



August 15, 2012

By RESS and Courier

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario. M4P 1E4

Dear Ms. Walli,

**Re: Electricity Distribution Licence ED-2006-0031
Disposition of Account 1562 – Deferred Payments in Lieu of Taxes (EB-2012-0005)**

On March 28, 2012, Horizon Utilities Corporation (“Horizon Utilities”) filed an application with the OEB for the recovery of \$2,324,848 related to unrecovered PILs representing the difference between PILs collected from customers and PILs amounts included in rates for the period from October 2001 through April 2006.

On May 23, 2012, Horizon Utilities amended its PILs Application to reflect a revised amount to be recovered through rates of \$4,399,348. The amendment corrected for computational errors in applying approved PILs ‘rate slivers’ to historic charge parameter data where the most significant error was the double counting of unbilled energy.

Horizon Utilities received submissions on the Application from Board staff on July 27, 2012.

In response, please find attached Horizon Utilities Reply Submission in the above named proceeding. This Submission is being filed pursuant to Procedural Order No. 1; it is being filed through the Board’s RESS system and two hard copies will follow by courier.

Yours truly,

Original signed by Jamie Gribbon for

Indy J. Butany-DeSouza
Vice-President, Regulatory Affairs
Horizon Utilities Corporation
Tel: (905) 317-4765

Attachments

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, being Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Horizon Utilities Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable distribution rates related to the disposition of Account 1562, Deferred Payments in Lieu of Taxes, to be effective September 1, 2012.

REPLY SUBMISSION OF HORIZON UTILITIES CORPORATION

DELIVERED: AUGUST 15, 2012

Applicant:

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A. INTRODUCTION

1. Horizon Utilities Corporation (“Horizon Utilities”) is the successor corporation to Hamilton Hydro Inc. (“HHI”) and St. Catharines Hydro Utility Services Inc. (“SCHUSI”). Horizon Utilities is a corporation incorporated pursuant to the *Ontario Business Corporations Act*. Horizon Utilities owns and operates the electricity distribution systems located in the City of Hamilton and the City of St. Catharines.
2. Pursuant to Section 78 of the *Ontario Energy Board Act, S.O. 1998, c. 15 (Appendix B)*, Horizon Utilities filed an application with the Ontario Energy Board (the “Board” or “OEB”) on October 13, 2011, for electricity distribution rates (“EDR”) through the Board’s 3rd Generation Incentive Regulation Mechanism (“IRM”). Along with the IRM application, Horizon Utilities sought approval for the disposition of Account 1562 for the balance related to its Deferred Payment in Lieu of Taxes (“PILs”).
3. On November 8, 2011, the OEB advised Horizon Utilities that the disposition of these variances would be considered as a stand-alone application to be filed with the OEB before April 1, 2012. The OEB determined that its review of these variances as a component of the Application would otherwise be complicated by the complexities of the amalgamation leading to the creation of Horizon Utilities.
4. On March 28, 2012, Horizon Utilities filed an application with the OEB for the recovery of \$2,324,848 related to unrecovered PILs representing the difference between PILs collected from customers and PILs amounts included in rates for the period from October 2001 through April 2006.
5. On May 23, 2012, Horizon Utilities amended its PILs Application to reflect a revised amount to be recovered through rates of \$4,399,348. The amendment corrected for computational errors in applying approved PILs ‘rate slivers’ to historic charge parameter data where the most significant error was the double counting of unbilled energy.
6. The Vulnerable Energy Consumer Coalition (“VECC”) is the only intervenor in this proceeding. VECC was the only intervenor in Horizon Utilities’ 2012 EDR IRM application where the PILs evidence was initially filed; the OEB accorded VECC intervenor status in the subsequent stand-alone application.

7. Pursuant to Procedural Order (“PO”) #1, Board staff filed interrogatories on the PILs Application on June 29, 2012. VECC did not file any interrogatories. Horizon Utilities filed its responses to interrogatories on July 16, 2012, with the exception of the response to interrogatory #11 related to the interest expense of SCHUSI which it filed on July 23, 2012.
8. Horizon Utilities received submissions on the Application from Board staff on July 27, 2012; VECC confirmed that it would not be making a submission in this matter.
9. In this submission, Horizon Utilities will summarize the Board staff position on the various matters addressed in the Application, and will provide its reply submissions. Horizon Utilities also relies upon its evidence, subject to any modifications set out in this Reply.

B. ISSUES:

- **Repeal of the Large Corporation Tax on January 1, 2006**

10. The federal government repealed the large corporation tax (“LCT”) with effect from January 1, 2006. HHI included \$311,123 with respect to 2005 LCT proxy liability in 2005 rates. SCHUSI did not have LCT included in its 2005 rates. Despite the repeal of LCT effective for taxation years commencing January 1, 2006, Horizon Utilities submitted that it should be allowed to retain the amount of 2005 LCT proxy recovered from January 1, 2006 to April 30, 2006 to the extent such proxy was in respect of, and represented the remaining LCT proxy recovery for, its 2005 PILs year.

Submission of Board staff:

11. Board staff submits that accounting for changes in tax law, such as that of the LCT repeal, has been a feature of the PILs methodology since its inception and that Horizon Utilities should record the repeal of the LCT for the first four months of 2006 in Account 1562 since it did not deal with the disposition of this amount in EB-2010-0131.

Horizon Utilities’ Reply:

12. Horizon Utilities submits its clarification that SCHUSI did not have LCT included in its 2005 rates as the Initial Estimate of the “Gross Amount of LCT before surtax offset” was

fully offset by the amount of Federal Surtax for purposes of computing the net LCT proxy.

13. As submitted by Board staff: *"The federal government repealed the large corporation tax ("LCT") with effect from January 1, 2006."* LCT remained effective for the entire 2005 taxation year (January 1, 2005 to December 31, 2005), which resulted in a full year of LCT liability for Horizon Utilities in 2005.
14. PILs Proxy recoveries with respect to the 2005 taxation year aligned with the corresponding 2005 rate year from April 1, 2005 to April 30, 2006. Consequently, Horizon Utilities was recovering LCT liabilities arising from tax laws in effect from January 1, 2005 to December 31, 2005 over the period April 1, 2005 to April 30, 2006. In other terms, Horizon Utilities was still recovering PILs liabilities related to 2005 during the months of January to April 2006.
15. The adjustment proposed by Board staff in its submission would result in Horizon Utilities permanently under-recovering four months of LCT proxy in respect of the 2005 taxation year.
16. The purpose of accounting for changes in tax law within the PILs methodology is to adjust recoveries in respect of a particular taxation year, as appropriate, to reflect subsequent changes to laws applicable to such year. Horizon Utilities supports this approach. However, this purpose is not met by the submission of Board Staff. The adjustment proposed by Board staff would effectively result in an adjustment to recoveries in respect of the 2005 taxation year (i.e., from April 1, 2005 to April 30, 2006) for changes to tax law that were only applicable to years subsequent to that year.
17. PILs proxy recoveries in respect of the 2006 taxation year proceeded through rates approved and effective for Horizon Utilities from May 1, 2006 to April 30, 2007. Such recoveries were subsequently adjusted to reflect the repeal of LCT effective commencing with the 2006 taxation year.
18. Based on the above analysis, Horizon Utilities submits that it should not should record the repeal of the LCT for the first four months of 2006 in Account 1562 since this would clearly result in a permanent four-month under-recovery of LCT in respect of the 2005

taxation year; which is not the intended purpose of accounting for changes in tax laws within the PILs methodology.

- **Entering amounts from PILs proxy models into SIMPIL models**

19. For the purposes of the PILs application, distributors are required to enter the PILs proxy line item amounts from the 2002 and 2005 applications in the SIMPIL models for each year consistent with the prior evidence accepted by the Board in order to calculate the appropriate variances. In its 2001 SIMPIL model, Horizon Utilities entered \$186,561 in row C29 "Non-material Item" rather than in C28 "Material Item" to correspond with the amount recorded in cell G28 of \$186,033 for capitalized fleet depreciation.
20. In the 2002 SIMPIL model, HHI entered the amounts on the same row #28 which allowed the variance between two amounts to be calculated.

