



August 16, 2012

Delivered 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: EB-2011-0274 – Rideau St. Lawrence Distribution Inc.
Application to the Ontario Energy Board for 2012 Electricity Distribution
Rates and Charges**

Please find accompanying this letter a copy of Rideau St. Lawrence Distribution's Draft Rate Order, Draft Tariff of Rates and Charges, and supporting calculations.

An electronic copy of this document, and Excel versions of the Revenue Requirement Work Form (RRWF) and Foregone Revenue Rate Rider have been filed through the Board's RESS web portal. Two hard copies of the Draft Rate Order will be forwarded to the OEB office by courier.

Copies have been sent electronically to the two intervenors (SEC and VECC).

Should you have any questions or require further information, please do not hesitate to contact me.

Yours very truly,
Rideau St. Lawrence Distribution Inc.

Original Signed by John Walsh

John Walsh, CEO

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

AND IN THE MATTER OF an Application by Rideau St. Lawrence Distribution Inc. to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of July 1, 2012.

RIDEAU ST. LAWRENCE DISTRIBUTION INC. (“RSL”)

DRAFT RATE ORDER

August 16, 2012

INTRODUCTION:

Rideau St. Lawrence Distribution Inc. (“RSL”) is a licensed distributor in the Province of Ontario (ED-2003-0003). RSL is an Ontario Corporation with its head office in the Town of Prescott. RSL carries on the business of distributing electricity within the Town of Prescott, and within the Villages of Cardinal, Iroquois, Morrisburg, Westport, and Williamsburg.

On February 7, 2012, Rideau St. Lawrence Distribution Inc. filed an application with the Ontario Energy Board (the “Board”) under section 78 of the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B, seeking approval for changes to the rates that RSL charges for electricity distribution, to be effective May 1, 2012. The Board assigned File Number EB-2011-0274 to the Application.

In Procedural Order No. 1, dated March 27, 2012, the Board approved intervenor status and cost award eligibility for the School Energy Coalition (“SEC”), and Vulnerable Energy Consumers Coalition (“VECC”). The Board provided for written interrogatories and responses to these interrogatories from RSL.

In Procedural Order No. 2, dated May 30, 2012, the Board provided for supplementary interrogatories, a settlement conference, and the filing of any settlement proposal.

On July 11, 2012, a settlement conference was held and a complete settlement was reached. The parties filed a proposed Settlement Agreement on July 26, 2012.

On August 9, 2012, the OEB issued its Decision and Order (the “Decision”) on Rideau St. Lawrence Distribution’s Application. In that Decision, the OEB *“accepts its cost and rate consequences as reasonable”*. In the Board’s approval of the Settlement Agreement, it was stated that *“the new rates are effective July 1, 2012. The new rates shall be implemented September 1, 2012”*.

The OEB Decision on Rideau St. Lawrence Distribution's Application accepted all the terms set out in the Proposed Settlement Agreement. As such, RSL has included the Proposed Settlement Agreement as Appendix C to this Draft Rate Order, and is not duplicating the supporting schedules as the approved Revenue Requirement and final rates remain unchanged from those presented in the Proposed Settlement Agreement.

The following Table 1 highlights those issues agreed upon in the Settlement Agreement, and the reference to the Settlement Agreement.

Table 1

Agreed Upon Issues and Reference To Settlement Agreement

Issues Agreed Upon	Settlement Agreement Reference
Rate Base	Pages 13 to 17
Load Forecast	Pages 18 to 22
Operating Costs	Pages 23 to 28
Capital Structure and Cost of Capital	Pages 29 to 30
Smart Meters	Pages 31 to 34
Cost Allocation	Pages 35 to 37
Rate Design	Pages 38 to 42
Deferral and Variance Accounts	Pages 43 to 45
Lost Revenue Adjustment Mechanism	Pages 46 to 47
Revenue Requirement	Pages 48 to 49
Green Energy Act Plan	Pages 50 to 51

Rideau St. Lawrence Distribution has provided the following supporting documentation:

- Appendix A Draft Tariff of Rates and Charges
- Appendix B Foregone Revenue Rate Rider
- Appendix C Settlement Agreement, including Bill Impacts
- Appendix D Revenue Requirement Work Form

IMPLEMENTATION OF RATES

The Decision provides for Rideau St. Lawrence Distribution's new rates to be effective July 1, 2012.

APPENDIX A

Draft Tariff of Rates and Charges

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning.

Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12.76
Smart Meter Disposition Rider – effective until August 31, 2013	\$	0.28
Stranded Assets Rate Rider – effective until August 31, 2013	\$	1.83
Distribution Volumetric Rate	\$/kWh	0.0145
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$.62
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kWh	.0007
Low Voltage Service Rate	\$/kWh	0.0024
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	29.53
Smart Meter Disposition Rider – effective until August 31, 2013	\$	5.24
Stranded Assets Rate Rider – effective until August 31, 2013	\$	5.60
Distribution Volumetric Rate	\$/kWh	0.0090
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$	1.30
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kWh	.0004
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition– effective until August 31, 2013	\$/kWh	(0.0027)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non-residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	281.39
Distribution Volumetric Rate	\$/kW	1.8902
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kW	.1607
Low Voltage Service Rate	\$/kW	0.8135
Rate Rider for Deferral/Variance Account Disposition– effective until August 31, 2013	\$/kW	(1.0147)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kW	0.0098
Retail Transmission Rate – Network Service Rate	\$/kW	2.1653
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7867
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4192
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.9914

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	3.86
Distribution Volumetric Rate	\$/kWh	0.0177
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$	(.89)
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kWh	(.0041)
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kWh	(0.0010)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

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EB-2011-0274

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.06
Distribution Volumetric Rate	\$/kW	15.051
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$.21
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kW	1.4949
Low Voltage Service Rate	\$/kW	0.6420
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kW	0.6260
Retail Transmission Rate – Network Service Rate	\$/kW	1.6413
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4100

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

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EB-2011-0274

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	3.33
Distribution Volumetric Rate	\$/kW	12.7064
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$.26
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kW	.9918
Low Voltage Service Rate	\$/kW	0.6289
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kW	(1.0688)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6330
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3813

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date – September 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post-dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter Charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Rideau St. Lawrence Distribution Inc.

DRAFT TARIFF OF RATES AND CHARGES

Effective Date - July 1, 2012

Implementation Date - September 1, 2012

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EB-2011-0274

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year no charge		
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0797
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0689
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

APPENDIX B

Foregone Revenue Rate Rider

APPENDIX C

Settlement Agreement

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

AND IN THE MATTER OF an application by Rideau St. Lawrence Distribution Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2012.

RIDEAU ST. LAWRENCE DISTRIBUTION INC.

SETTLEMENT AGREEMENT

APPROVED: AUGUST 9, 2012

TABLE OF CONTENTS

1.	GENERAL.....	10
1.1	Has RSL responded appropriately to all relevant Board directions from previous proceedings?	10
1.2	Are RSL's economic and business planning assumptions for 2012 appropriate?	10
1.3	Is service quality, based on the Board specified performance assumptions for 2012, appropriate?.....	11
1.4	What is the appropriate effective date for any new rates flowing from this Application? If that effective date is prior to the date new rates are actually implemented, what adjustments should be implemented to reflect the sufficiency or deficiency during the period from effective date to implementation date?	11
2.	RATE BASE.....	13
2.1	Is the proposed rate base for the test year appropriate?	13
2.2	Is the working capital allowance for the test year appropriate?.....	15
2.3	Is the capital expenditure forecast for the test year appropriate?.....	15
2.4	Is the capitalization policy and allocation procedure appropriate?.....	16
3.	LOAD FORECAST AND OPERATING REVENUE	18
3.1	Is the load forecast methodology including weather normalization appropriate?	18
3.2	Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?	19
3.3	Is the impact of CDM appropriately reflected in the load forecast?.....	20
3.4	Is the proposed forecast of test year throughput revenue appropriate?	21
3.5	Is the test year forecast of other revenues appropriate?	21
4.	OPERATING COSTS	23
4.1	Is the overall OM&A forecast for the test year appropriate?.....	23
4.2	Are the methodologies used to allocate shared services and other costs appropriate?	25
4.3	Is the proposed level of depreciation/amortization expense for the test year appropriate?	25
4.4	Are the 2012 compensation costs and employee levels appropriate?	27
4.5	Is the test year forecast of property taxes appropriate?.....	27
4.6	Is the test year forecast of PILs appropriate?	28

5.	CAPITAL STRUCTURE AND COST OF CAPITAL	29
5.1	Is the proposed capital structure, rate of return on equity and short term debt rate appropriate?.....	29
5.2	Is the proposed long term debt rate appropriate?	30
6.	SMART METERS	31
6.1	Is the proposed inclusion of the smart meter costs in the 2012 revenue requirement appropriate?.....	31
6.2	Is the proposed disposition of the balances in variance accounts 1555 and 1556 appropriate?.....	31
6.3	Is the proposal related to stranded meters appropriate?	34
7.	COST ALLOCATION.....	35
7.1	Is RSL’s cost allocation appropriate?	35
7.2	Are the proposed revenue-to-cost ratios for each class appropriate?	36
8.	RATE DESIGN	38
8.1	Are the fixed-variable splits for each class appropriate?	38
8.2	Are the proposed retail transmission service rates (“RTSR”) appropriate?	40
8.3	Are the proposed LV rates appropriate?	41
8.4	Are the proposed loss factors appropriate?	42
9.	DEFERRAL AND VARIANCE ACCOUNTS	43
9.1	Are the account balances, cost allocation methodology and disposition period appropriate?.....	43
9.2	Are the proposed rate riders to dispose of the account balances appropriate?	44
10.	LOST REVENUE ADJUSTMENT MECHANISM	46
10.1	Is the proposal related to LRAM/SSM appropriate?	46
11.	MODIFIED INTERNATIONAL FINANCIAL REPORTING STANDARDS	48
11.1	Is the proposed revenue requirement determined using modified IFRS appropriate?.....	48
12.	GREEN ENERGY ACT PLAN.....	50
12.1	Is RSL’s Green Energy Act Plan, including the Smart Grid component of the plan appropriate?.....	50

Appendix A – Summary of Significant Changes
Appendix B – Continuity Tables
Appendix C – Cost of Power Calculation
Appendix D – 2012 Customer Load Forecast
Appendix E – 2012 Other Revenue
Appendix F – 2012 PILS (Updated)
Appendix G – 2012 Cost of Capital
Appendix H – 2012 Revenue Deficiency (Updated)
Appendix I – Proposed Schedule of 2012 Tariff of Rates and Charges (Updated)
Appendix J – 2012 Updated Customer Impacts
Appendix K – Capitalization Policy, CGAAP vs MIFRS Comparison of Burdenable Items
Appendix L– Cost Allocation Sheets O1
Appendix M – Revenue Requirement Work Form

EB-2011-0274

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

AND IN THE MATTER OF an application by Rideau St. Lawrence Distribution Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2012.

**RIDEAU ST. LAWRENCE DISTRIBUTION INC.
SETTLEMENT AGREEMENT
APPROVED: AUGUST 9, 2012**

INTRODUCTION:

Rideau St. Lawrence Distribution Inc. (“RSL”) carries on the business of distributing electricity within the Town of Prescott, and within the Villages of Cardinal, Iroquois, Morrisburg, Westport, and Williamsburg.

RSL filed an application with the Ontario Energy Board (the “Board”) on February 7, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates that RSL charges for electricity distribution, to be effective May 1, 2012. The Board assigned the application File Number EB-2011-0274.

Two parties requested and were granted intervenor status: the Vulnerable Energy Consumers’ Coalition (“VECC”), and the School Energy Coalition (“SEC”). These parties are referred to collectively as the “Intervenors”.

In Procedural Order No. 1, issued on March 27, 2012, the Board approved the Intervenors in this proceeding, set dates for interrogatories and interrogatory responses and made its determination regarding the cost eligibility of the Intervenors.

