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July 30, 2012

Michael Janigan  
Counsel for VECC  
ONE Nicholas Street, Suite 1204  
Ottawa, ON K1N 7B7

**Re: Festival Hydro Inc.  
Response to Submission of VECC Interrogatories  
EB-2012-0260**

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Dear Mr. Janigan,

Attached are Festival Hydro Inc's Responses to VECC Interrogatories on Festival's Smart Meter Cost Recovery Stand-Alone Application.

The completed responses and supporting excel worksheets were submitted today via the Ontario Energy Board's RESS system.

If you have any questions please contact me at the number noted below or by email at [kmccann@festivalhydro.com](mailto:kmccann@festivalhydro.com).

Yours truly,  
**Festival Hydro Inc.**  
ORIGINAL SIGNED BY K. MCCANN

K. McCann, Financial & Regulatory Manager  
Tel (519) 271-4703 x. 221

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF**

the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), as amended;

**AND IN THE MATTER OF** an Application by  
Festival Hydro Inc. (Festival) for an order or orders  
approving or fixing just and reasonable  
distribution rates to be effective November 1, 2012 to reflect the  
recovery of costs for deployed smart meters.

**General**

In preparing Festival's response to VECC question 4b – Festival identified an error in our allocation of meter costs (1.1.1 of tab 2 of the smart meter model). As such – Festival has revised our allocated SMDR's and SMIRR's for the residential and GS<50 classes. The information below from our manager's summary has been updated to reflect the impact of the allocation changes on our final rate riders.

The smart meter rate riders for which Festival seeks approval from the Board are as follows:

- a) A **Smart Meter Disposition Rate Rider (“SMDR”)** (**Residential and Hensall Residential** rate classes - **\$0.73** per metered customer per month; **G.S. < 50 kW** rate class - **\$0.81** per metered customer per month), to be effective November 1, 2012, to recover the deferred revenue requirement through to December 31, 2011. This represents the difference resulting from revenues collected from customers to April 30, 2012 versus the revenue requirement recoverable to December 31, 2011. The SMDR would be in effect from November 1, 2012 to April 30, 2014, which is the next scheduled implementation date for rates based on a Cost of Service Application for Festival.
- b) A **Smart Meter Incremental Revenue Requirement Rate Rider (“SMIRR”)** (**Residential and Hensall Residential** rate classes - **\$2.79** per metered customer per month; **G.S. < 50 kW** rate class - **\$4.72** per metered customer per month) to recover the annual revenue requirement associated with Smart Meters installed from inception of the Smart Meter Program through to April 30, 2012 and forecasted Smart Meter Operating Expenditures for April 30, 2012 to December 31, 2012.

Festival is requesting the new SMDR and SMIRR rate riders take effect November 1, 2012, in conjunction with the OEB's semi-annual RPP and TOU commodity price changes.

Festival has calculated the overall monthly bill impact for a typical customer as follows:

**Table 1 – Bill Impact**

<u>Class</u>	<u>kWh</u>	<u>Total Bill Impact (\$)</u>	<u>Total Bill Impact (%)</u>
Residential	800	\$2.06	1.8%
Residential - Hensall	800	\$2.06	1.8%
G.S. < 50 kW	2,000	\$5.53	2.0%
G.S. < 50 kW	10,000	\$5.53	0.4%

(Above table does not take into account possible TOU pricing changes effective Nov 1, 2012)

Being the SMDR and SMIRR rate riders are both fixed charges, the higher the customer's consumption, the lower the percentage impact. While Festival does have a number of G.S. < 50 kW customers with usage of approximately 2000 kWh per month, Festival also has G.S. < 50 kW customers with usage of 20,000 kWh per month. A G.S. < 50 kW customer with usage of approx. 4,100 kWh per month will see a 1.0% total impact on their bill.

### **Information Requests of the Vulnerable Energy Consumers Coalition (VECC)**

#### **VECC Question # 1**

**Reference:** Application, Page 3

Preamble: Festival seeks approval of a SMIRR to recover the annual revenue requirement associated with smart meters installed from inception of the smart meter program through to April 30, 2012 and forecasted smart meter operating expenditures for April 30, 2012 to October 31, 2012.

- a) Please provide the rationale for including smart meter operating expenditures to October 31, 2012 only.

## **RESPONSE**

- a) Festival was under the belief that given a rate increase effective November 1<sup>st</sup> is being requested, the forecasted figures would include all estimated costs up to October 31, 2012. Through further discussion with Board staff on the SMIRR calculation, Festival notes that a full 12 months of data needs to be included in our 2012 forecast in order to have the SMIRR calculated correctly. Festival has revised the model accordingly to include projections to December 31, 2012.

## **VECC Question # 2**

- a) Please advise if Festival participated with other LDCs in the implementation of its smart meter program. If so, please discuss any operational efficiencies or costs savings as a result of working collaboratively with other LDCs.

## **RESPONSE**

- a) In order to minimize costs and promote efficiencies in the implementation of the smart meter program, Festival collaborated with other LDCs on various aspects of the smart meter project. Below is a list of some of the major areas where operational efficiencies or costs savings were achieved as a result of this collaborative work:

- For the purchase of the smart meters, Festival utilized the Hydro One Networks Inc. ("Hydro One") approved procurement process identified in paragraph 1(1)5 of O. Reg. 427/06. Festival received the same price from Trilliant that was paid by Hydro One. Note that the cost of the smart meters represents the vast majority of the capital spending.
- With a number of LDCs using the same CIS software (Daffron), it meant that the costs of the TOU changes to the CIS software were shared by all participants. In addition, the efforts of the combined user group resources assisted in the delivery of a cost effective, timely solution.
- For the contracting of ODS and Web presentment services, Festival contacted other LDCs to identify potential vendors and to obtain references for the vendors Festival selected.
- With respect to smart meter customer communication, rather than creating from scratch our own customer communication letters and materials, Festival often went to other LDC websites and made use of materials created by others, tailoring it to fit our needs.

In terms of operational efficiencies, when Festival encountered problems related to smart meter deployment, Festival would often contact other LDCs who use Trilliant meters (namely, Hydro One, Hydro One Brampton and Milton Hydro) to obtain

advice on how they handled similar issues. Since these other LDCs were ahead of Festival in terms of deployment, often they had already dealt with many of the problems and saved Festival valuable time rather than Festival researching and finding a solution on our own.

It is difficult to quantify the dollar value of savings as a result of working collaboratively with other LDCs. However, Festival recognizes that through collaborative efforts, LDCs can strive to keep costs low and spend prudently.

### **VECC Question # 3**

**Reference:** Application, Page 14

Preamble: Festival indicates its TOU pricing is scheduled to commence with the first full month's consumption after April 30, 2012. Customers will start to receive their first TOU bill in June 2012.

- a) Please provide an update on the status of the implementation of Festival's TOU billing.

#### **RESPONSE:**

- a) Festival Hydro billed its' first group of customers on TOU pricing on June 18th, 2012. Approximately 815 bills were sent out for the consumption period of 05/01/2012 – 06/01/2012. Since June 18th, 2012 each day Festival has been calculating all eligible TOU customers on their new rates a billing cycle at a time. To date we have moved 97% of eligible customers to TOU billing. Those eligible that remain on non TOU rates (673 customers) do so for technical reasons. We are presently working to resolve and moving over meter by meter as the issues are being resolved.

### **VECC Question # 4**

**Reference:** Application, Page 2, Program Status

- a) Please summarize the types of meters installed for each rate class.
- b) Please complete the following table to show average costs based on meter type. Please provide a description of "Other Costs".

Class	Type of Meter	Quantity	Meter Cost	Average Meter Cost	Installation Cost	Average Installation Cost	Other Costs	Average Other Costs	Total Average Cost
Residential									
GS<50 kW									
Total									

- c) Please provide a schedule that compares the smart meter financial forecasts (capital & OM&A) in Festival's previous applications to the current application and explain any variances greater than 5%.

## RESPONSE

- a) The table below summarizes the types of meters installed for each rate class.

Residential Meters	GS<50 Meters
Landis & Gyr 1S	Landis & Gyr 1S
Landis & Gyr 2S	Landis & Gyr 2S
Landis & Gyr 3S	Landis & Gyr 3S
Landis & Gyr 12S	Landis & Gyr 12S
	Landis & Gyr 16S
	Itron 9S46S
	GE 12S
	Itron 16S
	Itron 45S

- b) The table below includes the detail requested.

Class	Type of Meter	Quantity	Meter Cost	Inc. PST	Average Meter Cost	Installation Cost	Average Installation Cost	Other Costs	Average Other Costs	Total Average Cost
Residential	Landis & Gyr 2S	16,266.00	105.00	113.40	1,844,564.40					
	Landis & Gyr 2S	228.00	105.00	N/A	23,940.00					
	Landis & Gyr 3S	34.00	149.00	160.92	5,471.28					
	Landis & Gyr 3S	2.00	149.00	N/A	298.00					
	Laydys & Gyr 1S	4.00	160.80	173.66	694.66					
	Landis & Gyr 12S	1,235.00	174.00	187.92	232,081.20					
	SCRAP			-	6,946.80					
	TOTAL	17,769.00			2,100,102.74					
	Per REVISED MODELS	17,651.00	2,100,103.00		118.98	301,029.00	17.05	566,899.00	32.12	168.15
GS<50	Landis & Gyr 2S	734.00	105.00	113.40	83,235.60					
	Landis & Gyr 1S	4.00	160.80	173.66	694.66					
	Landis & Gyr 3S	126.00	149.00	160.92	20,275.92					
	Landis & Gyr 3S	10.00	149.00	N/A	1,490.00					
	Landis & Gyr 12S	213.00	174.00	187.92	40,026.96					
	Landis & Gyr 16S	604.00	318.00	N/A	192,072.00					
	Itron 45S	124.00	378.00	N/A	46,872.00					
	Itron 16S	37.00	781.00	N/A	28,897.00					
	Itron 9S46S	128.00	806.00	N/A	103,168.00					
	GE 12S	44.00	904.80	N/A	39,811.20					
		2,024.00			556,543.34					
	Per REVISED MODELS	1,999.00	556,543.00		278.41	91,505.00	45.78	82,149.00	41.10	365.28

In preparing the table above, FHI reviewed purchase documents in order to report the specific type of meter and price per meter in the table. In doing this exercise, it was determined that the system query used previously to allocate the meter cost to class was incorrect. As such, Festival has revised the cost allocation models based on the information obtained for the table above. In summary, it was found that the residential meter cost had been understated and the GS<50 meter cost had been overstated. It was also noted that the cost of one collector was erroneously included in the meter bucket, as well as a portion of the deposit paid to our meter vendor which was actually used and applied against the purchase of serviewcom and its software maintenance package (which was also from the meter vendor). All of these issues were addressed and corrected in the revised allocation models included with the IR's.

Note that the meter quantity in the detailed section of the table above is greater than the residential and GS<50 meter numbers used in the model. This is a result of meters being ordered in bulk for the project and a small quantity of meters being required on hand to allow for meters to cycle through the returned meter warranty process with Trilliant.

Note as well that installation costs were not tracked by meter type – but rather by meter class through our work order system – and as such the installation cost per meter can be calculated by dividing the number of meters in the model by the labour cost included in the model. All other costs included in the model have been totaled and included in the other cost column in order to calculate the average “other” meter cost.

- c) The table below compares the projections included in Festival's prior filings versus the actual costs included in this application.

Application	Capital	% from Actual	OM&A	% From Actual
2010 COS	2,500,000	-32.40%	150,000	-72.48%
2011 IRM	3,700,000	0.05%	248,000	-54.50%
2012 IRM	3,564,835	-3.61%	754,153	38.37%
<b>2012 SM Application</b>	<b>3,698,228</b>		<b>545,028</b>	

The 2010 capital projection was more than 5% from the actual project costs mainly due to the fact that at the time of filing the COS application (August 2009), Festival had not prepared a detailed smart meter budget beyond looking at a high level at the costs of the meters themselves. By our 2011 IRM, a detailed budget had been put in place taking into account all areas of the project.

The OM&A costs included in our application differ by more than 5% from all of our previous applications. In 2010 and 2011 we had under budgeted these costs as compared to actual costs mainly due to a lack of knowledge as to the cost for items such as web presentation, ODS, and CIS upgrades would be. In 2012 we had over

budgeted total costs as compared to actual for a few reasons. The 2012 IRM included depreciation expense in the OM&A balance. This offset by an underestimate for web presentment, ODS, and CIS upgrades resulted in the budget figure being off.

### VECC Question # 5

**Reference:** Smart Meter Recovery Model R1, Sheet 2, 20120529

Preamble: Under section 1.6.3 Capital Costs Beyond Minimum Functionality, Festival shows costs of \$9,660 in 2012, \$109,063 in 2011 and \$26,424 in 2012 for a total of \$145,147.

- Please provide a breakdown of these costs for each year.
- Please advise if the costs in 2011 and 2012 are one-time or recurring.

### RESPONSE

- The table below details the expenses included in 1.6.3 in the model.

	2010	2011	2012
Incremental IT resource for TOU implementation & CIS Upgrades	4,576	27,984	26,424
AS2 HW/SW & Install	5,084		
Daffron upgrades for Smart meter implementation		73,649	
Test script purchase for unit testing		5,000	
IT subcontract for TOU implementation and CIS upgrades		2,430	
	9,660	109,063	26,424

- The 2012 costs are one-time costs.

### VECC Question # 6

**Reference:** Application, Page 20

Preamble: Festival indicates that the most significant incremental cost savings with the implementation of smart meters is the reduction in manual meter reading costs.

- Please identify any additional operational efficiencies and cost savings that Festival has experienced or anticipates will result from smart meter implementation. Please quantify any savings.
- Please discuss how any savings are reflected in this application.

## **RESPONSE**

- a) Festival has not experienced and does not anticipate any additional operational efficiencies and cost savings as a result of smart meter implementation. Festival's operations were very lean prior to the implementation of smart meters and as such, operational processes after the rollout of smart meters will continue to require the same compliment of staff in the metering department, billing department, customer service department and an increased compliment of one FTE in the IT department. All other administrative expenses are projected to remain the same after the rollout of smart meters.
- b) No additional savings were reflected in this application beyond the savings in meter reading costs.

## **VECC Question # 7**

**Reference:** Application, Page 18

Preamble: The evidence indicates Festival has been collecting a fixed monthly smart meter rate adder from all metered customers since May 1, 2006.

- a) Please provide a breakdown by customer class for the Smart Meter Rate Adder Revenue and associated interest collected from other metered customers.

## **RESPONSE:**

- a) The table below provides the breakdown requested.

Rate Class	Smart Meter Rate Adder Collected	Interest calculated at OEB Prescribed Rates	Total rate adder & interest projected to October 31, 2012
Residential	891,327	31,822	923,149
Residential - Hensall	21,355	762	22,117
GS < 50 kW	103,807	3,706	107,513
GS >50 kW to 4,999 kW	11,398	407	11,805
Large Use	73	3	76
USL	-	-	-
Sentinel Lights	-	-	-
Street Lighting	-	-	-
Total	1,027,960	36,700	1,064,660

## **Appendices – Smart Meter Models**

A – Smart Meter Model

B – Smart Meter Residential Model

C – Smart Meter GS<50 Model

# **Appendix A**



#### Choose Your Utility:

Festival Hydro Inc.	<input type="radio"/>
Festival Hydro Inc. - Hensall	<input type="radio"/>

#### Application Contact Information

Name:	<input type="text" value="Kelly McCann"/>
Title:	<input type="text" value="Financial &amp; Regulatory Manager"/>
Phone Number:	<input type="text" value="519-271-4703 x 221"/>
Email Address:	<input type="text" value="kmccann@festivalhydro.com"/>
We are applying for rates effective:	<input type="text" value="November 1, 2012"/>
Last COS Re-based Year	<input type="text" value="2010"/>

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

#### Copyright

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results. The use of any models and spreadsheets does not automatically imply Board approval. The onus is on the distributor to prepare, document and support its application. Board-issued Excel models and spreadsheets are offered to assist parties in providing the necessary information so as to facilitate an expeditious review of an application. The onus remains on the applicant to ensure the accuracy of the data and the results.*



## Festival Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A costs in revenue requirement.

For 2012, distributors that have completed their deployments by the end of 2011 are not expected to enter any capital costs. However, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
<b>Smart Meter Installation Plan</b>								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential				203	17,430	18	0	17651
General Service < 50 kW				0	1,913	86	0	1999
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	203	19343	104	0	19650
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	1.03%	99.47%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	203	19343	104	0	19650
<b>1 Capital Costs</b>								
<b>1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)</b>								
1.1.1 Smart Meters (may include new meters and modules, etc.)	Asset Type <small>Asset type must be selected to enable calculations</small>		Audited Actual	Forecast				
	Smart Meter					2,618,714	40,275	-2,343
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter					385,307	7,226	
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware					20,201		
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)	Computer Software					15,431		
<b>Total Advanced Metering Communications Devices (AMCD)</b>	\$ -		\$ -	\$ -	\$ -	\$ 3,039,653	\$ 47,501	-\$ 2,343
	\$ 2,656,646							
<b>1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)</b>								
1.2.1 Collectors	Asset Type		Audited Actual	Forecast				
	Smart Meter					192,403		
1.2.2 Repeaters (may include radio licence, etc.)	Smart Meter					675	15,275	
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter					45,591	6,263	3,084
<b>Total Advanced Metering Regional Collector (AMRC) (Includes LAN)</b>	\$ -		\$ -	\$ -	\$ -	\$ 238,669	\$ 21,538	\$ 3,084
	\$ 192,403							
	\$ 15,950							
	\$ 54,938							
	\$ 263,291							

	Asset Type	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
<b>1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)</b>								
1.3.1 Computer Hardware	Computer Hardware					8,844		\$ 8,844
1.3.2 Computer Software	Computer Software					14,250		\$ 14,250
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include AS/400 disk space, backup and recovery computer, UPS, etc.)</i>	Computer Software					79,324		\$ 79,324
<b>Total Advanced Metering Control Computer (AMCC)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,417</b>	<b>\$ -</b>	<b>\$ 102,417</b>
<b>1.4 WIDE AREA NETWORK (WAN)</b>	Asset Type							
1.4.1 Activation Fees								\$ -
<b>Total Wide Area Network (WAN)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	Asset Type							
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>								\$ -
1.5.2 AMI Interface to CIS	Computer Software					12,812	5,997	\$ 18,809
1.5.3 Professional Fees	Smart Meter				7,536			\$ 7,536
1.5.4 Integration	Computer Software						24,026	\$ 24,026
1.5.5 Program Management	Other Equipment					31,987	19,265	\$ 51,252
1.5.6 Other AMI Capital	Other Equipment							\$ 939
<b>Total Other AMI Capital Costs Related to Minimum Functionality</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,536</b>	<b>\$ 44,799</b>	<b>\$ 49,287</b>	<b>\$ 939</b>
<b>Total Capital Costs Related to Minimum Functionality</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,536</b>	<b>\$ 3,425,538</b>	<b>\$ 118,326</b>	<b>\$ 1,680</b>
<b>1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY</b>	Asset Type							
<i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>								
1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06	Computer Software							\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service	Applications Software							\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Other Equipment					9,660	109,063	26,424
<b>Total Capital Costs Beyond Minimum Functionality</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,660</b>	<b>\$ 109,063</b>	<b>\$ 26,424</b>
<b>Total Smart Meter Capital Costs</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,536</b>	<b>\$ 3,435,198</b>	<b>\$ 227,390</b>	<b>\$ 28,104</b>
								<b>\$ 3,698,228</b>

