interrogatory #30

Ref: Exhibit 5, Tab 1, Schedule 1

a) Please confirm that the debt noted on page 688 should be 56% long-term debt and 4% short-term debt rather than the reverse as shown in the evidence.

b) Please confirm that on page 689, WNP is requesting a short-term debt rate of 2.08%, not a long-term debt rate of 2.08% as stated.

Wellington North Power Inc. - Response:

a. WNP acknowledges that the narrative on page 688 (Exhibit 5, Tab 1, Schedule 1) is incorrect. The commentary should read:

Capital Structure:

The capital structure that was approved by the Ontario Energy Board in the LDC's Cost of Service rate application for 2008 (ref: EB-2007-0693) has been superseded as a result of the 2009 and 2010 IRM applications. Currently, Wellington North Power Inc. has a deemed capital structure of:

- Debt = 60.00%, consisting of:
  - Long-term debt @ 56.00%
  - Short-term debt @ 4.00%
- Equity = 40.00%

b. WNP acknowledges that the narrative on page 689 (Exhibit 5, Tab 1, Schedule 1) is incorrect. The commentary should read:

Short-term Debt:

For the 2012 Test Year, Wellington North Power Inc. is requesting a Short-Term Debt of 2.08%. This rate is aligned to the OEB published "Cost of Capital Parameter Updates for 2012 Cost of Service Applications for Rates Effective May 1, 2012" issued on March 2, 2012.

Interrogatory #31

Ref: Exhibit 5, Tab 1, Schedule 1

WNP has a deemed long-term debt amount of approximately $4.2 million (Table 5-4) but actual long-term debt of less than $2.0 million (Table 5-5).

a) Please explain why WNP has not moved its actual capital structure closer to its deemed capital structure.

b) Can WNP pay off the remaining promissory notes to the affiliates without any penalty?

c) Despite the rate approved by the Board for the long-term debt rate associated with the affiliates for rate setting purposes, does WNP continue to pay the townships 7.25%? If not, what rate will WNP pay to the townships for 2012?

d) Has WNP considered borrowing additional funds from Infrastructure Ontario to finance its capital expenditures of nearly $1 million in 2011? If not, why not?

e) What is the term on the current Infrastructure Ontario loan?

f) What is the current interest rate on Infrastructure Ontario loans with terms of 5, 20 and 40 years?

Wellington North Power Inc. - Response:

a. Wellington North Power will be moving to the deemed capital structure in 2012. Some to the capital projects will need to be financed through a financial institution.

b. Yes, Wellington North Power Inc. can pay off the remaining promissory note without penalty. Since 2006, Wellington North Power has been paying down the principle of $100,000 per year. This is in addition to the annual interest payments.

c. Wellington North Power Inc. reduced the long-term debt rate paid to the shareholder to 6.25 percent in 2006. In April of 2012 Wellington North Power Inc. began paying an interest rate of 4.41 percent to the shareholder. This is confirmed in the correspondence letter attached below

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Township of Wellington North

P.O. Box 125 • 7490 Sideroad 7 W • Kenilworth • ON • N0G 2E0

March 21, 2012

Wellington North Power Inc.
P.O. Box 359
Mount Forest, ON N0G 2L0

Attention: Judy Rosebrugh, President & CEO

Re: Financial Matters

Dear Ms. Rosebrugh:

At the regular meeting of Council held on March 19, 2012 your above noted correspondence was reviewed by Council and the following resolution was passed:

"THAT the Council of the Corporation of the Township of Wellington North acknowledge and approve the following:

- **Increase the Wellington North Power Inc.'s Operating Line of Credit with TD Canada Trust to $1,000,000 from $500,000.**
- **Defer further installments of $100,000 on the principle of the Promissory Note, which now stands at $985,016 until the company's 2012 Cost of Service Rate application has been approved by the Ontario Energy Board.**
- **Reduce the interest rate paid on the balance of the Promissory Note from 6.25% to 4.41%, in order to meet the Ontario Energy Board allowable deemed interest rate payable."**

If you have any questions or require further information, please do not hesitate in contacting me.

Yours truly,

L. Heinbuch

(Mrs.) L. Heinbuch
A.M.C.T., C.M.C., C.E.M.C.,
Chief Administrative Officer/Clerk

LH/cc

Tel 519-848-3620 Toll Free 1-866-848-3620 Fax 519-848-3228
www.wellington-north.com township@wellington-north.com

d. Wellington North Power did briefly discuss the possibility of financing additional capital expenditures with Infrastructure Ontario staff. Once Wellington North Power has received rate approval, further discussions will be arranged for 2012 project financing.

e. The terms of Wellington North Power's current Infrastructure Ontario loan are:
   - Amount 1,200,000.00
   - 15 Years
   - Interest Rate 4.42 percent
   - Debenture due date May 2, 2026

f. The current interest rate on Infrastructure Ontario loans is as shown in the table below:

Lending Rates: Local Distribution Companies

Indicative Lending Rates as of June 12, 2012**

Term	Construction	Serial	Amortizer
1 Month	1.77%	-	-
5 Year	-	2.20%	2.30%
10 Year	-	2.87%	2.97%
15 Year	-	3.28%	3.38%
20 Year	-	3.56%	3.66%
25 Year	-	3.75%	3.85%
30 Year	-	3.86%	3.96%
35 Year	-	3.92%	4.02%
40 Year	-	3.96%	4.06%

Interrogatory #32

Ref: Exhibit 6, Tab 1, Schedule 1

a) Is the 2011 data shown in Table 6-2 based on CGAAP or MIFRS?

b) Does the 2011 data shown in Table 6-2 include all actual information, including OM&A expenses, depreciation, rate base, revenues, taxes, etc? If not, please provided a revised Table 6-2 that reflects all actual data for 2011 in a CGAAP basis.

Wellington North Power Inc. - Response:

a. The data shown in table 6-2 in Exhibit 6, Tab 1, Schedule 1 is based upon MIFRS.