In Procedural Order No. 2, issued on May 30, 2012, the Board set dates for supplemental interrogatories and responses (June 4 and 20, 2012, respectively); a Settlement Conference (July 11, 2012, continuing July 12, 2012 if necessary); and the filing of any Settlement Proposal arising out of the Settlement Conference (July 27, 2012). The Board indicated that, upon reviewing the Settlement Proposal, it would determine next steps and that, if necessary, the Board expected to consider any unsettled issues by means of a written hearing. There is no Board-approved Issues List for this proceeding. RSL filed responses to both the original and supplemental interrogatories.

The evidence in this proceeding (referred to here as the “Evidence”) consists of the Application, including any updates to the Application, and RSL’s responses to the initial and supplemental interrogatories. The Appendices to this Settlement Agreement (the “Agreement”) are also included in the Evidence. The Settlement Conference was duly convened in accordance with the Procedural Order No. 2, with Mr. Chris Haussmann as facilitator. The Settlement Conference was held on July 11, 2012.

RSL and the following Intervenor participants participated in the Settlement Conference:

- SEC; and
- VECC.

RSL and the Intervenor participants are collectively referred to below as the “Parties”.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Board’s *Settlement Conference Guidelines* (the “Guidelines”). The Parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Agreement.

The role adopted by Board Staff in the Settlement Conference is set out in page 5 of the Guidelines. Although Board staff is not a party to this Agreement, as noted in the Guidelines, Board staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

A COMPLETE SETTLEMENT HAS BEEN REACHED ON ALL ISSUES IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a complete settlement has been reached on all issues in this proceeding. This document comprises the Proposed Settlement Agreement, and it is presented jointly by RSL, SEC and VECC to the Board. It identifies the settled matters, and contains such references to the Evidence as are necessary to assist the Board in understanding the Agreement. The Parties confirm that the Evidence filed to date in respect of each settled issue, as supplemented in some instances by additional information recorded in this Agreement, supports the settlement of the matters identified in this Agreement. In addition, the Parties agree that the Evidence, supplemented where necessary by the additional information appended to this Agreement, contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

The Parties explicitly request that the Board consider and accept this Proposed Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Agreement in its entirety, then there is no Agreement unless the Parties agree that those portions of the Agreement that the Board does accept may continue as a valid settlement.

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the *Board's Rules of Practice and Procedure*.

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will, in any subsequent proceeding, take the position that the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2012 Test Year.

References to the Evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2011-0274. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement. Appendix I to this Agreement – Proposed Schedule of 2012 Tariff of Rates and Charges (Updated) – is a proposed schedule of Rates and Charges that RSL will use as the basis for its draft Rate Order following Board approval of this Agreement.

The Parties believe that the Agreement represents a balanced proposal that protects the interests of RSL's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow RSL to manage its assets so that the highest standards of performance are achieved and customers' expectations for the safe and reliable delivery of electricity at reasonable prices are met.

The Parties have agreed that the effective date of the rates resulting from this proposed Agreement is July 1, 2012 (referred to below as the "Effective Date"). The Parties agree that RSL may establish a rate rider that would allow it to recover that portion of the Revenue Deficiency that would have been recovered between July 1, 2012 and the Board-Approved implementation date for RSL's rates for the 2012 rate year.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

As noted above, there is no Board-approved Issues List for this proceeding. For the purposes of organizing this Agreement, the Parties have used the Issues List in the Guelph Hydro Electric Systems Inc. proceeding (EB-2011-0123) as a guide, as that Issues List addresses all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues that are also relevant to determining RSL's 2012 distribution rates.

The following Appendices accompany this Settlement Agreement:

Appendix A – Summary of Significant Changes
Appendix B – Continuity Tables
Appendix C – Cost of Power Calculation
Appendix D – 2012 Customer Load Forecast
Appendix E – 2012 Other Revenue
Appendix F – 2012 PILS (Updated)
Appendix G – 2012 Cost of Capital
Appendix H – 2012 Revenue Deficiency (Updated)
Appendix I - Proposed Schedule of 2012 Tariff of Rates and Charges (Updated)
Appendix J – 2012 Updated Customer Impacts
Appendix K – Capitalization Policy
CGAAP vs MIFRS Comparison of Burdenable Items
Appendix L – Cost Allocation Sheets O1
Appendix M – Revenue Requirement Work Form

UNSETTLED MATTERS:

There are no unsettled matters in this proceeding.

OVERVIEW OF THE SETTLED MATTERS:

This Agreement will allow RSL to continue to make the necessary investments in maintenance and operation expenditures as well as capital investments to maintain the safety and reliability of the electricity distribution service that it provides.

This Agreement will also allow RSL to: maintain current capital investment levels and, where required, appropriately increase capital investment levels in infrastructure to ensure a reliable distribution system; manage current and future staffing levels, skills and training to ensure regulatory compliance with Codes and Regulations; promote conservation programs including the Ministry of Energy directives as a condition of RSL's distribution licence; and continue to provide the high level of customer service that RSL's customers have come to expect.

The Parties agree that no rate classes face bill impacts as a result of this agreement that require mitigation efforts beyond those set out in this Agreement.

In this Agreement, except where otherwise expressly stated, all dollar figures are calculated and expressed using Modified International Financial Reporting Standards ("MIFRS").

The revised Service Revenue Requirement for the 2012 Test Year is \$2,630,848, which reflects the updated cost of capital parameters (ROE and Deemed ST Debt rate) issued by the Board on March 2, 2012 applicable to applications for rebasing effective May 1, 2012. The long term debt rate was agreed to be 3.75%, for the purpose of settlement. With the adjustments to the ROE and short term debt rate noted above, this represents a revenue deficiency. Compared to the forecast 2012 revenue at current rates, of \$1,957,800, the revised Service Revenue Requirement represents a deficiency of \$465,505 which is \$104,824 lower than the revenue deficiency of \$570,329 set out in RSL's pre-filed evidence. The changes are detailed in the table below.

	Original As per Application (A)	Settlement Submission (B)	Difference (C = B - A)
Service Revenue Requirement	2,735,672	2,630,848	(104,824)
Revenue Offset	207,543	207,543	-
Base Revenue Requirement	2,528,129	2,423,305	(104,824)
Revenue at Existing Rates	1,957,800	1,957,800	-
Revenue Deficiency	570,329	465,505	(104,824)

Through the settlement process, RSL has agreed to certain adjustments from its original 2012 Application and subsequent updated Evidence. Any such changes are described in the sections below.

1. GENERAL

- 1.1 Has RSL responded appropriately to all relevant Board directions from previous proceedings?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 1, page 8, last paragraph

For the purposes of settlement the Parties accept the Evidence of the Applicant that there were no outstanding obligations or orders from previous Board decisions.

- 1.2 Are RSL's economic and business planning assumptions for 2012 appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 1

For the purposes of settlement, the Parties accept RSL's economic and business planning assumptions for 2012.

- 1.3 Is service quality, based on the Board specified performance assumptions for 2012, appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 2, Schedule 13, page 40

For the purposes of settlement, the Parties accept RSL's evidence with respect to the acceptability of its service quality, based on the Board-specified indicators.

- 1.4 What is the appropriate effective date for any new rates flowing from this Application? If that effective date is prior to the date new rates are actually implemented, what adjustments should be implemented to reflect the sufficiency or deficiency during the period from effective date to implementation date?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Settlement Agreement

For the purpose of settlement, the Parties accept that the appropriate effective date of the new rates flowing from this Application is July 1, 2012. The Parties accept that in the event that RSL's final rate order is not available in time for July 1st implementation, it would be appropriate to implement a rate rider over the remainder of the Rate Year that will enable RSL to recover or refund, as the case may be, the difference between the new Board-approved revenue, and its revenue at existing rates, for the month(s) in 2012 in which its new rates are not in effect. It

should be noted that RSL requested rates effective date of May 1, 2012 in the original application. RSL has calculated the foregone revenue rate rider based on an effective date of September 1, 2012. The rate rider is shown in the following table:

Forgone Revenue and Forgore Revenue Rate Rider Calculations								
	Monthly Value from Board Approved Load Forecast (A)	2 Month Total (B)		Current Rates (C)	Proposed Rates (D)	Difference (E=D-C)	Total Forgore Revenue F =(B'E)	Foregone Revenue Rate Rider over 8 months (F/A/8)
Residential								
Customers	5,016	10,032	Fixed	\$10.28	\$12.76	\$2.48	\$24,879	\$0.62
kWh	3,715,371	7,430,741	Variable	\$0.0117	\$0.0145	\$0.0028	\$20,806	\$0.0007
							\$45,685	
General Service < 50 kW								
Customers	770	1,540	Fixed	\$24.34	\$29.53	\$5.19	\$7,993	\$1.30
kWh	1,650,541	3,301,083	Variable	\$0.0074	\$0.0090	\$0.0016	\$5,282	\$0.0004
							\$13,274	
General Service 50 to 4,999 kW								
Customers	66	132	Fixed	\$281.39	\$281.39	\$0.00	\$0	\$0.00
kW	10,554	21,109	Variable	\$1.2473	\$1.8902	\$0.6429	\$13,571	\$0.1607
							\$13,571	
Unmetered Scattered Load								
Connections	58	116	Fixed	\$7.41	\$3.86	\$-3.55	\$-412	(\$0.89)
kWh	35,830	71,660	Variable	\$0.0340	\$0.0177	\$-0.0163	\$-1,168	(\$0.0041)
							\$-1,580	
Sentinel Lighting								
Connections	75	150	Fixed	\$1.24	\$2.06	\$0.82	\$123	\$0.21
kW	25	50	Variable	\$9.0716	\$15.0510	\$5.9794	\$300	\$1.4949
							\$423	
Street Lighting								
Connections	1,709	3,418	Fixed	\$2.29	\$3.33	\$1.04	\$3,555	\$0.26
kW	320	641	Variable	\$8.7393	\$12.7064	\$3.9671	\$2,541	\$0.9918
							\$6,096	
Total							\$77,469	

2. RATE BASE

2.1 Is the proposed rate base for the test year appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 2, page 2

For the purposes of settlement, the Parties have agreed that RSL's Rate Base is \$7,092,444 for the 2012 Test Year under MIFRS. A full calculation of this agreed Rate Base is set out later in this section in the table titled "Rate Base".

The revised Rate Base value reflects the following:

- The Parties have agreed that RSL's Working Capital Allowance will be reduced from 15% of the sum of cost of power and controllable expenses to 14%. The calculation of the Working Capital Allowance is discussed in further detail below, under item 2.2. The revised value of the Working Capital Allowance is \$1,732,905.
- 2012 capital expenditures (net of contributions) for rate making purposes will be \$385,000 (MIFRS), as set out in RSL's Application.
- With respect to its load forecast, the Parties have agreed for the purposes of settlement to accept RSL's 2012 Load Forecast of 112,870,798 purchased kWh (net of CDM), as set out in its Application. The Parties have also agreed that the Cost of Power will be an RPP price of \$75.65/MWh and a Non-RPP price of \$71.91/MWh based on the October 17, 2011 Regulated Price Plan Price Report for November 1, 2011 to October 31, 2012. The \$75.65/MWh is outlined in Table E3-1 on page 3 of the report and the \$71.91/MWh

reflects the Forecast Wholesale Electricity Price of \$31.83/MWh plus the impact of the Global Adjustment (\$40.08/MWh) also shown in Table E3-1. Please see Appendix C for the detailed Cost of Power calculation.