Submission of Board staff:

21. Board staff submitted that the inclusion by Horizon Utilities of the amount of \$186,561 in row C29 "Non-material Item" rather than in C28 "Material Item" to correspond with the amount recorded in cell G28 of \$186,033 for capitalized fleet depreciation results in an incorrect calculation of the true-up. Board staff submitted that it should in fact reflect the variance between these two amounts.
22. Board staff further submitted that the line item amounts accepted by the Board in the 2001 PILs proxy calculations should be entered in a consistent manner in the 2001 SIMPIL model to ensure that the variances are accurately calculated.

Horizon Utilities' Reply:

23. Horizon Utilities regrets this input error and agrees with the submissions of Board staff on this item that the inclusion of: *"the amount of \$186,561 in row C29 "Non-material Item" rather than in C28 "Material Item" to correspond with the amount recorded in cell G28 of \$186,033 for capitalized fleet depreciation results in an incorrect calculation of the true-up"*.
24. Horizon Utilities acknowledges that the amount of \$186,561 in row C29 should be recorded in row C28; which would properly reflect the variance with respect to this

amount by aligning the calculation of such with the amount recorded in cell G28 of \$186,033 for capitalized fleet depreciation.

25. However, Horizon Utilities agrees with the submission of Board staff with respect to “Depreciation adjustments that true up to ratepayers”. Horizon Utilities accepts the corresponding submission of Board staff that: *“Horizon should record these actual capitalized fleet depreciation amounts on sheet TAXREC3 in the SIMPIL models for 2001 through 2005”*. On this basis, Horizon Utilities will record the \$186,033 on sheet TAXREC3 with the effect that the \$186,561 will true-up to the benefit of ratepayers.

- **Depreciation adjustments that true up to ratepayers**

26. A Board staff discussion paper was issued on August 20, 2008 as part of EB-2007-0820 (and was subsumed into EB-2008-0381). That paper was included as evidence in the Combined PILs proceeding and included a list of items in Appendix A pg. III that were not subject to true-up under the PILs methodology and included depreciation and capital cost allowance.

Submission of Board staff:

27. Board staff submitted that the depreciation adjustments noted above should not true-up to ratepayers under the PILs methodology. Such is consistent with the Board staff discussion paper in the Combined Proceeding. Board staff submitted that Horizon Utilities should record these actual capitalized fleet depreciation amounts on sheet TAXREC3 in the SIMPIL models for the years 2001 through 2005.
28. Further, Board staff submitted that the capitalized fleet depreciation amounts in the PILs proxy from the applications should be retained on the same row # 28 for Material Items in column C in the SIMPIL models to allow the reversal to occur, and thus eliminate the impact of depreciation.

Horizon Utilities’ Reply:

29. Horizon Utilities accepts the submissions of Board staff with respect to “Depreciation adjustments that true up to ratepayers” and proposes to make the corresponding adjustments. As provided in its responses to Board staff interrogatories 3b) and 13b),

this will reduce the value of Horizon Utilities' balance in Account 1562 by \$1,328,877; comprising principal of \$1,035,484 and related carrying charges of \$293,393.

- **Gains and losses on disposal of fixed assets**

30. Horizon Utilities and its predecessor companies included fixed assets in the calculation of rate base for the 2000, 2001 and 2002 applications. Distributors continued to receive the return on these assets from ratepayers even though these assets may have been disposed during the period of 2002 through 2005. Under the PILs methodology, fixed asset transactions should not true-up to ratepayers and should appear on TAXREC3 sheet of the SIMPIL model.

Submission of Board staff:

31. Board staff submitted that Horizon Utilities' treatment of fixed asset transactions in its SIMPIL models is not consistent with decisions already made by the Board. Board staff referenced EB-2011-0187, the Decision of the Board in the 2012 EDR IRM Application of North Bay Hydro, and noted that consistent with that Decision, variances or transactions related to fixed assets should be entered on SIMPIL worksheet TAXREC3.

Horizon Utilities' Reply:

32. Horizon Utilities accepts the submissions of Board Staff with respect to "Gains and losses on disposal of fixed assets" and proposes to make the corresponding adjustments. As provided in its response to Board Staff interrogatory 2b), this will increase the value of Horizon Utilities' balance in Account 1562 by \$330,612; comprising principal of \$287,734 and related carrying charges of \$42,878.

- **Interest expense true-up**

33. When the actual interest expense, as reflected in the financial statements and tax returns, exceeds the maximum deemed interest amount approved by the Board, the excess amount is subject to a claw-back penalty and is shown in the TAXCALC worksheet as an extra deduction in the true-up calculations.

Submission of Board staff:

34. Board staff submitted that interest expense calculated in accordance with Board decisions for each of HHI and SCHUSI does not exceed the maximum deemed interest for each year during the period 2001-2005, and therefore, there are no true-up variances to be included.

Horizon Utilities' Reply:

35. Horizon Utilities agrees with the submission of Board staff and has no further comments.

- **Income tax rates**

36. The SIMPIL models require income tax rates to be input in order to calculate the variances that support some of the entries in account 1562 deferred PILs. Horizon Utilities entered the income tax rates on sheet TAXCALC. HHI's rate base in its 2002 application was \$247,324,048 and SCHUSI's rate base was \$64,127,964. In the case of each, the maximum income tax rates were used in the SIMPIL models.

Board staff Submission:

37. Board staff submitted that Horizon Utilities had chosen the appropriate income tax rates in order to calculate the true-up entries in the SIMPIL models.

Horizon Utilities' Reply:

38. Horizon Utilities agrees with the submission of Board staff and has no further comments.

- **Calculation of PILs recoveries from customers and the impact of the unbilled revenue accrual**

39. On May 23, 2012, Horizon Utilities amended its PILs Application to reflect a revised amount to be recovered through rates of \$4,399,348. The amendment corrected for computational errors in applying approved PILs 'rate slivers' to historic charge parameter data where the most significant error was the double counting of unbilled energy.

Board staff Submission:

40. In the Board staff Submission, Board staff provided a number of tables outlining PILs proxy amounts, recoveries and carrying charges variances year over year. Board staff

expressed that based on the results outlined in the analysis tables provided, *“it is reasonable to assume that the billed PILs recovery data provided by Horizon still contains errors”*. Board staff stated that *“an error in any month would mean that the annual statistics would also contain an error”*. In addition, Board staff compared the monthly amounts calculated for 2006 PILs recoveries in a table which is reproduced below.

HHI Recoveries in \$

PILs Proxies Compared to Recoveries & Unbilled Revenue Accrual	January 2006	February 2006	March 2006	April 2006	Billed in May-July 2006	April 2005
March 28, 2012						
PILs Proxies in Rates	702,807	702,807	702,807	702,807		702,807
PILs Recovery Calculations	-748,765	-712,796	-687,967	-1,844,835	-390,712	-610,015
Difference	-45,958	-9,989	14,840	-1,142,028		92,792
May 23, 2012						
PILs Proxies in Rates	702,807	702,807	702,807	702,807		702,807
PILs Recovery Calculations	-748,765	-712,796	-687,967	-477,153	-390,712	-610,015
Difference	-45,958	-9,989	14,840	225,654		92,792

41. Board staff requested that Horizon Utilities recalculate the recoveries in its worksheets by removing the impacts of the unbilled revenue accruals when created and when reversed for the entire period March 1, 2002 through April 30, 2006 leaving PILs recovery calculations based only on actual billings to customers.