Although Wellington North Power Inc. was directed to file its Cost of Service application in MIFRS, the company is deferring its transition to the International Financial Reporting Standards (IFRS), until such time as it is mandate for Rate Regulated Entities. Therefore there is no change in the current obligation, or the regulatory treatment of the obligation. These amounts have not been incorporated anyway in the revenue requirement.
At the time of transition to IFRS, Wellington North Power Inc. will follow the guidelines and direction from the Ontario Energy Board Uniform System of Accounts for Electricity Distributors, the International Accounting Standards Board (AcSB) and the advice of the company's external auditor.

b. WNP can confirm that the data shown in table 6-2 in Exhibit 6, Tab 1, Schedule 1 does include OM&A expenses, depreciation, rate base, revenues, and taxes.

As outlined in part (a) above, WNP submitted its application under Modified IFRS. However, as the LDC has deferred its decision to transfer to IFRS until a later date, the data in Table 6-2 reflect the CGAAP principles. In 2012, Wellington North Power Inc. reviewed the useful life of its assets with the aid of the Asset Depreciation Study by Kinectrics (Kinectrics Report). The LDC has used the mid-range typical useful life for its assets as described in the Kinectrics Study. Consequently, the LDC's Fixed Asset's useful lives have been extended causing net depreciation (depreciation expense to the income statement) to be reduced in the 2012 Test Year. This change is reflected in the data in Table 6-2 and is discussed in detail in Exhibit 11.

Interrogatory #33

Ref: Exhibit 8, Tab 8, Schedule 2

a) Please include 2004 data in Table 8-14 and show the 7 year average total loss factor.

b) Please add 2011 actual data in Table 8-14.

c) Please explain why WNP is using a 6 year average to calculate the loss factors when section 2.11.7 in Chapter 2 of the Filing Requirements for Transmission and Distribution Rate Applications dated June 22, 2011 indicates that the preferred approach is a 5 year average?

Wellington North Power Inc. - Response:

a. The table below includes 2004 data as requested and represents a seven-year average view:

	2004	2005	2006	2007	2008	2009	2010	7 Year Total
"Wholesale" kWh (IESO) **Qty at the Meter** *(A)*	92,048,529	95,916,378	96,449,458	98,554,351	97,205,281	90,335,536	99,218,944	
"Wholesale" kWh (GEN) *(B)*		-	-	-	-	-	-	
Net "Wholesale" kWh (A)-(B) *(C)*	**92,048,529**	**95,916,378**	**96,449,458**	**98,554,351**	**97,205,281**	**90,335,536**	**99,218,944**	669,728,477
Retail kWh (Distributor) **Qty at the Meter** *(D)*	89,194,708	92,239,845	93,628,881	95,248,613	93,521,080	86,446,481	96,062,450	646,342,058
		-	-	-	-	-	-	-
Net "Retail" kWh (D) *(F)*	**89,194,708**	**92,239,845**	**93,628,881**	**95,248,613**	**93,521,080**	**86,446,481**	**96,062,450**	
								7 Yr Average
Distribution Loss Factor [(C)/(F)] *(G)*	1.0320	1.0399	1.0301	1.0347	1.0394	1.0450	1.0329	1.0363
Supply Facility Loss Factor *(H)*	1.0340	1.0340	1.0340	1.0340	1.0340	1.0341	1.0342	1.0340

Total Utility Loss Adjustment Factor:	LAF		
Supply Facility Loss Factor:	1.0340	*(7 yr average of 2004 - 2010)*	
Distribution Loss Factor:	1.0363	*(7 yr average of 2004 - 2010)*	
Total Loss Factor:			
Secondary Metered Customer:			
Total Loss Factor - Secondary Metered Customer < 5,000kW:	1.0715	1.0723	0.0008
Total Loss Factor - Secondary Metered Customer > 5,000kW:	n/a		
Primary Metered Customer:			
Total Loss Factor - Primary Metered Customer < 5,000kW:	1.0608	1.0616	0.0008
Total Loss Factor - Primary Metered Customer > 5,000kW:	n/a		

b. The table below includes 2011 actual data. Using this data, WNP have calculated the 5-year average (i.e. using the values from 2007 to 2011 inclusive):

	2005	2006	2007	2008	2009	2010	2011	5 Year Total
"Wholesale" kWh (IESO) **Qty at the Meter** *(A)*	95,916,378	96,449,458	98,554,351	97,205,281	90,335,536	99,218,944	102,044,641	
"Wholesale" kWh (GEN) *(B)*	-	-	-	-	-	-	-	
Net "Wholesale" kWh (A)-(B) *(C)*	**95,916,378**	**96,449,458**	**98,554,351**	**97,205,281**	**90,335,536**	**99,218,944**	**102,044,641**	487,358,754
Retail kWh (Distributor) **Qty at the Meter** *(D)*	92,239,845	93,628,881	95,248,613	93,521,080	86,446,481	96,062,450	99,140,087	470,418,711
	-	-	-	-	-	-		-
Net "Retail" kWh (D) *(F)*	**92,239,845**	**93,628,881**	**95,248,613**	**93,521,080**	**86,446,481**	**96,062,450**	**99,140,087**	
								5 Yr Average
Distribution Loss Factor [(C)/(F)] *(G)*	1.0399	1.0301	1.0347	1.0394	1.0450	1.0329	1.0293	1.0362
Supply Facility Loss Factor *(H)*	1.0340	1.0340	1.0340	1.0340	1.0341	1.0342	1.0343	1.0341

Total Utility Loss Adjustment Factor: **LAF**

Supply Facility Loss Factor: 1.0341 *(5 yr average of 2007 - 2011)*

Distribution Loss Factor: 1.0362 *(5 yr average of 2007 - 2011)*

Total Loss Factor:

Secondary Metered Customer:

Total Loss Factor - Secondary Metered Customer < 5,000kW: 1.0716 — 1.0723 — 0.0007

Total Loss Factor - Secondary Metered Customer > 5,000kW: n/a

Primary Metered Customer:

Total Loss Factor - Primary Metered Customer < 5,000kW: 1.0609 — 1.0616 — 0.0007

Total Loss Factor - Primary Metered Customer > 5,000kW: n/a

c. WNP included a 6 year average to calculate the loss factors because this data was reliable, accessible and available.