Agreed-upon adjustments to RSL's proposed Rate Base under MIFRS are set out in the following table:

RATE BASE			
	Initial Application	Adjustments	Settlement Agreement
Gross Fixed Assets (Average)	7,784,016		7,784,016
Accumulated Amortization (Average)	2,424,478		2,424,478
Net Fixed Assets (Average)	5,359,538		5,359,538
Allowance for Working Capital	1,862,118	(129,213)	1,732,905
Total Rate Base	7,221,657	(129,213)	7,092,444

2.2 Is the working capital allowance for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application, Exhibit 2, Schedule 1, page 2

For the purposes of settlement, the Parties agree to the following Working Capital Allowance calculated based on 14% of the OM&A expenses of \$1,820,000 (MIFRS – see item 4.1, below, for CGAAP), plus property tax of \$23,300, and COP of \$10,534,594. The Parties have agreed that the following adjustments, reflecting the settled matters, will be made to RSL’s Working Capital Allowance calculation:

ALLOWANCE FOR WORKING CAPITAL			
	Initial Application	Adjustments	Settlement
Controllable Expenses	1,915,028	(71,728)	1,843,300
Cost of Power	10,499,095	35,499	10,534,594
Working Capital	12,414,123	(36,229)	12,377,894
Working Capital Rate %	15%		14%
Working Capital Allowance	1,862,118	(129,213)	1,732,905

2.3 Is the capital expenditure forecast for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 2, Schedule 9

For the purposes of obtaining complete settlement of all issues, the Parties agree that the 2012 Test Year net capital expenditures will be \$385,000 under CGAAP, as proposed in the Application, which translates to \$385,000 under MIFRS. Please see Appendix K – Capitalization Policy and CGAAP vs MIFRS Comparison of Burdenable Items, for additional information.

2.4 Is the capitalization policy and allocation procedure appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application, Exhibit 2, Schedule 11

For the purpose of obtaining complete settlement of all issues, the Parties have accepted RSL's capitalization policy under IFRS, as set out in Appendix K to this Settlement Agreement.

The Parties have agreed that RSL will provide information on the record of this proceeding in the form shown in Appendix K, immediately following RSL's capitalization policy, indicating changes in RSL's capitalization of various categories of expenses as between CGAAP and IFRS. The table at the end of Appendix K is similar to that produced by Hydro Ottawa Limited in its response to Oral Hearing Undertaking No. L2.8 in its 2012 cost of service distribution rate application (EB-2011-0054). The Intervenor has requested this information in this proceeding, and intend to make the same request in other 2012 cost of service proceedings, with the intention of approaching the Board at a later date with a request that the Board develop a standardized approach to the capitalization of overheads. In order to ensure that RSL and its customers are kept whole in the event that the Board adopts a standardized approach, the Parties acknowledge that RSL will track any difference between (a) the amounts included in 2012 Test Year OM&A reflecting RSL's policy on capitalization of overheads under IFRS, and (b) the amounts that may be eligible for inclusion in OM&A under a standardized approach that may be adopted by the

Board at a later date, and that if the result of such standardization is material and not otherwise resolved by the Board's policies, RSL may make a request for an accounting order to deal with that difference. The Parties will not take the position that the request as a whole is inappropriate.

3. LOAD FORECAST AND OPERATING REVENUE

3.1 Is the load forecast methodology including weather normalization appropriate?

Status: Complete Settlement

Supporting Parties: RSL, SEC, VECC

Evidence: Application, Exhibit 3, Schedules 1 and 2

For the purposes of settlement, the Parties accept RSL's load forecast methodology including weather normalization as contained in its Application, and its power purchased forecast of 112,870,798 kWh and billed consumption forecast of 104,537,301 kWh in the 2012 test year.

Table 3.7

Actual vs. Predicted Purchases (kWh)			
Year	Actual	Predicted	% Difference
2004	127,729,610	129,412,947	1.3%
2005	129,569,190	129,685,280	0.1%
2006	125,693,570	123,972,367	-1.4%
2007	125,561,560	123,976,075	-1.3%
2008	121,334,640	121,661,120	0.3%
2009	118,414,830	119,274,359	0.7%
2010	116,592,701	116,913,953	0.3%
2011		115,241,655	
2012		112,870,798	

Table 3.14

Alignment of Non-Normal to Weather Normal Forecast								
	Non-Normal Weather Billed Energy Forecast (kWh)							
Year	Residential	General Service < 50kW	General Service 50 - 4999 kW	Large User	Streetlights	Sentinel Lights	Unmetered Scattered Load	Total
2011	43,974,933	19,923,344	39,571,474	0	1,435,688	108,277	418,681	105,432,397
2012	43,759,314	19,439,933	37,865,768	0	1,441,722	108,277	429,961	103,044,974
	Adjustment for Weather (kWh)							
Year	Residential	General Service < 50kW	General Service 50 - 4999 kW	Large User	Streetlights	Sentinel Lights	Unmetered Scattered Load	Total
2011	710,016	321,681	269,018	0	0	0	0	1,300,715
2012	825,132	366,562	300,633	0	0	0	0	1,492,327
	Weather Normalized Billed Energy Forecast (kWh)							
Year	Residential	General Service < 50kW	General Service 50 - 4999 kW	Large User	Streetlights	Sentinel Lights	Unmetered Scattered Load	Total
2011	44,684,949	20,245,025	39,840,492	0	1,435,688	108,277	418,681	106,733,113
2012	44,584,446	19,806,495	38,166,401	0	1,441,722	108,277	429,961	104,537,301

For the Board's reference, RSL has reproduced its forecast at Appendix D – 2012 Customer Load Forecast.

- 3.2 Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application, Exhibit 3, Schedules 1 and 2

For the purposes of settlement, the Parties agree with RSL's customers/connections and load forecasts (both kWh and kW) for the 2012 test year, as set forth in Appendix D.

3.3 Is the impact of CDM appropriately reflected in the load forecast?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 3, Schedule 2, Table 3.12, page 14

For the purposes of settlement, the Parties agree that the CDM adjustments as presented in the Application are appropriate. The 2012 forecast has been adjusted to reflect 1,020,000 kWh savings at the power-purchased level from 2012 CDM programs. The forecast CDM volumes in kWh and kW as applicable, by rate class at the adjusted levels are provided in the table below.

Customer Class	kWh Power Purchased Pre- CDM Adjustment	Total Loss Factor	kWh Pre-CDM Billed Forecast	kWh Power Purchased CDM Adjustment	kWh Power Purchased Post CDM Adjustment	Total Loss Factor	kWh Post- CDM Billed Forecast As submitted	Projected Distribution kWh Savings	Projected Uplifted kWh Savings
Residential			45,108,781				44,584,448	522,335	563,975
General Service <50 kW			20,038,541				19,806,495	232,046	250,544
General Service 50 - 2999 kW			38,356,711				38,168,401	190,310	205,481
Street Lights			1,441,722				1,441,722	0	-
Sentinel Lights			108,277				108,277	0	-
USL			429,961				429,961	0	-
CDM Adjustment				(1,020,000)					
Total	113,890,798	1.0797	105,481,992	(1,020,000)	112,870,798	1.0797	104,537,301	944,691	1,020,000

Billed kW associated with the CDM savings included in the 2012 load forecast for the GS>50, Sentinel Lighting and Street Lighting classes are shown below.

Customer Class	kW Pre-CDM Adjustment	kW Post-CDM Adjustment	Savings
General Service 50 - 2999 kW	127,283	126,652	631
Street Lights	3,843	3,843	-
Sentinel Lights	301	301	-
Total	131,427	130,796	631

3.4 Is the proposed forecast of test year throughput revenue appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 3, Schedule 1

For the purposes of settlement, the Parties agree on the following throughput revenue:

Base Revenue Requirement		
Service Revenue Requirement	2,630,848	
<u>Less:</u> Revenue Offsets	207,543	
Base Revenue Requirement		2,423,305

3.5 Is the test year forecast of other revenues appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 3, Schedule 4, Table 3.24, page 26

For the purposes of settlement, the Parties accept RSL's test year forecast of a total of \$207,543 in Other Distribution Revenue, as set out in the Application.

For the Board's reference, RSL has reproduced its forecast at Appendix E – 2012 Other Revenue.

4. OPERATING COSTS

4.1 Is the overall OM&A forecast for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 4, Schedule 1, Table 4.1, page 4
Board Staff IRR 15 c), pages 21 - 22

For the purposes of settlement, the Parties agree that the 2012 OM&A for the Test Year should be \$1,820,000 (MIFRS and CGAAP). The Parties rely on RSL's view that it can safely and reliably operate the distribution system based on the total OM&A budget proposed. The Parties have agreed that the adjustment will be based on an "envelope" approach, so that any determination of potential budget reductions to reflect the Board-approved 2012 OM&A will be at the discretion of RSL.

OM&A Comparison

	2010 Actuals	Test Year Forecast	Variance \$	Percentage Change %
Test Year versus Most Current Actuals	\$ 1,643,025	\$ 1,820,000	\$ 176,975	10.77%
	LRV - 2008 Board-approved	Test Year Forecast	Variance \$	Percentage Change %
Test Year versus LRV Board- approved	\$ 1,586,626	\$ 1,820,000	\$ 233,374	14.71%
Simple average of % variance for all years				5.32%
Compound annual growth rate for all years				5.23%

OM&A Cost per Customer and per FTEE

	LRY - Board Approved	LRY - Actual	Year 2 Actual	Year 1 Actual	Bridge Year	Test Year
	2008	2008	2009	2010	2011	2012
Number of Customers	7,549	7,563	7,578	7,642	7,679	7,693
Total OM&A from Appendix 2-G	\$ 1,586,626	\$ 1,484,182	\$ 1,619,797	\$ 1,643,025	\$ 1,806,509	\$ 1,820,000
OM&A cost per customer	\$ 210.18	\$196.24	\$213.75	\$215.00	\$235.25	\$236.57
Number of FTEs	14.5	14.12	13.58	13.35	13.31	14.43
Customers/FTEs	520.62	535.79	558.09	572.60	576.82	533.30
OM&A Cost per FTEE	109,422.48	105,144.12	119,290.87	123,108.90	135,697.63	126,160.11

4.2 Are the methodologies used to allocate shared services and other costs appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 4, Schedule 5, pages 21 - 24

For the purposes of settlement, the Parties accept the methodology used by RSL to allocate shared services and other costs.

4.3 Is the proposed level of depreciation/amortization expense for the test year appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 4, Schedule 7, pages 25-30 Board Staff IRR 6, page 8

For the purposes of settlement, the Parties accept the useful lives proposed by RSL in the table below and the depreciation expense reported in the continuity schedules in Appendix B. The Parties have agreed that the proposed level of depreciation/amortization expense of \$364,199 for the test year is appropriate, less the PP&E deferral amount of \$22,073 and a return of \$5,150 ($\$88,291 \times 5.83\% = \$5,150$) for a net effect of \$337,177 in depreciation expense. Please see Appendix B – Continuity Tables for detailed depreciation expense calculation. Please also see section 11.1 below, for PP&E deferral account calculations including the resulting depreciation offset amount.

CCA Class	OEB	Description	Exclude Fully Amort	Opening Balance	Additions	Disposals	Closing Balance	Years	TUL
								CGAAP	MIFRS
N/A	1610	Intangible Assets		0			0		
N/A	1805	Land		84,205			84,205	n/a	n/a
CEC	1806	Land Rights		0			0		
47	1808	Buildings and Fixtures		82,287	7,690		89,977	50	50
13	1810	Leasehold Improvements		0			0		
47	1820	1820 - Wholesale meters, normally incl below		326,992	15,000		341,992	25	25
47	1820	Distribution Station Equipment - Normally Primary belc		397,892	20,000		417,892	25	45
47	1860	Smart Meters		1,294,090			1,294,090	model	model
47	1830	Poles, Towers and Fixtures		502,092	72,310		574,402	25	45
47	1835	Overhead Conductors and Devices		1,839,430	50,000		1,889,430	25	60
47	1840	Underground Conduit		36,862			36,862	25	50
47	1845	Underground Conductors and Devices		797,248	20,000		817,248	25	40
47	1850	Line Transformers		1,031,223	60,000		1,091,223	25	45
47	1855	Services		281,637	20,000		301,637	25	60
47	1860	Meters		176,155	40,000		216,155	25	25
N/A	1865	Other Installations on Customer's Premises		0			0		
N/A	1905	Land		0			0		
CEC	1906	Land Rights		0			0		
47	1908	Buildings and Fixtures		0			0		
13	1910	Leasehold Improvements		8,796			8,796	10	10
8	1915	Office Furniture and Equipment		0			0		
10	1920	Computer Equipment - Hardware	(92,556)	163,688	20,000		183,688	5	5
12	1925	Computer Software	(11,546)	164,827	50,000		214,827	5	5
10	1930	Transportation Equipment		627,095			627,095	8	8
8	1935	Stores Equipment		0			0		
8	1940	Tools, Shop and Garage Equipment	(75,572)	137,984	10,000		147,984	10	10
8	1945	Measurement and Testing Equipment		0			0		
8	1950	Power Operated Equipment		0			0		
8	1955	Communication Equipment		0			0		
8	1960	Miscellaneous Equipment		0			0		
47	1990	Other Tangible Property		0			0		Average
47	1995	Contributions and Grants		(360,988)			(360,988)	25	45
	2005	Property under Capital Lease		0			0		
		Total before Work in Process	(179,675)	7,591,516	385,000	0	7,976,516		

4.4 Are the 2012 compensation costs and employee levels appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Exhibit 4, Schedule 4, pages 18 - 20

For the purpose of settlement, and subject to the overall reduction in 2012 Test Year OM&A discussed above, the Parties accept RSL's forecast 2012 Test Year compensation costs and employee levels.