Horizon Utilities’ Reply:

42. The table above prepared by Board staff is reproduced to support the adjustment made to the Application in May to remove unbilled amounts recorded twice. The original data filed in March included PILs recoveries amounts of \$3,994,363 for the period January through April 2006 compared to PILs proxies in rates of \$2,811,228. The adjusted PILs recoveries provided in May total \$2,626,681 which more closely matches the PILs proxies provided in rates. The following table provided in Appendix H of the Application provides adjustments that were made to the continuity schedules upon which carrying charges were calculated.

Adjustments made to Continuity schedules				
	St. Catharines	Hamilton	Horizon	Total
2002	\$4,533	\$50,876		\$55,410
2003	(\$34,165)	\$1,200		(\$32,965)
2004	(\$119,022)	(\$48,875)		(\$167,897)
2005	(\$239,456)	(\$23,748)		(\$263,205)
Jan 1st - Apr 30th 2006			(\$1,367,682)	(\$1,367,682)
	(\$388,110)	(\$20,548)	(\$1,367,682)	(\$1,776,339)

43. As provided in Horizon Utilities' response to Board Staff Interrogatory 1a): "Any differences that resulted from the monthly amounts reported in Appendix B were adjusted in the last month of the year so that the total collections for the year balanced with the calculated amount based on billing determinants previously reported to the Board". These have been adjusted in the last month of the period for all of the years listed above and accordingly these amounts would have to be considered when testing the reasonableness of the PILs recoveries for these months. In Board Staff Interrogatories 1 and 9, Board staff inquired as to the pattern of recoveries for specific months (December 2002, 2003, 2004, 2005, February, 2005 and April 2006). As stated in response to Board Staff Interrogatory 1, "Horizon Utilities submits that it is most meaningful to assess the reasonableness of Account 1562 balances based on annual differences between PILs Proxies and PILs Recoveries; since this is the basis on which both the PILs Proxies and underlying billing determinants for PILs rate recoveries are determined." The table below compares the amounts recovered from customers in Appendix H of the Application, with the PILs proxy amounts included in rates from Appendix A of the Application.

Comparison of Amounts Billed to Customers and PILs Proxy Approved in Rates

	Year	2002	2003	2004	2005	Jan - Apr 2006	Total
Billed to Customers	St. Catharines	\$ 2,330,105	\$ 3,053,417	\$ 2,438,251	\$ 2,622,430	-	\$10,444,203
	Hamilton	\$ 9,351,206	\$ 10,924,712	\$ 8,715,809	\$ 8,654,748	-	\$37,646,474
	Horizon	-	-	-	-	\$ 3,485,532	\$ 3,485,532
	Total	\$ 11,681,312	\$ 13,978,129	\$ 11,154,060	\$ 11,277,177	\$ 3,485,532	\$51,576,210
PILs Proxy in rates	St. Catharines	\$ 2,991,759	\$ 2,991,759	\$ 2,514,651	\$ 2,471,004	-	\$10,969,173
	Hamilton	\$ 11,245,049	\$ 11,245,049	\$ 9,392,047	\$ 8,518,860	-	\$40,401,005
	Horizon	-	-	-	-	\$ 3,647,718	\$ 3,647,718
	Total	\$ 14,236,808	\$ 14,236,808	\$ 11,906,698	\$ 10,989,864	\$ 3,647,718	\$55,017,896
Difference	St. Catharines	\$ (661,654)	\$ 61,658	\$ (76,400)	\$ 151,426	-	\$ (524,970)
	Hamilton	\$ (1,893,843)	\$ (320,337)	\$ (676,238)	\$ 135,888	-	\$ (2,754,531)
	Horizon	-	-	-	-	\$ (162,186)	\$ (162,186)
	Total	\$ (2,555,496)	\$ (258,679)	\$ (752,638)	\$ 287,313	\$ (162,186)	\$ (3,441,686)

44. The difference between amounts billed to customers (which include unbilled amounts) and PILs proxy in rates of \$3,441,686 less annual true-up adjustments from SIMPIL models of \$551,188 represents the principal amount of the claim to be recovered from customers of \$2,890,498 as reported in Appendix B of the Application. As detailed in the table above, the most significant portion of the variance relates to 2002, when PILs were first collected through rates. PILs proxy amounts billed and in rates for 2002 in the table above include recovery of both the 2001 and 2002 PILs proxy amounts. Recoveries of these amounts were calculated based on billings to customers over a twelve month period compared to recoveries which occurred over ten months commencing in March 2002. The annual PILs proxy for 2002 represents an average of \$1,186,401 per month or an estimated \$2,372,801 for the two month period January – February 2002, in which period recoveries were not billed to customers. While consumption varies from month to month, the averaged amount validates a substantial portion of the difference of \$2,555,496 for 2002 noted in the above table. The variances in other years can be attributed to differences between estimated billing determinants and actual realized determinants, as discussed in response to Board Staff Interrogatory 1a). “The initial PILs rates implemented in 2002 were based on 2001 billing quantities which were generally higher than the actual quantities realized in 2002 and 2003. While the rates were designed to recover these amounts in 2002 and 2003, HHI and SCHUSI did not realize the projected load that would have provided this recovery and, therefore, the recoveries realized were lower than anticipated.”

45. The comparisons outlined in the Board staff submission concerning monthly amounts calculated for 2006 PILs recoveries did not consider the adjustments listed above that were referenced in response to Board Staff Interrogatory 1a) where Horizon Utilities stated that *“Any differences that resulted from the monthly amounts reported in Appendix B were reflected in the last month of the year so that the total collections for the year balanced with the calculated amount based on billing determinants previously reported to the Board.”* These adjustments were necessary to reconcile the annual amounts recorded to internal billing statistics and annual billing determinants previously filed with the Board.
46. As requested in Board staff’s Submission, Horizon Utilities has recalculated the amounts billed to customers excluding unbilled amounts for all periods and provides the following comparison to amounts submitted in the Application.

Comparison of Amounts Billed to Customers Including and Excluding Unbilled

	Year	2002	2003	2004	2005	2006 Jan - July	Total
Including Unbilled (as filed)	St. Catharines	\$ 2,330,105	\$ 3,053,417	\$ 2,438,251	\$ 2,622,430	\$ -	\$ 10,444,203
	Hamilton	\$ 9,351,206	\$ 10,924,712	\$ 8,715,809	\$ 8,654,748	\$ -	\$ 37,645,474
	Horizon	\$ -	\$ -	\$ -	\$ -	\$ 3,485,532	\$ 3,485,532
	Total	\$ 11,681,312	\$ 13,978,129	\$ 11,154,060	\$ 11,277,177	\$ 3,485,532	\$ 51,576,209
Excluding Unbilled (Requested by Board Staff)	St. Catharines	\$ 2,330,103	\$ 3,142,151	\$ 2,442,310	\$ 2,477,723	\$ -	\$ 10,392,288
	Hamilton	\$ 8,663,006	\$ 10,993,246	\$ 8,721,103	\$ 8,671,209	\$ -	\$ 37,048,563
	Horizon	\$ -	\$ -	\$ -	\$ -	\$ 4,069,498	\$ 4,069,498
	Total	\$ 10,993,109	\$ 14,135,397	\$ 11,163,413	\$ 11,148,932	\$ 4,069,498	\$ 51,510,348
Difference	St. Catharines	\$ (2)	\$ 88,734	\$ 4,059	\$ (144,706)	\$ -	\$ (51,915)
	Hamilton	\$ (688,200)	\$ 68,533	\$ 5,294	\$ 16,461	\$ -	\$ (597,912)
	Horizon	\$ -	\$ -	\$ -	\$ -	\$ 583,966	\$ 583,966
	Total	\$ (688,203)	\$ 157,268	\$ 9,353	\$ (128,245)	\$ 583,966	\$ (65,861)

47. The table above compares amounts reported in the Application as billed to customers (which includes unbilled amounts) and amounts actually billed to customers. The amounts actually billed to customers have been supported by internally generated billing statistics and are provided with this submission both in printed and electronic form. The analysis above shows a decrease in recoveries in 2002 for HHI which is expected in the initial year when unbilled amounts are removed from the recoveries. This recovery lag continues until the final year when the initial year decrease is offset by an increase in recoveries since recoveries continue through July 2006. The years 2003, 2004 and 2005, taken in aggregate, sum to a net difference of \$38,376 between the two methods of calculating recoveries. There was no change to recoveries for SCHUSI as the

analysis proved that there were no unbilled amounts recorded in 2002. This is evidenced by the continuity schedule contained in Appendix B-1 where approximately 45% of the monthly PILs proxy is recorded as recoveries in March 2002 when PILs were first introduced into rates. Horizon Utilities submits that this analysis supports Horizon Utilities calculation of the amounts billed to customers included in the Application and that the amounts reported as recovered are reasonable.