## 2 OM&A Expenses

### 2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify) Meter troubleshooting

#### Total Incremental AMCD OM&A Costs

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
2.1.1 Maintenance (may include meter reverification costs, etc.)	\$ 345	\$ 4,369	\$ 345	\$ 4,369	\$ 345	\$ 4,369	\$ 4,714
2.1.2 Other (please specify) Meter troubleshooting	\$ 19,849	\$ 24,917	\$ 19,849	\$ 24,917	\$ 19,849	\$ 24,917	\$ 44,766
<b>Total Incremental AMCD OM&amp;A Costs</b>	<b>\$ 345</b>	<b>\$ 24,218</b>	<b>\$ 345</b>	<b>\$ 24,218</b>	<b>\$ 345</b>	<b>\$ 24,218</b>	<b>\$ 49,481</b>

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

2.2.1 Maintenance

2.2.2 Other (please specify)

#### Total Incremental AMRC OM&A Costs

	Audited Actual	Forecast					
2.2.1 Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2.2 Other (please specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Incremental AMRC OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>					

### 2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance (may include server support, etc.)

2.3.2 Software Maintenance (may include maintenance support, etc.)

2.3.3 Other (please specify) AMCC IT position

#### Total Incremental AMCC OM&A Costs

	Audited Actual	Forecast					
2.3.1 Hardware Maintenance (may include server support, etc.)	\$ 9,307	\$ 9,307	\$ 9,307	\$ 9,307	\$ 9,307	\$ 9,307	\$ 9,307
2.3.2 Software Maintenance (may include maintenance support, etc.)	\$ 19,368	\$ 30,127	\$ 19,368	\$ 30,127	\$ 19,368	\$ 30,127	\$ 49,495
2.3.3 Other (please specify) AMCC IT position	\$ 39,620	\$ 39,620	\$ 39,620	\$ 39,620	\$ 39,620	\$ 39,620	\$ 39,620
<b>Total Incremental AMCC OM&amp;A Costs</b>	<b>\$ 19,368</b>	<b>\$ 79,054</b>	<b>\$ 19,368</b>	<b>\$ 79,054</b>	<b>\$ 19,368</b>	<b>\$ 79,054</b>	<b>\$ 98,422</b>

### 2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify) Communication services

#### Total Incremental AMRC OM&A Costs

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
2.4.1 WAN Maintenance	\$ 15,813	\$ 15,813	\$ 15,813	\$ 15,813	\$ 15,813	\$ 15,813	\$ 15,813
2.4.2 Other (please specify) Communication services	\$ 55,785	\$ 106,028	\$ 55,785	\$ 106,028	\$ 55,785	\$ 106,028	\$ 174,443
<b>Total Incremental AMRC OM&amp;A Costs</b>	<b>\$ 71,598</b>	<b>\$ 106,028</b>	<b>\$ 71,598</b>	<b>\$ 106,028</b>	<b>\$ 71,598</b>	<b>\$ 106,028</b>	<b>\$ 190,256</b>

### 2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2.5.2 Customer Communication (may include project communication, etc.)

2.5.3 Program Management

2.5.4 Change Management (may include training, etc.)

2.5.5 Administration Costs

2.5.6 Other AMI Expenses

(please specify)

#### Total Other AMI OM&A Costs Related to Minimum Functionality

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
2.5.1 Business Process Redesign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5.2 Customer Communication (may include project communication, etc.)	\$ 19,534	\$ 1,770	\$ 19,534	\$ 1,770	\$ 19,534	\$ 1,770	\$ 29,003
2.5.3 Program Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5.4 Change Management (may include training, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5.5 Administration Costs	\$ 24,017	\$ 931	\$ 24,017	\$ 931	\$ 24,017	\$ 931	\$ 24,948
2.5.6 Other AMI Expenses	\$ 173	\$ 71	\$ 173	\$ 71	\$ 173	\$ 71	\$ 244
<b>Total Other AMI OM&amp;A Costs Related to Minimum Functionality</b>	<b>\$ 43,551</b>	<b>\$ 1,943</b>	<b>\$ 43,551</b>	<b>\$ 1,943</b>	<b>\$ 43,551</b>	<b>\$ 1,943</b>	<b>\$ 54,195</b>

### TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

	Audited Actual					
<b>Total OM&amp;A Costs Related to Minimum Functionality</b>	<b>\$ 115,494</b>	<b>\$ 151,558</b>	<b>\$ 115,494</b>	<b>\$ 151,558</b>	<b>\$ 115,494</b>	<b>\$ 151,558</b>

### 2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY

(Please provide a descriptive title and identify nature of beyond minimum functionality costs)

2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06

2.6.2 Costs for deployment of smart meters to customers other than residential and small general service

2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

#### Total OM&A Costs Beyond Minimum Functionality

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	
2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2.6.2 Costs for deployment of smart meters to customers other than residential and small general service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	\$ 37,443	\$ 115,231	\$ 37,443	\$ 115,231	\$ 37,443	\$ 115,231	\$ 152,674
<b>Total OM&amp;A Costs Beyond Minimum Functionality</b>	<b>\$ 37,443</b>	<b>\$ 115,231</b>	<b>\$ 37,443</b>	<b>\$ 115,231</b>	<b>\$ 37,443</b>	<b>\$ 115,231</b>	<b>\$ 152,674</b>

### Total Smart Meter OM&A Costs

	Audited Actual					
<b>Total Smart Meter OM&amp;A Costs</b>	<b>\$ 115,494</b>	<b>\$ 189,001</b>	<b>\$ 115,494</b>	<b>\$ 189,001</b>	<b>\$ 115,494</b>	<b>\$ 189,001</b>

### 3 Aggregate Smart Meter Costs by Category

<b>3.1</b>	<b>Capital</b>																
3.1.1	Smart Meter	\$	-	\$	-	\$	-	\$	7,536	\$	3,242,690	\$	69,039	\$	741	\$	3,320,006
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	-	\$	29,045	\$	-	\$	-	\$	29,045
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	-	\$	121,816	\$	30,023	\$	-	\$	151,839
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	41,647	\$	128,328	\$	27,363	\$	197,338
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>3.1.7</b>	<b>Total Capital Costs</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>7,536</b>	<b>\$</b>	<b>3,435,198</b>	<b>\$</b>	<b>227,390</b>	<b>\$</b>	<b>28,104</b>	<b>\$</b>	<b>3,698,228</b>
<b>3.2</b>	<b>OM&amp;A Costs</b>																
<b>3.2.1</b>	<b>Total OM&amp;A Costs</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>115,494</b>	<b>\$</b>	<b>189,001</b>	<b>\$</b>	<b>240,533</b>	<b>\$</b>	<b>545,028</b>		



	2006	2007	2008	2009	2010	2011	2012 and later
<b>Cost of Capital</b>							
<b>Capital Structure<sup>1</sup></b>							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Capital Parameters</b>							
Deemed Short-term Debt Rate			0.00%	0.00%	2.07%	2.07%	2.07%
Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>	7.25%	7.25%	7.25%	7.25%	5.68%	5.68%	5.68%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares							
<b>WACC</b>	8.13%	8.13%	8.07%	8.01%	7.20%	7.20%	7.20%
<b>Working Capital Allowance</b>							
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(% of the sum of Cost of Power + controllable expenses)							
<b>Taxes/PILs</b>							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
<b>Depreciation Rates</b> (expressed as expected useful life in years)							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Tools & Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
<b>CCA Rates</b>							
Smart Meters - CCA Class	8	8	8	8	8	8	8
Smart Meters - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Computer Equipment - CCA Class	45	50	50	52	52	52	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	100%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class							
Applications Software - CCA Rate							

#### Assumptions

<sup>1</sup> Planned smart meter installations occur evenly throughout the year.

<sup>2</sup> Fiscal calendar year (January 1 to December 31) used.

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



Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
<b>Net Fixed Assets - Smart Meters</b>							
<b>Gross Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 7,536	\$ 3,250,226	\$ 3,319,265
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 7,536	\$ 3,242,690	\$ 69,039	\$ 741
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ 7,536	\$ 3,250,226	\$ 3,319,265	\$ 3,320,006
Closing Balance	\$ -	\$ -	\$ -	\$ 7,536	\$ 3,250,226	\$ 3,319,265	\$ 3,320,006
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 251	\$ 108,843	\$ 327,826
Amortization expense during year	\$ -	\$ -	\$ -	\$ 251	\$ 108,592	\$ 218,983	\$ 221,309
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ 251	\$ 108,843	\$ 327,826	\$ 549,135
Closing Balance	\$ -	\$ -	\$ -	\$ 251	\$ 108,843	\$ 327,826	\$ 549,135
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 7,285	\$ 3,141,383	\$ 2,991,439
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 7,285	\$ 3,141,383	\$ 2,991,439
Average Net Book Value	\$ -	\$ -	\$ -	\$ 3,643	\$ 1,574,334	\$ 3,066,411	\$ 2,881,155
<b>Net Fixed Assets - Computer Hardware</b>							
<b>Gross Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,045	\$ 29,045
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,045	\$ 29,045
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,905	\$ 8,714
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,905	\$ 5,809
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,905	\$ 5,809
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,714	\$ 14,523
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,141	\$ 20,332
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,141	\$ 14,523
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,070	\$ 23,236
<b>Net Fixed Assets - Computer Software (including Applications Software)</b>							
<b>Gross Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,816	\$ 151,839
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,816	\$ 30,023
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,816	\$ 151,839
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,816	\$ 151,839
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,182	\$ 39,547
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,182	\$ 27,365
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,182	\$ 30,368
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,182	\$ 69,915
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,634	\$ 112,292
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,634	\$ 81,924
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,817	\$ 110,963

**Net Fixed Assets - Tools and Equipment****Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Fixed Assets - Other Equipment****Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,647	\$ 128,328	\$ 169,975
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,647	\$ 169,975	\$ 197,338
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,082	\$ 12,663
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,581	\$ 18,366
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,564	\$ 157,311
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,311	\$ 166,309
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



	2006	2007	2008	2009	2010	2011	2012 and Later
<b>Average Net Fixed Asset Values (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 3,643	\$ 1,574,334	\$ 3,066,411	\$ 2,881,155
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 13,070	\$ 23,236	\$ 17,427
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 54,817	\$ 110,963	\$ 97,108
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 19,782	\$ 98,438	\$ 161,810
<b>Total Net Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,643</b>	<b>\$ 1,662,004</b>	<b>\$ 3,299,048</b>	<b>\$ 3,157,500</b>
<b>Working Capital</b>							
Operating Expenses (from Sheet 2)	\$ -	\$ -	\$ -	\$ -	\$ 115,494	\$ 189,001	\$ 240,533
Working Capital Factor (from Sheet 3)	\$ 15%	\$ 15%	\$ 15%	\$ 15%	\$ 15%	\$ 15%	\$ 15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ 17,324	\$ 28,350	\$ 36,080
<b>Incremental Smart Meter Rate Base</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,643</b>	<b>\$ 1,679,328</b>	<b>\$ 3,327,398</b>	<b>\$ 3,193,580</b>
<b>Return on Rate Base</b>							
<i>Capital Structure</i>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 67,173	\$ 133,096	\$ 127,743
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 2,065	\$ 940,424	\$ 1,863,343	\$ 1,788,405
Equity	\$ -	\$ -	\$ -	\$ 1,577	\$ 671,731	\$ 1,330,959	\$ 1,277,432
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capitalization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,643</b>	<b>\$ 1,679,328</b>	<b>\$ 3,327,398</b>	<b>\$ 3,193,580</b>
<b>Return on</b>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 1,390	\$ 2,755	\$ 2,644
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 150	\$ 53,416	\$ 105,838	\$ 101,581
Equity	\$ -	\$ -	\$ -	\$ 142	\$ 66,166	\$ 131,099	\$ 125,827
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Return on Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 292</b>	<b>\$ 120,972</b>	<b>\$ 239,692</b>	<b>\$ 230,053</b>
<b>Operating Expenses</b>							
<b>Amortization Expenses (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 251	\$ 108,592	\$ 218,983	\$ 221,309
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,905	\$ 5,809	\$ 5,809
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 12,182	\$ 27,365	\$ 30,368
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 2,082	\$ 10,581	\$ 18,366
<b>Total Amortization Expense in Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 251</b>	<b>\$ 125,761</b>	<b>\$ 262,739</b>	<b>\$ 275,851</b>
<b>Incremental Revenue Requirement before Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 543</b>	<b>\$ 362,227</b>	<b>\$ 691,432</b>	<b>\$ 746,437</b>
<b>Calculation of Taxable Income</b>							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 115,494	\$ 189,001	\$ 240,533
Amortization Expense	\$ -	\$ -	\$ -	\$ 251	\$ 125,761	\$ 262,739	\$ 275,851
Interest Expense	\$ -	\$ -	\$ -	\$ 150	\$ 54,807	\$ 108,593	\$ 104,226
<b>Net Income for Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142</b>	<b>\$ 66,166</b>	<b>\$ 131,099</b>	<b>\$ 125,827</b>
<b>Grossed-up Taxes/PILs (from Sheet 7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 161.15</b>	<b>\$ 86,806.38</b>	<b>\$ 121,507.06</b>	<b>\$ 38,694.06</b>
<b>Revenue Requirement, including Grossed-up Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 382</b>	<b>\$ 275,420</b>	<b>\$ 569,925</b>	<b>\$ 707,743</b>



## For PILs Calculation

### UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 6,782.65	\$ 2,923,846.93	\$ 2,401,212.67
Capital Additions	\$ -	\$ -	\$ -	\$ 7,536.28	\$ 3,242,689.79	\$ 69,039.03	\$ 741.00
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 7,536.28	\$ 3,249,472.44	\$ 2,992,885.96	\$ 2,401,953.67
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 3,768.14	\$ 1,621,344.90	\$ 34,519.52	\$ 370.50
Reduced UCC	\$ -	\$ -	\$ -	\$ 3,768.14	\$ 1,628,127.55	\$ 2,958,366.45	\$ 2,401,583.17
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 753.63	\$ 325,625.51	\$ 591,673.29	\$ 480,316.63
Closing UCC	\$ -	\$ -	\$ -	\$ 6,782.65	\$ 2,923,846.93	\$ 2,401,212.67	\$ 1,921,637.04

### UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,430.63	\$ 15,011.42
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 29,045.20	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 121,816.05	\$ 30,022.84	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 150,861.25	\$ 105,453.47	\$ 15,011.42
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 75,430.63	\$ 15,011.42	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 75,430.63	\$ 90,442.05	\$ 15,011.42
CCA Rate Class	45	50	50	52	52	52	50
CCA Rate	45%	55%	55%	100%	100%	100%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 75,430.63	\$ 90,442.05	\$ 8,256.28
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 75,430.63	\$ 15,011.42	\$ 6,755.14

### UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,482.15	\$ 145,480.79
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 41,646.83	\$ 128,327.86	\$ 27,363.00
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 41,646.83	\$ 165,810.01	\$ 172,843.79
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 20,823.42	\$ 64,163.93	\$ 13,681.50
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 20,823.42	\$ 101,646.08	\$ 159,162.29
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 4,164.68	\$ 20,329.22	\$ 31,832.46
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 37,482.15	\$ 145,480.79	\$ 141,011.33



## Festival Hydro Inc.

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
<b>INCOME TAX</b>							
Net Income	\$ -	\$ -	\$ -	\$ 141.95	\$ 66,165.52	\$ 131,099.48	\$ 125,827.04
Amortization	\$ -	\$ -	\$ -	\$ 251.21	\$ 125,760.54	\$ 262,738.65	\$ 275,851.48
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 753.63	\$ 325,625.51	\$ 591,673.29	\$ 480,316.63
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ 75,430.63	\$ 90,442.05	\$ 8,256.28
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ 4,164.68	\$ 20,329.22	\$ 31,832.46
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 213,294.76	\$ 308,606.42	\$ 118,726.86
Change in taxable income	\$ -	\$ -	\$ -	\$ 360.47	\$ -	\$ -	\$ -
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 118.95	\$ 62,943.28	\$ 87,181.31	\$ 29,183.06
<b>ONTARIO CAPITAL TAX</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 7,285.07	\$ 3,141,382.78	\$ 2,991,438.77	\$ 2,770,870.73
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 26,140.68	\$ 20,331.64	\$ 14,522.60
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ 109,634.45	\$ 112,291.79	\$ 81,924.01
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 39,564.49	\$ 157,311.27	\$ 166,308.65
Rate Base	\$ -	\$ -	\$ -	\$ 7,285.07	\$ 3,316,722.40	\$ 3,281,373.48	\$ 3,033,626.00
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 7,285.07	\$ 3,316,722.40	\$ 3,281,373.48	\$ 3,033,626.00
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 16.39	\$ 2,487.54	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 118.95	\$ 62,943.28	\$ 87,181.31	\$ 29,183.06
Change in OCT	\$ -	\$ -	\$ -	\$ 16.39	\$ 2,487.54	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 102.56	\$ 60,455.74	\$ 87,181.31	\$ 29,183.06
<b>Gross Up PILs</b>							
Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 177.54	\$ 89,293.92	\$ 121,507.06	\$ 38,694.06
Change in OCT	\$ -	\$ -	\$ -	\$ 16.39	\$ 2,487.54	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 161.15	\$ 86,806.38	\$ 121,507.06	\$ 38,694.06



Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Board Approved Smart Meter Funding Adder (from Tariff)	
											Annual amounts	
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 2,927.60	4.14%	\$ -	\$ 2,927.60		\$ 0.31
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 2,927.60	\$ 5,862.41	4.14%	\$ 10.10	\$ 8,800.11		\$ 0.31
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 8,790.01	\$ 5,867.06	4.59%	\$ 33.62	\$ 14,690.69		\$ 0.31
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 14,657.07	\$ 5,873.57	4.59%	\$ 56.06	\$ 20,586.70		\$ 0.31
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 20,530.64	\$ 5,876.98	4.59%	\$ 78.53	\$ 26,486.15		\$ 0.31
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 26,407.62	\$ 5,878.84	4.59%	\$ 101.01	\$ 32,387.47		\$ 0.31
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 32,286.46	\$ 5,886.90	4.59%	\$ 123.50	\$ 38,296.86		\$ 0.31
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 38,173.36	\$ 5,892.48	4.59%	\$ 146.01	\$ 44,211.85	\$ 44,614.67	\$ 0.31
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 44,065.84	\$ 5,907.67	4.59%	\$ 168.55	\$ 50,142.06		\$ 0.31
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 49,973.51	\$ 5,910.15	4.59%	\$ 191.15	\$ 56,074.81		\$ 0.31
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 55,883.66	\$ 5,920.38	4.59%	\$ 213.75	\$ 62,017.79		\$ 0.31
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 61,804.04	\$ 5,925.96	4.59%	\$ 236.40	\$ 67,966.40		\$ 0.31
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 67,730.00	\$ 5,449.20	4.59%	\$ 259.07	\$ 73,438.27		\$ 0.26
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 73,179.20	\$ 4,973.54	4.59%	\$ 279.91	\$ 78,432.65		\$ 0.26
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 78,152.74	\$ 4,980.04	4.59%	\$ 298.93	\$ 83,431.71		\$ 0.26
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 83,132.78	\$ 4,984.98	4.59%	\$ 317.98	\$ 88,435.74		\$ 0.26
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 88,117.76	\$ 4,989.66	4.59%	\$ 337.05	\$ 93,444.47		\$ 0.26
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 93,107.42	\$ 4,995.64	5.14%	\$ 398.81	\$ 98,501.87		\$ 0.26
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 98,103.06	\$ 5,000.58	5.14%	\$ 420.21	\$ 103,523.85		\$ 0.26
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 103,103.64	\$ 5,003.44	5.14%	\$ 441.63	\$ 108,548.71	\$ 67,604.68	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 108,107.08	\$ 5,009.42	5.14%	\$ 463.06	\$ 113,579.56		\$ 0.26
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 113,116.50	\$ 5,011.76	5.14%	\$ 484.52	\$ 118,612.78		\$ 0.26
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ 118,128.26	\$ 5,013.06	5.14%	\$ 505.98	\$ 123,647.30		\$ 0.26
2012 Q4	1.47%	4.29%	Apr-08	2008	Q2	\$ 123,141.32	\$ 5,014.62	4.08%	\$ 418.68	\$ 128,574.62		\$ 0.26
			May-08	2008	Q2	\$ 128,155.94	\$ 5,015.40	4.08%	\$ 435.73	\$ 133,607.07		\$ 1.00
			Jun-08	2008	Q2	\$ 133,171.34	\$ 5,018.26	4.08%	\$ 452.78	\$ 138,642.38		\$ 1.00
			Jul-08	2008	Q3	\$ 138,189.60	\$ 5,020.08	3.35%	\$ 385.78	\$ 143,595.46		\$ 1.00
			Aug-08	2008	Q3	\$ 143,209.68	\$ 5,022.94	3.35%	\$ 399.79	\$ 148,632.41		\$ 1.00
			Sep-08	2008	Q3	\$ 148,232.62	\$ 5,027.62	3.35%	\$ 413.82	\$ 153,674.06		\$ 1.00
			Oct-08	2008	Q4	\$ 153,260.24	\$ 5,029.70	3.35%	\$ 427.85	\$ 158,717.79		\$ 1.00
			Nov-08	2008	Q4	\$ 158,289.94	\$ 5,034.38	3.35%	\$ 441.89	\$ 163,766.21		\$ 1.00
			Dec-08	2008	Q4	\$ 163,324.32	\$ 5,038.02	3.35%	\$ 455.95	\$ 168,818.29	\$ 65,541.09	\$ 1.00
			Jan-09	2009	Q1	\$ 168,362.34	\$ 5,039.84	2.45%	\$ 343.74	\$ 173,475.92		\$ 1.00
			Feb-09	2009	Q1	\$ 173,402.18	\$ 5,042.70	2.45%	\$ 354.03	\$ 178,798.91		\$ 1.00
			Mar-09	2009	Q1	\$ 178,444.88	\$ 5,044.78	2.45%	\$ 364.32	\$ 183,853.98		\$ 1.00
			Apr-09	2009	Q2	\$ 183,489.66	\$ 5,044.26	1.00%	\$ 152.91	\$ 188,686.83		\$ 1.00
			May-09	2009	Q2	\$ 188,533.92	\$ 19,401.00	1.00%	\$ 157.11	\$ 208,092.03		\$ 1.00
			Jun-09	2009	Q2	\$ 207,934.92	\$ 19,401.00	1.00%	\$ 173.28	\$ 227,509.20		\$ 1.00
			Jul-09	2009	Q3	\$ 227,335.92	\$ 19,417.00	0.55%	\$ 104.20	\$ 246,857.12		\$ 1.00
			Aug-09	2009	Q3	\$ 246,752.92	\$ 19,437.00	0.55%	\$ 113.10	\$ 266,303.02		\$ 1.00
			Sep-09	2009	Q3	\$ 266,189.92	\$ 19,480.00	0.55%	\$ 122.00	\$ 285,791.92		\$ 1.00
			Oct-09	2009	Q4	\$ 285,669.92	\$ 19,477.00	0.55%	\$ 130.93	\$ 305,277.85		\$ 1.00
			Nov-09	2009	Q4	\$ 305,146.92	\$ 19,496.00	0.55%	\$ 139.86	\$ 324,782.78		\$ 1.00
			Dec-09	2009	Q4	\$ 324,642.92	\$ 19,514.00	0.55%	\$ 148.79	\$ 344,305.71	\$ 178,098.85	\$ 1.00
			Jan-10	2010	Q1	\$ 344,156.92	\$ 19,526.00	0.55%	\$ 157.74	\$ 363,840.66		\$ 1.00
			Feb-10	2010	Q1	\$ 363,682.92	\$ 19,523.00	0.55%	\$ 166.69	\$ 383,372.61		\$ 1.00
			Mar-10	2010	Q1	\$ 383,205.92	\$ 19,523.00	0.55%	\$ 175.64	\$ 402,904.56		\$ 1.00
			Apr-10	2010	Q2	\$ 402,728.92	\$ 19,518.00	0.55%	\$ 184.58	\$ 422,431.50		\$ 1.00
			May-10	2010	Q2	\$ 422,246.92	\$ 19,521.00	0.55%	\$ 193.53	\$ 441,961.45		\$ 1.00
			Jun-10	2010	Q2	\$ 441,767.92	\$ 19,529.00	0.55%	\$ 202.48	\$ 461,499.40		\$ 1.00
			Jul-10	2010	Q3	\$ 461,296.92	\$ 19,588.79	0.89%	\$ 342.13	\$ 481,227.84		\$ 1.00
			Aug-10	2010	Q3	\$ 480,885.71	\$ 19,547.14	0.89%	\$ 356.66	\$ 500,789.51		\$ 1.00
			Sep-10	2010	Q3	\$ 500,432.85	\$ 19,581.34	0.89%	\$ 371.15	\$ 520,385.34		\$ 1.00
			Oct-10	2010	Q4	\$ 520,014.19	\$ 19,561.29	1.20%	\$ 520.01	\$ 540,095.49		\$ 1.00
			Nov-10	2010	Q4	\$ 539,575.48	\$ 19,576.04	1.20%	\$ 539.58	\$ 559,691.10		\$ 1.00
			Dec-10	2010	Q4	\$ 559,151.52	\$ 19,583.54	1.20%	\$ 559.15	\$ 579,294.21	\$ 238,347.48	\$ 1.00
			Jan-11	2011	Q1	\$ 578,735.06	\$ 19,634.32	1.47%	\$ 708.95	\$ 599,078.33		\$ 1.00
			Feb-11	2011	Q1	\$ 598,369.38	\$ 19,657.40	1.47%	\$ 733.00	\$ 618,759.78		\$ 1.00
			Mar-11	2011	Q1	\$ 618,026.78	\$ 19,695.56	1.47%	\$ 757.08	\$ 638,479.42		\$ 1.00
			Apr-11	2011	Q2	\$ 637,722.34	\$ 19,794.31	1.47%	\$ 781.21	\$ 658,297.86		\$ 1.00
			May-11	2011	Q2	\$ 657,516.65	\$ 20,836.52	1.47%	\$ 805.46	\$ 679,158.63		\$ 1.52
			Jun-11	2011	Q2	\$ 678,353.17	\$ 28,080.36	1.47%	\$ 830.98	\$ 707,264.51		\$ 1.52
			Jul-11	2011	Q3	\$ 706,433.53	\$ 30,142.40	1.47%	\$ 865.38	\$ 737,441.31		\$ 1.52
			Aug-11	2011	Q3	\$ 736,575.93	\$ 30,105.67	1.47%	\$ 902.31	\$ 767,583.91		\$ 1.52
			Sep-11	2011	Q3	\$ 766,681.60	\$ 30,130.03	1.47%	\$ 939.18	\$ 797,750.81		\$ 1.52
			Oct-11	2011	Q4	\$ 796,811.63	\$ 30,163.37	1.47%	\$ 976.09	\$ 827,951.09		\$ 1.52
			Nov-11	2011	Q4	\$ 826,975.00	\$ 30,144.14	1.47%	\$ 1,013.04	\$ 858,132.18		\$ 1.52
			Dec-11	2011	Q4	\$ 857,119.14	\$ 30,148.20	1.47%	\$ 1,049.97	\$ 888,317.31	\$ 318,894.93	\$ 1.52



Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Opening Balance (Principal)							Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
			Date	Year	Quarter	\$	887,267.34	\$ 30,211.57	1.47%						
			Jan-12	2012	Q1	\$	887,267.34	\$ 30,211.57	1.47%	\$ 1,086.90	\$ 918,565.81			\$ 1.52	
			Feb-12	2012	Q1	\$	917,478.91	\$ 30,180.94	1.47%	\$ 1,123.91	\$ 948,783.76			\$ 1.52	
			Mar-12	2012	Q1	\$	947,659.85	\$ 30,194.74	1.47%	\$ 1,160.88	\$ 979,015.47			\$ 1.52	
			Apr-12	2012	Q2	\$	977,854.59	\$ 50,105.56	1.47%	\$ 1,197.87	\$ 1,029,158.02			\$ 1.52	
			May-12	2012	Q2	\$	1,027,960.15	\$ -	1.47%	\$ 1,259.25	\$ 1,029,219.40			\$ -	
			Jun-12	2012	Q2	\$	1,027,960.15	\$ -	1.47%	\$ 1,259.25	\$ 1,029,219.40			\$ -	
			Jul-12	2012	Q3	\$	1,027,960.15	\$ -	1.47%	\$ 1,259.25	\$ 1,029,219.40			\$ -	
			Aug-12	2012	Q3	\$	1,027,960.15	\$ -	1.47%	\$ 1,259.25	\$ 1,029,219.40			\$ -	
			Sep-12	2012	Q3	\$	1,027,960.15	\$ -	1.47%	\$ 1,259.25	\$ 1,029,219.40			\$ -	
			Oct-12	2012	Q4	\$	1,027,960.15	\$ -	1.47%	\$ 1,259.25	\$ 1,029,219.40			\$ -	
			Nov-12	2012	Q4	\$	1,027,960.15	\$ -	0.00%	\$ -	\$ 1,027,960.15			\$ -	
			Dec-12	2012	Q4	\$	1,027,960.15	\$ -	0.00%	\$ -	\$ 1,027,960.15	\$ 152,817.87		\$ -	
			Total Funding Adder Revenues Collected							\$ 1,027,960.15	\$ 37,959.42	\$ 1,065,919.57	\$ 1,065,919.57		



Festival Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, based on monthly data.

Account 1556 - Sub-accounts Operating Expenses, Amortization Expenses, Carrying Charges

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Amortization / Depreciation Expense		(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
							OM&A Expenses	Depreciation Expense			
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -	-	-	0.00%	-	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -	-	-	0.00%	-	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -	-	-	0.00%	-	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -	-	-	4.14%	-	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	-	-	4.14%	-	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ -	-	-	4.14%	-	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ -	-	-	4.59%	-	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ -	-	-	4.59%	-	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ -	-	-	4.59%	-	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ -	-	-	4.59%	-	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ -	-	-	4.59%	-	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ -	-	-	4.59%	-	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ -	-	-	4.59%	-	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ -	-	-	4.59%	-	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ -	-	-	4.59%	-	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ -	-	-	4.59%	-	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ -	-	-	4.59%	-	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ -	-	-	4.59%	-	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ -	-	-	4.59%	-	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ -	-	-	4.59%	-	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ -	-	-	4.59%	-	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ -	-	-	5.14%	-	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ -	-	-	5.14%	-	-
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ -	-	-	5.14%	-	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ -	-	-	5.14%	-	-
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ -	-	-	5.14%	-	-
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ -	-	-	5.14%	-	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	\$ -	-	-	4.08%	-	-
			May-08	2008	Q2	\$ -	-	-	4.08%	-	-
			Jun-08	2008	Q2	\$ -	-	-	4.08%	-	-
			Jul-08	2008	Q3	\$ -	-	-	3.35%	-	-
			Aug-08	2008	Q3	\$ -	-	-	3.35%	-	-
			Sep-08	2008	Q3	\$ -	-	-	3.35%	-	-
			Oct-08	2008	Q4	\$ -	-	-	3.35%	-	-
			Nov-08	2008	Q4	\$ -	-	-	3.35%	-	-
			Dec-08	2008	Q4	\$ -	-	-	3.35%	-	-
			Jan-09	2009	Q1	\$ -	-	-	2.45%	-	-
			Feb-09	2009	Q1	\$ -	-	-	2.45%	-	-
			Mar-09	2009	Q1	\$ -	-	-	2.45%	-	-
			Apr-09	2009	Q2	\$ -	-	-	1.00%	-	-
			May-09	2009	Q2	\$ -	-	-	1.00%	-	-
			Jun-09	2009	Q2	\$ -	-	-	1.00%	-	-
			Jul-09	2009	Q3	\$ -	-	-	0.55%	-	-
			Aug-09	2009	Q3	\$ -	-	-	0.55%	-	-
			Sep-09	2009	Q3	\$ -	-	-	0.55%	-	-
			Oct-09	2009	Q4	\$ -	-	-	0.55%	-	-
			Nov-09	2009	Q4	\$ -	-	-	0.55%	-	-
			Dec-09	2009	Q4	\$ -	-	-	0.55%	-	-
			Jan-10	2010	Q1	\$ 9,665.00	\$ 9,665.00	\$ 9,665.00	0.55%	-	-
			Feb-10	2010	Q1	\$ 9,665.00	\$ 9,665.00	\$ 19,330.00	0.55%	4.43	4.43
			Mar-10	2010	Q1	\$ 19,330.00	\$ 881.41	\$ 9,665.00	0.55%	8.86	13.29
			Apr-10	2010	Q2	\$ 29,876.41	\$ 128.11	\$ 9,665.00	0.55%	13.69	26.98
			May-10	2010	Q2	\$ 39,413.30	\$ 3,650.73	\$ 9,665.00	0.55%	18.06	45.05
			Jun-10	2010	Q2	\$ 52,729.03	\$ 2,782.61	\$ 9,665.00	0.55%	24.17	69.21
			Jul-10	2010	Q3	\$ 65,176.64	\$ 2,607.80	\$ 9,665.00	0.89%	48.34	117.55
			Aug-10	2010	Q3	\$ 77,449.44	\$ 2,715.01	\$ 9,665.00	0.89%	57.44	175.00
			Sep-10	2010	Q3	\$ 89,829.45	\$ 2,757.58	\$ 9,665.00	0.89%	66.62	241.62
			Oct-10	2010	Q4	\$ 102,252.03	\$ 5,072.96	\$ 9,665.00	1.20%	102.25	343.87
			Nov-10	2010	Q4	\$ 116,989.99	\$ 3,655.48	\$ 9,665.00	1.20%	116.99	460.86
			Dec-10	2010	Q4	\$ 130,310.47	\$ 91,498.21	\$ 9,665.00	1.20%	130.31	591.17
			Jan-11	2011	Q1	\$ 231,473.68	\$ 5,641.47	\$ 20,028.00	1.47%	283.56	874.73
			Feb-11	2011	Q1	\$ 245,860.21	\$ 10,499.11	\$ 20,028.00	1.47%	301.18	1,175.91
			Mar-11	2011	Q1	\$ 276,387.32	\$ 26,791.59	\$ 20,028.00	1.47%	338.57	1,514.48
			Apr-11	2011	Q2	\$ 323,206.91	\$ 789.65	\$ 20,028.00	1.47%	395.93	1,910.41
			May-11	2011	Q2	\$ 342,445.26	\$ 264.95	\$ 20,028.00	1.47%	419.50	2,329.90
			Jun-11	2011	Q2	\$ 362,738.21	\$ 458.04	\$ 20,028.00	1.47%	444.35	2,774.26
			Jul-11	2011	Q3	\$ 383,224.25	\$ 10,757.11	\$ 20,028.00	1.47%	469.45	3,243.71
			Aug-11	2011	Q3	\$ 414,009.36	\$ 35,084.10	\$ 20,028.00	1.47%	507.16	3,750.87
			Sep-11	2011	Q3	\$ 469,121.46	\$ 18,007.97	\$ 20,028.00	1.47%	574.67	4,325.54
			Oct-11	2011	Q4	\$ 507,157.43	\$ 18,517.76	\$ 20,028.00	1.47%	621.27	4,946.81
			Nov-11	2011	Q4	\$ 545,703.19	\$ 5,861.42	\$ 20,028.00	1.47%	668.49	5,615.30
			Dec-11	2011	Q4	\$ 571,592.61	\$ 69,190.06	\$ 20,033.00	1.47%	700.20	6,315.50
			Jan-12	2012	Q1	\$ 660,815.67	\$ 10,101.00	\$ 21,136.00	1.47%	809.50	7,125.00
			Feb-12	2012	Q1	\$ 692,052.67	\$ 20,440.01	\$ 21,136.00	1.47%	847.76	7,972.76
			Mar-12	2012	Q1	\$ 733,628.68	\$ 9,397.00	\$ 21,136.00	1.47%	898.70	8,871.46
			Apr-12	2012	Q2	\$ 764,161.68	\$ 22,752.00	\$ 21,136.00	1.47%	936.10	9,807.56
			May-12	2012	Q2	\$ 808,049.68	\$ 20,580.45	\$ 21,136.00	1.47%	989.86	10,797.42
			Jun-12	2012	Q2	\$ 849,766.13	\$ 31,980.45	\$ 21,136.00	1.47%	1,040.96	11,838.38
			Jul-12	2012	Q3	\$ 902,882.58	\$ 20,880.45	\$ 21,136.00	1.47%	1,106.03	12,944.41
			Aug-12	2012	Q3	\$ 944,889.03	\$ 20,880.45	\$ 21,136.00	1.47%	1,157.50	14,101.91
			Sep-12	2012	Q3	\$ 986,915.48	\$ 20,880.45	\$ 21,136.00	1.47%	1,208.97	15,310.88
			Oct-12	2012	Q4	\$ 1,028,931.93	\$ 20,880.45	\$ 21,136.00	1.47%	1,260.44	16,571.33

	Nov-12	2012	Q4	1,070,948.38	\$ 20,880.45	\$ 21,136.00	1,112,964.83	0.00%	-	16,571.33
	Dec-12	2012	Q4	1,112,964.83	\$ 20,880.45	\$ 21,136.00	1,154,981.28	0.00%	-	16,571.33
				\$ 545,028.28	\$ 609,953.00	\$ 1,154,981.28				



Ontario Energy Board

Smart Meter Model

## Festival Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, in the absence of monthly data.

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest	Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -	-
2007	\$ -	\$ -	\$ -	\$ -	4.73%	\$ -	-
2008	\$ -	\$ -	\$ -	\$ -	3.98%	\$ -	-
2009	\$ -	\$ 251.21	\$ 251.21	\$ 125.60	1.14%	\$ 1.43	
2010	\$ 115,493.94	\$ 125,760.54	\$ 241,505.69	\$ 120,878.45	0.80%	\$ 964.01	
2011	\$ 189,001.04	\$ 262,738.65	\$ 693,245.38	\$ 467,375.54	1.47%	\$ 6,870.42	
2012	\$ 240,533.00	\$ 275,851.48	\$ 1,209,629.86	\$ 951,437.62	1.47%	\$ 13,986.13	
<b>Cumulative Interest to 2011</b>						\$ 7,835.85	
<b>Cumulative Interest to 2012</b>						\$ 21,821.99	