As specified in Chapter 2 of the Filing Requirements, WNP has provided a 5 year average – please see table below:

	2005	2006	2007	2008	2009	2010	5 Year Total
"Wholesale" kWh (IESO) **Qty at the Meter** *(A)*	95,916,378	96,449,458	98,554,351	97,205,281	90,335,536	99,218,944	
"Wholesale" kWh (GEN) *(B)*	-	-	-	-	-	-	
Net "Wholesale" kWh (A)-(B) *(C)*	**95,916,378**	**96,449,458**	**98,554,351**	**97,205,281**	**90,335,536**	**99,218,944**	481,763,570
Retail kWh (Distributor) **Qty at the Meter** *(D)*	92,239,845	93,628,881	95,248,613	93,521,080	86,446,481	96,062,450	464,907,505
	-	-	-	-	-	-	-
Net "Retail" kWh (D) *(F)*	**92,239,845**	**93,628,881**	**95,248,613**	**93,521,080**	**86,446,481**	**96,062,450**	
							5 Yr Average
Distribution Loss Factor [(C)/(F)] *(G)*	1.0399	1.0301	1.0347	1.0394	1.0450	1.0329	1.0364
Supply Facility Loss Factor *(H)*	1.0340	1.0340	1.0340	1.0340	1.0341	1.0342	1.0340

Total Utility Loss Adjustment Factor: **LAF**

Supply Facility Loss Factor: 1.0340 *(5 yr average of 2005 - 2010)*

Distribution Loss Factor: 1.0364 *(5 yr average of 2005 - 2010)*

Total Loss Factor:

Secondary Metered Customer:

Total Loss Factor - Secondary Metered Customer < 5,000kW: 1.0717

Total Loss Factor - Secondary Metered Customer > 5,000kW: n/a

Primary Metered Customer:

Total Loss Factor - Primary Metered Customer < 5,000kW: 1.0610

Total Loss Factor - Primary Metered Customer > 5,000kW: n/a

Compared to WNP's original application, using the 5 year average method, the Distribution loss factor has reduced to 1.0364 (a reduction of 0.0006 from 1.0370). As a result, the:

- Total Loss Factor for a secondary metered customer is now 1.0717 (a reduction from WNP's initial filing of 0.0006 – was 1.0723).
- Total Loss Factor for a primary metered customer is now 1.0610 (a reduction from WNP's initial filing of 0.0006 – was 1.0616).

Interrogatory #34

Ref: Exhibit 8, Tab 10, Schedule 1

a) Please explain in detail why WNP is not proposing any rate mitigation measures for those rate classes that have a total bill increase in excess of 10%.

b) Please update the rate impacts shown at pages 753-757 to incorporate the energy charges from the April 2, 2012 Regulated Price Plan Price Report for May 1, 2012 to April 30, 2013.

Wellington North Power Inc. - Response:

a. Wellington North Power is willing to mitigate for those customer classes that have a total bill increase in excess of 10% and would propose to phase in the increase over a one year period. The LDC is interested in hearing proposals from Board Staff and Intervenors about other mitigation techniques that could be applied.

b. Wellington North Power has updated the tables from pages 753 to 757 using the noted RPP Pricing Reports below.

Summarized below is the bill impact information, incorporating the energy charges from the April 2, 2012 Regulated Price Plan Price Report for May 1, 2012 to April 30, 2013

Bill Impact Information for Residential Customer Class

			Consumption	800	kWh								
				Current Board-Approved			Proposed			Impact			
		Charge Unit		Rate ($)	Volume	Charge ($)		Rate ($)	Volume	Charge ($)	$ Change	% Change
1	Monthly Service Charge			$ 13.8800	1	$ 13.88		$ 18.7700	1	$ 18.77	$ 4.89	35.23%
2	Smart Meter Rate Adder			$ 2.5000	1	$ 2.50		$ 0.6787	1	$ 0.68	-$ 1.82	-72.85%
3	Service Charge Rate Adder(s)				1	$ -			1	$ -	$ -	
4	Service Charge Rate Rider(s)			$ 0.1500	1	$ 0.15		$ -	1	$ -	-$ 0.15	-100.00%
5	Distribution Volumetric Rate			$ 0.0139	800	$ 11.12		$ 0.0188	800	$ 15.04	$ 3.92	35.25%
6	Low Voltage Rate Adder			$ 0.0016	800	$ 1.28		$ 0.0018	800	$ 1.42	$ 0.14	10.88%
7	Volumetric Rate Adder(s)				800	$ -			800	$ -	$ -	
8	Volumetric Rate Rider(s)				800	$ -			800	$ -	$ -	
9	Smart Meter Disposition Rider				800	$ -			800	$ -	$ -	
10	LRAM & SSM Rate Rider			$ 0.0004	800	$ 0.32		$ -	800	$ -	-$ 0.32	-100.00%
11	Deferral/Variance Account Disposition Rate Rider			-$ 0.0058	800	-$ 4.64		-$ 0.0081	800	-$ 6.51	-$ 1.87	40.26%
12	Stranded Meter Rate Rider					$ -		$ 1.1490	1	$ 1.15	$ 1.15	
13						$ -				$ -	$ -	
14	Mitigation Rider					$ -			800	$ -	$ -	
15						$ -				$ -	$ -	
16	**Sub-Total A - Distribution**					**$ 24.61**				**$ 30.55**	**$ 5.94**	**24.13%**
17	RTSR - Network			$ 0.0053	855.886	$ 4.54		$ 0.0054	857.361	$ 4.66	$ 0.12	2.69%
18	RTSR - Line and Transformation Connection			$ 0.0037	855.886	$ 3.17		$ 0.0038	857.361	$ 3.25	$ 0.08	2.63%
19	**Sub-Total B - Delivery (including Sub-Total A)**					**$ 32.31**				**$ 38.46**	**$ 6.14**	**19.01%**
20	Wholesale Market Service Charge (WMSC)			$ 0.0052	855.886	$ 4.45		$ 0.0052	857.361	$ 4.46	$ 0.01	0.17%
21	Rural and Remote Rate Protection (RRRP)			$ 0.0013	855.886	$ 1.11		$ 0.0011	857.361	$ 0.94	-$ 0.17	-15.24%
22	Special Purpose Charge				855.886	$ -			857.361	$ -	$ -	
23	Standard Supply Service Charge			$ 0.2500	1	$ 0.25		$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)			$ 0.0070	800	$ 5.60		$ 0.0070	800	$ 5.60	$ -	0.00%
25	Energy			$ 0.0684	855.886	$ 58.53		$ 0.0807	857.361	$ 69.18	$ 10.65	18.21%
26	Smart Metering Charge (IESO)	monthly				$ -		$ 0.8100	1	$ 0.81	$ 0.81	
27						$ -				$ -	$ -	
28	**Total Bill (before Taxes)**					**$ 102.25**				**$ 119.70**	**$ 17.45**	**17.06%**
29	HST			13%		$ 13.29		13%		$ 15.56	$ 2.27	17.06%
30	**Total Bill (including Sub-total B)**					**$ 115.54**				**$ 135.26**	**$ 19.72**	**17.07%**
31	**Ontario Clean Energy Benefit (OCEB)**			-10%		**-$ 11.55**		-10%		**-$ 13.53**	**-$ 1.98**	**17.14%**
32	**Total Bill (including OCEB)**					**$ 103.99**				**$ 121.73**	**$ 17.74**	**17.06%**
33	**Loss Factor (%)**	Note 1		6.99%				7.17%				