4.5 Is the test year forecast of property taxes appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 4, Schedule 8

RSL has forecasted an amount of \$23,300 in property taxes that will be payable in the 2012 Test Year.

For the purposes of settlement, the Parties have accepted RSL's 2012 Test Year forecast of property taxes.

4.6 Is the test year forecast of PILs appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 4, Schedule 8

For the purpose of settlement, the parties accept RSL's 2012 Test Year PILs forecast as set out in Appendix F to this Settlement Agreement.

Please see Appendix F – 2012 PILs (Updated), for additional details.

5. CAPITAL STRUCTURE AND COST OF CAPITAL

5.1 Is the proposed capital structure, rate of return on equity and short term debt rate appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 5, Schedule 1
Board Staff IRR 17, page 24 – 30
VECC IRR 24, pages 24 – 27
SEC IRR 7, page 4

For the purposes of settlement, the Parties have agreed that RSL's proposed capital structure of 56% long term debt, 4% short term debt, and 40% equity is appropriate.

This Settlement Agreement has been prepared using the Board's updated Cost of Capital Parameters for ROE (9.12%) and short term debt (2.08%) for cost of service applications for rates effective May 1, 2012, issued on March 2, 2012. These updated parameters will also be incorporated into the Draft Rate Order to be prepared following the issuance of the Board's Decision on the Settlement Agreement.

Please refer to Appendix G – 2012 Cost of Capital.

Deemed Capital Structure for 2012				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	3,971,768	56.00%	3.75%	149,064
Unfunded Short Term Debt	283,698	4.00%	2.08%	5,901
Total Debt	4,255,466	60.00%		154,965
Common Share Equity	2,836,977	40.00%	9.12%	258,732
Total equity	2,836,977	40.00%		258,732
Total Rate Base	7,092,444	100.00%	5.83%	413,697

5.2 Is the proposed long term debt rate appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 5, Schedule 1

For the purposes of settlement, the Parties agreed to RSL's long term debt rate of 3.75%. The calculation of the long term debt rate is set out in Appendix G to this Agreement.

6. SMART METERS

6.1 Is the proposed inclusion of the smart meter costs in the 2012 revenue requirement appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 11, Schedule 17, page 29 Board Staff IRR 44, page 76 Board Staff IRR 45, page 76 - 77

For the purposes of settlement, the Parties accept RSL's proposed inclusion of smart meter costs in the 2012 revenue requirement as appropriate.

6.2 Is the proposed disposition of the balances in variance accounts 1555 and 1556 appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 11, Schedule 17, Table 16.1 Board Staff IRR 48, pages 83 - 84

For the purposes of settlement, the Parties accept that RSL's proposed disposition of the balances in variance accounts 1555 and 1556 is appropriate. With respect to the methodology for calculating smart meter-related riders, the parties have agreed that RSL will calculate class specific smart meter rate riders. The Parties have agreed that RSL will dispose of the residual

deferred smart meter revenue requirement over a 1 year period on the basis provided in the following table:

Smart Meter Rate Rider Calculation

Smart Meter Actual Cost Recovery Rate Rider - SMDR Calculated by Rate Class			
	Total	Residential	GS < 50
Allocators			
LDC Average Smart Meter Unit Cost		\$ 92.32	\$ 252.40
Smart Meter Cost	\$ 1,294,090	\$ 982,520	\$ 311,570
Allocation of Smart Meter Costs	100.0%	75.9%	24.1%
Number of meters installed	5,775	5,005	770
Allocation of Number of meters installed	100.0%	86.7%	13.3%
Total Return (deemed interest plus return on equity)	\$ 165,408	\$ 125,583	\$ 39,824
Amortization	\$ 220,715	\$ 167,575	\$ 53,140
OM&A	\$ 108,703	\$ 94,209	\$ 14,494
Total Before PILs	\$ 494,826	\$ 387,368	\$ 107,458
PILs	\$ 4,824	\$ 3,777	\$ 1,048
Total Revenue Requirement 2006 to 2011	\$ 499,650	\$ 391,144	\$ 108,506
	100.0%	78.3%	21.7%
Smart Meter Rate Adder Revenues	(\$424,543)	(\$365,874)	(\$58,669)
Carrying Charge	(\$10,123)	(\$8,723)	(\$1,400)
Smart Meter True-up	\$ 64,983	\$ 16,547	\$ 48,437
Metered Customers	5,775	5,005	770
Recovery Period in Months	12	12	12
Rate Rider to Recover Smart Meter Costs 1 Yr	\$ 0.94	\$ 0.28	\$ 5.24

6.3 Is the proposal related to stranded meters appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 11, Schedule 15, Tables 15.3 and 15.4
Board Staff IRR 47, pages 81 - 83

For the purposes of settlement, the Parties accept the stranded meter value of \$161,815 as presented in the following table. The Parties accept the proposal for recovery of that amount through a rate rider of \$1.83 per metered Residential customer per month, and a rate rider of \$5.60 per metered General Service < 50 kW customer per month over a one year period.

Rideau St. Lawrence									
Total Capitalized Meter costs								RideauStL_APPL_SmartMeterModelV2.17_8A	
	FileID: RideauStL_APPL_SmartMeterModelV2.17_8A							Board IRR # 47	
	Tab Stranded #47								
	Date: 26-Apr-12								
								Exhibit 47	
Stranded Meter Costs	Total Capital	Less	Stranded					Stranded Meter Costs	
	GL 1860	Industrial	Meters					Gross Book	Accumulated
								Depreciation	Net Book
								Value	Expense
Capital Cost	\$431,926	-\$155,345	\$276,582				2006	\$272,799	\$59,178
Accumulated Depreciation	\$157,226	-\$42,459	\$114,767				2007	\$276,582	\$70,165
Net Book Value	\$274,700	-\$112,885	\$161,815				2008	\$276,582	\$81,229
							2009	\$276,582	\$92,362
	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>				2010	\$276,582	\$103,564
Number of Customers - 2012	5,016	770	5,786				2011	\$276,582	\$114,767
Stranded Assets - %	68.0%	32.0%	100.0%						
Stranded Assets - \$	\$110,090	\$51,724	\$161,815						
Stranded Meter Rate Rider (SMRR)	\$1.83	\$5.60							

7. COST ALLOCATION

7.1 Is RSL's cost allocation appropriate?

Status: Complete Settlement

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 7
Board Staff IRR 19, pages 31 – 32
Board Staff IRR 20, pages 33 – 34
VECC IRR 26, page 27
VECC IRR 2/5-7, pages 3 - 49

The Parties have agreed for the purposes of settlement that the revenue-to-cost ratios for the 2012 Test Year, reflecting the agreed-upon 2012 Test Year Revenue Requirement, will be as set out in the following table:

Class	Revenue Requirement - 2012 Cost Allocation Model - Line 35 from O1 in CA	2012 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2012 Cost Allocation Model - Line 19 from O1 in CA	Total Revenue	Revenue Cost Ratio	Check Revenue Cost Ratios from 2012 Cost Allocation Model - Line 70 from O1 in CA	Proposed Revenue to Cost Ratio
Residential	1,630,620	1,411,615	130,820	1,542,435	94.6%	94.6%	94.8%
GS < 50 kW	402,187	459,794	31,953	491,747	122.3%	122.3%	120.0%
GS 50 - 4,999 kW	443,641	423,011	29,784	452,795	102.1%	102.1%	102.1%
						0.0%	0.0%
Sentinel Lights	7,477	4,761	710	5,471	73.2%	73.2%	94.8%
Street Lighting	137,693	99,695	13,484	113,179	82.2%	82.2%	94.8%
USL	9,230	24,430	791	25,222	273.2%	273.2%	120.0%
						0.0%	0.0%
						0.00%	0.00%
TOTAL	2,630,848	2,423,305	207,543	2,630,848	100.0%	100.0%	

Class	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	1,546,509	130,820	1,415,689	85%	115%
GS < 50 kW	482,624	31,953	450,671	80%	120%
GS 50 - 4,999 kW	452,957	29,784	423,173	80%	180%
	0	0	0	85%	115%
Sentinel Lights	7,092	710	6,382	80%	120%
Street Lighting	130,590	13,484	117,106	70%	120%
USL	11,077	791	10,285	80%	120%
	0	0	0	80%	120%
	0	0	0	85%	115%
TOTAL	2,630,848	207,543	2,423,305		

Please see Appendix L – Cost Allocation Sheet O1 for additional information.

7.2 Are the proposed revenue-to-cost ratios for each class appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 7
VECC IRR Round 2/7c)

The cost allocation run provided in response to VECC supplementary interrogatory 7(c) produced revenue to cost ratios that were outside of the Board – approved ranges for some classes, which had not been the case in the previous submissions.

For the purposes of settlement, the Parties have agreed that RSL will make certain adjustments to the cost allocation proposed in the Application. Specifically, the Parties have agreed that RSL will move outliers (in this case, the GS<50 kW and Unmetered Scattered Load classes, whose revenue-to-cost ratios are above the approved ranges) to the upper boundaries of their ranges as applicable, after which adjustments will be made to the lowest classes within their ranges as necessary to maintain revenue neutrality. All movement of outliers to the upper boundaries of their ranges will take place in one adjustment in the 2012 test year. For the purposes of settlement, the Parties accept the revised proposed revenue-to-cost ratios with the adjustments referred to above.

8. RATE DESIGN

8.1 Are the fixed-variable splits for each class appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 8, Schedule 1, Table 8.7 Board Staff IRR 21, pages 34 – 36 SEC IRR Round 2/12, page 1

For the purposes of settlement, the Parties have accepted that the 2012 monthly service charge (the “MSC”) will maintain the current fixed-variable splits with the exception that the MSC quantum for the GS>50 kW customer class will be maintained at its current level. To achieve this objective, the fixed charge split for GS>50kW will be changed to 52.35% as reflected in the chart below.

With these adjustments, the Parties accept the customer charges and the fixed-variable splits for each class presented in the tables below.

Fixed Charge Analysis								
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2011 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)	Target Fixed Charge Split	Fixed Charge with Target Split
Residential	45.74%	54.26%	100.00%	12.76	10.28	16.67	54.26%	12.76
GS < 50 kW	39.46%	60.54%	100.00%	29.53	24.34	31.24	60.54%	29.53
GS 50 - 4,999 kW	35.18%	64.82%	100.00%	348.43	281.39	180.38	52.35%	281.39
Sentinel Lights	70.99%	29.01%	100.00%	2.06	1.24	7.26	29.01%	2.06
Street Lighting	41.70%	58.30%	100.00%	3.33	2.29	7.03	58.30%	3.33
USL	74.07%	25.93%	100.00%	3.86	7.41	39.94	25.93%	3.86
			0.00%	0.00		0.00	0.00%	0.00
TOTAL								

The parties agree to the following fixed and variable rates.