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

**Check if applicable**

- Smart Meter Funding Adder (SMFA)
- Smart Meter Disposition Rider (SMDR) The SMDR is calculated based on costs to December 31, 2011
- Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR) The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

	2006	2007	2008	2009	2010	2011	2012 and later	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ -	\$ -	\$ 381.74	\$ 275,420.17	\$ 569,925.08	\$ 707,743.12	\$ 1,553,470.11
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B) <i>(Check one of the boxes below)</i>	\$ -	\$ -	\$ -	\$ -	\$ 591.17	\$ 5,724.33	\$ 10,255.83	\$ 16,571.33
<input checked="" type="checkbox"/> Sheet 8A (Interest calculated on monthly balances)	\$ -	\$ -	\$ -	\$ -	\$ 591.17	\$ 5,724.33	\$ 10,255.83	\$ 16,571.33
<input type="checkbox"/> Sheet 8B (Interest calculated on average annual balances)								\$ -
SMFA Revenues (from Sheet 8)	\$ 44,065.84	\$ 64,041.24	\$ 60,255.26	\$ 175,794.58	\$ 234,578.14	\$ 308,532.28	\$ 140,692.81	\$ 1,027,960.15
SMFA Interest (from Sheet 8)	\$ 548.83	\$ 3,563.44	\$ 5,285.83	\$ 2,304.27	\$ 3,769.34	\$ 10,362.65	\$ 12,125.06	\$ 37,959.42
Net Deferred Revenue Requirement	-\$ 44,614.67	-\$ 67,604.68	-\$ 65,541.09	-\$ 177,717.11	\$ 37,663.86	\$ 256,754.47	\$ 565,181.08	\$ 504,121.86

Number of Metered Customers (average for 2012 test year) → 19780

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

Years for collection or refunding	1.5
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 862,298.31
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 1,065,919.57
Net Deferred Revenue Requirement	-\$ 203,621.26
SMDR <span style="background-color: #90EE90; padding: 2px;">May 1, 2012 to April 30, 2014</span>	-\$ 0.57
Check: Forecasted SMDR Revenues	-\$ 202,942.80

Match

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

Incremental Revenue Requirement for 2012	\$ 707,743.12
SMIRR	\$ 2.98
Check: Forecasted SMIRR Revenues	\$ 707,332.80

Match

## **Appendix B**



#### Choose Your Utility:

Festival Hydro Inc.	<input type="radio"/>
Festival Hydro Inc. - Hensall	<input type="radio"/>

#### Application Contact Information

Name:	<input type="text" value="Kelly McCann"/>
Title:	<input type="text" value="Financial &amp; Regulatory Manager"/>
Phone Number:	<input type="text" value="519-271-4703 x 221"/>
Email Address:	<input type="text" value="kmccann@festivalhydro.com"/>
We are applying for rates effective:	<input type="text" value="November 1, 2012"/>
Last COS Re-based Year	<input type="text" value="2010"/>

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

#### Copyright

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*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results. The use of any models and spreadsheets does not automatically imply Board approval. The onus is on the distributor to prepare, document and support its application. Board-issued Excel models and spreadsheets are offered to assist parties in providing the necessary information so as to facilitate an expeditious review of an application. The onus remains on the applicant to ensure the accuracy of the data and the results.*



## Festival Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A costs in revenue requirement.

For 2012, distributors that have completed their deployments by the end of 2011 are not expected to enter any capital costs. However, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast	Total
<b>Smart Meter Capital Cost and Operational Expense Data</b>								
<b>Smart Meter Installation Plan</b>								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential				203	17,430	18	0	17651
General Service < 50 kW				0				0
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	203	17,430	18	0	17651
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	1.15%	99.90%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	203	17,430	18	0	17651
<b>1 Capital Costs</b>								
<b>1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)</b>								
Asset Type								
Asset type must be selected to enable calculations								
1.1.1 Smart Meters (may include new meters and modules, etc.)	Smart Meter	Audited Actual	Forecast	\$ 2,100,103				
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter					294,525	6,504	\$ 301,029
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware					18,146		\$ 18,146
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)	Computer Software					13,861		\$ 13,861
Total Advanced Metering Communications Devices (AMCD)		\$ -	\$ -	\$ -	\$ 2,430,205	\$ 2,934	\$ -	\$ 2,433,139
<b>1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)</b>								
Asset Type								
Asset type must be selected to enable calculations								
1.2.1 Collectors	Smart Meter	Audited Actual	Forecast	\$ 172,830				
1.2.2 Repeaters (may include radio licence, etc.)	Smart Meter					68	1,528	\$ 1,595
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter					38,141	5,240	\$ 45,961
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)		\$ -	\$ -	\$ -	\$ 211,039	\$ 6,767	\$ 2,580	\$ 220,386

	Asset Type	Audited Actual	Forecast					
<b>1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)</b>	Computer Hardware					7,944		\$ 7,944
1.3.1 Computer Hardware	Computer Software					12,800		\$ 12,800
1.3.2 Computer Software	Computer Software					71,253		\$ 71,253
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include AS/400 disk space, backup and recovery computer, UPS, etc.)</i>		\$ -	\$ -	\$ -	\$ -	\$ 91,997	\$ -	\$ 91,997
<b>Total Advanced Metering Control Computer (AMCC)</b>								
	Asset Type	Audited Actual	Forecast					
<b>1.4 WIDE AREA NETWORK (WAN)</b>								
1.4.1 Activation Fees								\$ -
<b>Total Wide Area Network (WAN)</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Asset Type	Audited Actual	Forecast					
<b>1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY</b>								
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>								\$ -
1.5.2 AMI Interface to CIS	Computer Software					11,509	5,386	\$ 16,895
1.5.3 Professional Fees	Smart Meter				6,770			\$ 6,770
1.5.4 Integration	Computer Software						21,582	\$ 21,582
1.5.5 Program Management	Other Equipment					28,734	17,304	\$ 46,038
1.5.6 Other AMI Capital	Other Equipment							844 \$ 844
<b>Total Other AMI Capital Costs Related to Minimum Functionality</b>		\$ -	\$ -	\$ -	\$ 6,770	\$ 40,243	\$ 44,272	\$ 844 \$ 92,128
<b>Total Capital Costs Related to Minimum Functionality</b>		\$ -	\$ -	\$ -	\$ 6,770	\$ 2,773,484	\$ 53,973	\$ 3,424 \$ 2,837,650
	Asset Type	Audited Actual	Forecast					
<b>1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY</b>								
<i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>								
1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06	Computer Software							\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service	Applications Software							\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Other Equipment					8,677	97,972	23,732 \$ 130,381
<b>Total Capital Costs Beyond Minimum Functionality</b>		\$ -	\$ -	\$ -	\$ -	\$ 8,677	\$ 97,972	\$ 23,732 \$ 130,381
<b>Total Smart Meter Capital Costs</b>		\$ -	\$ -	\$ -	\$ 6,770	\$ 2,782,161	\$ 151,944	\$ 27,155 \$ 2,968,031

## 2 OM&A Expenses

### 2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

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

2.1.2 Other (please specify) Meter troubleshooting

#### Total Incremental AMCD OM&A Costs

	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast
2.1.1 Maintenance (may include meter reverification costs, etc.)	\$ 310	\$ 3,924					\$ 4,234
2.1.2 Other (please specify) Meter troubleshooting		\$ 17,830				\$ 22,382	\$ 40,212
<b>Total Incremental AMCD OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ 310</b>	<b>\$ 21,754</b>	<b>\$ 22,382</b>	<b>\$ 44,446</b>		

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

2.2.1 Maintenance

2.2.2 Other (please specify)

#### Total Incremental AMRC OM&A Costs

	Audited Actual	Forecast					
2.2.1 Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2.2 Other (please specify)							\$ -
<b>Total Incremental AMRC OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>					

### 2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance (may include server support, etc.)

2.3.2 Software Maintenance (may include maintenance support, etc.)

2.3.3 Other (please specify) AMCC IT position

#### Total Incremental AMCC OM&A Costs

	Audited Actual	Forecast					
2.3.1 Hardware Maintenance (may include server support, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,360
2.3.2 Software Maintenance (may include maintenance support, etc.)						\$ 17,398	\$ 27,062
2.3.3 Other (please specify) AMCC IT position						\$ 35,589	\$ 35,589
<b>Total Incremental AMCC OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ 71,011</b>	<b>\$ 88,410</b>				

### 2.4 WIDE AREA NETWORK (WAN)

2.4.1 WAN Maintenance

2.4.2 Other (please specify) Communication services

#### Total Incremental AMRC OM&A Costs

	Audited Actual	Audited Actual	Forecast				
2.4.1 WAN Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,204	\$ 14,204
2.4.2 Other (please specify) Communication services					\$ 50,110	\$ 95,242	\$ 11,345
<b>Total Incremental AMRC OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,314</b>	<b>\$ 95,242</b>	<b>\$ 11,345</b>

### 2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign

2.5.2 Customer Communication (may include project communication, etc.)

2.5.3 Program Management

2.5.4 Change Management (may include training, etc.)

2.5.5 Administration Costs

2.5.6 Other AMI Expenses

(please specify)

#### Total Other AMI OM&A Costs Related to Minimum Functionality

	Audited Actual	Audited Actual	Forecast				
2.5.1 Business Process Redesign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5.2 Customer Communication (may include project communication, etc.)					\$ 17,547	\$ 1,590	\$ 6,916
2.5.3 Program Management							\$ 26,053
2.5.4 Change Management (may include training, etc.)							\$ -
2.5.5 Administration Costs					\$ 21,574		\$ 836
2.5.6 Other AMI Expenses					\$ 155	\$ 64	\$ 219
<b>Total Other AMI OM&amp;A Costs Related to Minimum Functionality</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,121</b>	<b>\$ 1,745</b>	<b>\$ 7,816</b>

### TOTAL OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

	Audited Actual	Audited Actual				
<b>TOTAL OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 103,745</b>	<b>\$ 136,139</b>

	Audited Actual	Audited Actual				
<b>TOTAL OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 103,745</b>	<b>\$ 112,555</b>

	Audited Actual	Audited Actual				
<b>TOTAL OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 103,745</b>	<b>\$ 352,439</b>

### 2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY

(Please provide a descriptive title and identify nature of beyond minimum functionality costs)

2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06

2.6.2 Costs for deployment of smart meters to customers other than residential and small general service

2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.

#### Total OM&A Costs Beyond Minimum Functionality

	Audited Actual	Audited Actual				
2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.6.2 Costs for deployment of smart meters to customers other than residential and small general service						\$ -
2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.					\$ 33,634	\$ 103,509
<b>Total OM&amp;A Costs Beyond Minimum Functionality</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,634</b>	<b>\$ 103,509</b>

	Audited Actual	Audited Actual				
<b>Total Smart Meter OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 103,745</b>	<b>\$ 216,064</b>

**3 Aggregate Smart Meter Costs by Category**

<b>3.1 Capital</b>																	
3.1.1	Smart Meter	\$	-	\$	-	\$	-	\$	6,770	\$	2,609,237	\$	9,701	\$	2,580	\$	2,628,288
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	-	\$	26,090	\$	-	\$	-	\$	26,090
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	-	\$	109,423	\$	26,968	\$	-	\$	136,391
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	37,411	\$	115,276	\$	24,575	\$	177,262
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
3.1.7	<b>Total Capital Costs</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>6,770</b>	<b>\$</b>	<b>2,782,161</b>	<b>\$</b>	<b>151,944</b>	<b>\$</b>	<b>27,155</b>	<b>\$</b>	<b>2,968,031</b>
<b>3.2 OM&amp;A Costs</b>																	
3.2.1	<b>Total OM&amp;A Costs</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>103,745</b>	<b>\$</b>	<b>169,773</b>	<b>\$</b>	<b>216,064</b>	<b>\$</b>	<b>489,582</b>



	2006	2007	2008	2009	2010	2011	2012 and later
<b>Cost of Capital</b>							
<b>Capital Structure<sup>1</sup></b>							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Capital Parameters</b>							
Deemed Short-term Debt Rate			0.00%	0.00%	2.07%	2.07%	2.07%
Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>	7.25%	7.25%	7.25%	7.25%	5.68%	5.68%	5.68%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares							
<b>WACC</b>	8.13%	8.13%	8.07%	8.01%	7.20%	7.20%	7.20%
<b>Working Capital Allowance</b>							
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(% of the sum of Cost of Power + controllable expenses)							
<b>Taxes/PILs</b>							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
<b>Depreciation Rates</b> (expressed as expected useful life in years)							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Tools & Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
<b>CCA Rates</b>							
Smart Meters - CCA Class	8	8	8	8	8	8	8
Smart Meters - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Computer Equipment - CCA Class	45	50	50	52	52	52	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	100%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class							
Applications Software - CCA Rate							

#### Assumptions

<sup>1</sup> Planned smart meter installations occur evenly throughout the year.

<sup>2</sup> Fiscal calendar year (January 1 to December 31) used.

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



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

**Net Fixed Assets - Smart Meters**

**Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

	2006	2007	2008	2009	2010	2011	2012 and later
\$	-	-	-	-	6,770	2,616,007	2,625,708
\$	-	-	-	6,770	2,609,237	9,701	2,580
\$	-	-	-	6,770	2,616,007	2,625,708	2,628,288

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$	-	\$ -	\$ -	\$ -	\$ 226	\$ 87,652	-\$ 262,375
\$	-	\$ -	\$ -	\$ 226	\$ 87,426	\$ 174,724	-\$ 175,133
\$	-	\$ -	\$ -	\$ 226	\$ 87,552	\$ 262,375	-\$ 437,509

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$	-	\$ -	\$ -	\$ -	\$ 6,544	\$ 2,528,355	\$ 2,363,332
\$	-	\$ -	\$ -	\$ 6,544	\$ 2,528,355	\$ 2,363,332	\$ 2,190,779
\$	-	\$ -	\$ -	\$ 3,272	\$ 1,267,450	\$ 2,445,844	\$ 2,277,056

**Net Fixed Assets - Computer Hardware**

**Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 26,090	\$ 26,090
\$	-	\$ -	\$ -	\$ -	\$ 26,090	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ 26,090	\$ 26,090	\$ 26,090

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 2,609	-\$ 7,827
\$	-	\$ -	\$ -	\$ -	\$ 2,609	\$ 5,218	-\$ 5,218
\$	-	\$ -	\$ -	\$ -	\$ 2,609	\$ 7,827	-\$ 13,045

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 23,481	\$ 18,263
\$	-	\$ -	\$ -	\$ -	\$ 23,481	\$ 18,263	\$ 13,045
\$	-	\$ -	\$ -	\$ -	\$ 11,741	\$ 20,872	\$ 15,654

**Net Fixed Assets - Computer Software (including Applications Software)**

**Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 109,423	\$ 109,423
\$	-	\$ -	\$ -	\$ -	\$ 109,423	\$ 26,968	\$ 136,391
\$	-	\$ -	\$ -	\$ -	\$ 109,423	\$ 136,391	\$ 136,391

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 10,942	-\$ 10,942
\$	-	\$ -	\$ -	\$ -	\$ 10,942	\$ 24,581	-\$ 27,278
\$	-	\$ -	\$ -	\$ -	\$ 10,942	\$ 35,524	-\$ 62,802

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$	-	\$ -	\$ -	\$ -	\$ -	\$ 98,481	\$ 100,867
\$	-	\$ -	\$ -	\$ -	\$ 98,481	\$ 100,867	\$ 73,589
\$	-	\$ -	\$ -	\$ -	\$ 49,240	\$ 99,674	\$ 87,228

**Net Fixed Assets - Tools and Equipment****Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net Fixed Assets - Other Equipment****Gross Book Value**

Opening Balance

Capital Additions during year (from Smart Meter Costs)

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 37,411	\$ 152,687
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 37,411	\$ 152,687
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 37,411	\$ 152,687
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,411	\$ 37,411	\$ 152,687

**Accumulated Depreciation**

Opening Balance

Amortization expense during year

Retirements/Removals (if applicable)

Closing Balance

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,871	\$ 1,871
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,871	\$ 1,871
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,871	\$ 1,871
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,871	\$ 1,871

**Net Book Value**

Opening Balance

Closing Balance

Average Net Book Value

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ 35,541
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ 35,541
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ 35,541
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,541	\$ 35,541



	2006	2007	2008	2009	2010	2011	2012 and Later
<b>Average Net Fixed Asset Values (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 3,272	\$ 1,267,450	\$ 2,445,844	\$ 2,277,056
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 11,741	\$ 20,872	\$ 15,654
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 49,240	\$ 99,674	\$ 87,228
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 17,770	\$ 88,426	\$ 145,351
<b>Total Net Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,272</b>	<b>\$ 1,346,201</b>	<b>\$ 2,654,816</b>	<b>\$ 2,525,288</b>
<b>Working Capital</b>							
Operating Expenses (from Sheet 2)	\$ 15%	\$ -	\$ 15%	\$ 15%	\$ 103,745	\$ 169,773	\$ 216,064
Working Capital Factor (from Sheet 3)	\$ -	\$ -	\$ -	\$ -	\$ 15%	\$ 15%	\$ 15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ 15,562	\$ 25,466	\$ 32,410
<b>Incremental Smart Meter Rate Base</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,272</b>	<b>\$ 1,361,763</b>	<b>\$ 2,680,282</b>	<b>\$ 2,557,698</b>
<b>Return on Rate Base</b>							
<i>Capital Structure</i>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 54,471	\$ 107,211	\$ 102,308
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 1,855	\$ 762,587	\$ 1,500,958	\$ 1,432,311
Equity	\$ -	\$ -	\$ -	\$ 1,417	\$ 544,705	\$ 1,072,113	\$ 1,023,079
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capitalization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,272</b>	<b>\$ 1,361,763</b>	<b>\$ 2,680,282</b>	<b>\$ 2,557,698</b>
<i>Return on</i>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 1,128	\$ 2,219	\$ 2,118
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 135	\$ 43,315	\$ 85,254	\$ 81,355
Equity	\$ -	\$ -	\$ -	\$ 128	\$ 53,653	\$ 105,603	\$ 100,773
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Return on Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262</b>	<b>\$ 98,096</b>	<b>\$ 193,077</b>	<b>\$ 184,246</b>
<b>Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 103,745</b>	<b>\$ 169,773</b>	<b>\$ 216,064</b>
<b>Amortization Expenses (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 226	\$ 87,426	\$ 174,724	\$ 175,133
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,609	\$ 5,218	\$ 5,218
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 10,942	\$ 24,581	\$ 27,278
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 1,871	\$ 9,505	\$ 16,497
<b>Total Amortization Expense in Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226</b>	<b>\$ 102,848</b>	<b>\$ 214,028</b>	<b>\$ 224,127</b>
<b>Incremental Revenue Requirement before Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 488</b>	<b>\$ 304,689</b>	<b>\$ 576,878</b>	<b>\$ 624,437</b>
<b>Calculation of Taxable Income</b>							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 103,745	\$ 169,773	\$ 216,064
Amortization Expense	\$ -	\$ -	\$ -	\$ 226	\$ 102,848	\$ 214,028	\$ 224,127
Interest Expense	\$ -	\$ -	\$ -	\$ 135	\$ 44,442	\$ 87,474	\$ 83,473
<b>Net Income for Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 128</b>	<b>\$ 53,653</b>	<b>\$ 105,603</b>	<b>\$ 100,773</b>
<b>Grossed-up Taxes/PILs (from Sheet 7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 144.76</b>	<b>\$ 72,143.13</b>	<b>\$ 99,014.11</b>	<b>\$ 29,209.38</b>
<b>Revenue Requirement, including Grossed-up Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 343</b>	<b>\$ 232,546</b>	<b>\$ 477,864</b>	<b>\$ 595,228</b>



## For PILs Calculation

### UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 6,092.86	\$ 2,353,187.32	\$ 1,891,280.77
Capital Additions	\$ -	\$ -	\$ -	\$ 6,769.84	\$ 2,609,236.70	\$ 9,701.02	\$ 2,580.07
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 6,769.84	\$ 2,615,329.56	\$ 2,362,888.34	\$ 1,893,860.85
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 3,384.92	\$ 1,304,618.35	\$ 4,850.51	\$ 1,290.04
Reduced UCC	\$ -	\$ -	\$ -	\$ 3,384.92	\$ 1,310,711.21	\$ 2,358,037.83	\$ 1,892,570.81
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 676.98	\$ 262,142.24	\$ 471,607.57	\$ 378,514.16
Closing UCC	\$ -	\$ -	\$ -	\$ 6,092.86	\$ 2,353,187.32	\$ 1,891,280.77	\$ 1,515,346.68

### UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 13,483.76
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 26,090.00	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 109,423.14	\$ 26,967.52	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 135,513.14	\$ 94,724.09	\$ 13,483.76
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 13,483.76	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 81,240.33	\$ 13,483.76
CCA Rate Class	45	50	50	52	52	52	50
CCA Rate	45%	55%	55%	100%	100%	100%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 81,240.33	\$ 7,416.07
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 13,483.76	\$ 6,067.65

### UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,670.21	\$ 130,684.50
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 37,411.35	\$ 115,275.92	\$ 24,575.18
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 37,411.35	\$ 148,946.13	\$ 155,259.68
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 18,705.67	\$ 57,637.96	\$ 12,287.59
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 18,705.67	\$ 91,308.17	\$ 142,972.09
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 3,741.13	\$ 18,261.63	\$ 28,594.42
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 33,670.21	\$ 130,684.50	\$ 126,665.26



Ontario Energy Board

Smart Meter Model

Festival Hydro Inc.