Bill Impact Information for General Service <50kW Customer Class

			Consumption	2000	kWh								
				Current Board-Approved				Proposed				Impact	
		Charge Unit		Rate ($)	Volume	Charge ($)		Rate ($)	Volume	Charge ($)		$ Change	% Change
1	Monthly Service Charge			$ 27.8800	1	$ 27.88		$ 38.1100	1	$ 38.11		$ 10.23	36.69%
2	Smart Meter Rate Adder			$ 2.5000	1	$ 2.50		$ 1.8367	1	$ 1.84		-$ 0.66	-26.53%
3	Service Charge Rate Adder(s)				1	$ -			1	$ -		$ -	
4	Service Charge Rate Rider(s)			$ 0.3300	1	$ 0.33		$ -	1	$ -		-$ 0.33	-100.00%
5	Distribution Volumetric Rate			$ 0.0120	2000	$ 24.00		$ 0.0164	2000	$ 32.80		$ 8.80	36.67%
6	Low Voltage Rate Adder			$ 0.0015	2000	$ 3.00		$ 0.0015	2000	$ 2.97		-$ 0.03	-0.91%
7	Volumetric Rate Adder(s)				2000	$ -			2000	$ -		$ -	
8	Volumetric Rate Rider(s)				2000	$ -			2000	$ -		$ -	
9	Smart Meter Disposition Rider				2000	$ -			2000	$ -		$ -	
10	LRAM & SSM Rider			$ 0.0022	2000	$ 4.40		$ -	2000	$ -		-$ 4.40	-100.00%
11	Deferral/Variance Account Disposition Rate Rider			-$ 0.0042	2000	-$ 8.40		-$ 0.0085	2000	-$ 17.01		-$ 8.61	102.54%
12	Stranded Meter Rate Rider					$ -		$ 1.1490	1	$ 1.15		$ 1.15	
13						$ -				$ -		$ -	
14						$ -				$ -		$ -	
15						$ -				$ -		$ -	
16	**Sub-Total A - Distribution**					**$ 53.71**				**$ 59.86**		**$ 6.15**	**11.44%**
17	RTSR - Network			$ 0.0049	2139.72	$ 10.48		$ 0.0050	2143.4	$ 10.77		$ 0.28	2.69%
18	RTSR - Line and Transformation Connection			$ 0.0031	2139.72	$ 6.63		$ 0.0032	2143.4	$ 6.81		$ 0.17	2.63%
19	**Sub-Total B - Delivery (including Sub-Total A)**					**$ 70.83**				**$ 77.43**		**$ 6.60**	**9.32%**
20	Wholesale Market Service Charge (WMSC)			$ 0.0052	2139.72	$ 11.13		$ 0.0052	2143.4	$ 11.15		$ 0.02	0.17%
21	Rural and Remote Rate Protection (RRRP)			$ 0.0013	2139.72	$ 2.78		$ 0.0011	2143.4	$ 2.36		-$ 0.42	-15.24%
22	Special Purpose Charge				2139.72	$ -			2143.4	$ -		$ -	
23	Standard Supply Service Charge			$ 0.2500	1	$ 0.25		$ 0.2500	1	$ 0.25		$ -	0.00%
24	Debt Retirement Charge (DRC)			$ 0.0070	2000	$ 14.00		$ 0.0070	2000	$ 14.00		$ -	0.00%
25	Energy			$ 0.0684	750	$ 51.29		$ 0.0807	750	$ 60.52		$ 9.23	18.00%
26				$ 0.0790	1389.72	$ 109.79		$ 0.0880	1393.4	$ 122.62		$ 12.83	11.69%
27	Smart Metering Charge (IESO)	monthly				$ -		$ 0.8100	1	$ 0.81		$ 0.81	
28	**Total Bill (before Taxes)**					**$ 260.06**				**$ 289.13**		**$ 29.07**	**11.18%**
29	HST			13%		$ 33.81		13%		$ 37.59		$ 3.78	11.18%
30	**Total Bill (including Sub-total B)**					**$ 293.87**				**$ 326.72**		**$ 32.85**	**11.18%**
31	**Ontario Clean Energy Benefit (OCEB)**			-10%		**-$ 29.39**		-10%		**-$ 32.67**		**-$ 3.28**	**11.16%**
32	**Total Bill (including OCEB)**					**$ 264.48**				**$ 294.05**		**$ 29.57**	**11.18%**
33	**Loss Factor**	(1)		6.99%				7.17%					