2012 TEST YEAR - BASE REVENUE DISTRIBUTION RATES				
Customer Class	Connection	Customer	kW	kWh
Residential	0.00	12.76	0.0000	0.0145
GS < 50 kW	0.00	29.53	0.0000	0.0090
GS 50 - 4,999 kW	0.00	281.39	1.8902	0.0000
Sentinel Lights	2.06	0.00	15.0510	0.0000
Street Lighting	3.33	0.00	12.7064	0.0000
USL	3.86	0.00	0.0000	0.0177

8.2 Are the proposed retail transmission service rates (“RTSR”) appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 8, Schedule 2, Table 8.9
VECC IRR 29, page 28

For the purposes of settlement the Parties have agreed that the following Retail Transmission Service Rates (“RTSRs”), based on the updated Uniform Transmission Rates issued by the Board on December 20, 2011 in EB-2011-0268, are appropriate.

Rate Class	Unit	Proposed RTSR Network		Proposed RTSR Connection	
Residential	kWh	\$	0.0057	\$	0.0048
General Service Less Than 50 kW	kWh	\$	0.0052	\$	0.0045
General Service 50 to 4,999 kW	kW	\$	2.1653	\$	1.7867
General Service 50 to 4,999 kW – Interval Metered	kW	\$	2.4192	\$	1.9914
Unmetered Scattered Load	kWh	\$	0.0052	\$	0.0045
Sentinel Lighting	kW	\$	1.6413	\$	1.4100
Street Lighting	kW	\$	1.6330	\$	1.3813

8.3 Are the proposed LV rates appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 8, Schedule 6, Table 8.11
Board Staff IRR 22, pages 36 – 37
VECC IRR 30, page 29

For the purposes of settlement, the Parties have agreed that RSL will reduce its proposed LV rates from those set out in the Application, as set out in the table below:

RATES - Low Voltage Adjustment						
Customer Class	LV Adj. Allocated	Calculated kWh	Calculated kW	Volumetric Rate Type	LV/ Adj. Rates/kWh	LV Adj. Rates/ kW
Residential	\$105,350	44,584,446	0	kWh	0.0024	
GS < 50 kW	\$43,611	19,806,495	0	kWh	0.0022	
GS 50 - 4,999 kW	\$103,033		126,652	kW		0.8135
Sentinel Lights	\$193		301	kW		0.6420
Street Lighting	\$2,417		3,843	kW		0.6289
USL	\$947	429,961	0	kWh	0.0022	
TOTALS	\$255,551	64,820,902	130,796			

8.4 Are the proposed loss factors appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 8, Schedule 7, Table 8.13

For the purposes of settlement, the Parties accept the Loss Factor of 1.0797 proposed by RSL in its Application.

9. DEFERRAL AND VARIANCE ACCOUNTS

9.1 Are the account balances, cost allocation methodology and disposition period appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 9, Table 9.4 Board Staff IRR 25, pages 40 – 44 Board Staff IRR 27, pages 47 – 48 Board Staff IRR 28, pages 48 – 50 Board Staff IRR 29, page 50 Board Staff IRR 30, pages 50 – 55 Board Staff IRR 32, page 57 Board Staff IRR 35 - 40, pages 61 – 73 Board Staff IRR Round 2/57-60 – pages 8 – 12 Board Staff IRR Round 2/61 – 63, pages 13 - 15

For the purposes of settlement, the Parties have agreed that the account balances, cost allocation methodology and disposition period for the deferral and variance accounts as presented in the evidence cited above, adjusted for the matters discussed below, are appropriate:

- The Parties have agreed to RSL's recovery, in this proceeding, of the sum of \$22,318 currently tracked in Account 1508, representing its costs of transition to International Financial Reporting Standards as at December 31, 2010. The Intervenor further acknowledge that RSL intends to apply to the Board for the recovery of the balance of these transition costs at a later date, and that while their positions, if any, on the merits of that future application will be determined following the commencement of such a proceeding, they will not oppose the making of such an application by RSL.
- The Parties have agreed that RSL has appropriately calculated the stranded meter rider in the amount of \$1.83 per metered Residential and \$5.60 per General Service < 50 kW customer per month over a one year period, as discussed under item 6.3, above.

- The Parties have agreed that the balance in Account 1588 – RSVA Power + Global Adjustment – currently estimated at approximately \$(250,499), will not be disposed of at this time. RSL is currently reviewing its calculation of the account balance, and will request the disposition of that balance at a later date, likely in conjunction with an Incentive Regulation Mechanism (“IRM”) rate adjustment application prior to RSL’s next cost of service application. Board Staff has recommended that a regulatory audit of account 1588 be conducted to verify the balance and the recurring journal entries. RSL supports this recommendation.
- The Parties have agreed that the balance in Account 1562 for PILS - refund of \$(156,173) will be disposed of. The continuity schedule was revised to reflect the tax rates used in the 2001 – 2005 Audited Financial Statements for RSL.

9.2 Are the proposed rate riders to dispose of the account balances appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 9, Schedule 8, Table 9.10

For the purposes of settlement, the Parties accept the proposed rate riders to dispose of those account balances that are the subject of disposition at this time. The parties have agreed to a disposition period of twelve months. The rate rider calculations are set out in the table below:

			GS 50 - 4,999						Unmetered	
Deferral and Variance Accounts:	Amount	ALLOCATOR	Residential	GS < 50 KW	kW	Street Lighting	Sentinel Lighting	Scattered Load	Total	
1550	\$ (21,490)	kWh	\$ (9,165)	\$ (4,072)	\$ (7,846)	\$ (296)	\$ (22)	\$ (88)	\$ (21,490)	
1580	\$ (119,908)	kWh	\$ (51,140)	\$ (22,719)	\$ (43,778)	\$ (1,654)	\$ (124)	\$ (493)	\$ (119,908)	
1584	\$ (71,776)	kWh	\$ (30,612)	\$ (13,599)	\$ (26,205)	\$ (990)	\$ (74)	\$ (295)	\$ (71,776)	
1586	\$ (14,974)	kWh	\$ (6,386)	\$ (2,837)	\$ (5,467)	\$ (207)	\$ (16)	\$ (62)	\$ (14,974)	
1588 Excl GA	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1588 - Global Adjustment	\$ -	kwh - Non RPP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1590	\$ 5,214	Proportion of Recovery	\$ 1,993	\$ 1,057	\$ 2,087	\$ 60	\$ 4	\$ 13	\$ 5,214	
1595	\$ 5,512	Proportion of Recovery	\$ 2,572	\$ 959	\$ 1,923	\$ 32	\$ 8	\$ 17	\$ 5,512	
Subtotal - RSVA	\$ (217,422)		\$ (92,740)	\$ (41,210)	\$ (79,287)	\$ (3,054)	\$ (224)	\$ (908)	\$ (217,422)	
1508	\$ (59)	Dx Revenue	\$ (34)	\$ (11)	\$ (11)	\$ (2)	\$ (0)	\$ (1)	\$ (59)	
1508	\$ 22,318	Dx Revenue	\$ 12,830	\$ 4,235	\$ 4,067	\$ 918	\$ 44	\$ 225	\$ 22,318	
1508	\$ 4,469	Dx Revenue	\$ 2,569	\$ 848	\$ 814	\$ 184	\$ 9	\$ 45	\$ 4,469	
1518	\$ 714	# of Customers	\$ 602	\$ 92	\$ 8	\$ 1	\$ 4	\$ 7	\$ 714	
1521	\$ 1,049	Dx Revenue	\$ 603	\$ 199	\$ 191	\$ 43	\$ 2	\$ 11	\$ 1,049	
1548	\$ 90,773	# of Customers	\$ 76,536	\$ 11,748	\$ 1,001	\$ 92	\$ 519	\$ 878	\$ 90,773	
1555	\$ -									
1556	\$ -									
1582	\$ 7,626	kWh	\$ 3,252	\$ 1,445	\$ 2,784	\$ 105	\$ 8	\$ 31	\$ 7,626	
1562	\$ (156,173)	kWh	\$ (66,607)	\$ (29,590)	\$ (57,018)	\$ (2,154)	\$ (162)	\$ (642)	\$ (156,173)	
1592	\$ (5,822)	Dx Revenue	\$ (3,347)	\$ (1,105)	\$ (1,061)	\$ (240)	\$ (11)	\$ (59)	\$ (5,822)	
Subtotal - Non RSVA	\$ (35,106)		\$ 26,404	\$ (12,139)	\$ (49,225)	\$ (1,053)	\$ 412	\$ 496	\$ (35,106)	
Total to be Recovered	\$ (252,528)		\$ (66,336)	\$ (53,349)	\$ (128,512)	\$ (4,107)	\$ 188	\$ (412)	\$ (252,528)	
To be collected or refunded (Excl G A & Smart Meters)	\$ (252,528)		\$ (66,336)	\$ (53,349)	\$ (128,512)	\$ (4,107)	\$ 188	\$ (412)	\$ (252,528)	
Number of years for Variable	1									
To be collected or refunded per year, Variable	\$ (252,528)		\$ (66,336)	\$ (53,349)	\$ (128,512)	\$ (4,107)	\$ 188	\$ (412)	\$ (252,528)	

Class		GS 50 - 999						Unmetered	
Deferral and Variance Account Rate Riders, Variable (Excluding Global Adjustment)		Residential	GS < 50 KW	kW	Street Lighting	Sentinel Lighting	Scattered Load		
Billing Determinants		\$ (0.0015)	\$ (0.0027)	\$ (1.0147)	\$ (1.0688)	\$ 0.6260	\$ (0.0010)		
		kWh	kWh	kW	kW	kW	kWh		
Global Adjustment - to be collected or refunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Number of years for Variable	1								
To be collected or refunded per year, Variable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Global Adjustment Rate Rider							
Billing Determinants		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		kWh	kWh	kW	kW	kW	kWh

10. LOST REVENUE ADJUSTMENT MECHANISM

10.1 Is the proposal related to LRAM/SSM appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 9, Schedule 7, pages 19 – 20 Board Staff IRR 33, pages 57 - 59

For the purposes of settlement, the Parties accept the Applicant's proposal related to LRAM/SSM, subject to the following adjustment:

- The Parties have agreed that RSL will recover only LRAM amounts related to CDM activities carried on through the period ending December 31, 2010 at this time. With respect to 2011, similar to the approach for 2010, the Parties agree that RSL will be permitted to seek LRAM recovery at a later date for verified 2011 results which would include persisting results from 2006-2010 programs into 2011 as well as the impact of verified 2011 programs.
- The following table illustrates RSL's verified 2010 results.