48. While there are differences in the recovery amounts in each period due to the removal of unbilled revenue, the total billed to customers for the entire period is within \$65,861 or 0.1% of the amount filed in the Application. Horizon Utilities submits that this recalculation reaffirms the amounts claimed in the Application and that the amounts billed to customers has been confirmed.

49. **RELIEF SOUGHT**

Horizon Utilities seeks recovery of PILs amounts as submitted in the Application. After consideration of the issues raised by Board staff and further analysis, Horizon Utilities agrees to certain adjustments of amounts claimed in the Application. A summary of Horizon Utilities' responses and the impact of the proposed adjustments are provided below.

Summary of adjustments to amounts in Application based on above proposed changes

	Horizon Utilities Response	Principal	Carrying Charges	Total
Amount requested in Application to be recovered		\$ 2,890,496	\$1,508,852	\$ 4,399,348
Board Staff Issues raised in Submission:				
Repeal of the Large Corporation Tax on January 1, 2006	Disagree	\$ -	\$ -	\$ -
Entering amounts from PILs proxy models into SIMPIL models	Agree	<i>Included below</i>	<i>Included below</i>	\$ -
Depreciation adjustments that true up to ratepayers	Agree	\$ (1,035,484)	\$ (293,393)	\$ (1,328,877)
Gains and losses on disposal of fixed assets	Agree	\$ 287,734	\$ 42,878	\$ 330,612
Interest expense true-up	Agree	\$ -	\$ -	\$ -
Income tax rates	Agree	\$ -	\$ -	\$ -
Calculation of PILs recoveries from customers and the impact of the unbilled revenue accrual *	Agree	\$ 65,861	\$ 156,897	\$ 222,758
Revised Amount to be recovered based on above adjustments		\$ 2,208,607	\$1,415,234	\$ 3,623,841

* Horizon Utilities agrees with the approach of verifying amounts billed to customers, however, this causes significant carrying charges related to timing of recording of these amounts.

Based on the preceding analysis, Horizon Utilities' seeks a total recovery of \$3,623,841; of which \$2,208,607 is principal and \$1,415,234 is carrying charges.

50. The bill impacts of the revised recovery based on the adjustments in this reply submission are as follows:

Customer Class	Billing Units	Average Monthly Volume	Distribution Charges		Bill Impacts on Distribution Charges		Total Bill Charges		Total Bill Impact	
			Current	Proposed	\$	%	Current	Proposed	\$	%
Residential	kWh	800	\$ 26.23	\$ 27.11	\$ 0.88	3.36%	\$ 115.20	\$ 116.10	\$ 0.90	0.78%
General Service Less Than 50 kW	kWh	2,000	\$ 56.17	\$ 57.37	\$ 1.20	2.14%	\$ 276.21	\$ 277.43	\$ 1.22	0.44%
General Service 50 to 4,999 kW	kW	2,500	\$ 3,828.12	\$ 4,065.62	\$ 237.50	6.20%	\$ 28,237.33	\$ 28,478.87	\$ 241.54	0.86%
Large Use Greater Than 5,000 kW	kW	5,000	\$27,923.63	\$28,295.63	\$ 372.00	1.33%	\$295,174.54	\$295,552.86	\$ 378.32	0.13%

Horizon Utilities intends to review these calculations during the preparation of its Draft Rate Order and will address any necessary revisions at that time.

51. **CONCLUSION**

Horizon Utilities submits that the relief requested in this Application, effective September 1, 2012, as summarized in this reply submission, is just and reasonable, and requests that the Board so find.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 15TH DAY OF AUGUST, 2012.

Original Signed by Jamie Gribbon, for

Indy J. Butany-DeSouza
 Vice President, Regulatory Affairs,
 Horizon Utilities Corporation
 Tel: (905) 317 - 4765

Comparison of Amounts Billed to Customers Including and Excluding Unbilled

	Year	2002	2003	2004	2005	2006 Jan - July	Total
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	Horizon	\$ -	\$ -	\$ -	\$ -	\$ 3,485,532	\$ 3,485,532
	Total	\$ 11,681,312	\$ 13,978,129	\$ 11,154,060	\$ 11,277,177	\$ 3,485,532	\$ 51,576,209
Excluding Unbilled (Requested by Board Staff)	St. Catharines	\$ 2,330,103	\$ 3,142,151	\$ 2,442,310	\$ 2,477,723	\$ -	\$ 10,392,288
	Hamilton	\$ 8,663,006	\$ 10,993,246	\$ 8,721,103	\$ 8,671,209	\$ -	\$ 37,048,563
	Horizon	\$ -	\$ -	\$ -	\$ -	\$ 4,069,498	\$ 4,069,498
	Total	\$ 10,993,109	\$ 14,135,397	\$ 11,163,413	\$ 11,148,932	\$ 4,069,498	\$ 51,510,348
Difference	St. Catharines	\$ (2)	\$ 88,734	\$ 4,059	\$ (144,706)	\$ -	\$ (51,915)
	Hamilton	\$ (688,200)	\$ 68,533	\$ 5,294	\$ 16,461	\$ -	\$ (597,912)
	Horizon	\$ -	\$ -	\$ -	\$ -	\$ 583,966	\$ 583,966
	Total	\$ (688,203)	\$ 157,268	\$ 9,353	\$ (128,245)	\$ 583,966	\$ (65,861)

St. Catharines 2002

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec) (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.0004	0.0014	301,689,299	\$ 120,676	\$ 422,365	
GS < 50	0.0003	0.0013	126,371,551	\$ 37,911	\$ 164,283	
GS > 50	0.0491	0.1820	1,018,697	\$ 50,018	\$ 185,403	
GS - Standby	0.0491	0.1820	77,762	\$ 3,818	\$ 14,153	
Large User	0.0377	0.1396	637,643	\$ 24,039	\$ 89,015	
Sentinel	0.1470	0.5445	366	\$ 54	\$ 199	
Streetlighting	0.0900	0.3331	23,518	\$ 2,117	\$ 7,834	
Total Variable				\$ 238,633	\$ 883,252	\$ 1,121,885

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.50	1.85	386,271	\$ 193,213	\$ 715,528	
GS < 50	0.50	1.84	46,613	\$ 23,181	\$ 85,829	
GS > 50	5.36	19.86	4,461	\$ 23,921	\$ 88,578	
GS - Standby	0.04	0.16	104,720	\$ 4,555	\$ 16,860	
Large User	167.78	621.29	48	\$ 8,054	\$ 29,822	
Sentinel	0.09	0.35	2,374	\$ 223	\$ 826	
Streetlighting	0.02	0.09	152,002	\$ 3,754	\$ 13,878	
Total Fixed				\$ 256,901	\$ 951,320	1,208,220.94

Total	\$ 495,534	\$ 1,834,572	\$ 2,330,105
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Billed Data