Bill Impact Information for General Service 50 – 999 kW Class

GENERAL SERVICE 50 kW-999 kW

		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption	Monthly Service Charge			243.69			277.64	33.95	13.93%	1.07%
200,000 kWh	Distribution (kW)	500	3.2621	1,631.05	500	3.6781	1,839.05	208.00	12.75%	7.07%
500 kW	Low Voltage Rider (kW)	500	0.6038	301.90	500	0.5945	297.25	(4.65)	(1.54%)	1.14%
	Smart Meter Rider (per month)			2.50			0.00	(2.50)	(100.00%)	0.00%
	LRAM & SSM Rider (kW)	500	0.2897	144.85	500	0.0000	0.00	(144.85)	(100.00%)	0.00%
	Stranded Meters Rate Rider ($/Customer)			0.00			0.00	0.00	#DIV/0!	0.00%
	Late Payment (kWh)			4.79			0.00	(4.79)	(100.00%)	0.00%
	Deferrral & Variance Acct (kW)	500	(0.0995)	(49.75)	500	(2.2113)	(1,105.63)	(1,055.88)	2,122.37%	(4.25%)
	Distribution Sub-Total			**2,279.03**			**1,308.31**	**(970.72)**	**(42.59%)**	**5.03%**
	Retail Transmisssion (kW)	500	3.2434	1,621.70	500	3.324213	1,662.11	40.41	2.49%	6.39%
	Delivery Sub-Total			**3,900.73**			**2,970.42**	**(930.31)**	**(23.85%)**	**11.42%**
	Other Charges (kWh)	213,972	0.0130	2,790.82	214,340	0.0128	2,750.34	(40.47)	(1.45%)	10.58%
	Cost of Power Commodity (kWh)	213,972	0.0684	14,631.38	214,340	0.0807	17,295.11	2,663.73	18.21%	66.50%
	Total Bill Before Taxes			**21,322.92**			**23,015.87**	**1,692.95**	**7.94%**	**88.50%**
	GST		13.00%	2,771.98		13.00%	2,992.06	220.08	7.94%	11.50%
	Total Bill			**24,094.90**			**26,007.94**	**1,913.03**	**7.94%**	**100.00%**

Bill Impact Information for General Service 1000 – 4999 kW Class

GENERAL SERVICE 1000 kW-4999 kW

		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption	Monthly Service Charge			1,491.13			2,500.37	1,009.24	67.68%	1.99%
1,000,000 kWh	Distribution (kW)	2,000	1.2512	2,502.40	2,000	2.0981	4,196.20	1,693.80	67.69%	3.35%
2,000 kW	Low Voltage Rider (kW)	2,000	0.6518	1,303.60	2,000	0.6518	1,303.51	(0.09)	(0.01%)	1.04%
	Smart Meter Rider (per month)			2.50			0.00	(2.50)	(100.00%)	0.00%
	LRAM & SSM Rider (kW)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	#DIV/0!	0.00%
	Stranded Meters Rate Rider ($/Customer)			0.00			0.00	0.00	#DIV/0!	0.00%
	Late Payment (kWh)			17.79			0.00	(17.79)	(100.00%)	0.00%
	Deferrral & Variance Acct (kW)	2,000	0.2871	574.20	2,000	(2.1861)	(4,372.12)	(4,946.32)	(861.43%)	(3.49%)
	Distribution Sub-Total			**5,891.62**			**3,627.96**	**(2,263.66)**	**(38.42%)**	**2.89%**
	Retail Transmisssion (kW)	2,000	3.4873	6,974.60	2,000	3.574172	7,148.34	173.74	2.49%	5.70%
	Delivery Sub-Total			**12,866.22**			**10,776.30**	**(2,089.92)**	**(16.24%)**	**8.59%**
	Other Charges (kWh)	1,069,858	0.0130	13,954.08	1,071,701	0.0128	13,751.72	(202.36)	(1.45%)	10.96%
	Cost of Power Commodity (kWh)	1,069,858	0.0684	73,156.89	1,071,701	0.0807	86,475.55	13,318.66	18.21%	68.94%
	Total Bill Before Taxes			**99,977.18**			**111,003.57**	**11,026.38**	**11.03%**	**88.50%**
	GST		13.00%	12,997.03		13.00%	14,430.46	1,433.43	11.03%	11.50%
	Total Bill			**112,974.22**			**125,434.03**	**12,459.81**	**11.03%**	**100.00%**

Bill Impact Information for Street Lighting Class

Street Lighting

Billing		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
886 Connections	Monthly Service Charge	886	5.1400	4,554.04	886	7.0233	6,222.64	1,668.60	36.64%	5.97%
718,000 kWh	Distribution (kW)	1,925	5.7242	11,019.09	1,925	7.8215	15,056.39	4,037.30	36.64%	14.45%
1,925 kW	Low Voltage Rider (kW)	1,925	0.4612	887.81	1,925	0.459628	884.7837585	(3.03)	(0.34%)	0.85%
	LRAM & SSM Rider (kW)	1,925	0.0000	0.00	1,925	0.0000	0.00	0.00	#DIV/0!	0.00%
	Smart Meter Rider (per month)									
	Stranded Meters Rate Rider ($/Customer)									
	Late Payment (kWh)			0.03			0.00	(0.03)	(100.00%)	0.00%
	Deferrral & Variance Acct (kW)	1,925	(1.7072)	(3,286.36)	1,925	(3.5109)	(6,758.42)	(3,472.06)	105.65%	(6.48%)
	Distribution Sub-Total			**13,174.61**			**15,405.40**	**2,230.79**	**16.93%**	**14.78%**
	Retail Transmisssion (kW)	1,925	2.4696	4,753.98	1,925	2.531123	4,872.41	118.43	2.49%	4.67%
	Delivery Sub-Total			**17,928.59**			**20,277.81**	**2,349.23**	**13.10%**	**19.45%**
	Other Charges (kWh)	768,158	0.0130	10,019.03	769,481	0.0128	9,873.73	(145.30)	(1.45%)	9.47%
	Cost of Power Commodity (kWh)	768,158	0.0684	52,526.65	769,481	0.0807	62,089.44	9,562.80	18.21%	59.57%
	Total Bill Before Taxes			**80,474.26**			**92,240.99**	**11,766.73**	**14.62%**	**88.50%**
	GST		13.00%	10,461.65		13.00%	11,991.33	1,529.67	14.62%	11.50%
	Total Bill			**90,935.91**			**104,232.31**	**13,296.40**	**14.62%**	**100.00%**