## PILs Calculation

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
<b>INCOME TAX</b>							
Net Income	\$ -	\$ -	\$ -	\$ 127.51	\$ 53,653.45	\$ 105,603.10	\$ 100,773.29
Amortization	\$ -	\$ -	\$ -	\$ 225.66	\$ 102,847.76	\$ 214,028.11	\$ 224,126.79
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 676.98	\$ 262,142.24	\$ 471,607.57	\$ 378,514.16
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ 67,756.57	\$ 81,240.33	\$ 7,416.07
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 3,741.13	\$ 18,261.63	\$ 28,594.42
Change in taxable income	\$ -	\$ -	\$ -	\$ 323.81	\$ 177,138.73	\$ 251,478.31	\$ 89,624.57
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 106.86	\$ 52,273.64	\$ 71,042.62	\$ 22,029.72
<b>ONTARIO CAPITAL TAX</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 6,544.18	\$ 2,528,355.00	\$ 2,363,332.22	\$ 2,190,779.12
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 23,481.00	\$ 18,263.00	\$ 13,045.00
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ 98,480.82	\$ 100,866.96	\$ 73,588.83
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 35,540.78	\$ 141,311.77	\$ 149,389.46
Rate Base	\$ -	\$ -	\$ -	\$ 6,544.18	\$ 2,685,857.61	\$ 2,623,773.94	\$ 2,426,802.41
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 6,544.18	\$ 2,685,857.61	\$ 2,623,773.94	\$ 2,426,802.41
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 14.72	\$ 2,014.39	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 106.86	\$ 52,273.64	\$ 71,042.62	\$ 22,029.72
Change in OCT	\$ -	\$ -	\$ -	\$ 14.72	\$ 2,014.39	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 92.13	\$ 50,259.25	\$ 71,042.62	\$ 22,029.72
<b>Gross Up PILs</b>							
Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 159.49	\$ 74,157.53	\$ 99,014.11	\$ 29,209.38
Change in OCT	\$ -	\$ -	\$ -	\$ 14.72	\$ 2,014.39	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 144.76	\$ 72,143.13	\$ 99,014.11	\$ 29,209.38



Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Board Approved Smart Meter Funding Adder (from Tariff)	
											Annual amounts	
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 4,924.94	4.14%	\$ -	\$ 4,924.94		\$ 0.31
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 4,924.94	\$ 4,924.94	4.14%	\$ 16.99	\$ 9,866.87		\$ 0.31
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 9,849.88	\$ 4,924.94	4.59%	\$ 37.68	\$ 14,812.50		\$ 0.31
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 14,774.82	\$ 4,924.94	4.59%	\$ 56.51	\$ 19,756.27		\$ 0.31
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 19,699.76	\$ 4,924.94	4.59%	\$ 75.35	\$ 24,700.05		\$ 0.31
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 24,624.70	\$ 4,924.94	4.59%	\$ 94.19	\$ 29,643.83		\$ 0.31
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 29,549.64	\$ 4,924.94	4.59%	\$ 113.03	\$ 34,587.61		\$ 0.31
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 34,474.58	\$ 4,924.94	4.59%	\$ 131.87	\$ 39,531.39	\$ 39,925.14	\$ 0.31
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 39,399.52	\$ 4,781.93	4.59%	\$ 150.70	\$ 44,332.15		\$ 0.31
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 44,181.45	\$ 4,781.93	4.59%	\$ 168.99	\$ 49,132.38		\$ 0.31
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 48,963.39	\$ 4,781.93	4.59%	\$ 187.28	\$ 53,932.60		\$ 0.31
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 53,745.32	\$ 4,781.93	4.59%	\$ 205.58	\$ 58,732.84		\$ 0.31
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 58,527.26	\$ 4,781.93	4.59%	\$ 223.87	\$ 63,533.06		\$ 0.26
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 63,309.19	\$ 4,781.93	4.59%	\$ 242.16	\$ 68,333.29		\$ 0.26
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 68,091.13	\$ 4,781.93	4.59%	\$ 260.45	\$ 73,133.51		\$ 0.26
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 72,873.06	\$ 4,781.93	4.59%	\$ 278.74	\$ 77,933.73		\$ 0.26
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 77,654.99	\$ 4,781.93	4.59%	\$ 297.03	\$ 82,733.96		\$ 0.26
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 82,436.93	\$ 4,781.93	5.14%	\$ 353.10	\$ 87,571.96		\$ 0.26
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 87,218.86	\$ 4,781.93	5.14%	\$ 373.59	\$ 92,374.39		\$ 0.26
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 92,000.80	\$ 4,781.93	5.14%	\$ 394.07	\$ 97,176.80	\$ 60,518.77	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 96,782.73	\$ 4,502.44	5.14%	\$ 414.55	\$ 101,699.72		\$ 0.26
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 101,285.17	\$ 4,502.44	5.14%	\$ 433.84	\$ 106,221.45		\$ 0.26
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ 105,787.61	\$ 4,502.44	5.14%	\$ 453.12	\$ 110,743.16		\$ 0.26
2012 Q4	1.47%	4.29%	Apr-08	2008	Q2	\$ 110,290.04	\$ 4,502.44	4.08%	\$ 374.99	\$ 115,167.47		\$ 0.26
			May-08	2008	Q2	\$ 114,792.48	\$ 4,502.44	4.08%	\$ 390.29	\$ 119,685.21		\$ 1.00
			Jun-08	2008	Q2	\$ 119,294.92	\$ 4,502.44	4.08%	\$ 405.60	\$ 124,202.96		\$ 1.00
			Jul-08	2008	Q3	\$ 123,797.36	\$ 4,502.44	3.35%	\$ 345.60	\$ 128,645.39		\$ 1.00
			Aug-08	2008	Q3	\$ 128,299.79	\$ 4,502.44	3.35%	\$ 358.17	\$ 133,160.40		\$ 1.00
			Sep-08	2008	Q3	\$ 132,802.23	\$ 4,502.44	3.35%	\$ 370.74	\$ 137,675.41		\$ 1.00
			Oct-08	2008	Q4	\$ 137,304.67	\$ 4,502.44	3.35%	\$ 383.31	\$ 142,190.42		\$ 1.00
			Nov-08	2008	Q4	\$ 141,807.11	\$ 4,502.44	3.35%	\$ 395.88	\$ 146,705.42		\$ 1.00
			Dec-08	2008	Q4	\$ 146,309.54	\$ 4,502.44	3.35%	\$ 408.45	\$ 151,220.43	\$ 58,763.79	\$ 1.00
			Jan-09	2009	Q1	\$ 150,811.98	\$ 13,140.28	2.45%	\$ 307.91	\$ 164,260.17		\$ 1.00
			Feb-09	2009	Q1	\$ 163,952.26	\$ 13,140.28	2.45%	\$ 334.74	\$ 177,427.28		\$ 1.00
			Mar-09	2009	Q1	\$ 177,092.54	\$ 13,140.28	2.45%	\$ 361.56	\$ 190,594.38		\$ 1.00
			Apr-09	2009	Q2	\$ 190,232.82	\$ 13,140.28	1.00%	\$ 158.53	\$ 203,531.63		\$ 1.00
			May-09	2009	Q2	\$ 203,373.10	\$ 13,140.28	1.00%	\$ 169.48	\$ 216,682.86		\$ 1.00
			Jun-09	2009	Q2	\$ 216,513.38	\$ 13,140.28	1.00%	\$ 180.43	\$ 229,834.09		\$ 1.00
			Jul-09	2009	Q3	\$ 229,653.66	\$ 13,140.28	0.55%	\$ 105.26	\$ 242,899.19		\$ 1.00
			Aug-09	2009	Q3	\$ 242,793.93	\$ 13,140.28	0.55%	\$ 111.28	\$ 256,045.49		\$ 1.00
			Sep-09	2009	Q3	\$ 255,934.21	\$ 13,140.28	0.55%	\$ 117.30	\$ 269,191.79		\$ 1.00
			Oct-09	2009	Q4	\$ 269,074.49	\$ 13,140.28	0.55%	\$ 123.33	\$ 282,338.10		\$ 1.00
			Nov-09	2009	Q4	\$ 282,214.77	\$ 13,140.28	0.55%	\$ 129.35	\$ 295,484.40		\$ 1.00
			Dec-09	2009	Q4	\$ 295,355.05	\$ 13,140.28	0.55%	\$ 135.37	\$ 308,630.70	\$ 159,917.89	
			Jan-10	2010	Q1	\$ 308,495.33	\$ 17,557.96	0.55%	\$ 141.39	\$ 326,194.68		\$ 1.00
			Feb-10	2010	Q1	\$ 326,053.29	\$ 17,557.96	0.55%	\$ 149.44	\$ 343,760.68		\$ 1.00
			Mar-10	2010	Q1	\$ 343,611.24	\$ 17,557.96	0.55%	\$ 157.49	\$ 361,326.69		\$ 1.00
			Apr-10	2010	Q2	\$ 361,169.20	\$ 17,557.96	0.55%	\$ 165.54	\$ 378,892.70		\$ 1.00
			May-10	2010	Q2	\$ 378,727.16	\$ 17,557.96	0.55%	\$ 173.58	\$ 396,458.69		\$ 1.00
			Jun-10	2010	Q2	\$ 396,285.11	\$ 17,557.96	0.55%	\$ 181.63	\$ 414,024.70		\$ 1.00
			Jul-10	2010	Q3	\$ 413,843.07	\$ 17,557.96	0.89%	\$ 306.93	\$ 431,707.96		\$ 1.00
			Aug-10	2010	Q3	\$ 431,401.03	\$ 17,557.96	0.89%	\$ 319.96	\$ 449,278.94		\$ 1.00
			Sep-10	2010	Q3	\$ 448,958.98	\$ 17,557.96	0.89%	\$ 332.98	\$ 466,849.92		\$ 1.00
			Oct-10	2010	Q4	\$ 466,516.94	\$ 17,557.96	1.20%	\$ 466.52	\$ 484,541.42		\$ 1.00
			Nov-10	2010	Q4	\$ 484,074.90	\$ 17,557.96	1.20%	\$ 484.07	\$ 502,116.92		\$ 1.00
			Dec-10	2010	Q4	\$ 501,632.85	\$ 17,557.96	1.20%	\$ 501.63	\$ 519,692.44	\$ 214,076.64	\$ 1.00
			Jan-11	2011	Q1	\$ 519,190.81	\$ 23,110.01	1.47%	\$ 636.01	\$ 542,936.83		\$ 1.00
			Feb-11	2011	Q1	\$ 542,300.82	\$ 23,110.01	1.47%	\$ 664.32	\$ 566,075.14		\$ 1.00
			Mar-11	2011	Q1	\$ 565,410.82	\$ 23,110.01	1.47%	\$ 692.63	\$ 589,213.46		\$ 1.00
			Apr-11	2011	Q2	\$ 588,520.83	\$ 23,110.01	1.47%	\$ 720.94	\$ 612,351.77		\$ 1.00
			May-11	2011	Q2	\$ 611,630.83	\$ 23,110.01	1.47%	\$ 749.25	\$ 635,490.09		\$ 1.52
			Jun-11	2011	Q2	\$ 634,740.84	\$ 23,110.01	1.47%	\$ 777.56	\$ 658,628.40		\$ 1.52
			Jul-11	2011	Q3	\$ 657,850.84	\$ 23,110.01	1.47%	\$ 805.87	\$ 681,766.72		\$ 1.52
			Aug-11	2011	Q3	\$ 680,960.85	\$ 23,110.01	1.47%	\$ 834.18	\$ 704,905.03		\$ 1.52
			Sep-11	2011	Q3	\$ 704,070.85	\$ 23,110.01	1.47%	\$ 862.49	\$ 728,043.35		\$ 1.52
			Oct-11	2011	Q4	\$ 727,180.86	\$ 23,110.01	1.47%	\$ 890.80	\$ 751,181.66		\$ 1.52
			Nov-11	2011	Q4	\$ 750,290.86	\$ 23,110.01	1.47%	\$ 919.11	\$ 774,319.98		\$ 1.52
			Dec-11	2011	Q4	\$ 773,400.87	\$ 23,110.01	1.47%	\$ 947.42	\$ 797,458.29	\$ 286,820.64	\$ 1.52



Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Opening Balance (Principal)							Interest Rate	Interest	Closing Balance	Annual amounts	Board Approved Smart Meter Funding Adder (from Tariff)
			Date	Year	Quarter	\$	796,510.87	\$ 27,143.86	1.47%					
			Jan-12	2012	Q1	\$	796,510.87	\$ 27,143.86	1.47%	\$ 975.73	\$ 824,630.46			\$ 1.52
			Feb-12	2012	Q1	\$	823,654.73	\$ 27,143.86	1.47%	\$ 1,008.98	\$ 851,807.57			\$ 1.52
			Mar-12	2012	Q1	\$	850,798.59	\$ 27,143.86	1.47%	\$ 1,042.23	\$ 878,984.68			\$ 1.52
			Apr-12	2012	Q2	\$	877,942.45	\$ 45,059.86	1.47%	\$ 1,075.48	\$ 924,077.79			\$ 1.52
			May-12	2012	Q2	\$	923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99			\$ -
			Jun-12	2012	Q2	\$	923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99			\$ -
			Jul-12	2012	Q3	\$	923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99			\$ -
			Aug-12	2012	Q3	\$	923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99			\$ -
			Sep-12	2012	Q3	\$	923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99			\$ -
			Oct-12	2012	Q4	\$	923,002.31	\$ -	1.47%	\$ 1,130.68	\$ 924,132.99			\$ -
			Nov-12	2012	Q4	\$	923,002.31	\$ -	0.00%	\$ -	\$ 923,002.31			\$ -
			Dec-12	2012	Q4	\$	923,002.31	\$ -	0.00%	\$ -	\$ 923,002.31	\$ 137,377.94		\$ -
			Total Funding Adder Revenues Collected				\$ 923,002.31			\$ 34,398.50	\$ 957,400.81	\$ 957,400.81		



Festival Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, based on monthly data.