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec) (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.0004	0.0014	301,689,299	\$ 120,676	\$ 422,365	
GS < 50	0.0003	0.0013	126,371,551	\$ 37,911	\$ 164,283	
GS > 50	0.0491	0.1820	1,018,697	\$ 50,018	\$ 185,403	
GS - Standby	0.0491	0.1820	77,762	\$ 3,818	\$ 14,153	
Large User	0.0377	0.1396	637,643	\$ 24,039	\$ 89,015	
Sentinel	0.1470	0.5445	366	\$ 54	\$ 199	
Streetlighting	0.0900	0.3331	23,518	\$ 2,117	\$ 7,834	
Total Variable				\$ 238,633	\$ 883,252	\$ 1,121,885

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.50	1.85	386,271	\$ 193,213	\$ 715,528	
GS < 50	0.50	1.84	46,613	\$ 23,181	\$ 85,829	
GS > 50	5.36	19.86	4,461	\$ 23,920	\$ 88,575	
GS - Standby	0.04	0.16	104,720	\$ 4,555	\$ 16,860	
Large User	167.78	621.29	48	\$ 8,054	\$ 29,822	
Sentinel	0.09	0.35	2,374	\$ 223	\$ 826	
Streetlighting	0.02	0.09	152,002	\$ 3,754	\$ 13,878	
Total Fixed				\$ 256,900	\$ 951,318	1,208,218.59

Total	\$ 495,533	\$ 1,834,570	\$ 2,330,103
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St. Catharines 2003

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003 (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.0004	0.0014	390,694,133	\$ 156,278	\$ 546,972	
GS < 50	0.0003	0.0013	171,856,344	\$ 51,557	\$ 223,413	
GS > 50	0.0491	0.1820	1,098,912	\$ 53,957	\$ 200,002	
GS - Standby	0.0491	0.1820	79,491	\$ 3,903	\$ 14,467	
Large User	0.0377	0.1396	650,695	\$ 24,531	\$ 90,837	
Sentinel	0.1470	0.5445	1,131	\$ 166	\$ 616	
Streetlighting	0.0900	0.3331	29,033	\$ 2,613	\$ 9,671	
Total				\$ 293,005	\$ 1,085,978	\$ 1,378,983

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.50	1.85	556,464	\$ 278,343	\$ 1,030,794	
GS < 50	0.50	1.84	56,556	\$ 28,125	\$ 104,137	
GS > 50	5.36	19.86	6,240	\$ 33,460	\$ 123,901	
GS - Standby	0.04	0.16	75,300	\$ 3,276	\$ 12,123	
Large User	167.78	621.29	48	\$ 8,054	\$ 29,822	
Sentinel	0.09	0.35	3,144	\$ 296	\$ 1,094	
Streetlighting	0.02	0.09	181,116	\$ 4,474	\$ 16,536	
Total				\$ 356,027	\$ 1,318,407	\$ 1,674,434

Total	\$ 649,031	\$ 2,404,385	\$ 3,053,417
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Billed Data

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003 (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.0004	0.0014	388,488,025	\$ 155,395	\$ 543,883	
GS < 50	0.0003	0.0013	171,555,511	\$ 51,467	\$ 223,022	
GS > 50	0.0491	0.1820	1,098,912	\$ 53,957	\$ 200,002	
GS - Standby	0.0491	0.1820	79,491	\$ 3,903	\$ 14,467	
Large User	0.0377	0.1396	650,695	\$ 24,531	\$ 90,837	
Sentinel	0.1470	0.5445	1,131	\$ 166	\$ 616	
Streetlighting	0.0900	0.3331	31,148	\$ 2,803	\$ 10,375	
Total				\$ 292,222	\$ 1,083,203	\$ 1,375,425

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.50	1.85	595,092	\$ 297,665	\$ 1,102,349	
GS < 50	0.50	1.84	58,723	\$ 29,203	\$ 108,127	
GS > 50	5.36	19.86	6,688	\$ 35,862	\$ 132,797	
GS - Standby	0.04	0.16	-	\$ -	\$ -	
Large User	167.78	621.29	49	\$ 8,149	\$ 30,174	
Sentinel	0.09	0.35	3,144	\$ 296	\$ 1,094	
Streetlighting	0.02	0.09	181,116	\$ 4,474	\$ 16,536	
Total				\$ 375,648	\$ 1,391,077	\$ 1,766,726

Total	\$ 667,871	\$ 2,474,280	\$ 3,142,151
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St. Catharines 2004

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(d)	(e)	(a) x (d)	(b) x (d)	(c) x (e)
	2001 PILS Rates	2002 PILS Rates	2004 PILS Rates	2004 (Jan - Mar) (kWh/kW)	2004 (Apr - Dec) (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$	2004 PILS Rates \$
Residential	0.00040	0.00140	0.0039	105,386,738	281,352,016	\$ 42,155	\$ 147,541	\$ 1,097,273
GS < 50	0.00030	0.00130	0.0019	46,274,880	123,540,505	\$ 13,882	\$ 60,157	\$ 234,727
GS > 50	0.04910	0.18200	0.2650	324,938	867,491	\$ 15,954	\$ 59,139	\$ 229,885
GS - Standby	0.04910	0.18200	0.3110	20,712	53,756	\$ 1,017	\$ 3,770	\$ 16,718
Large User	0.03770	0.13960	0.0857	161,626	504,899	\$ 6,093	\$ 22,563	\$ 43,270
Sentinel	0.14700	0.54450	1.6663	268	719	\$ 39	\$ 146	\$ 1,198
Streetlighting	0.09000	0.33310	1.0134	8,789	20,313	\$ 791	\$ 2,928	\$ 20,585
Total						\$ 79,932	\$ 296,244	\$ 1,643,656

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2004 (Jan - Mar)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.50	1.85	139,116	\$ 69,586	\$ 257,698
GS < 50	0.50	1.84	14,058	\$ 6,991	\$ 25,885
GS > 50	5.36	19.86	1,560	\$ 8,365	\$ 30,975
GS - Standby	0.04	0.16	18,825	\$ 819	\$ 3,031
Large User	167.78	621.29	12	\$ 2,013	\$ 7,455
Sentinel	0.09	0.35	786	\$ 74	\$ 274
Streetlighting	0.02	0.09	45,279	\$ 1,118	\$ 4,134
Total				\$ 88,966	\$ 329,453

Total

\$ 418,419
\$ 2,438,251

Billed Data

Variable	(a)	(b)	(c)	(d)	(e)	(a) x (d)	(b) x (d)	(c) x (e)
	2001 PILS Rates	2002 PILS Rates	2004 PILS Rates	2004 (Jan - Mar) (kWh/kW)	2004 (Apr - Dec) (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$	2004 PILS Rates \$
Residential	0.00040	0.00140	0.0039	107,123,793	285,989,449	\$ 42,850	\$ 149,973	\$ 1,115,359
GS < 50	0.00030	0.00130	0.0019	46,274,880	123,540,505	\$ 13,882	\$ 60,157	\$ 234,727
GS > 50	0.04910	0.18200	0.2650	324,938	867,491	\$ 15,954	\$ 59,139	\$ 229,885
GS - Standby	0.04910	0.18200	0.3110	-	-	\$ -	\$ -	\$ -
Large User	0.03770	0.13960	0.0857	161,136	503,370	\$ 6,075	\$ 22,495	\$ 43,139
Sentinel	0.14700	0.54450	1.6663	334	898	\$ 49	\$ 182	\$ 1,496
Streetlighting	0.09000	0.33310	1.0134	8,779	20,291	\$ 790	\$ 2,924	\$ 20,563
Total						\$ 79,601	\$ 294,870	\$ 1,645,168