Bill Impact Information for Sentinel Lighting Class

Sentinel Lighting

Billing		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
1 Connections	Monthly Service Charge	1	16.1100	16.11	1	5.1529	5.15	(10.96)	(68.01%)	10.12%
231 kWh	Distribution (kW)	1	59.5217	50.59	1	19.0385	16.18	(34.41)	(68.01%)	31.77%
1 kW	Low Voltage Rider (kW)	1	0.4672	0.40	1	0.4692	0.40	0.00	0.43%	0.78%
	LRAM & SSM Rider (kW)	1	0.0000	0.00	1	0.0000	0.00	0.00	#DIV/0!	0.00%
	Smart Meter Rider (per month)									
	Stranded Meters Rate Rider ($/Customer)									
	Late Payment (kWh)			0.15			0.00	(0.15)	(100.00%)	0.00%
	Deferrral & Variance Acct (kW)	1	(5.3293)	(4.53)	1	(2.3371)	(1.99)	2.54	(56.15%)	(3.90%)
	Distribution Sub-Total			**62.72**			**19.75**	**(42.97)**	**(68.51%)**	**38.77%**
	Retail Transmisssion (kW)	1	2.4972	2.12	1	2.559404	2.18	0.05	2.49%	4.27%
	Delivery Sub-Total			**64.84**			**21.92**	**(42.92)**	**(66.19%)**	**43.04%**
	Other Charges (kWh)	247	0.0130	3.22	248	0.0128	3.18	(0.05)	(1.45%)	6.24%
	Cost of Power Commodity (kWh)	247	0.0684	16.90	248	0.0807	19.98	3.08	18.21%	39.22%
	Total Bill Before Taxes			**84.97**			**45.08**	**(39.89)**	**(46.95%)**	**88.50%**
	GST		13.00%	11.05		13.00%	5.86	(5.19)	(46.95%)	11.50%
	Total Bill			**96.01**			**50.94**	**(45.08)**	**(46.95%)**	**100.00%**

Bill Impact Information for Unmetered Scattered Load Class

Unmetered Scattered

		2011 BILL			2012 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption 940 kWh	Monthly Service Charge			10.30			15.21	4.91	47.70%	10.77%
	Distribution (kWh)	940	0.0083	7.80	940	0.0123	11.56	3.76	48.19%	8.19%
	Low Voltage Rider (kWh)	940	0.0015	1.41	940	0.0015	1.40	(0.01)	(0.91%)	0.99%
	LRAM & SSM Rider (kWh)	940	0.0000	0.00	940	0.0000	0.00	0.00	#DIV/0!	0.00%
	Smart Meter Rider (per month)									
	Stranded Meters Rate Rider ($/Customer)									
	Late Payment (kWh)			0.04			0.00	(0.04)	(100.00%)	0.00%
	Deferrral & Variance Acct (kWh)	940	(0.0065)	(6.11)	940	(0.0060)	(5.64)	0.47	(7.61%)	(4.00%)
	Distribution Sub-Total			**13.44**			**22.53**	**9.09**	**67.59%**	**15.95%**
	Retail Transmisssion (kWh)	1,005.67	0.008	8.05	1,007.40	0.008199	8.26	0.21	2.67%	5.85%
	Delivery Sub-Total			**21.49**			**30.79**	**9.30**	**43.28%**	**21.80%**
	Other Charges (kWh)	1,005.67	0.0130	13.12	1,007.40	0.0128	12.93	(0.19)	(1.45%)	9.15%
	Cost of Power Commodity (kWh)	1,005.67	0.0684	68.77	1,007.40	0.0807	81.29	12.52	18.21%	57.55%
	Total Bill Before Taxes			**103.37**			**125.00**	**21.63**	**20.92%**	**88.50%**
	GST		13.00%	13.44		13.00%	16.25	2.81	20.92%	11.50%
	Total Bill			**116.81**			**141.25**	**24.44**	**20.92%**	**100.00%**

Interrogatory #35

Ref: Exhibit 9, Schedule 4

a) Does the information provided in Table 9-5 reflect actual 2011 data?

b) If the response to part (b) is no, please provide a revised Table 9-5 to reflect actual 2011 data.

c) Does the revenue requirement forecast for 2012 include any incremental costs related to the transition to MIFRS? Does it include any on-going costs associated with MIFRS?

d) What are the costs that WNP would include in the requested sub-account for deferred IFRS transition costs noted on page 776 at the end of 2011 and at the end of May 2012? Does WNP expect to incur any other incremental costs related to the transition to MIFRS beyond the end of May 2012? If yes, please explain.

Wellington North Power Inc. - Response:

a. No, WNP confirm that Table 9-5 does not reflect actual 2011 data.

b. The table below has been updated to include 2011 actual data:

Wellington North Power Inc. - MIFRS PP&E Deferral Account

		2011	2012	2013	2014	2015
		IRM Forecast	Rebase COS Forecast			
PP&E Values under CGAAP						
Opening Net PP&E		$ 5,601,285				
Additions	+	$512,494				
Depreciation	-	($579,818)				
Closing Net PP&E	=	$5,533,961				
			* as per 2011 CGAAP Continuity Schedules			
PP&E Values under MIFRS						
Opening Net PP&E		$5,662,895				
Additions	+	$593,362				
Depreciation	-	($589,174)				
Closing Net PP&E	=	$5,667,083				
			* as per 2011 Modified IFRS Continuity Schedule			

Opening Net PPE Value = $11,507,635
LESS: Opening Accumulated Depreciation = $5,906,349