Account 1556 - Sub-accounts Operating Expenses, Amortization Expenses, Carrying Charges

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Amortization / Depreciation Expense		(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
							OM&A Expenses	Depreciation Expense			
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -			-	0.00%	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -			-	0.00%	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -			-	0.00%	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -			-	4.14%	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -			-	4.14%	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ -			-	4.14%	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ -			-	4.59%	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ -			-	4.59%	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ -			-	4.59%	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ -			-	4.59%	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ -			-	4.59%	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ -			-	4.59%	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ -			-	4.59%	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ -			-	4.59%	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ -			-	4.59%	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ -			-	4.59%	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ -			-	4.59%	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ -			-	4.59%	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ -			-	4.59%	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ -			-	4.59%	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ -			-	4.59%	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ -			-	5.14%	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ -			-	5.14%	-
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ -			-	5.14%	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ -			-	5.14%	-
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ -			-	5.14%	-
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ -			-	5.14%	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	\$ -			-	4.08%	-
			May-08	2008	Q2	\$ -			-	4.08%	-
			Jun-08	2008	Q2	\$ -			-	4.08%	-
			Jul-08	2008	Q3	\$ -			-	3.35%	-
			Aug-08	2008	Q3	\$ -			-	3.35%	-
			Sep-08	2008	Q3	\$ -			-	3.35%	-
			Oct-08	2008	Q4	\$ -			-	3.35%	-
			Nov-08	2008	Q4	\$ -			-	3.35%	-
			Dec-08	2008	Q4	\$ -			-	3.35%	-
			Jan-09	2009	Q1	\$ -			-	2.45%	-
			Feb-09	2009	Q1	\$ -			-	2.45%	-
			Mar-09	2009	Q1	\$ -			-	2.45%	-
			Apr-09	2009	Q2	\$ -			-	1.00%	-
			May-09	2009	Q2	\$ -			-	1.00%	-
			Jun-09	2009	Q2	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Jul-09	2009	Q3	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Aug-09	2009	Q3	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Sep-09	2009	Q3	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Oct-09	2009	Q4	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Nov-09	2009	Q4	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Dec-09	2009	Q4	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Jan-10	2010	Q1	\$ 8,630.85			\$ 8,630.85	0.55%	-
			Feb-10	2010	Q1	\$ 8,630.85			\$ 8,630.85	0.55%	3.96
			Mar-10	2010	Q1	\$ 17,261.70	\$ 791.77	\$ 8,630.85	\$ 26,684.32	0.55%	7.91
			Apr-10	2010	Q2	\$ 26,684.32	\$ 115.08	\$ 8,630.85	\$ 35,200.09	0.55%	12.23
			May-10	2010	Q2	\$ 35,200.09	\$ 3,279.45	\$ 8,630.85	\$ 47,110.39	0.55%	16.13
			Jun-10	2010	Q2	\$ 47,110.39	\$ 2,499.62	\$ 8,630.85	\$ 58,240.86	0.55%	21.59
			Jul-10	2010	Q3	\$ 58,240.86	\$ 2,342.59	\$ 8,630.85	\$ 69,214.30	0.89%	43.20
			Aug-10	2010	Q3	\$ 69,214.30	\$ 2,438.89	\$ 8,630.85	\$ 80,284.04	0.89%	51.33
			Sep-10	2010	Q3	\$ 80,284.04	\$ 2,477.13	\$ 8,630.85	\$ 91,392.02	0.89%	59.54
			Oct-10	2010	Q4	\$ 91,392.02	\$ 4,557.04	\$ 8,630.85	\$ 104,579.91	1.20%	91.39
			Nov-10	2010	Q4	\$ 104,579.91	\$ 3,283.72	\$ 8,630.85	\$ 116,494.48	1.20%	104.58
			Dec-10	2010	Q4	\$ 116,494.48	\$ 82,192.84	\$ 8,630.85	\$ 207,318.17	1.20%	116.49
			Jan-11	2011	Q1	\$ 207,318.17	\$ 5,067.73	\$ 14,209.50	\$ 216,459.94	1.47%	253.96
			Feb-11	2011	Q1	\$ 216,459.94	\$ 9,431.35	\$ 14,209.50	\$ 240,100.79	1.47%	265.16
			Mar-11	2011	Q1	\$ 240,100.79	\$ 24,066.89	\$ 14,209.50	\$ 278,377.18	1.47%	294.12
			Apr-11	2011	Q2	\$ 278,377.18	\$ 709.34	\$ 14,209.50	\$ 291,877.33	1.47%	341.01
			May-11	2011	Q2	\$ 291,877.33	\$ 236.60	\$ 14,209.50	\$ 306,323.43	1.47%	357.55
			Jun-11	2011	Q2	\$ 306,323.43	\$ 411.46	\$ 14,209.50	\$ 320,944.39	1.47%	375.25
			Jul-11	2011	Q3	\$ 320,944.39	\$ 9,663.11	\$ 14,209.50	\$ 344,817.00	1.47%	393.16
			Aug-11	2011	Q3	\$ 344,817.00	\$ 31,516.05	\$ 14,209.50	\$ 390,542.55	1.47%	422.40
			Sep-11	2011	Q3	\$ 390,542.55	\$ 16,176.56	\$ 14,209.50	\$ 420,928.61	1.47%	478.41
			Oct-11	2011	Q4	\$ 420,928.61	\$ 16,634.50	\$ 14,209.50	\$ 451,772.61	1.47%	515.64
			Nov-11	2011	Q4	\$ 451,772.61	\$ 5,265.31	\$ 14,209.50	\$ 471,247.43	1.47%	553.42
			Dec-11	2011	Q4	\$ 471,247.43	\$ 62,153.43	\$ 14,209.50	\$ 547,610.36	1.47%	577.28
			Jan-12	2012	Q1	\$ 547,610.36	\$ 9,073.73	\$ 15,076.50	\$ 571,760.59	1.47%	670.82
			Feb-12	2012	Q1	\$ 571,760.59	\$ 18,361.26	\$ 15,076.50	\$ 605,198.35	1.47%	700.41
			Mar-12	2012	Q1	\$ 605,198.35	\$ 8,441.33	\$ 15,076.50	\$ 628,716.17	1.47%	741.37
			Apr-12	2012	Q2	\$ 628,716.17	\$ 20,438.12	\$ 15,076.50	\$ 664,230.79	1.47%	770.18
			May-12	2012	Q2	\$ 664,230.79	\$ 18,487.42	\$ 15,076.50	\$ 697,794.71	1.47%	813.68
			Jun-12	2012	Q2	\$ 697,794.71	\$ 28,727.63	\$ 15,076.50	\$ 741,598.85	1.47%	854.80
			Jul-12	2012	Q3	\$ 741,598.85	\$ 18,756.50	\$ 15,076.50	\$ 775,431.85	1.47%	908.46
			Aug-12	2012	Q3	\$ 775,431.85	\$ 18,756.50	\$ 15,076.50	\$ 809,264.85	1.47%	949.90
			Sep-12	2012	Q3	\$ 809,264.85	\$ 18,756.50	\$ 15,076.50	\$ 843,097.86	1.47%	991.35
			Oct-12	2012	Q4	\$ 843,097.86	\$ 18,756.91	\$ 15,076.50	\$ 876,931.27	1.47%	1,032.79
											13,789.49

	Nov-12	2012	Q4	876,931.27	\$ 18,756.91	\$ 15,076.50	910,764.67	0.00%	-	13,789.49
	Dec-12	2012	Q4	910,764.67	\$ 18,742.91	\$ 15,076.50	944,584.08	0.00%	-	13,789.49
				\$ 489,581.88	\$ 455,002.20	\$ 944,584.08				



Ontario Energy Board

Smart Meter Model

## Festival Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, in the absence of monthly data.

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -
2007	\$ -	\$ -	\$ -	\$ -	4.73%	\$ -
2008	\$ -	\$ -	\$ -	\$ -	3.98%	\$ -
2009	\$ -	\$ 225.66	\$ 225.66	\$ 112.83	1.14%	\$ 1.28
2010	\$ 103,745.47	\$ 102,847.76	\$ 206,818.89	\$ 103,522.28	0.80%	\$ 825.59
2011	\$ 169,773.16	\$ 214,028.11	\$ 590,620.17	\$ 398,719.53	1.47%	\$ 5,861.18
2012	\$ 216,063.81	\$ 224,126.79	\$ 1,030,810.77	\$ 810,715.47	1.47%	\$ 11,917.52
<b>Cumulative Interest to 2011</b>						\$ 6,688.05
<b>Cumulative Interest to 2012</b>						\$ 18,605.57



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

**Check if applicable**

- Smart Meter Funding Adder (SMFA)
- Smart Meter Disposition Rider (SMDR) The SMDR is calculated based on costs to December 31, 2011
- Smart Meter Incremental Revenue Requirement Rate Rider (SMIRR) The SMIRR is calculated based on the incremental revenue requirement associated with the recovery of capital related costs to December 31, 2012 and associated OM&A.

	2006	2007	2008	2009	2010	2011	2012 and later	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ -	\$ -	\$ 342.92	\$ 232,546.04	\$ 477,863.94	\$ 595,227.53	\$ 1,305,980.43
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B)	\$ -	\$ -	\$ -	\$ -	\$ 528.36	\$ 4,827.37	\$ 8,433.76	\$ 13,789.49
<b>Sheet 8A (Interest calculated on monthly balances)</b>	\$ -	\$ -	\$ -	\$ -	\$ 528.36	\$ 4,827.37	\$ 8,433.76	\$ 13,789.49
<b>Sheet 8B (Interest calculated on average annual balances)</b>								\$ -
SMFA Revenues (from Sheet 8)	\$ 39,399.52	\$ 57,383.21	\$ 54,029.25	\$ 157,683.35	\$ 210,695.48	\$ 277,320.06	\$ 126,491.44	\$ 923,002.31
SMFA Interest (from Sheet 8)	\$ 525.62	\$ 3,135.56	\$ 4,734.54	\$ 2,234.54	\$ 3,381.16	\$ 9,500.58	\$ 10,886.50	\$ 34,398.50
Net Deferred Revenue Requirement	-\$ 39,925.14	-\$ 60,518.77	-\$ 58,763.79	-\$ 159,574.97	-\$ 18,997.76	-\$ 195,870.67	-\$ 466,283.35	-\$ 362,369.11

Number of Metered Customers (average for 2012 test year)

17794

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

Years for collection or refunding	1.5
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 724,542.39
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 957,400.81
Net Deferred Revenue Requirement	-\$ 232,858.42
SMDR <span style="background-color: #90EE90;">May 1, 2012 to April 30, 2014</span>	-\$ 0.73
<b>Check: Forecasted SMDR Revenues</b>	-\$ 233,813.16

Match

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

Incremental Revenue Requirement for 2012	\$ 595,227.53
SMIRR	\$ 2.79
<b>Check: Forecasted SMIRR Revenues</b>	\$ 595,743.12

Match

# **Appendix C**



#### Choose Your Utility:

Festival Hydro Inc.	<input type="radio"/>
Festival Hydro Inc. - Hensall	<input type="radio"/>

#### Application Contact Information

Name:	<input type="text" value="Kelly McCann"/>
Title:	<input type="text" value="Financial &amp; Regulatory Manager"/>
Phone Number:	<input type="text" value="519-271-4703 x 221"/>
Email Address:	<input type="text" value="kmccann@festivalhydro.com"/>
We are applying for rates effective:	<input type="text" value="November 1, 2012"/>
Last COS Re-based Year	<input type="text" value="2010"/>

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

#### Copyright

*This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.*

*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results. The use of any models and spreadsheets does not automatically imply Board approval. The onus is on the distributor to prepare, document and support its application. Board-issued Excel models and spreadsheets are offered to assist parties in providing the necessary information so as to facilitate an expeditious review of an application. The onus remains on the applicant to ensure the accuracy of the data and the results.*



## Festival Hydro Inc.

Distributors must enter all incremental costs related to their smart meter program and all revenues recovered to date in the applicable tabs except for those costs (and associated revenues) for which the Board has approved on a final basis, i.e. capital costs have been included in rate base and OM&A costs in revenue requirement.

For 2012, distributors that have completed their deployments by the end of 2011 are not expected to enter any capital costs. However, for OM&A, regardless of whether a distributor has deployments in 2012, distributors should enter the forecasted OM&A for 2012 for all smart meters in service.

Smart Meter Capital Cost and Operational Expense Data	2006	2007	2008	2009	2010	2011	2012 and later	Total
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Forecast	
<b>Smart Meter Installation Plan</b>								
Actual/Planned number of Smart Meters installed during the Calendar Year								
Residential								0
General Service < 50 kW				0	1,913	86		1999
Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)	0	0	0	0	1913	86	0	1999
Percentage of Residential and GS < 50 kW Smart Meter Installations Completed	0.00%	0.00%	0.00%	0.00%	95.70%	100.00%	0.00%	100.00%
Actual/Planned number of GS > 50 kW meters installed								0
Other (please identify)								0
Total Number of Smart Meters installed or planned to be installed	0	0	0	0	1913	86	0	1999
<b>1 Capital Costs</b>								
<b>1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)</b>								
1.1.1 Smart Meters (may include new meters and modules, etc.)	Asset Type <small>Asset type must be selected to enable calculations</small>		Audited Actual	Forecast				
	Smart Meter					515,041	43,845	-2,343
1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)	Smart Meter					90,782	723	
1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)	Computer Hardware					2,055		
1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)	Computer Software					1,570		
Total Advanced Metering Communications Devices (AMCD)	\$ -	\$ -	\$ -	\$ -	\$ 609,448	\$ 44,568	-\$ 2,343	\$ 651,673
<b>1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)</b>								
1.2.1 Collectors	Asset Type		Audited Actual	Forecast				
	Smart Meter					19,573		
1.2.2 Repeaters (may include radio licence, etc.)	Smart Meter					608	13,748	
1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)	Smart Meter					7,450	1,023	503
Total Advanced Metering Regional Collector (AMRC) (Includes LAN)	\$ -	\$ -	\$ -	\$ -	\$ 27,630	\$ 14,771	\$ 503	\$ 42,904

	Asset Type	Audited Actual	Audited Actual	Forecast				
<b>1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)</b>								
1.3.1 Computer Hardware	Computer Hardware					900		\$ 900
1.3.2 Computer Software	Computer Software					1,450		\$ 1,450
1.3.3 Computer Software Licences & Installation (includes hardware and software) <i>(may include AS/400 disk space, backup and recovery computer, UPS, etc.)</i>	Computer Software					8,073		\$ 8,073
<b>Total Advanced Metering Control Computer (AMCC)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,423</b>	<b>\$ -</b>	<b>\$ 10,423</b>
<b>1.4 WIDE AREA NETWORK (WAN)</b>	Asset Type							
1.4.1 Activation Fees								\$ -
<b>Total Wide Area Network (WAN)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				
<b>1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	Asset Type							
1.5.1 Customer Equipment <i>(including repair of damaged equipment)</i>								\$ -
1.5.2 AMI Interface to CIS	Computer Software					1,303	610	\$ 1,913
1.5.3 Professional Fees	Smart Meter				767			\$ 767
1.5.4 Integration	Computer Software						2,444	\$ 2,444
1.5.5 Program Management	Other Equipment					3,253	1,961	\$ 5,214
1.5.6 Other AMI Capital	Other Equipment							\$ 95
<b>Total Other AMI Capital Costs Related to Minimum Functionality</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 767</b>	<b>\$ 4,556</b>	<b>\$ 5,016</b>	<b>\$ 95</b>
<b>Total Capital Costs Related to Minimum Functionality</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 767</b>	<b>\$ 652,057</b>	<b>\$ 64,354</b>	<b>-\$ 1,745</b>
<b>1.6 CAPITAL COSTS BEYOND MINIMUM FUNCTIONALITY</b>	Asset Type							
<i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>								
1.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06	Computer Software							\$ -
1.6.2 Costs for deployment of smart meters to customers other than residential and small general service	Applications Software							\$ -
1.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.	Other Equipment					982	11,092	2,688
<b>Total Capital Costs Beyond Minimum Functionality</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 982</b>	<b>\$ 11,092</b>	<b>\$ 2,688</b>
<b>Total Smart Meter Capital Costs</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 767</b>	<b>\$ 653,040</b>	<b>\$ 75,446</b>	<b>\$ 944</b>
								<b>\$ 730,197</b>

## 2 OM&A Expenses

	Audited Actual	Audited Actual	Forecast				
2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)							
2.1.1 Maintenance (may include meter reverification costs, etc.)					35	444	\$ 479
2.1.2 Other (please specify) Meter troubleshooting						2,019	2,535 \$ 4,554
<b>Total Incremental AMCD OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>35</b>	<b>2,463</b>	<b>\$ 2,535 \$ 5,033</b>
2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)							
2.2.1 Maintenance							\$ -
2.2.2 Other (please specify)							\$ -
<b>Total Incremental AMRC OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				
2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)							
2.3.1 Hardware Maintenance (may include server support, etc.)							947 \$ 947
2.3.2 Software Maintenance (may include maintenance support, etc.)						1,970	3,065 \$ 5,035
2.3.3 Other (please specify) AMCC IT position							4,031 \$ 4,031
<b>Total Incremental AMCC OM&amp;A Costs</b>	<b>\$ -</b>	<b>1,970</b>	<b>\$ 8,043 \$ 10,012</b>				
2.4 WIDE AREA NETWORK (WAN)							
2.4.1 WAN Maintenance					1,608		\$ 1,608
2.4.2 Other (please specify) Communication services					5,675	10,786	1,285 \$ 17,746
<b>Total Incremental AMRC OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,283</b>	<b>\$ 10,786</b>	<b>\$ 1,285 \$ 19,354</b>
<b>2.5 OTHER AMI OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>							
2.5.1 Business Process Redesign							\$ -
2.5.2 Customer Communication (may include project communication, etc.)					1,987	180	783 \$ 2,950
2.5.3 Program Management							\$ -
2.5.4 Change Management (may include training, etc.)							\$ -
2.5.5 Administration Costs					2,443		95 \$ 2,537
2.5.6 Other AMI Expenses (please specify)					9	18	7 \$ 34
<b>Total Other AMI OM&amp;A Costs Related to Minimum Functionality</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,438</b>	<b>\$ 198</b>	<b>\$ 885 \$ 5,521</b>
<b>TOTAL OM&amp;A COSTS RELATED TO MINIMUM FUNCTIONALITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>11,756</b>	<b>\$ 15,417</b>	<b>\$ 12,747 \$ 39,920</b>
2.6 OM&A COSTS RELATED TO BEYOND MINIMUM FUNCTIONALITY <i>(Please provide a descriptive title and identify nature of beyond minimum functionality costs)</i>							
2.6.1 Costs related to technical capabilities in the smart meters or related communications infrastructure that exceed those specified in O.Reg 425/06							\$ -
2.6.2 Costs for deployment of smart meters to customers other than residential and small general service							\$ -
2.6.3 Costs for TOU rate implementation, CIS system upgrades, web presentation, integration with the MDM/R, etc.						3,808	11,718 \$ 15,526
<b>Total OM&amp;A Costs Beyond Minimum Functionality</b>	<b>\$ -</b>	<b>3,808</b>	<b>\$ 11,718 \$ 15,526</b>				
<b>Total Smart Meter OM&amp;A Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,756</b>	<b>\$ 19,225</b>	<b>\$ 24,465 \$ 55,446</b>

**3 Aggregate Smart Meter Costs by Category**

<b>3.1 Capital</b>																
3.1.1	Smart Meter	\$	-	\$	-	\$	-	\$	767	\$	633,453	\$	59,339	\$		
3.1.2	Computer Hardware	\$	-	\$	-	\$	-	\$	-	\$	2,955	\$	-	\$		
3.1.3	Computer Software	\$	-	\$	-	\$	-	\$	-	\$	12,396	\$	3,054	\$		
3.1.4	Tools & Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$		
3.1.5	Other Equipment	\$	-	\$	-	\$	-	\$	-	\$	4,235	\$	13,053	\$		
3.1.6	Applications Software	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$		
3.1.7	<b>Total Capital Costs</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>767</b>	<b>\$</b>	<b>653,040</b>	<b>\$</b>	<b>75,446</b>	<b>\$</b>	<b>944</b>	
3.2	<b>OM&amp;A Costs</b>															
3.2.1	<b>Total OM&amp;A Costs</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>11,756</b>	<b>\$</b>	<b>19,225</b>	<b>\$</b>	<b>24,465</b>	
															<b>\$</b>	<b>55,446</b>



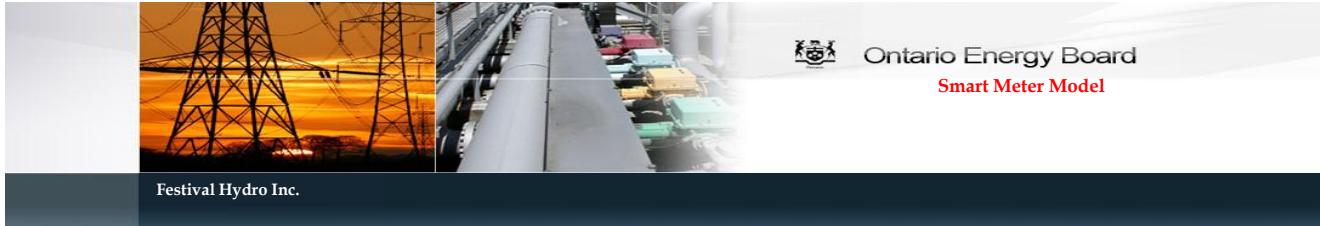
	2006	2007	2008	2009	2010	2011	2012 and later
<b>Cost of Capital</b>							
<b>Capital Structure<sup>1</sup></b>							
Deemed Short-term Debt Capitalization			0.0%	0.0%	4.0%	4.0%	4.0%
Deemed Long-term Debt Capitalization	50.0%	50.0%	53.3%	56.7%	56.0%	56.0%	56.0%
Deemed Equity Capitalization	50.0%	50.0%	46.7%	43.3%	40.0%	40.0%	40.0%
Preferred Shares	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Capital Parameters</b>							
Deemed Short-term Debt Rate			0.00%	0.00%	2.07%	2.07%	2.07%
Long-term Debt Rate (actual/embedded/deemed) <sup>2</sup>	7.25%	7.25%	7.25%	7.25%	5.68%	5.68%	5.68%
Target Return on Equity (ROE)	9.0%	9.00%	9.00%	9.00%	9.85%	9.85%	9.85%
Return on Preferred Shares							
<b>WACC</b>	8.13%	8.13%	8.07%	8.01%	7.20%	7.20%	7.20%
<b>Working Capital Allowance</b>							
Working Capital Allowance Rate	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
(% of the sum of Cost of Power + controllable expenses)							
<b>Taxes/PILs</b>							
Aggregate Corporate Income Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Capital Tax (until July 1st, 2010)	0.30%	0.225%	0.225%	0.225%	0.075%	0.00%	0.00%
<b>Depreciation Rates</b> (expressed as expected useful life in years)							
Smart Meters - years	15	15	15	15	15	15	15
- rate (%)	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%
Computer Hardware - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Computer Software - years	5	5	5	5	5	5	5
- rate (%)	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Tools & Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other Equipment - years	10	10	10	10	10	10	10
- rate (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
<b>CCA Rates</b>							
Smart Meters - CCA Class	8	8	8	8	8	8	8
Smart Meters - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Computer Equipment - CCA Class	45	50	50	52	52	52	50
Computer Equipment - CCA Rate	45%	55%	55%	100%	100%	100%	55%
General Equipment - CCA Class	8	8	8	8	8	8	8
General Equipment - CCA Rate	20%	20%	20%	20%	20%	20%	20%
Applications Software - CCA Class							
Applications Software - CCA Rate							

#### Assumptions

<sup>1</sup> Planned smart meter installations occur evenly throughout the year.