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2004 (Jan - Mar)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.50	1.85	140,172	\$ 70,114	\$ 259,655
GS < 50	0.50	1.84	14,142	\$ 7,033	\$ 26,040
GS > 50	5.36	19.86	1,623	\$ 8,703	\$ 32,226
GS - Standby	0.04	0.16	18,825	\$ 819	\$ 3,031
Large User	167.78	621.29	12	\$ 2,013	\$ 7,455
Sentinel	0.09	0.35	747	\$ 70	\$ 260
Streetlighting	0.02	0.09	45,279	\$ 1,118	\$ 4,134
Total				\$ 89,871	\$ 332,801

Total

\$ 422,671
\$ 2,442,310

St. Catharines 2005

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(d)	(a) x (c)		(b) x (d)	Total
	2004 (Jan - Mar) PILS Rates	2005 (Apr - Dec) PILS Rates	2005 (Jan - Mar) (kWh / kW)	2005 (Apr - Dec) (kWh / kW)	2004 PILS Rates \$	2005 PILS Rates \$		
Residential	0.0039	0.0044	100,255,132	323,359,414	\$ 390,995	\$ 1,422,781	\$	1,813,776
GS < 50	0.0019	0.0020	41,711,712	127,471,031	\$ 79,252	\$ 254,942	\$	334,194
GS > 50	0.2650	0.2844	309,333	925,170	\$ 81,973	\$ 263,118	\$	345,092
GS - Standby	0.3110	0.3300	20,254	60,402	\$ 6,299	\$ 19,933	\$	26,232
Large User	0.0857	0.1163	161,533	501,156	\$ 13,843	\$ 58,284	\$	72,128
Sentinel	1.6663	1.7341	314	883	\$ 524	\$ 1,532	\$	2,055
Streetlighting	1.0134	0.9880	7,290	21,827	\$ 7,387	\$ 21,565	\$	28,953
Total					\$ 580,274	\$ 2,042,156	\$	2,622,430

Billed Data

Variable	(a)	(b)	(c)	(d)	(a) x (c)		(b) x (d)	Total
	2004 (Jan - Mar) PILS Rates	2005 (Apr - Dec) PILS Rates	2005 (Jan - Mar) (kWh / kW)	2005 (Apr - Dec) (kWh / kW)	2004 PILS Rates \$	2005 PILS Rates \$		
Residential	0.0039	0.0044	100,255,132	324,424,611	\$ 390,995	\$ 1,427,468	\$	1,818,463
GS < 50	0.0019	0.0020	41,567,043	128,181,421	\$ 78,977	\$ 256,363	\$	335,340
GS > 50	0.2650	0.2844	188,057	601,087	\$ 49,835	\$ 170,949	\$	220,784
GS - Standby	0.3110	0.3300	-	-	\$ -	\$ -	\$	-
Large User	0.0857	0.1163	161,533	501,156	\$ 13,843	\$ 58,284	\$	72,128
Sentinel	1.6663	1.7341	314	883	\$ 524	\$ 1,532	\$	2,055
Streetlighting	1.0134	0.9880	7,290	21,827	\$ 7,387	\$ 21,565	\$	28,953
Total					\$ 541,562	\$ 1,936,162	\$	2,477,723

Hamilton 2002

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec) (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.0004	0.0014	1,140,462,563	\$ 456,185	\$ 1,596,648
GS < 50	0.0001	0.0005	421,283,951	\$ 42,128	\$ 210,642
GS < 50 Interval	0.0001	0.0005	53,807	\$ 5	\$ 27
GS > 50	0.0477	0.1693	3,225,634	\$ 153,863	\$ 546,100
GS > 50 Non TOU Interval	0.0477	0.1693		\$ -	\$ -
GS > 50 TOU Interval	0.0073	0.0261		\$ -	\$ -
Unmetered	0	0.0001	12,571,303	\$ -	\$ 1,257
Sentinel	0.0373	0.1324	413	\$ 15	\$ 55
Large Users	0.0008	0.0028	3,097,778	\$ 2,478	\$ 8,674
Streetlighting	0.0257	0.0914	63,505	\$ 1,632	\$ 5,804
Total				\$ 656,307	\$ 2,369,206

\$ 3,025,514

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.64	2.26	1,568,501	\$ 1,003,841	\$ 3,544,813
GS < 50	1.3	4.63	137,030	\$ 178,139	\$ 634,449
GS < 50 Interval	1.3	4.63	4	\$ 5	\$ 19
GS > 50	12.93	45.91	11,050	\$ 142,876	\$ 507,304
GS > 50 Non TOU Interval	12.93	45.91	1,012	\$ 13,082	\$ 46,451
GS > 50 TOU Interval	19.58	69.55	180	\$ 3,524	\$ 12,519
Unmetered	0.03	0.1	25,824	\$ 775	\$ 2,582
Sentinel	0.01	0.05	2,093	\$ 21	\$ 105
Large Users	427.26	1517.37	112	\$ 47,836	\$ 169,884
Streetlighting	0.01	0.04	349,376	\$ 3,494	\$ 13,975
Total				\$ 1,393,593	\$ 4,932,100

\$ 9,351,206

Billed Data

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec) (kWh/kW)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.0004	0.0014	1,065,404,079	\$ 426,162	\$ 1,491,566
GS < 50	0.0001	0.0005	388,430,330	\$ 38,843	\$ 194,215
GS < 50 Interval	0.0001	0.0005	38,141	\$ 4	\$ 19
GS > 50	0.0477	0.1693	1,840,695	\$ 87,801	\$ 311,630
GS > 50 Non TOU Interval	0.0477	0.1693	829,295	\$ 39,557	\$ 140,400
GS > 50 TOU Interval	0.0073	0.0261	372,683	\$ 2,721	\$ 9,727
Unmetered	0	0.0001	11,086,033	\$ -	\$ 1,109
Sentinel	0.0373	0.1324	440	\$ 16	\$ 58
Large Users	0.0008	0.0028	2,804,863	\$ 2,244	\$ 7,854
Streetlighting	0.0257	0.0914	57,146	\$ 1,469	\$ 5,223
Total				\$ 598,817	\$ 2,161,800

\$ 2,760,617

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2002 (Mar - Dec)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.64	2.26	1,457,117	\$ 932,555	\$ 3,293,084
GS < 50	1.3	4.63	125,410	\$ 163,033	\$ 580,650
GS < 50 Interval	1.3	4.63	3	\$ 4	\$ 14
GS > 50	12.93	45.91	11,056	\$ 142,952	\$ 507,575
GS > 50 Non TOU Interval	12.93	45.91	903	\$ 11,673	\$ 41,446
GS > 50 TOU Interval	19.58	69.55	160	\$ 3,133	\$ 11,128
Unmetered	0.03	0.1	22,835	\$ 685	\$ 2,284
Sentinel	0.01	0.05	2,093	\$ 21	\$ 105
Large Users	427.26	1517.37	101	\$ 43,136	\$ 153,193
Streetlighting	0.01	0.04	314,385	\$ 3,144	\$ 12,575
Total				\$ 1,300,336	\$ 4,602,053

\$ 8,663,006

Hamilton 2003

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003 (kWh / kW)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.0004	0.0014	1,265,241,117	\$ 506,096	\$ 1,771,338	
GS < 50	0.0001	0.0005	494,236,640	\$ 49,424	\$ 247,118	
GS < 50 Interval	0.0001	0.0005	185,661	\$ 19	\$ 93	
GS > 50	0.0477	0.1693	2,234,853	\$ 106,603	\$ 378,361	
GS > 50 Non TOU Interval	0.0477	0.1693	1,123,906	\$ 53,610	\$ 190,277	
GS > 50 TOU Interval	0.0073	0.0261	518,971	\$ 3,788	\$ 13,545	
Unmetered		0.0001	13,481,215	\$ -	\$ 1,348	
Sentinel	0.0373	0.1324	587	\$ 22	\$ 78	
Large Users	0.0008	0.0028	3,764,270	\$ 3,011	\$ 10,540	
Streetlighting	0.0257	0.0914	76,783	\$ 1,973	\$ 7,018	
Total				\$ 724,547	\$ 2,619,716	\$ 3,344,262