Additions = $516,428
LESS: Disposals = $3,935

Additions = $583,875
LESS: Disposals = $4,058

Additions = $593,232
LESS: Disposals = $4,058

	2011	2012	2013	2014	2015
Difference on Closing Net PP&E, CGAAP vs MIFRS					
Opening Balance	$0	($133,121)	($99,841)	($66,561)	($33,280)
Amount added in the year	($133,121)	N/A	N/A	N/A	N/A
Sub-total	($133,121)	($133,121)	($99,841)	($66,561)	($33,280)
Amount of Amortization including in Dep'n Exp	$0	$33,280	$33,280	$33,280	$33,280
Closing Balance in Deferral Account:	($133,121)	($99,841)	($66,561)	($33,280)	$0
Avergae Balance in Deferral Account:		($116,481)	($83,201)	($49,921)	($16,640)

	2011	2012	2013	2014	2015
Closing Balance in Deferral Account:	($133,121)	($99,841)	($66,561)	($33,280)	$0
Amount of Amortization including in Dep'n Exp	-	$33,280	$33,280	$33,280	$33,280
Annual Regulated Rate of Return:	-	6.20%	6.20%	6.20%	6.20%
Return on PP&E Account		$8,259			
Total Forecasted IFRS Adjustment *		**$41,539**			

** (Amount of Amortization x Regulated Rate of Return)*

c. Although Wellington North Power Inc. was directed to file its Cost of Service application in MIFRS, the company is deferring its transition to the International Financial Reporting Standards (IFRS), until such time as it is mandate for Rate Regulated Entities. Therefore there is no change in the current obligation, or the regulatory treatment of the obligation. These amounts have not been incorporated anyway in the revenue requirement.

d. The table below illustrates the actual costs incurred to date (June 2012) by Wellington North Power Inc. for transition to IFRS:

2011	
Consulting Fees - BDO	40,265.98
Employee Training	458.78
Total Costs Incurred	**40,724.76**
2012	
Consulting Fees - BDO	2,500.00
Total Costs Incurred to Date	**2,500.00**

It should be noted that

- Although Wellington North Power Inc. was directed to file its Cost of Service application in MIFRS, the company is deferring its transition to the International Financial Reporting Standards (IFRS), until such time as it is mandate for Rate Regulated Entities. Therefore there is no change in the current obligation, or the regulatory treatment of the obligation. At the time of transition to IFRS, Wellington North Power Inc. will follow the guidelines and direction from the Ontario Energy Board Uniform System of Accounts for Electricity Distributors, the International Accounting Standards Board (AcSB) and the advice of the company's external auditor.
- Based upon the above comment, WNP anticipates to incur further IFRS transition costs (e.g. consultancy and training expenses, IS system and training costs) when the LDC does migrate from CGAPP to IFRS.

Interrogatory #36

Ref: Exhibit 9, Schedule 5 &
Exhibit 9, Schedule 8 &
Exhibit 8, Tab 10, Schedule 1

a) Please reconcile the statement at page 778 of Exhibit 9, Schedule 5 that WNP is requesting the use of the default disposition period of 1 year with the statement on page 783 of Exhibit 9, Schedule 8 that WNP is proposing that the rate riders illustrated in Table 9-7 be effective for 2 years.

b) What is the impact on the total customer bills shown in Exhibit 8, Tab 10, Schedule 1 at pages 753-757 if the deferral/variance accounts are cleared over 1 year instead of 2? Please use the energy cost as requested in Interrogatory #34(b).

Wellington North Power Inc. - Response:

a. WNP acknowledges that there is an error with the commentary that supports Table 9-6 in Exhibit 9 Schedule 5. WNP is requesting the use of the default disposition period of 2 years.

The corrected commentary that supports Table 9-6 in Exhibit 9, Schedule 6 is:

Table 9-6 contains the total claim for each account balance from the 2010 Audited Financial Statements, less any dispositions ordered by the Board during 2011, plus an interest projection to April 30, 2012. Exhibit 8 demonstrated the allocator (per the Board in the EDDVAR Report) used to calculate the Rate Riders and the resulting recovery by customer class. Wellington North Power Inc. is requesting disposition of these variance account balances, following the guidelines in the Report of the Board using the default disposition period of two years.

b. The bill impact for the total customer bills shown if the deferral/variance accounts are cleared over 1 year instead of 2 is shown below:

Customer Class	Consumption kWh	Current Bill	Proposed Bill	Bill Impact	
Residential	800	$103.99	$119.83	$15.84	15.23%
GS < 50 kW	2,000	$264.48	$285.28	$20.80	7.86%
GS 50 - 999 kW	200,000	$24,094.90	$24,814.80	$719.89	2.99%
GS 1,000 - 4,999 kW	1,000,000	$112,974.22	$119,844.69	$6,870.47	6.08%
Sentinel Lights	231	$96.01	$53.81	($42.20)	-43.95%
Street Lighting	718,000	$90,935.91	$100,308.89	$9,372.98	10.31%
Unmetered Scattered Loads	940	$116.81	$141.78	$24.97	21.37%

Interrogatory #37

Ref: Exhibit 10, Tab 1, Schedule 1

a) Please indicate the last month of revenues included in the SMFA revenues of $272,394.92 shown in Table 10-1.

b) Please update all the figures in Table 10-1 to reflect actual 2011 data, along with the most recent actual data available for the SMFA revenues collected in 2012.

c) Please confirm that that SMFA rate rider is no longer being collected by WNP as of May 1, 2012. If this cannot be confirmed, please provide the monthly revenue being collected beyond May 1, 2012 associated with this rate rider.

Wellington North Power Inc. - Response:

a. WNP confirm that the last month of revenues included in the SMFA revenues (shown in table 10-1) is May 2012. May 2012 is the billing month that includes April 2012's consumption. The Smart Meter Rate Rider ended as of May 1, 2012.

b. Table 10-1 of Exhibit 10, Tab 1, Schedule 1 has been included to include 2011 and 2012 actual data. Below is an updated version of this table which also shows that the SMDR (Smart Meter Disposition Rider) that WNP is requesting through its application has reduced from $1.07 to $0.83.