ATTACHMENT B							
Foregone Revenue by Class and Program							
		2009		2010			
Class	Year Implemented	kWh or kW	Rate per Unit	Load Unit	kWh or kW	Rate per Unit	Revenue
Program							
OPA Programs							
Residential							
Secondary Fridge Retirement Pilot	2006	kWh	0.0117	6,154	kWh	0.0117	\$72.01
Cool & Hot Savings Rebate	2006 - 2007	kWh	0.0117	39,136	kWh	0.0117	\$457.89
Every Kilowatt Counts	2006 - 2007	kWh	0.0117	192,600	kWh	0.0117	\$2,253.42
Great Refrigerator Roundup	2007-2010	kWh	0.0117	289,910	kWh	0.0117	\$3,391.95
Summer Savings	2007	kWh	0.0117	7,199	kWh	0.0117	\$84.23
Social Housing – Pilot	2007	kWh	0.0117	13,045	kWh	0.0117	\$152.63
Cool Savings Rebate Program	2008-2010	kWh	0.0117	113,664	kWh	0.0117	\$1,329.87
Every Kilowatt Counts Power Savings Event	2008-2010	kWh	0.0117	205,064	kWh	0.0117	\$2,399.25
peaksaver®	2007-2010	kWh	0.0117	0	kWh	0.0117	\$0.00
Summer Sweepstakes	2008	kWh	0.0117	27,676	kWh	0.0117	\$323.81
							\$10,465.06
GENERAL SERVICE Less Than 50kW							
High Performance New Construction	2008-2010	kWh	0.0074	31,033	kWh	0.0074	\$229.64
Power Savings Blitz	2008-2010	kWh	0.0074	484,395	kWh	0.0074	\$3,584.52
Multifamily Energy Efficiency Rebates	2010	kWh	0.0074	3,272	kWh	0.0074	\$24.21
							\$3,838.38
General Service>50kW to 4,999kW							
Demand Response 1	2006 - 2010	kW	1.2613	0.00	kW	1.2473	\$0.00
Demand Response 2	2009-2010	kW	1.2613	95.19	kW	1.2473	\$118.73
Demand Response 3	2008-2010	kW	1.2613	201.34	kW	1.2473	\$251.13
Electricity Retrofit Incentive Program	2007-2010	kW	1.2613	55.92	kW	1.2473	\$840.15
Electricity Resources Demand Response	2006-2010	kW	1.2613	23.37	kW	1.2473	\$29.14
							\$1,239.14
							\$15,542.58

LRAM 2012 Proposed RateRider					
Customer Rate Class	LRAM \$	2012 Test Volumes		Proposed Rate	
		kwh	kW	kwh	kW
OPA Programs					
RESIDENTIAL	\$10,465.06	44,347,849		0.0002	
GENERAL SERVICE <50KW	\$3,838.38	19,701,387		0.0002	
GENERAL SERVICE >50KW	\$1,239.14		126,366		0.0098
	\$15,542.58				

11. MODIFIED INTERNATIONAL FINANCIAL REPORTING STANDARDS

11.1 Is the proposed revenue requirement determined using modified IFRS appropriate?

Status: **Complete Settlement**

Supporting Parties: RSL, SEC, VECC

Evidence: Application: Exhibit 2

The Parties agree to a Service Revenue Requirement, based on IFRS, of \$2,630,848.

With regard to RSL's PP&E Account, which tracks the amounts, including associated depreciation, attributable to the difference between CGAAP and IFRS calculations of net fixed assets as at the end of 2011, the Parties accept for the purposes of settlement RSL's methodology for calculation of the amount to be booked in the PP&E account. The table below sets out the full calculation of the PP&E Deferral Account consistent with the terms of this Settlement Agreement.

Rideau St. Lawrence - MIFRS PP&E Deferral Account				2011	2012	2013	2014	2015
				IRM	Rebase MIFRS			
				Forecast	Forecast			
PP&E Values under CGAAP								
	Opening Net PP&E			\$ 5,147,592				
	Additions			\$ 420,539				
	Depreciation			\$ (307,184)				
	Closing Net PP&E			\$ 5,260,947				
PP&E Values under MIFRS								
	Opening Net PP&E			\$ 5,147,592				
	Additions			\$ 420,539				
	Depreciation			\$ (218,893)				
	Closing Net PP&E			\$ 5,349,238				
Difference oin Closing nett PP&E, CGAAP vs MIFRS								
	Opening Balance			\$ -	\$ (88,291)	\$ (66,218)	\$ (44,145)	\$ (22,073)
	Amount added in the year			\$ (88,291)	N/A	N/A	N/A	N/A
	Sub-total			\$ (88,291)	\$ (88,291)	\$ (66,218)	\$ (44,145)	\$ (22,073)
	Amount of Amort incl in Depre Exp			\$ -	\$ 22,073	\$ 22,073	\$ 22,073	\$ 22,073
	Closing Balance in Deferral Acct.			\$ (88,291)	\$ (66,218)	\$ (44,145)	\$ (22,073)	\$ -
	RRR	5.83%	-	5,150.00				

12. GREEN ENERGY ACT PLAN

12.1 Is RSL's Green Energy Act Plan, including the Smart Grid component of the plan appropriate?

Status:	Complete Settlement
Supporting Parties:	RSL, SEC, VECC
Evidence:	Application: Exhibit 2, Appendix 2A Board Staff IRR 9, 10, & 11, pages 13 – 18 Board Staff IRR Round 2/51, pages 1 - 3

For the purposes of settlement, the Parties accept RSL's basic Green Energy Act Plan, subject to the following clarification with respect to RSL's capacity for renewable generation ("RG"):

- In its response to Board Staff Interrogatory No. 10, RSL indicated that based on current information and industry practice, RSL has adopted a limit on RG of 7% of the minimum feeder load for RSL owned 4.16kV and 8.32kV feeders – the results of implementing that criterion is shown in Table 2 at Exhibit 2/Appendix A/p. 7/section 3.2 of the Application ("Capacity Assessment Methodology"). This is founded on the fact that most problems with reverse power flow will occur under light loading conditions. The relatively light load on most RSL feeders generates a limit of potential RG load of 20kW to 50kW per feeder.
- Board Staff, in their preamble to their Interrogatory No. 10, indicated that Hydro One Networks ("HONI") has a criterion for establishing the FIT capacity which is the lesser of 7% of peak load or 33% of minimum load, provided that the ratio of minimum load for any feeder to its peak load is at least 20%. Board staff further indicated that this criterion is more reflective of many jurisdictions in the U.S. and of some other distributors in

Ontario. Board Staff also indicated that it is their understanding that the shorter the distribution feeder, the more suitable is that feeder for application of the noted criterion to establish the FIT Capacity limit on that feeder.

- In its response to Board Staff Interrogatory No. 51(b), RSL acknowledged that its approach is more restrictive than that of HONI. However, RSL confirmed in that response that if a proposed microFIT or FIT facility exceeded RSL's criterion for connection, then RSL would be willing to consider applications on a case-by-case basis and, if feasible, consult with HONI Distribution staff to examine key aspects of the proposed connection such as the adequacy and type of the anti-islanding protection scheme (UOFV) proposed by the microFIT or FIT proponent, as discussed in section 4.5, page 18 of the *Technical Review of Hydro One's Anti-Islanding Criteria for Microfit PV Generators*, dated November 22, 2011 (referred to in Board Staff Interrogatory No. 51); and characteristics of the feeder such as its length, and the ratio of the total capacity of microFIT plus FIT installations, including the proposed project, to the minimum load on that feeder.

Appendix A – Summary of Significant Changes

Summary of Significant Changes			
	As Per Original Application	Settlement Agreement	Difference
Rate Base			
Gross Fixed Assets (Average)	7,784,016	7,784,016	-
Accumulated Depreciation (Average)	(2,424,478)	(2,424,478)	-
Allowance for Working Capital	1,862,118	1,732,905	(129,213)
Controllable Expenses	1,915,028	1,843,300	(71,728)
Cost of Power	10,499,095	10,534,594	35,499
Utility Income			
Operating Revenue			
Distribution Revenue at Current Rates	1,957,800	1,957,800	-
Distribution Revenue at Proposed Rates	2,528,129	2,423,305	(104,824)
Other Revenue			
Specific Service Charges	88,900	88,900	-
Late Payment Charges	32,400	32,400	-
Other Distribution Revenue	74,243	74,243	-
Other Income and Deductions	12,000	12,000	-
Operating Expenses			
OM&A Expenses	1,891,728	1,820,000	(71,728)
Depreciation	340,980	337,177	(3,803)
Property Taxes	23,300	23,300	-
Taxes/PILS			
Adjustments required to arrive at taxable income	(58,797)	(58,797)	-
Utility Income Taxes and Rates			
Income Taxes (not grossed up)	33,064	30,990	(2,074)
Income Taxes (grossed up)	39,129	36,674	(2,455)
Federal Tax (%)	11.00%	11.00%	0.0000
Provincial Tax (%)	4.50%	4.50%	0.0000
Cost of Capital			
Long term debt cost rate	4.02%	3.75%	(0.0027)
Short term debt cost rate	2.08%	2.08%	0.0000
Equity Cost Rate	9.42%	9.12%	(0.0030)

Appendix B – Continuity Tables (MIFRS)

Rideau St. Lawrence Distribution Inc. License Number ED-2003-0003, File Number EB-2011-0274											
Fixed Asset Continuity Schedule (Distribution & Operations) As at December 31, 2012											
MIFRS											
Cost											
Accumulated Depreciation											
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1610	Intangible Assets	0			0	0			0	0
N/A	1805	Land	84,205	-		84,205	0			0	84,205
CEC	1806	Land Rights	0	-		0	0			0	0
47	1808	Buildings and Fixtures	82,287	7,690		89,977	8,294	1,723		10,017	79,961
13	1810	Leasehold Improvements	0	-		0	0			0	0
47	1820	Wholesale Meters	326,992	15,000		341,992	64,899	13,380		78,279	263,713
47	1820	Distribution Station Equipment - Normally Pri	397,892	20,000		417,892	138,810	9,064		147,874	270,018
47	1860	Smart Meters	1,294,090	-		1,294,090	220,715	110,121		330,836	963,253
47	1830	Poles, Towers and Fixtures	502,092	72,310		574,402	94,688	11,961		106,649	467,753
47	1835	Overhead Conductors and Devices	1,839,430	50,000		1,889,430	659,734	31,074		690,808	1,198,622
47	1840	Underground Conduit	36,862	-		36,862	10,414	737		11,151	25,712
47	1845	Underground Conductors and Devices	797,248	20,000		817,248	293,470	20,181		313,651	503,597
47	1850	Line Transformers	1,031,223	60,000		1,091,223	295,255	23,583		318,838	772,385
47	1855	Services	281,637	20,000		301,637	49,116	4,861		53,977	247,660
47	1860	Meters	176,155	40,000		216,155	30,866	7,846		38,712	177,443
N/A	1865	Other Installations on Customer's Premises	0	-		0	0			0	0
N/A	1905	Land	0	-		0	0			0	0
CEC	1906	Land Rights	0	-		0	0			0	0
47	1908	Buildings and Fixtures	0	-		0	0			0	0
13	1910	Leasehold Improvements	8,796	-		8,796	3,079	880		3,959	4,838
8	1915	Office Furniture and Equipment	0	-		0	0			0	0
10	1920	Computer Equipment - Hardware	163,688	20,000		183,688	127,137	16,226		143,363	40,325
12	1925	Computer Software	164,827	50,000		214,827	92,250	35,656		127,906	86,921
10	1930	Transportation Equipment	627,095	-		627,095	130,420	78,387		208,807	418,289
8	1935	Stores Equipment	0	-		0	0	-		0	0
8	1940	Tools, Shop and Garage Equipment	137,984	10,000		147,984	111,146	6,741		117,887	30,097
8	1945	Measurement and Testing Equipment	0	-		0	0	-		0	0
8	1950	Power Operated Equipment	0	-		0	0	-		0	0
8	1955	Communication Equipment	0	-		0	0	-		0	0
8	1960	Miscellaneous Equipment	0	-		0	0	-		0	0
47	1970	Load Management Controls - Customer Prem	0	-		0	0	-		0	0
47	1975	Load Management Controls - Utility Premises	0	-		0	0	-		0	0
47	1980	System Supervisory Equipment	0	-		0	0	-		0	0
47	1985	Sentinel Lighting Rentals	0	-		0	0	-		0	0
47	1990	Other Tangible Property	0	-		0	0	-		0	0
47	1995	Contributions and Grants	(360,988)	-		(360,988)	(88,013)	-	8,022	(96,035)	(264,953)
	2005	Property under Capital Lease	0	-		0	0			0	0
		Total before Work in Process	7,591,516	385,000	0	7,976,516	2,242,278	364,399	0	2,606,677	5,369,839
WIP		Work in Process	0			0	0			0	0
		Total after Work in Process	7,591,516	385,000	0	7,976,516	2,242,278	364,399	0	2,606,677	5,369,839
				Amort per CGAAP		435,805	Rate Base Adjustment				
				Amort per MIFRS		337,177	1/4 of 2011	22,073			
				Reduction:		98,628	5.83%	5,150			
							Net Deprecia	337,177			