<sup>2</sup> Fiscal calendar year (January 1 to December 31) used.

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



Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and later
<b>Net Fixed Assets - Smart Meters</b>							
<b>Gross Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 767	\$ 634,220	\$ 693,559
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ 767	\$ 633,453	\$ 59,339	\$ 1,840
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ 767	\$ 634,220	\$ 693,559	\$ 691,719
Closing Balance	\$ -	\$ -	\$ -	\$ 767	\$ 634,220	\$ 693,559	\$ 691,719
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 21,192	\$ 65,451
Amortization expense during year	\$ -	\$ -	\$ -	\$ 26	\$ 21,166	\$ 44,259	\$ 46,176
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ 26	\$ 21,192	\$ 65,451	\$ 111,627
Closing Balance	\$ -	\$ -	\$ -	\$ 26	\$ 21,192	\$ 65,451	\$ 111,627
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ 742	\$ 613,029	\$ 628,108
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 742	\$ 613,029	\$ 628,108
Average Net Book Value	\$ -	\$ -	\$ -	\$ 371	\$ 306,885	\$ 620,568	\$ 604,100
<b>Net Fixed Assets - Computer Hardware</b>							
<b>Gross Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ 2,955
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ -
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ 2,955
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,955	\$ 2,955
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 887
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 591
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 887
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 1,478
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,660	\$ 2,069
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,660	\$ 1,478
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,330	\$ 2,364
<b>Net Fixed Assets - Computer Software (including Applications Software)</b>							
<b>Gross Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 15,450
Capital Additions during year (from Smart Meter Costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 3,054
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 15,450
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,396	\$ 15,450
<b>Accumulated Depreciation</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 4,024
Amortization expense during year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 2,785
Retirements/Removals (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 4,024
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 7,114
<b>Net Book Value</b>							
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,156	\$ 11,426
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,156	\$ 11,426
Average Net Book Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,578	\$ 11,291
							\$ 9,881

**Net Fixed Assets - Tools and Equipment**

**Gross Book Value**

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

**Accumulated Depreciation**

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

**Net Book Value**

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

**Net Fixed Assets - Other Equipment**

**Gross Book Value**

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,235	\$ 13,053	\$ 17,288
Capital Additions during year (from Smart Meter Costs)							
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 4,235	\$ 17,288	\$ 20,072

**Accumulated Depreciation**

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,076	\$ 1,288
Opening Balance							
Amortization expense during year							
Retirements/Removals (if applicable)							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,288	\$ 3,156

**Net Book Value**

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,024	\$ 16,000	\$ 16,000
Opening Balance							
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ 4,024	\$ 16,000	\$ 16,916

Average Net Book Value

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,012	\$ 10,012	\$ 16,458
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Festival Hydro Inc.

	2006	2007	2008	2009	2010	2011	2012 and Later
<b>Average Net Fixed Asset Values (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 371	\$ 306,885	\$ 620,568	\$ 604,100
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 1,330	\$ 2,364	\$ 1,773
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 5,578	\$ 11,291	\$ 9,881
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 2,012	\$ 10,012	\$ 16,458
<b>Total Net Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 371</b>	<b>\$ 315,805</b>	<b>\$ 644,236</b>	<b>\$ 632,213</b>
<b>Working Capital</b>							
Operating Expenses (from Sheet 2)	\$ 15%	\$ -	\$ 15%	\$ 15%	\$ 11,756	\$ 19,225	\$ 24,465
Working Capital Factor (from Sheet 3)	\$ -	\$ -	\$ -	\$ -	\$ 15%	\$ 15%	\$ 15%
Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ 1,763	\$ 2,884	\$ 3,670
<b>Incremental Smart Meter Rate Base</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 371</b>	<b>\$ 317,568</b>	<b>\$ 647,119</b>	<b>\$ 635,882</b>
<b>Return on Rate Base</b>							
<i>Capital Structure</i>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 12,703	\$ 25,885	\$ 25,435
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 210	\$ 177,838	\$ 362,387	\$ 356,094
Equity	\$ -	\$ -	\$ -	\$ 161	\$ 127,027	\$ 258,848	\$ 254,353
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capitalization</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 371</b>	<b>\$ 317,568</b>	<b>\$ 647,119</b>	<b>\$ 635,882</b>
<i>Return on</i>							
Deemed Short Term Debt	\$ -	\$ -	\$ -	\$ -	\$ 263	\$ 536	\$ 527
Deemed Long Term Debt	\$ -	\$ -	\$ -	\$ 15	\$ 10,101	\$ 20,584	\$ 20,226
Equity	\$ -	\$ -	\$ -	\$ 14	\$ 12,512	\$ 25,497	\$ 25,054
Preferred Shares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Return on Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30</b>	<b>\$ 22,876</b>	<b>\$ 46,616</b>	<b>\$ 45,806</b>
<b>Operating Expenses</b>							
<b>Amortization Expenses (from Sheet 4)</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 26	\$ 21,166	\$ 44,259	\$ 46,176
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 591	\$ 591
Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 1,240	\$ 2,785	\$ 3,090
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 212	\$ 1,076	\$ 1,868
<b>Total Amortization Expense in Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26</b>	<b>\$ 22,913</b>	<b>\$ 48,711</b>	<b>\$ 51,725</b>
<b>Incremental Revenue Requirement before Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55</b>	<b>\$ 57,546</b>	<b>\$ 114,552</b>	<b>\$ 121,997</b>
<b>Calculation of Taxable Income</b>							
Incremental Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ 11,756	\$ 19,225	\$ 24,465
Amortization Expense	\$ -	\$ -	\$ -	\$ 26	\$ 22,913	\$ 48,711	\$ 51,725
Interest Expense	\$ -	\$ -	\$ -	\$ 15	\$ 10,364	\$ 21,119	\$ 20,753
<b>Net Income for Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14</b>	<b>\$ 12,512</b>	<b>\$ 25,497</b>	<b>\$ 25,054</b>
<b>Grossed-up Taxes/PILs (from Sheet 7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16.41</b>	<b>\$ 14,663.71</b>	<b>\$ 22,493.15</b>	<b>\$ 9,544.41</b>
<b>Revenue Requirement, including Grossed-up Taxes/PILs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39</b>	<b>\$ 42,882</b>	<b>\$ 92,059</b>	<b>\$ 112,452</b>



## For PILs Calculation

### UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ 690.70	\$ 570,660.28	\$ 509,933.19
Capital Additions	\$ -	\$ -	\$ -	\$ 767.44	\$ 633,453.03	\$ 59,338.85	-\$ 1,840.07
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ 767.44	\$ 634,143.72	\$ 629,999.13	\$ 508,093.12
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ 383.72	\$ 316,726.51	\$ 29,669.43	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ 383.72	\$ 317,417.21	\$ 600,329.71	\$ 509,933.19
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ 76.74	\$ 63,483.44	\$ 120,065.94	\$ 101,986.64
Closing UCC	\$ -	\$ -	\$ -	\$ 690.70	\$ 570,660.28	\$ 509,933.19	\$ 406,106.48

### UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 1,527.16
Capital Additions Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,955.00	\$ -	\$ -
Capital Additions Computer Software	\$ -	\$ -	\$ -	\$ -	\$ 12,395.99	\$ 3,054.32	\$ -
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 15,350.99	\$ 10,729.82	\$ 1,527.16
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 1,527.16	\$ -
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 9,202.66	\$ 1,527.16
CCA Rate Class	45	50	50	52	52	52	50
CCA Rate	45%	55%	55%	100%	100%	100%	55%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 9,202.66	\$ 839.94
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 1,527.16	\$ 687.22

### UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
Opening UCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,811.93	\$ 14,797.20
Capital Additions Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Additions Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ 4,235.48	\$ 13,052.94	\$ 2,783.82
Retirements/Removals (if applicable)							
UCC Before Half Year Rule	\$ -	\$ -	\$ -	\$ -	\$ 4,235.48	\$ 16,864.88	\$ 17,581.01
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -	\$ -	\$ 2,117.74	\$ 6,526.47	\$ 1,391.91
Reduced UCC	\$ -	\$ -	\$ -	\$ -	\$ 2,117.74	\$ 10,338.41	\$ 16,189.11
CCA Rate Class	8	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%	20%
CCA	\$ -	\$ -	\$ -	\$ -	\$ 423.55	\$ 2,067.68	\$ 3,237.82
Closing UCC	\$ -	\$ -	\$ -	\$ -	\$ 3,811.93	\$ 14,797.20	\$ 14,343.19



## Festival Hydro Inc.

	2006 Audited Actual	2007 Audited Actual	2008 Audited Actual	2009 Audited Actual	2010 Audited Actual	2011 Audited Actual	2012 and later Forecast
<b>INCOME TAX</b>							
Net Income	\$ -	\$ -	\$ -	\$ 14.46	\$ 12,512.20	\$ 25,496.50	\$ 25,053.76
Amortization	\$ -	\$ -	\$ -	\$ 25.58	\$ 22,913.14	\$ 48,711.15	\$ 51,725.05
CCA - Smart Meters	\$ -	\$ -	\$ -	\$ 76.74	\$ 63,483.44	\$ 120,065.94	\$ 101,986.64
CCA - Computers	\$ -	\$ -	\$ -	\$ -	\$ 7,675.50	\$ 9,202.66	\$ 839.94
CCA - Applications Software	\$ -	\$ -	\$ -	\$ -	\$ 423.55	\$ 2,067.68	\$ 3,237.82
CCA - Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in taxable income	\$ -	\$ -	\$ -	\$ 36.71	\$ 36,157.15	\$ 57,128.62	\$ 29,285.59
Tax Rate (from Sheet 3)	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Income Taxes Payable	\$ -	\$ -	\$ -	\$ 12.11	\$ 10,669.98	\$ 16,138.84	\$ 7,198.40
<b>ONTARIO CAPITAL TAX</b>							
Smart Meters	\$ -	\$ -	\$ -	\$ 741.86	\$ 613,028.62	\$ 628,108.15	\$ 580,092.12
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ 2,659.50	\$ 2,068.50	\$ 1,477.50
Computer Software (Including Application Software)	\$ -	\$ -	\$ -	\$ -	\$ 11,156.39	\$ 11,426.09	\$ 8,336.02
Tools & Equipment	\$ -	\$ -	\$ -	\$ -	\$ 4,023.71	\$ 16,000.46	\$ -
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base	\$ -	\$ -	\$ -	\$ 741.86	\$ 630,868.22	\$ 657,603.19	\$ 606,821.88
Less: Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ -	\$ -	\$ -	\$ 741.86	\$ 630,868.22	\$ 657,603.19	\$ 606,821.88
Ontario Capital Tax Rate (from Sheet 3)	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -	\$ 1.67	\$ 473.15	\$ -	\$ -
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 12.11	\$ 10,669.98	\$ 16,138.84	\$ 7,198.40
Change in OCT	\$ -	\$ -	\$ -	\$ 1.67	\$ 473.15	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 10.44	\$ 10,196.82	\$ 16,138.84	\$ 7,198.40
<b>Gross Up PILs</b>							
Tax Rate	36.12%	36.12%	33.50%	33.00%	29.51%	28.25%	24.58%
Change in Income Taxes Payable	\$ -	\$ -	\$ -	\$ 18.08	\$ 15,136.86	\$ 22,493.15	\$ 9,544.41
Change in OCT	\$ -	\$ -	\$ -	\$ 1.67	\$ 473.15	\$ -	\$ -
PILs	\$ -	\$ -	\$ -	\$ 16.41	\$ 14,663.71	\$ 22,493.15	\$ 9,544.41



Festival Hydro Inc.

This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	Board Approved Smart Meter Funding Adder (from Tariff)	
											Annual amounts	
2006 Q1			Jan-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	\$ -		0.00%	\$ -	\$ -		
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	\$ -		4.14%	\$ -	\$ -		
2007 Q1	4.59%	4.72%	May-06	2006	Q2	\$ -	\$ 582.27	4.14%	\$ -	\$ 582.27	\$ 0.31	
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	\$ 582.27	\$ 582.27	4.14%	\$ 2.01	\$ 1,166.55	\$ 0.31	
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	\$ 1,164.54	\$ 582.27	4.59%	\$ 4.45	\$ 1,751.26	\$ 0.31	
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	\$ 1,746.81	\$ 582.27	4.59%	\$ 6.68	\$ 2,335.76	\$ 0.31	
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	\$ 2,329.08	\$ 582.27	4.59%	\$ 8.91	\$ 2,920.25	\$ 0.31	
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	\$ 2,911.34	\$ 582.27	4.59%	\$ 11.14	\$ 3,504.75	\$ 0.31	
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	\$ 3,493.61	\$ 582.27	4.59%	\$ 13.36	\$ 4,089.24	\$ 0.31	
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	\$ 4,075.88	\$ 582.27	4.59%	\$ 15.59	\$ 4,673.74	\$ 4,720.29	\$ 0.31
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	\$ 4,658.15	\$ 555.53	4.59%	\$ 17.82	\$ 5,231.50	\$ 0.31	
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	\$ 5,213.68	\$ 555.53	4.59%	\$ 19.94	\$ 5,789.16	\$ 0.31	
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	\$ 5,769.22	\$ 555.53	4.59%	\$ 22.07	\$ 6,346.82	\$ 0.31	
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	\$ 6,324.75	\$ 555.53	4.59%	\$ 24.19	\$ 6,904.47	\$ 0.31	
2010 Q1	0.55%	4.34%	May-07	2007	Q2	\$ 6,880.53	\$ 555.53	4.59%	\$ 26.32	\$ 7,462.13	\$ 0.26	
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	\$ 7,435.81	\$ 555.53	4.59%	\$ 28.44	\$ 8,019.79	\$ 0.26	
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	\$ 7,991.35	\$ 555.53	4.59%	\$ 30.57	\$ 8,577.45	\$ 0.26	
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	\$ 8,546.88	\$ 555.53	4.59%	\$ 32.69	\$ 9,135.10	\$ 0.26	
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	\$ 9,102.41	\$ 555.53	4.59%	\$ 34.82	\$ 9,692.76	\$ 0.26	
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	\$ 9,657.94	\$ 555.53	5.14%	\$ 41.37	\$ 10,264.85	\$ 0.26	
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	\$ 10,213.48	\$ 555.53	5.14%	\$ 43.75	\$ 10,812.76	\$ 0.26	
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	\$ 10,769.01	\$ 555.53	5.14%	\$ 46.13	\$ 11,370.67	\$ 7,034.50	\$ 0.26
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	\$ 11,324.54	\$ 518.84	5.14%	\$ 48.51	\$ 11,891.89	\$ 0.26	
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	\$ 11,843.38	\$ 518.84	5.14%	\$ 50.73	\$ 12,412.94	\$ 0.26	
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	\$ 12,362.21	\$ 518.84	5.14%	\$ 52.95	\$ 12,934.00	\$ 0.26	
2012 Q4	1.47%	4.29%	Apr-08	2008	Q2	\$ 12,881.05	\$ 518.84	4.08%	\$ 43.80	\$ 13,443.68	\$ 0.26	
			May-08	2008	Q2	\$ 13,399.88	\$ 518.84	4.08%	\$ 45.56	\$ 13,964.28	\$ 1.00	
			Jun-08	2008	Q2	\$ 13,918.72	\$ 518.84	4.08%	\$ 47.32	\$ 14,484.88	\$ 1.00	
			Jul-08	2008	Q3	\$ 14,437.56	\$ 518.84	3.35%	\$ 40.30	\$ 14,996.69	\$ 1.00	
			Aug-08	2008	Q3	\$ 14,956.39	\$ 518.84	3.35%	\$ 41.75	\$ 15,516.98	\$ 1.00	
			Sep-08	2008	Q3	\$ 15,475.23	\$ 518.84	3.35%	\$ 43.20	\$ 16,037.26	\$ 1.00	
			Oct-08	2008	Q4	\$ 15,994.06	\$ 518.84	3.35%	\$ 44.65	\$ 16,557.55	\$ 1.00	
			Nov-08	2008	Q4	\$ 16,512.90	\$ 518.84	3.35%	\$ 46.10	\$ 17,077.83	\$ 1.00	
			Dec-08	2008	Q4	\$ 17,031.73	\$ 518.84	3.35%	\$ 47.55	\$ 17,598.12	\$ 6,778.45	\$ 1.00
			Jan-09	2009	Q1	\$ 17,550.57	\$ 1,509.27	2.45%	\$ 35.83	\$ 19,095.67		
			Feb-09	2009	Q1	\$ 19,059.84	\$ 1,509.27	2.45%	\$ 38.91	\$ 20,608.02		
			Mar-09	2009	Q1	\$ 20,569.11	\$ 1,509.27	2.45%	\$ 42.00	\$ 22,120.38		
			Apr-09	2009	Q2	\$ 22,078.38	\$ 1,509.27	1.00%	\$ 18.40	\$ 23,606.05		
			May-09	2009	Q2	\$ 23,587.65	\$ 1,509.27	1.00%	\$ 19.66	\$ 25,116.58		
			Jun-09	2009	Q2	\$ 25,096.92	\$ 1,509.27	1.00%	\$ 20.91	\$ 26,627.10		
			Jul-09	2009	Q3	\$ 26,606.19	\$ 1,509.27	0.55%	\$ 12.19	\$ 28,127.64		
			Aug-09	2009	Q3	\$ 28,115.45	\$ 1,509.27	0.55%	\$ 12.89	\$ 29,637.61		
			Sep-09	2009	Q3	\$ 29,624.72	\$ 1,509.27	0.55%	\$ 13.58	\$ 31,147.57		
			Oct-09	2009	Q4	\$ 31,133.99	\$ 1,509.27	0.55%	\$ 14.27	\$ 32,657.53		
			Nov-09	2009	Q4	\$ 32,643.26	\$ 1,509.27	0.55%	\$ 14.96	\$ 34,167.49		
			Dec-09	2009	Q4	\$ 34,152.53	\$ 1,509.27	0.55%	\$ 15.65	\$ 35,677.45	\$ 18,370.48	\$ 1.00
			Jan-10	2010	Q1	\$ 35,661.80	\$ 1,990.22	0.55%	\$ 16.34	\$ 37,668.36		
			Feb-10	2010	Q1	\$ 37,652.02	\$ 1,990.22	0.55%	\$ 17.26	\$ 39,659.50		
			Mar-10	2010	Q1	\$ 39,642.24	\$ 1,990.22	0.55%	\$ 18.17	\$ 41,650.63		
			Apr-10	2010	Q2	\$ 41,632.46	\$ 1,990.22	0.55%	\$ 19.08	\$ 43,641.76		
			May-10	2010	Q2	\$ 43,622.68	\$ 1,990.22	0.55%	\$ 19.99	\$ 45,632.89		
			Jun-10	2010	Q2	\$ 45,612.90	\$ 1,990.22	0.55%	\$ 20.91	\$ 47,624.04		
			Jul-10	2010	Q3	\$ 47,603.13	\$ 1,990.22	0.89%	\$ 35.31	\$ 49,628.66		
			Aug-10	2010	Q3	\$ 49,593.35	\$ 1,990.22	0.89%	\$ 36.78	\$ 51,620.35		
			Sep-10	2010	Q3	\$ 51,583.57	\$ 1,990.22	0.89%	\$ 38.26	\$ 53,612.05		
			Oct-10	2010	Q4	\$ 53,573.79	\$ 1,990.22	1.20%	\$ 53.57	\$ 55,617.58		
			Nov-10	2010	Q4	\$ 55,564.01	\$ 1,990.22	1.20%	\$ 55.56	\$ 57,609.79		
			Dec-10	2010	Q4	\$ 57,554.23	\$ 1,990.22	1.20%	\$ 57.55	\$ 59,602.00	\$ 24,271.43	\$ 1.00
			Jan-11	2011	Q1	\$ 59,544.45	\$ 2,600.99	1.47%	\$ 72.94	\$ 62,218.38		
			Feb-11	2011	Q1	\$ 62,145.44	\$ 2,600.99	1.47%	\$ 76.13	\$ 64,822.57		
			Mar-11	2011	Q1	\$ 64,746.44	\$ 2,600.99	1.47%	\$ 79.31	\$ 67,426.74		
			Apr-11	2011	Q2	\$ 67,347.43	\$ 2,600.99	1.47%	\$ 82.50	\$ 70,030.92		
			May-11	2011	Q2	\$ 69,948.42	\$ 2,600.99	1.47%	\$ 85.69	\$ 72,635.11		
			Jun-11	2011	Q2	\$ 72,549.42	\$ 2,600.99	1.47%	\$ 88.87	\$ 75,239.28		
			Jul-11	2011	Q3	\$ 75,150.41	\$ 2,600.99	1.47%	\$ 92.06	\$ 77,843.46		
			Aug-11	2011	Q3	\$ 77,751.40	\$ 2,600.99	1.47%	\$ 95.25	\$ 80,447.65		
			Sep-11	2011	Q3	\$ 80,352.40	\$ 2,600.99	1.47%	\$ 98.43	\$ 83,051.82		
			Oct-11	2011	Q4	\$ 82,953.39	\$ 2,600.99	1.47%	\$ 101.62	\$ 85,656.00		
			Nov-11	2011	Q4	\$ 85,554.38	\$ 2,600.99	1.47%	\$ 104.80	\$ 88,260.18		
			Dec-11	2011	Q4	\$ 88,155.38	\$ 2,600.99	1.47%	\$ 107.99	\$ 90,864.36	\$ 32,297.51	\$ 1.52