Calculation of Smart Meter Disposition Rider (per metered customer per month)			
Years for collection or refunding			4
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization		$	427,340.25
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues		$	281,316.22
Net Deferred Revenue Requirement		$	146,024.03
SMDR	May 1, 2012 to April 30, 2016	$	0.83

The SMDR reduction is as a consequence of comments from Board Staff which include:

- Adjusting the Return on Equity for 2008 to 2011 from 8.68% to 8.57%.
- Replacing Quarter 4 2011 and 2012 forecast data with actual data for revenues, interest improvement and capital spent allocated to accounts 1555 and 1556.

c. WNP can confirm that the SMFA Rate Rider ceased being collected from May 1, 2012.

WNP has submitted an updated Smart Meter model that reflects the above amendments. This file has been uploaded on to the RESS site.
(Filename: WNP_2012_Smart_Meter_V2.17_June12)

Interrogatory #38

Ref: Exhibit 10, Tab 2, Schedule 1

a) Does the WNP approach that results in residential and GS < 50 kW customers paying the same amount implicitly assume that the original capital cost of meters are the same for these two customer classes?

b) Please recalculate the net book value segregation by rate class and the resulting rate riders shown in Table 10-10 using the relative meter costs of $224.18 for residential meters and $735.94 for GS < 50 kW meters as shown on Tab I7.1 Meter Capital of the cost allocation model.

c) Please explain why the above approach does not make sense and would be inequitable to one or both classes.

Wellington North Power Inc. - Response:

a. It would be reasonable to make that assumption given the approach that WNP have applied in its application. The LDC does appreciate that there is a variance in the purchase and installation costs of mechanical meters between the Residential and General Service <50 kW classes. However, WNP also believes that customer numbers in each class needs to be considered as well as cost – i.e. there are fewer General Service < 50kW customers.

Below is another allocation technique that could be considered for the recovery of the Net Book Value associated with Stranded meters.

	Mechanical Meter Cost	Installation Cost	Material & Installation Cost	Weighting Ratio
Residential	$75	$100	$175	23%
General Service < 50kW	$300	$300	$600	77%
			$775	

	Customer Numbers	Weighting Ratio
Residential	3,160	87%
General Service < 50kW	489	13%
	3,649	

	Residential	General Service <50 kW
Customer Number weighting	87%	13%
Purchase & Install weighting	23%	77%
Allocator	**55%**	**45%**

Net Book Value Segregated by Rate Class:	Residential	GS <50 kW	Total
	$109,865	$91,367	$ 201,233
Number of Metered Customers:	3,160	489	3,649
Rate Rider to Recover Stranded Meter Costs:	$0.7243	$3.8966	
Recovery period (years):	4	4	

In the above model, WNP has attempted to provide a weighting factor not only the purchase and installation of costs of mechanical meters, but also the number of customers in each class. The LDC is looking for fairness and equitably to both classes in seeking for the recovery of the Net Book Value that WNP is requesting disposition of, calculated at $201,233 as at December 31, 2012.

The approach applied by WNP was:

- Use the purchase and install cost information to create a meter cost weighting ratio for each class;
- Use the customer numbers for each calls to create a customer number weighting ratio for each class;
- There are two weighting variables (meter cost and customer numbers). Calculate the ratio for these variable to create one ratio that can be used to distribute the NBV between two classes
- Applying the above technique, the table above shows that Residential customers are allocated $109,869 and General Service < 50kW customers are allocated $$91,367.
- Dividing these allocated values by the number of customers in each class and selecting a recovery period of 4 years, the table above shows the Rate Rider amount that each customer would pay every month.

The above method demonstrates that WNP has attempted to be equitable to both rate classes by using customer numbers together with OM&A and capital costs.
This is another view compared to the proposal put forward in WNP Cost of Service application.

b. Using the method described, the Rate Rider to Recover Stranded meters is shown below:

	Residential	General Service <50 kW	Total
	$224.18	$735.94	$960.12
Weighting Allocator:	23%	77%	
Net Book Value Segregated by Rate Class:	Residential	GS <50 kW	Total
	$46,986	$154,246	$ 201,233
Number of Metered Customers:	3,160	489	3,649
Rate Rider to Recover Stranded Meter Costs:	$0.3097	$6.5782	
Recovery period (years):	4	4	

Using the relative meter costs provided, WNP created a weighting allocator to disburse the Net Book Value of $201,233 for Stranded Meters as at December 31, 2011. The recovery period show above is 4 years which is the same period as per WNP's application

c. The LDC does appreciate that there is a variance in the purchase and installation costs of mechanical meters between the Residential and General Service <50 kW classes. However, WNP also believes that customer numbers in each class needs to be considered as well as cost.

The LDC is interested to learn of other methodologies that Board Staff and/or Intervenors can share that ensure that both rate classes are treated fairly and equally.

Interrogatory #39

Ref: Exhibit 11, Schedule 6

Please explain how the $33,168 shown in Table 11-11 is being refunded to customers over the 2012 through 2015 period under the WNP proposal. In particular, please explain the adjustment of $33,168 shown in Table 11-13.

Wellington North Power Inc. - Response:

WNP has proposed to recover the $33,168 by reducing the Amortization Expense component of the 2012 Revenue Requirement. This will result in a reduction in distribution rates until the next rebasing.

WNP has calculated the difference between NBV of fixed assets at the end of 2011 on a CGAAP and MIFRS basis. Please note the only change reflected in the MIFRs amounts is a change in depreciation rates.
Table 11-11 provides that difference as an amount of $109,003:

- That amount is spread over 4 years resulting in a reduction in Amortization expense of $27,251 ($109,003 / 4);
- An Average Balance between the opening and closing amount of the deferral account was calculated as $95,377 (($109,003 + $81,752)/2).
- This average multiplied by the annual regulated rate of return resulted in a return on the PP&E deferral account of $5,917.
- This amount was also deducted from the Amortization Expense component of the 2012 Revenue Requirement resulting in a reduction in distribution rates until the next rebasing.

The total effect on rates for the next 4 years is a reduction of $33,168 ($27,251 + $5,917).