Appendix C – Cost of Power

2012 Load Forecast	kWh	kW	2010 %RPP		
Residential	44,584,446		87%		
General Service < 50 kW	19,806,495		88%		
General Service 50 - 4,999 kW	38,166,401	126,652	16%		
	0		0%		
Street Lighting	1,441,722	3,843	0%		
Sentinel Lighting	108,277	301	100%		
Unmetered Scattered Load	429,961		100%		
TOTAL	104,537,301	130,796			
Electricity - Commodity RPP	2012	2012 Loss			
Class per Load Forecast RPP	Forecasted	Factor	2012		
Residential	38,788,468	1.0797	41,880,604	\$0.07565	\$3,168,268
General Service < 50 kW	17,429,715	1.0797	18,819,176	\$0.07565	\$1,423,671
General Service 50 - 4,999 kW	6,106,624	1.0797	6,593,432	\$0.07565	\$498,793
	0	1.0797	0	\$0.07565	\$0
Street Lighting	0	1.0797	0	\$0.07565	\$0
Sentinel Lighting	108,277	1.0797	116,909	\$0.07565	\$8,844
Unmetered Scattered Load	429,961	1.0797	464,236	\$0.07565	\$35,119
TOTAL	62,863,045		67,874,357		\$5,134,695
Electricity - Commodity Non-RPP	2012	2012 Loss			
Class per Load Forecast	Forecasted	Factor	2012		
Residential	5,795,978	1.0797	6,258,021	\$0.07191	\$450,014
General Service < 50 kW	2,376,779	1.0797	2,566,251	\$0.07191	\$184,539
General Service 50 - 4,999 kW	32,059,777	1.0797	34,615,515	\$0.07191	\$2,489,202
	0	1.0797	0	\$0.07191	\$0
Street Lighting	1,441,722	1.0797	1,556,653	\$0.07191	\$111,939
Sentinel Lighting	0	1.0797	0	\$0.07191	\$0
Unmetered Scattered Load	0	1.0797	0	\$0.07191	\$0
TOTAL	41,674,256		44,996,441		\$3,235,694
Transmission - Network		Volume			
Class per Load Forecast		Metric	2012		
Residential		kWh	47,567,853	\$0.0057	\$264,315
General Service < 50 kW		kWh	21,978,772	\$0.0052	\$106,937
General Service 50 - 4,999 kW		kW	116,509	\$2.1653	\$234,419
General Service 50 - 4,999 kW Interval		kW	11,958	\$2.4192	\$28,930
Street Lighting		kW	3,857	\$1.6330	\$6,026
Sentinel Lighting		kW	108	\$1.6413	\$474
Unmetered Scattered Load		kWh	362,923	\$0.0052	\$2,321
TOTAL					\$643,422
Transmission - Connection		Volume			
Class per Load Forecast		Metric	2012		
Residential		kWh	47,567,853	\$0.0048	\$228,445
General Service < 50 kW		kWh	21,978,772	\$0.0045	\$94,567
General Service 50 - 4,999 kW		kW	116,509	\$1.7867	\$199,608
General Service 50 - 4,999 kW Interval		kW	11,958	\$1.9914	\$23,813
Street Lighting		kW	3,857	\$1.3813	\$5,241
Sentinel Lighting		kW	108	\$1.4100	\$419
Unmetered Scattered Load		kWh	362,923	\$0.0045	\$2,053
TOTAL					\$554,146
Wholesale Market Service					
Class per Load Forecast			2012		
Residential			48,138,626	\$0.0052	\$250,321
General Service < 50 kW			21,385,428	\$0.0052	\$111,204
General Service 50 - 4,999 kW			41,208,947	\$0.0052	\$214,287
			0	\$0.0000	\$0
Street Lighting			1,556,653	\$0.0052	\$8,095
Sentinel Lighting			116,909	\$0.0052	\$608
Unmetered Scattered Load			464,236	\$0.0052	\$2,414
TOTAL			112,870,798		\$586,928
Rural Rate Assistance					
Class per Load Forecast			2012		
Residential			48,138,626	\$0.0011	\$52,952
General Service < 50 kW			21,385,428	\$0.0011	\$23,524
General Service 50 - 4,999 kW			41,208,947	\$0.0011	\$45,330
			0	\$0.0011	\$0
Street Lighting			1,556,653	\$0.0011	\$1,712
Sentinel Lighting			116,909	\$0.0011	\$129
Unmetered Scattered Load			464,236	\$0.0011	\$511
TOTAL			112,870,798		\$124,158
Low Voltage					
Class per Load Forecast			2012		
Residential			44,584,446	\$0.0024	\$105,350
General Service < 50 kW			19,806,495	\$0.0022	\$43,611
General Service 50 - 4,999 kW			126,652	\$0.8135	\$103,033
			0		\$0
Street Lighting			3,843	\$0.6289	\$2,417
Sentinel Lighting			301	\$0.6420	\$193
Unmetered Scattered Load			429,961	\$0.0022	\$947
TOTAL					\$255,551
	2012				
4705-Power Purchased	\$8,370,389				
4708-Charges-WMS	\$586,928				
4714-Charges-NW	\$643,422				
4716-Charges-CN	\$554,146				
4730-Rural Rate Assistance	\$124,158				
4750-Low Voltage	\$255,551				
TOTAL	10,534,594				

Appendix D – 2012 Customer Class Load Forecast

Rideau St. Lawrence Utilities Weather Normal Load Forecast for 2012 Rate Application									
	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Weather Normal	2012 Weather Normal
Actual kWh Purchases	127,729,610	129,569,190	125,693,570	125,561,560	121,334,640	118,414,830	116,592,701		
Predicted kWh Purchases	129,412,947	129,685,280	123,972,367	123,976,075	121,661,120	119,274,359	116,913,953	115,241,655	112,870,798
% Difference	1.3%	0.1%	-1.4%	-1.3%	0.3%	0.7%	0.3%		
Billed kWh	126,191,356	126,336,267	116,814,435	113,998,664	111,785,106	109,680,577	107,839,547	106,733,113	104,537,301
By Class									
Residential									
Customers	4,869	4,931	4,962	4,967	4,966	4,974	4,982	5,006	5,016
kWh	45,034,614	46,438,361	44,440,685	45,086,486	44,465,236	44,337,599	44,191,614	44,684,949	44,584,446
General Service < 50 kW									
Customers	761	770	771	784	778	774	770	770	770
kWh	23,384,526	23,490,754	22,220,025	22,360,087	21,119,955	20,399,815	20,418,777	20,245,025	19,806,495
General Service > 50 kW									
Customers	70	67	65	65	66	66	66	66	66
kWh	56,110,937	54,683,320	48,405,425	44,734,117	44,381,852	43,092,665	41,354,016	39,840,492	38,166,401
kW	142,556	139,429	133,580	118,636	124,007	130,261	132,433	127,987	126,652
Street Lights									
Connections	1,635	1,633	1,641	1,644	1,637	1,640	1,701	1,705	1,709
kWh	1,358,901	1,359,556	1,341,413	1,392,325	1,394,217	1,393,923	1,429,699	1,435,688	1,441,722
kW	3,752	3,764	3,772	3,777	3,782	3,774	3,857	3,848	3,843
Sentinel Lights									
Connections	56	56	67	67	67	75	75	75	75
kWh	96,156	94,884	102,394	102,933	100,161	108,556	108,277	108,277	108,277
kW	267	261	284	286	278	301	301	301	301
Unmetered Loads									
Connections	50	49	50	48	49	49	48	58	58
kWh	206,222	269,392	304,493	322,716	323,685	348,019	337,164	418,681	429,961
Total									
Customer/Connections	7,441	7,506	7,556	7,575	7,563	7,578	7,642	7,679	7,693
kWh	126,191,356	126,336,267	116,814,435	113,998,664	111,785,106	109,680,577	107,839,547	106,733,113	104,537,301
kW from applicable classes	146,575	143,454	137,636	122,699	128,067	134,336	136,591	132,136	130,796

Appendix E – 2012 Other Revenue

Other Distribution Revenue

USoA #	USoA Description	OEB aproved 08	Actual 2008	Actual 2009	Actual 2010	Bridge Year	Test Year
4235	Specific Service Charges	-\$94,264	-\$119,859	-\$102,692	-\$104,819	-\$93,160	-\$88,900
4225	Late Payment Charges	-\$52,700	-\$47,320	-\$52,703	-\$44,526	-\$34,093	-\$32,400
4080	SSS Admin	-\$22,647	-\$20,476	-\$20,746	-\$20,323	-\$20,623	-\$21,528
4082	Retail Services Revenues	-\$7,000	-\$9,408	-\$8,766	-\$10,066	-\$9,501	-\$8,550
4084	STR Revenues - EBTs	-\$634	-\$258	-\$158	-\$248	-\$151	-\$136
4210	Rent from Electric Property	-\$43,605	-\$47,024	-\$37,235	-\$59,022	-\$44,700	-\$44,029
4405	Interest & Dividend Income	-\$31,000	-\$26,583	-\$4,517	-\$8,019	-\$12,000	-\$12,000
	Total	-\$251,850	-\$270,927	-\$226,817	-\$247,022	-\$214,228	-\$207,543
	Specific Service Charges	-\$94,264	-\$119,859	-\$102,692	-\$104,819	-\$93,160	-\$88,900
	Late Payment Charges	-\$52,700	-\$47,320	-\$52,703	-\$44,526	-\$34,093	-\$32,400
	Other Operating Revenues	-\$73,886	-\$77,166	-\$66,905	-\$89,659	-\$74,975	-\$74,243
	Other Income or Deductions	-\$31,000	-\$26,583	-\$4,517	-\$8,019	-\$12,000	-\$12,000
	Total	-\$251,850	-\$270,927	-\$226,817	-\$247,022	-\$214,228	-\$207,543

Appendix F – 2012 PILS (Updated)

2012 PILs Schedule			2012 Total Taxes		
Description	Source or Input	Tax Payable	Description	Tax Payable	
Accounting Income	10' Rev Def	295,407	Total PILs	36,674	
Tax Adj to Accounting Income	10' Rev Def	(58,797)	Net Capital Tax Payable	-	
Taxable Income		236,609	PILs including Capital Taxes	36,674	
Combined Income Tax Rate	PILs Rates	15.500%			
Total Income Taxes		36,674			
Investment Tax Credits					
Apprentice Tax Credits					
Other Tax Credits		-			
Total PILs		36,674			

Appendix G – 2012 Cost of Capital (Updated)

Rideau St. Lawrence Distribution Inc.

License Number ED-2003-0003, File Number EB-2011-0274

TABLE 5.6

Debt & Capital Cost Structure

Weighted Debt Cost									
Description	Debt Holder	Affiliated with LDC?	Date of Issuance		Principal	Term (Years)	Rate%	Year Applied to	Interest Cost
Promissory Note	Various	Y	August	2001	1,570,256	Various	4.99%	2008	78,356
Altec Line Truck	Bank of Montreal		December	2009	245,000	8	3.00%	2009	7,350
Smart Meter	Bank of Montreal		July	2009	833,403	Demand	3.00%	2009	25,002
Promissory Note	Township of Edwardsburgh/Cardinal	Y	August	2001	225,000	Demand	4.99%	2009	11,228
Promissory Note	Township of South Dundas	Y	August	2001	938,352	Demand	4.99%	2009	46,824
Equity	Bank of Montreal		August	2001	188,470	10	4.99%	2009	9,405
Altec Line Truck	Bank of Montreal		December	2009	229,688	8	3.00%	2010	6,891
Smart Meter	Bank of Montreal		July	2010	812,568	10	3.00%	2010	24,377
Promissory Note	Township of Edwardsburgh/Cardinal	Y	August	2001	225,000	Demand	4.99%	2010	11,228
Promissory Note	Township of South Dundas	Y	August	2001	938,352	Demand	4.99%	2010	46,824
Equity	Bank of Montreal		August	2001	70,940	10	4.99%	2010	3,540
Altec Line Truck	Bank of Montreal		December	2009	199,063	8	3.00%	2011	5,972
Smart Meter	Bank of Montreal		July	2010	932,129	10	3.00%	2011	27,964
Promissory Note	Township of Edwardsburgh/Cardinal	Y	August	2001	225,000	Demand	4.99%	2011	11,228
Promissory Note	Township of South Dundas	Y	August	2001	938,352	Demand	4.99%	2011	46,824
Posi Plus	Bank of Montreal		September	2011	278,142	8	3.80%	2011	10,569
Altec Line Truck	Bank of Montreal		December	2009	168,438	8	3.00%	2012	5,053
Smart Meter	Bank of Montreal		July	2010	877,841	10	3.00%	2012	26,335
Promissory Note	Township of Edwardsburgh/Cardinal	Y	August	2001	225,000	Demand	4.41%	2012	9,923
Promissory Note	Township of South Dundas	Y	August	2001	938,352	Demand	4.41%	2012	41,381
Smart Meter	Bank of Montreal		August	2001	100,000	10	3.87%	2012	3,870
Posi Plus	Bank of Montreal		September	2011	256,069	8	3.80%	2012	9,731
2008 Total Long Term Debt					1,570,256	Total Interest Cost for 2008		78,356	
						Weighted Debt Cost Rate for 2008		4.99%	
2009 Total Long Term Debt					2,430,225	Total Interest Cost for 2009		99,808	
						Weighted Debt Cost Rate for 2009		4.11%	
2010 Total Long Term Debt					2,276,548	Total Interest Cost for 2010		92,859	
						Weighted Debt Cost Rate for 2010		4.08%	
2011 Total Long Term Debt					2,572,686	Total Interest Cost for 2011		102,556	
						Weighted Debt Cost Rate for 2011		3.99%	
2012 Total Long Term Debt					2,565,700	Total Interest Cost for 2012		96,293	
						Weighted Debt Cost Rate for 2012		3.75%	