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.64	2.26	1,867,884	\$ 1,195,446	\$ 4,221,417	
GS < 50	1.3	4.63	160,925	\$ 209,202	\$ 745,081	
GS < 50 Interval	1.3	4.63	12	\$ 16	\$ 56	
GS > 50	12.93	45.91	14,374	\$ 185,860	\$ 659,924	
GS > 50 Non TOU Interval	12.93	45.91	1,438	\$ 18,594	\$ 66,022	
GS > 50 TOU Interval	19.58	69.55	240	\$ 4,692	\$ 16,666	
Unmetered	0.03	0.1	30,414	\$ 912	\$ 3,041	
Sentinel	0.01	0.05	2,934	\$ 29	\$ 147	
Large Users	427.26	1517.37	119	\$ 51,029	\$ 181,225	
Streetlighting	0.01	0.04	421,830	\$ 4,218	\$ 16,873	
Total				\$ 1,669,998	\$ 5,910,452	\$ 7,580,450

\$ 10,924,712

Billed Data

Variable	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003 (kWh / kW)	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.0004	0.0014	1,278,739,743	\$ 511,496	\$ 1,790,236	
GS < 50	0.0001	0.0005	501,395,930	\$ 50,140	\$ 250,698	
GS < 50 Interval	0.0001	0.0005	185,869	\$ 19	\$ 93	
GS > 50	0.0477	0.1693	2,285,942	\$ 109,039	\$ 387,010	
GS > 50 Non TOU Interval	0.0477	0.1693	1,124,078	\$ 53,619	\$ 190,306	
GS > 50 TOU Interval	0.0073	0.0261	511,109	\$ 3,731	\$ 13,340	
Unmetered		0.0001	13,773,769	\$ -	\$ 1,377	
Sentinel	0.0373	0.1324	3,605	\$ 134	\$ 477	
Large Users	0.0008	0.0028	3,780,282	\$ 3,024	\$ 10,585	
Streetlighting	0.0257	0.0914	76,457	\$ 1,965	\$ 6,988	
Total				\$ 733,167	\$ 2,651,110	\$ 3,384,277

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)	
	2001 PILS Rates	2002 PILS Rates	2003	2001 PILS Rates \$	2002 PILS Rates \$	
Residential	0.64	2.26	1,865,665	\$ 1,194,025	\$ 4,216,402	
GS < 50	1.3	4.63	164,289	\$ 213,575	\$ 760,656	
GS < 50 Interval	1.3	4.63	12	\$ 16	\$ 56	
GS > 50	12.93	45.91	14,619	\$ 189,028	\$ 671,172	
GS > 50 Non TOU Interval	12.93	45.91	1,415	\$ 18,301	\$ 64,979	
GS > 50 TOU Interval	19.58	69.55	240	\$ 4,692	\$ 16,666	
Unmetered	0.03	0.1	30,801	\$ 924	\$ 3,080	
Sentinel	0.01	0.05	2,934	\$ 29	\$ 147	
Large Users	427.26	1517.37	120	\$ 51,456	\$ 182,742	
Streetlighting	0.01	0.04	420,432	\$ 4,204	\$ 16,817	
Total				\$ 1,676,250	\$ 5,932,718	\$ 7,608,969

\$ 10,993,246

Hamilton 2004

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(d)	(e)	(a) x (d)	(b) x (d)	(c) x (e)
	2001 PILS Rates	2002 PILS Rates	2004 PILS Rates	2004 (Jan - Mar) (kWh / kW)	2004 (Apr - Dec) (kWh / kW)	2001 PILS Rates \$	2002 PILS Rates \$	2004 PILS Rates \$
Residential	0.0004	0.0014	0.0043	341,005,803	898,466,983	\$ 136,402.32	\$ 477,408.12	\$ 3,863,408.03
GS < 50	0.0001	0.0005	0.0020	128,193,854	335,467,175	\$ 12,819.39	\$ 64,096.93	\$ 670,934.35
GS < 50 Interval	0.0001	0.0005	0.0020	37,783	201,934	\$ 3.78	\$ 18.89	\$ 403.87
GS > 50	0.0477	0.1693	0.3095	521,158	1,747,033	\$ 24,859.24	\$ 88,232.05	\$ 540,706.79
GS > 50 Non TOU Interval	0.0477	0.1693	0.3095	282,612	913,847	\$ 13,480.57	\$ 47,846.13	\$ 282,835.78
GS > 50 TOU Interval	0.0073	0.0261	0.3095	132,665	447,671	\$ 968.46	\$ 3,462.56	\$ 138,554.11
Unmetered		0.0001	0.0003	3,788,611	11,843,447	\$ -	\$ 378.86	\$ 3,553.03
Sentinel	0.0373	0.1324	0.4204	171	417	\$ 6.37	\$ 22.60	\$ 175.17
Large Users	0.0008	0.0028	0.1463	990,889	2,828,073	\$ 792.71	\$ 2,774.49	\$ 413,747.03
Streetlighting	0.0257	0.0914	0.3005	20,360	60,388	\$ 523.24	\$ 1,860.87	\$ 18,146.58
Total						\$ 189,856.07	\$ 686,101.51	\$ 5,932,464.73

\$ 6,808,422

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2004 (Jan - Mar)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.64	2.26	467,938	\$ 299,480.22	\$ 1,057,539.52
GS < 50	1.3	4.63	40,624	\$ 52,810.62	\$ 188,087.05
GS < 50 Interval	1.3	4.63	3	\$ 3.90	\$ 13.89
GS > 50	12.93	45.91	3,667	\$ 47,417.97	\$ 168,364.98
GS > 50 Non TOU Interval	12.93	45.91	397	\$ 5,135.37	\$ 18,233.92
GS > 50 TOU Interval	19.58	69.55	60	\$ 1,174.80	\$ 4,173.00
Unmetered	0.03	0.1	7,847	\$ 235.41	\$ 784.68
Sentinel	0.01	0.05	854	\$ 8.54	\$ 42.70
Large Users	427.26	1517.37	30	\$ 12,817.80	\$ 45,521.10
Streetlighting	0.01	0.04	110,817	\$ 1,108.17	\$ 4,432.68
Total				\$ 420,192.79	\$ 1,487,193.52

\$ 1,907,386

\$ 8,715,809

Billed Data

Variable	(a)	(b)	(c)	(d)	(e)	(a) x (d)	(b) x (d)	(c) x (e)
	2001 PILS Rates	2002 PILS Rates	2004 PILS Rates	2004 (Jan - Mar) (kWh / kW)	2004 (Apr - Dec) (kWh / kW)	2001 PILS Rates \$	2002 PILS Rates \$	2004 PILS Rates \$
Residential	0.0004	0.0014	0.0043	352,390,689	881,104,433	\$ 140,956.28	\$ 493,346.96	\$ 3,788,749.06
GS < 50	0.0001	0.0005	0.0020	131,128,544	332,276,260	\$ 13,112.85	\$ 65,564.27	\$ 664,552.52
GS < 50 Interval	0.0001	0.0005	0.0020	40,666	188,837	\$ 4.07	\$ 20.33	\$ 377.67
GS > 50	0.0477	0.1693	0.3095	552,968	1,721,814	\$ 26,376.60	\$ 93,617.56	\$ 532,901.48
GS > 50 Non TOU Interval	0.0477	0.1693	0.3095	279,795	911,450	\$ 13,346.23	\$ 47,369.31	\$ 282,093.85
GS > 50 TOU Interval	0.0073	0.0261	0.3095	138,840	436,464	\$ 1,013.53	\$ 3,623.73	\$ 135,085.67
Unmetered		0.0001	0.0003	3,843,060	11,625,118	\$ -	\$ 384.31	\$ 3,487.54
Sentinel	0.0373	0.1324	0.4204	171	417	\$ 6.37	\$ 22.60	\$ 175.17
Large Users	0.0008	0.0028	0.1463	981,157	2,866,253	\$ 784.93	\$ 2,747.24	\$ 419,332.86
Streetlighting	0.0257	0.0914	0.3005	20,362	60,347	\$ 523.30	\$ 1,861.06	\$ 18,134.18
Total						\$ 196,124.14	\$ 708,557.38	\$ 5,844,890.01