This worksheet calculates the funding adder revenues.

Account 1555 - Sub-account Funding Adder Revenues

Interest Rates	Approved Deferral and Variance Accounts	CWIP	Annual amounts								Board Approved Smart Meter Funding Adder (from Tariff)
			Date	Year	Quarter	Opening Balance (Principal)	Funding Adder Revenues	Interest Rate	Interest	Closing Balance	
			Jan-12	2012	Q1	\$ 90,756.37	\$ 3,050.09	1.47%	\$ 111.18	\$ 93,917.64	\$ 1.52
			Feb-12	2012	Q1	\$ 93,806.45	\$ 3,050.09	1.47%	\$ 114.91	\$ 96,971.47	\$ 1.52
			Mar-12	2012	Q1	\$ 96,856.56	\$ 3,050.09	1.47%	\$ 118.65	\$ 100,025.30	\$ 1.52
			Apr-12	2012	Q2	\$ 99,906.65	\$ 5,051.80	1.47%	\$ 122.39	\$ 105,080.84	\$ 1.52
			May-12	2012	Q2	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02	\$ -
			Jun-12	2012	Q2	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02	\$ -
			Jul-12	2012	Q3	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02	\$ -
			Aug-12	2012	Q3	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02	\$ -
			Sep-12	2012	Q3	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02	\$ -
			Oct-12	2012	Q4	\$ 104,958.45	\$ -	1.47%	\$ 128.57	\$ 105,087.02	\$ -
			Nov-12	2012	Q4	\$ 104,958.45	\$ -	0.00%	\$ -	\$ 104,958.45	\$ -
			Dec-12	2012	Q4	\$ 104,958.45	\$ -	0.00%	\$ -	\$ 104,958.45	\$ 15,440.63
			Total Funding Adder Revenues Collected				\$ 104,958.45		\$ 3,954.84	\$ 108,913.29	\$ 108,913.29



Festival Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, based on monthly data.

Account 1556 - Sub-accounts Operating Expenses, Amortization Expenses, Carrying Charges

Prescribed Interest Rates	Approved Deferral and Variance Accounts	CWIP	Date	Year	Quarter	Opening Balance (Principal)	Amortization / Depreciation Expense		(Annual) Interest Rate	Interest (on opening balance)	Cumulative Interest
							OM&A Expenses	Depreciation Expense			
2006 Q1	0.00%	0.00%	Jan-06	2006	Q1	\$ -			-	0.00%	-
2006 Q2	4.14%	4.68%	Feb-06	2006	Q1	-			-	0.00%	-
2006 Q3	4.59%	5.05%	Mar-06	2006	Q1	-			-	0.00%	-
2006 Q4	4.59%	4.72%	Apr-06	2006	Q2	-			-	4.14%	-
2007 Q1	4.59%	4.72%	May-06	2006	Q2	-			-	4.14%	-
2007 Q2	4.59%	4.72%	Jun-06	2006	Q2	-			-	4.14%	-
2007 Q3	4.59%	5.18%	Jul-06	2006	Q3	-			-	4.59%	-
2007 Q4	5.14%	5.18%	Aug-06	2006	Q3	-			-	4.59%	-
2008 Q1	5.14%	5.18%	Sep-06	2006	Q3	-			-	4.59%	-
2008 Q2	4.08%	5.18%	Oct-06	2006	Q4	-			-	4.59%	-
2008 Q3	3.35%	5.43%	Nov-06	2006	Q4	-			-	4.59%	-
2008 Q4	3.35%	5.43%	Dec-06	2006	Q4	-			-	4.59%	-
2009 Q1	2.45%	6.61%	Jan-07	2007	Q1	-			-	4.59%	-
2009 Q2	1.00%	6.61%	Feb-07	2007	Q1	-			-	4.59%	-
2009 Q3	0.55%	5.67%	Mar-07	2007	Q1	-			-	4.59%	-
2009 Q4	0.55%	4.66%	Apr-07	2007	Q2	-			-	4.59%	-
2010 Q1	0.55%	4.34%	May-07	2007	Q2	-			-	4.59%	-
2010 Q2	0.55%	4.34%	Jun-07	2007	Q2	-			-	4.59%	-
2010 Q3	0.89%	4.66%	Jul-07	2007	Q3	-			-	4.59%	-
2010 Q4	1.20%	4.01%	Aug-07	2007	Q3	-			-	4.59%	-
2011 Q1	1.47%	4.29%	Sep-07	2007	Q3	-			-	4.59%	-
2011 Q2	1.47%	4.29%	Oct-07	2007	Q4	-			-	5.14%	-
2011 Q3	1.47%	4.29%	Nov-07	2007	Q4	-			-	5.14%	-
2011 Q4	1.47%	4.29%	Dec-07	2007	Q4	-			-	5.14%	-
2012 Q1	1.47%	4.29%	Jan-08	2008	Q1	-			-	5.14%	-
2012 Q2	1.47%	4.29%	Feb-08	2008	Q1	-			-	5.14%	-
2012 Q3	1.47%	4.29%	Mar-08	2008	Q1	-			-	5.14%	-
2012 Q4	0.00%	4.29%	Apr-08	2008	Q2	-			-	4.08%	-
			May-08	2008	Q2	-			-	4.08%	-
			Jun-08	2008	Q2	-			-	4.08%	-
			Jul-08	2008	Q3	-			-	3.35%	-
			Aug-08	2008	Q3	-			-	3.35%	-
			Sep-08	2008	Q3	-			-	3.35%	-
			Oct-08	2008	Q4	-			-	3.35%	-
			Nov-08	2008	Q4	-			-	3.35%	-
			Dec-08	2008	Q4	-			-	3.35%	-
			Jan-09	2009	Q1	-			-	2.45%	-
			Feb-09	2009	Q1	-			-	2.45%	-
			Mar-09	2009	Q1	-			-	2.45%	-
			Apr-09	2009	Q2	-			-	1.00%	-
			May-09	2009	Q2	-			-	1.00%	-
			Jun-09	2009	Q2	-			-	1.00%	-
			Jul-09	2009	Q3	-			-	0.55%	-
			Aug-09	2009	Q3	-			-	0.55%	-
			Sep-09	2009	Q3	-			-	0.55%	-
			Oct-09	2009	Q4	-			-	0.55%	-
			Nov-09	2009	Q4	-			-	0.55%	-
			Dec-09	2009	Q4	-			-	0.55%	-
			Jan-10	2010	Q1	\$ 1,034.16	\$ 1,034.16	\$ 1,034.16	1,034.16	0.55%	-
			Feb-10	2010	Q1	\$ 1,034.16	\$ 1,034.16	\$ 2,068.32	0.55%	0.47	0.47
			Mar-10	2010	Q1	\$ 2,068.32	\$ 89.64	\$ 1,034.16	3,192.12	0.55%	1.42
			Apr-10	2010	Q2	\$ 3,192.12	\$ 13.03	\$ 1,034.16	4,213.25	0.55%	2.89
			May-10	2010	Q2	\$ 4,213.25	\$ 371.28	\$ 1,034.16	5,618.69	0.55%	4.82
			Jun-10	2010	Q2	\$ 5,618.69	\$ 282.99	\$ 1,034.16	6,935.84	0.55%	7.39
			Jul-10	2010	Q3	\$ 6,935.84	\$ 265.21	\$ 1,034.16	8,235.21	0.89%	12.54
			Aug-10	2010	Q3	\$ 8,235.21	\$ 276.12	\$ 1,034.16	9,545.49	0.89%	18.64
			Sep-10	2010	Q3	\$ 9,545.49	\$ 280.45	\$ 1,034.16	10,860.10	0.89%	25.72
			Oct-10	2010	Q4	\$ 10,860.10	\$ 515.92	\$ 1,034.16	12,410.18	1.20%	36.58
			Nov-10	2010	Q4	\$ 12,410.18	\$ 371.76	\$ 1,034.16	13,816.10	1.20%	48.99
			Dec-10	2010	Q4	\$ 13,816.10	\$ 9,305.37	\$ 1,034.16	24,155.63	1.20%	62.81
			Jan-11	2011	Q1	\$ 24,155.63	\$ 573.74	\$ 5,818.92	29,400.81	1.47%	29.59
			Feb-11	2011	Q1	\$ 29,400.81	\$ 1,067.76	\$ 5,818.92	36,287.49	1.47%	128.42
			Mar-11	2011	Q1	\$ 36,287.49	\$ 2,724.70	\$ 5,818.92	44,831.11	1.47%	172.87
			Apr-11	2011	Q2	\$ 44,831.11	\$ 80.31	\$ 5,818.92	50,569.73	1.47%	227.79
			May-11	2011	Q2	\$ 50,569.73	\$ 26.95	\$ 5,818.92	56,415.59	1.47%	289.73
			Jun-11	2011	Q2	\$ 56,415.59	\$ 46.58	\$ 5,818.92	62,281.09	1.47%	358.84
			Jul-11	2011	Q3	\$ 62,281.09	\$ 1,094.00	\$ 5,818.92	69,194.01	1.47%	435.14
			Aug-11	2011	Q3	\$ 69,194.01	\$ 3,568.05	\$ 5,818.92	78,580.99	1.47%	519.90
			Sep-11	2011	Q3	\$ 78,580.99	\$ 1,831.41	\$ 5,818.92	86,231.32	1.47%	96.26
			Oct-11	2011	Q4	\$ 86,231.32	\$ 1,883.26	\$ 5,818.92	93,933.49	1.47%	105.63
			Nov-11	2011	Q4	\$ 93,933.49	\$ 596.11	\$ 5,818.92	100,348.52	1.47%	712.80
			Dec-11	2011	Q4	\$ 100,348.52	\$ 7,036.63	\$ 5,818.92	113,204.07	1.47%	836.86
			Jan-12	2012	Q1	\$ 113,204.07	\$ 1,027.27	\$ 6,059.50	120,290.84	1.47%	122.93
			Feb-12	2012	Q1	\$ 120,290.84	\$ 2,078.75	\$ 6,059.50	128,429.09	1.47%	959.79
			Mar-12	2012	Q1	\$ 128,429.09	\$ 955.67	\$ 6,059.50	135,444.26	1.47%	157.33
			Apr-12	2012	Q2	\$ 135,444.26	\$ 2,313.88	\$ 6,059.50	143,817.64	1.47%	1,403.15
			May-12	2012	Q2	\$ 143,817.64	\$ 2,093.03	\$ 6,059.50	151,970.17	1.47%	1,745.24
			Jun-12	2012	Q2	\$ 151,970.17	\$ 3,269.41	\$ 6,059.50	161,299.09	1.47%	1,931.41
			Jul-12	2012	Q3	\$ 161,299.09	\$ 2,123.54	\$ 6,059.50	169,482.13	1.47%	1,236.61
			Aug-12	2012	Q3	\$ 169,482.13	\$ 2,123.54	\$ 6,059.50	177,665.17	1.47%	207.62
			Sep-12	2012	Q3	\$ 177,665.17	\$ 2,123.54	\$ 6,059.50	185,848.21	1.47%	2,336.61
			Oct-12	2012	Q4	\$ 185,848.21	\$ 2,123.54	\$ 6,059.50	194,031.25	1.47%	2,781.92

	Nov-12	2012	Q4	194,031.25	\$ 2,123.54	\$ 6,059.50	202,214.29	0.00%	-	2,781.92
	Dec-12	2012	Q4	202,214.29	\$ 2,123.54	\$ 6,059.50	210,397.34	0.00%	-	2,781.92
				\$ 55,446.38	\$ 154,950.96	\$ 210,397.34				



Ontario Energy Board

Smart Meter Model

## Festival Hydro Inc.

This worksheet calculates the interest on OM&A and amortization/depreciation expense, in the absence of monthly data.

Year	OM&A (from Sheet 5)	Amortization Expense (from Sheet 5)	Cumulative OM&A and Amortization Expense	Average Cumulative OM&A and Amortization Expense	Average Annual Prescribed Interest	Rate for Deferral and Variance Accounts (from Sheets 8A and 8B)	Simple Interest on OM&A and Amortization Expenses
2006	\$ -	\$ -	\$ -	\$ -	4.37%	\$ -	-
2007	\$ -	\$ -	\$ -	\$ -	4.73%	\$ -	-
2008	\$ -	\$ -	\$ -	\$ -	3.98%	\$ -	-
2009	\$ -	\$ 25.58	\$ 25.58	\$ 12.79	1.14%	\$ 0.15	
2010	\$ 11,756.36	\$ 22,913.14	\$ 34,695.08	\$ 17,360.33	0.80%	\$ 138.45	
2011	\$ 19,224.73	\$ 48,711.15	\$ 102,630.96	\$ 68,663.02	1.47%	\$ 1,009.35	
2012	\$ 24,465.19	\$ 51,725.05	\$ 178,821.20	\$ 140,726.08	1.47%	\$ 2,068.67	
<b>Cumulative Interest to 2011</b>							\$ 1,147.94
<b>Cumulative Interest to 2012</b>							\$ 3,216.61



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

**Check if applicable**

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

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

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

	2006	2007	2008	2009	2010	2011	2012 and later	Total
Deferred and forecasted Smart Meter Incremental Revenue Requirement (from Sheet 5)	\$ -	\$ -	\$ -	\$ 38.87	\$ 42,882.15	\$ 92,058.62	\$ 112,452.25	\$ 247,431.89
Interest on Deferred and forecasted OM&A and Amortization Expense (Sheet 8A/8B)	\$ -	\$ -	\$ -	\$ -	\$ 62.81	\$ 896.98	\$ 1,822.13	\$ 2,781.92
<b>Sheet 8A (Interest calculated on monthly balances)</b>	\$ -	\$ -	\$ -	\$ -	\$ 62.81	\$ 896.98	\$ 1,822.13	\$ 2,781.92
<b>Sheet 8B (Interest calculated on average annual balances)</b>								\$ -
SMFA Revenues (from Sheet 8)	\$ 4,658.15	\$ 6,666.39	\$ 6,226.03	\$ 18,111.23	\$ 23,882.65	\$ 31,211.92	\$ 14,202.08	\$ 104,958.45
SMFA Interest (from Sheet 8)	\$ 62.14	\$ 368.11	\$ 552.42	\$ 259.25	\$ 388.78	\$ 1,085.59	\$ 1,238.55	\$ 3,954.84
Net Deferred Revenue Requirement	\$ 4,720.29	\$ 7,034.50	\$ 6,778.45	\$ 18,331.61	\$ 18,673.53	\$ 60,658.09	\$ 98,833.74	\$ 141,300.52

Number of Metered Customers (average for 2012 test year)

1986

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

Years for collection or refunding	1.5
Deferred Incremental Revenue Requirement from 2006 to December 31, 2011 plus Interest on OM&A and Amortization	\$ 137,761.56
SMFA Revenues collected from 2006 to 2012 test year (inclusive) Plus Simple Interest on SMFA Revenues	\$ 108,913.29
Net Deferred Revenue Requirement	\$ 28,848.27
SMDR May 1, 2012 to April 30, 2014	\$ 0.81
Check: Forecasted SMDR Revenues	\$ 28,955.88

Match

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

Incremental Revenue Requirement for 2012	\$ 112,452.25
SMIRR	\$ 4.72
Check: Forecasted SMIRR Revenues	\$ 112,487.04

Match