\$ 6,749,572

Fixed	(a)	(b)	(c)	(a) x (c)	(b) x (c)
	2001 PILS Rates	2002 PILS Rates	2004 (Jan - Mar)	2001 PILS Rates \$	2002 PILS Rates \$
Residential	0.64	2.26	488,056	\$ 312,355.74	\$ 1,103,006.20
GS < 50	1.3	4.63	41,354	\$ 53,759.62	\$ 191,466.95
GS < 50 Interval	1.3	4.63	3	\$ 3.90	\$ 13.89
GS > 50	12.93	45.91	3,691	\$ 47,728.29	\$ 169,466.82
GS > 50 Non TOU Interval	12.93	45.91	395	\$ 5,109.51	\$ 18,142.10
GS > 50 TOU Interval	19.58	69.55	60	\$ 1,174.80	\$ 4,173.00
Unmetered	0.03	0.1	7,761	\$ 232.83	\$ 776.08
Sentinel	0.01	0.05	854	\$ 8.54	\$ 42.70
Large Users	427.26	1517.37	30	\$ 12,860.53	\$ 45,672.84
Streetlighting	0.01	0.04	110,736	\$ 1,107.36	\$ 4,429.44
Total				\$ 434,341.11	\$ 1,537,190.02

\$ 1,971,531

\$ 8,721,103

Hamilton 2005

Including Unbilled (as filed May 18th)

Variable	(a)	(b)	(c)	(d)	(a) x (c)		(b) x (d)	
	2004 (Jan - Mar) PILS Rates	2005 (Apr - Dec) PILS Rates	2005 (Jan - Mar) (kWh / kW)	2005 (Apr - Dec) (kWh / kW)	2004 (Jan - Mar) PILS Rates \$	2005 (Apr - Dec) PILS Rates \$		
Residential	0.0043	0.0045	327,257,363	1,013,934,942	\$ 1,407,207	\$ 4,562,707		
GS < 50	0.0020	0.0019	119,158,904	340,671,324	\$ 238,318	\$ 647,276		
GS > 50	0.3095	0.3113	998,245	3,199,213	\$ 308,957	\$ 995,915		
Unmetered	0.0003	0.0003	3,854,913	10,909,029	\$ 1,156	\$ 3,273		
Sentinel	0.4204	0.3932	162	408	\$ 68	\$ 161		
Large Users	0.1463	0.1344	870,909	2,515,688	\$ 127,414	\$ 338,108		
Streetlighting	0.3005	0.2991	20,187	60,588	\$ 6,066	\$ 18,122		
Total					\$ 2,089,186	\$ 6,565,561	\$	8,654,748

Billed Data

Variable	(a)	(b)	(c)	(d)	(a) x (c)		(b) x (d)	
	2004 (Jan - Mar) PILS Rates	2005 (Apr - Dec) PILS Rates	2005 (Jan - Mar) (kWh / kW)	2005 (Apr - Dec) (kWh / kW)	2004 (Jan - Mar) PILS Rates \$	2005 (Apr - Dec) PILS Rates \$		
Residential	0.0043	0.0045	331,544,917	1,009,452,881	\$ 1,425,643	\$ 4,542,538		
GS < 50	0.0020	0.0019	119,754,708	346,264,243	\$ 239,509	\$ 657,902		
GS > 50	0.3095	0.3113	1,031,095	3,179,882	\$ 319,124	\$ 989,897		
Unmetered	0.0003	0.0003	3,865,438	11,007,993	\$ 1,160	\$ 3,302		
Sentinel	0.4204	0.3932	162	408	\$ 68	\$ 161		
Large Users	0.1463	0.1344	876,395	2,526,065	\$ 128,217	\$ 339,503		
Streetlighting	0.3005	0.2991	20,177	60,587	\$ 6,063	\$ 18,122		
Total					\$ 2,119,784	\$ 6,551,425	\$	8,671,209

Horizon Total 2006
Including Unbilled (as filed May 18th)

Variable	2006 (Jan - Apr) (kWh / kW)	PILs \$
Residential	532,710,367	\$ 2,385,062
GS < 50	199,273,047	\$ 383,958
GS > 50	1,633,433	\$ 498,729
Unmetered	4,534,199	\$ 1,342
GS - Standby	585	\$ 19,911
Sentinel	1,364,327	\$ 758
Large Users	36,080	\$ 178,676
Streetlighting	564,128,063	\$ 17,096
Total		\$ 3,485,532

Hamilton 2006

Variable	(a)	(b)	(a) x (b)
	2005 (Jan - Apr) PILS Rates	2006 (Jan - Apr) (kWh / kW)	PILs \$
Residential	0.0045	411,368,273	\$ 1,851,157
GS < 50	0.0019	145,882,936	\$ 277,178
GS > 50	0.3113	1,270,653	\$ 395,554
Unmetered	0.0003	4,473,864	\$ 1,342
Sentinel	0.3932	191	\$ 75
Large Users	0.1344	1,105,218	\$ 148,541
Streetlighting	0.2991	26,928	\$ 8,054
Total		564,128,063	\$ 2,681,902

St. Catharines 2006

Variable	(a)	(b)	(a) x (b)
	2005 (Jan - Apr) PILS Rates	2006 (Jan - Apr) (kWh / kW)	PILs \$
Residential	0.0044	121,342,094	\$ 533,905
GS < 50	0.0020	53,390,111	\$ 106,780
GS > 50	0.2844	362,780	\$ 103,175
GS - Standby	0.3300	60,335	\$ 19,911
Sentinel	1.7341	394	\$ 683
Large User	0.1163	259,109	\$ 30,134
Streetlighting	0.9880	9,152	\$ 9,042
Total			\$ 803,630

Billed Data

Variable	2006 (Jan - July) (kWh / kW)	PILs \$
Residential	617,329,112	\$ 2,763,752
GS < 50	236,686,034	\$ 456,226
GS > 50	1,981,997	\$ 604,029
Unmetered	5,694,587	\$ 1,708
GS - Standby	-	\$ -
Sentinel	606	\$ 767
Large Users	1,678,394	\$ 220,911
Streetlighting	45,843	\$ 22,104
Total		\$ 4,069,498

Hamilton 2006

Variable	(a)	(b)	(a) x (b)
	2005 (Jan - Apr) PILS Rates	2006 (Jan - July) (kWh / kW)	PILs \$
Residential	0.0045	475,041,345	\$ 2,137,686
GS < 50	0.0019	171,457,438	\$ 325,769
GS > 50	0.3113	1,499,959	\$ 466,937
Unmetered	0.0003	5,694,587	\$ 1,708
Sentinel	0.3932	211	\$ 83
Large Users	0.1344	1,420,670	\$ 190,938
Streetlighting	0.2991	33,662	\$ 10,068
Total			\$ 3,133,190

St. Catharines 2006

Variable	(a)	(b)	(a) x (b)
	2005 (Jan - Apr) PILS Rates	2006 (Jan - July) (kWh / kW)	PILs \$
Residential	0.0044	142,287,768	\$ 626,066
GS < 50	0.0020	65,228,596	\$ 130,457
GS > 50	0.2844	482,038	\$ 137,092
GS - Standby	0.3300	-	\$ -
Sentinel	1.7341	394	\$ 684
Large User	0.1163	257,724	\$ 29,973
Streetlighting	0.9880	12,182	\$ 12,035
Total			\$ 936,308