Deemed Capital Structure for 2012				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	3,971,768	56.00%	3.75%	149,064
Unfunded Short Term Debt	283,698	4.00%	2.08%	5,901
Total Debt	4,255,466	60.00%		154,965
Common Share Equity	2,836,977	40.00%	9.12%	258,732
Total equity	2,836,977	40.00%		258,732
Total Rate Base	7,092,444	100.00%	5.83%	413,697

Appendix H – (Updated) 2012 Revenue Deficiency

Rideau St. Lawrence Distribution Inc.			
License Number ED-2003-0003, File Number EB-2011-0274			
Rideau St. Lawrence Distribution Inc.			
Revenue Deficiency Determination			
Description	2011 Bridge Actual	2012 Test Existing Rates	2012 Test - Required Revenue
Revenue			
Revenue Deficiency			465,505
Distribution Revenue	1,951,876	1,957,800	1,957,800
Other Operating Revenue (Net)	171,953	207,543	207,543
Total Revenue	2,123,829	2,165,343	2,630,848
Costs and Expenses			
Administrative & General, Billing & Collecting	1,094,764	1,126,500	1,126,500
Operation & Maintenance	711,745	693,500	693,500
Depreciation & Amortization	334,223	337,177	337,177
Property Taxes	22,400	23,300	23,300
Capital Taxes	0	0	0
Deemed Interest	208,065	154,965	154,965
Total Costs and Expenses	2,371,198	2,335,441	2,335,441
Less OCT Included Above	0	0	0
Total Costs and Expenses Net of OCT	2,371,198	2,335,441	2,335,441
Utility Income Before Income Taxes	(247,369)	(170,098)	295,407
Income Taxes:			
Corporate Income Taxes	(46,251)	(35,479)	36,674
Total Income Taxes	(46,251)	(35,479)	36,674
Utility Net Income	(201,118)	(134,619)	258,732
Capital Tax Expense Calculation:			
Total Rate Base	6,998,008	7,092,444	7,092,444
Exemption	15,000,000	15,000,000	15,000,000
Deemed Taxable Capital	(8,001,992)	(7,907,556)	(7,907,556)
Ontario Capital Tax	0	0	0
Income Tax Expense Calculation:			
Accounting Income	(247,369)	(170,098)	295,407
Tax Adjustments to Accounting Income	(51,023)	(58,797)	(58,797)
Taxable Income	(298,392)	(228,895)	236,609
Income Tax Expense	(46,251)	(35,479)	36,674
Tax Rate Reflecting Tax Credits	15.50%	15.50%	15.50%
Actual Return on Rate Base:			
Rate Base	6,998,008	7,092,444	7,092,444
Interest Expense	208,065	154,965	154,965
Net Income	(201,118)	(134,619)	258,732
Total Actual Return on Rate Base	6,947	20,345	413,697
Actual Return on Rate Base	0.10%	0.29%	5.83%
Required Return on Rate Base:			
Rate Base	6,998,008	7,092,444	7,092,444
Return Rates:			
Return on Debt (Weighted)	4.96%	3.64%	3.64%
Return on Equity	8.57%	8.57%	8.57%
Deemed Interest Expense	208,065	154,965	154,965
Return On Equity	239,892	258,732	258,732
Total Return	447,957	413,697	413,697
Expected Return on Rate Base	6.40%	5.83%	5.83%
Revenue Deficiency After Tax	441,010	393,352	0
Revenue Deficiency Before Tax	521,905	465,505	0
Tax Exhibit			2012
Deemed Utility Income			258,732
Tax Adjustments to Accounting Income			(58,797)
Taxable Income prior to adjusting revenue to PILs			199,935
Tax Rate			15.50%
Total PILs before gross up			30,990
Grossed up PILs			36,674

Appendix I – Proposed 2012 Tariff of Rates and Charges (Updated)

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning.

Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Electricity Component

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12.76
Smart Meter Disposition Rider – effective until August 31, 2013	\$	0.28
Stranded Assets Rate Rider – effective until August 31, 2013	\$	1.83
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$.62
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kWh	.0007
Distribution Volumetric Rate	\$/kWh	0.0145
Low Voltage Service Rate	\$/kWh	0.0024
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kWh	(0.0015)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Electricity Component

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	29.53
Smart Meter Disposition Rider – effective until August 31, 2013	\$	5.24
Stranded Assets Rate Rider – effective until August 31, 2013	\$	5.60
Distribution Volumetric Rate	\$/kWh	0.0090
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$	1.30
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kWh	.0004
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition– effective until August 31, 2013	\$/kWh	(0.0027)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc. TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non-residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW.

Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Electricity Component

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	281.39
Smart Meter Funding Adder – effective until August 31, 2013	\$	0.0000
Stranded Assets Rate Rider – effective until August 31, 2013	\$	0.0000
Distribution Volumetric Rate	\$/kW	1.8902
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kW	.1607
Low Voltage Service Rate	\$/kW	0.8135
Rate Rider for Deferral/Variance Account Disposition– effective until August 31, 2013	\$/kW	(1.0147)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kW	0.0098
Retail Transmission Rate – Network Service Rate	\$/kW	2.1653
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7867
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.4192
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.9914

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Electricity Component

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	3.86
Distribution Volumetric Rate	\$/kWh	0.0177
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$	(.89)
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kWh	(.0041)
Low Voltage Service Rate	\$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kWh	(0.0010)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until August 31, 2013	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc. TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Electricity Component

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.06
Stranded Assets Rate Rider – effective until August 31, 2013	\$	0.0000
Distribution Volumetric Rate	\$/kW	15.051
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$.21
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kW	1.4949
Low Voltage Service Rate	\$/kW	0.6420
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kW	0.6260
Retail Transmission Rate – Network Service Rate	\$/kW	1.6413
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4100

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc. TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Electricity Component

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	3.33
Distribution Volumetric Rate	\$/kW	12.7064
Foregone Revenue Rate Rider – Fixed – effective until April 30, 2013	\$.26
Foregone Revenue Rate Rider – Volumetric – effective until April 30, 2013	\$/kW	.9918
Low Voltage Service Rate	\$/kW	0.6289
Rate Rider for Deferral/Variance Account Disposition – effective until August 31, 2013	\$/kW	(1.0688)
Retail Transmission Rate – Network Service Rate	\$/kW	1.6330
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3813

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rideau St. Lawrence Distribution Inc.

TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Rideau St. Lawrence Distribution Inc. TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date July 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post-dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter Charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Rideau St. Lawrence Distribution Inc. TARIFF OF RATES AND CHARGES

Proposed Rates - Effective Date May 1, 2012

This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors

EB-2011-0274

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year no charge		
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0797
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0689
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Appendix J - Updated Customer Impacts Residential

Consumption 800 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 10.2800	1	\$ 10.28	\$ 12.7600	1	\$ 12.76	\$ 2.48	24.12%
2 Smart Meter Rate Adder	monthly	\$ 2.5000	1	\$ 2.50	\$ 0.2800	1	\$ 0.28	\$ -2.22	-88.80%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0117	800	\$ 9.36	\$ 0.0145	800	\$ 11.60	\$ 2.24	23.93%
6 Low Voltage Rate Adder	per kWh	\$ 0.0016	800	\$ 1.28	\$ 0.0024	800	\$ 1.92	\$ 0.64	50.00%
7 Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider	per kWh	\$ 0.0007	800	\$ 0.56	\$ 0.0002	800	\$ 0.16	\$ -0.40	-71.43%
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0034	800	-\$ 2.72	-\$ 0.0015	800	-\$ 1.20	\$ 1.52	-55.88%
12 Late Payment Penalty	monthly	\$ 0.1800	1	\$ 0.18			\$ -	\$ -0.18	-100.00%
13 Stranded Assets	monthly			\$ -	\$ 1.8300	1	\$ 1.83	\$ 1.83	
14 Foregone Revenue - Fixed	monthly			\$ -	\$ 0.6200	1	\$ 0.62	\$ 0.62	
15 Foregone Revenue - Volumetric	per kWh			\$ -	\$ 0.0007	800	\$ 0.56	\$ 0.56	
16 Sub-Total A - Distribution				\$ 21.44			\$ 28.53	\$ 7.09	33.07%
17 RTSR - Network	per kWh	\$ 0.0056	861.12	\$ 4.82	\$ 0.0057	863.76	\$ 4.92	\$ 0.10	2.10%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0044	861.12	\$ 3.79	\$ 0.0048	863.76	\$ 4.15	\$ 0.36	9.43%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 30.05			\$ 37.60	\$ 7.55	25.12%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	861.12	\$ 4.48	\$ 0.0052	863.76	\$ 4.49	\$ 0.01	0.31%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	861.12	\$ 1.12	\$ 0.0011	863.76	\$ 0.95	\$ -0.17	-15.13%
22 Special Purpose Charge			861.12	\$ -		863.76	\$ -	\$ -	
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25 Energy	per kWh	\$ 0.0757	861.12	\$ 65.19	\$ 0.0757	863.76	\$ 65.34	\$ 0.16	0.24%
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 106.69			\$ 114.23	\$ 7.55	7.08%
29 HST		13%		\$ 13.87	13%		\$ 14.85	\$ 0.98	7.08%
30 Total Bill (including Sub-total B)				\$ 120.55			\$ 129.09	\$ 8.54	7.08%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 12.06	-10%		-\$ 12.91	\$ -0.85	7.05%
32 Total Bill (including OCEB)				\$ 108.49			\$ 116.18	\$ 7.69	7.09%
33 Loss Factor (%)	Note 1			7.64%			7.97%		

Notes:

(1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.

The Smart Meter disposition for 2012 has been put in line 2, as the correct line (9) could not accept a fixed amount.

General Service < 50

Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 24.3400	1	\$ 24.34	\$ 29.5300	1	\$ 29.53	\$ 5.19	21.32%
2 Smart Meter Rate Adder	monthly	\$ 2.5000	1	\$ 2.50		1	\$ -	-\$ 2.50	-100.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0074	2000	\$ 14.80	\$ 0.0090	2000	\$ 18.00	\$ 3.20	21.62%
6 Low Voltage Rate Adder	per kWh	\$ 0.0015	2000	\$ 3.00	\$ 0.0022	2000	\$ 4.40	\$ 1.40	46.67%
7 Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider	monthly		2000	\$ -	\$ 5.2400	1	\$ 5.24	\$ 5.24	
10 LRAM & SSM Rider	per kWh	\$ 0.0015	2000	\$ 3.00	\$ 0.0002	2000	\$ 0.40	-\$ 2.60	-86.67%
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0034	2000	-\$ 6.80	-\$ 0.0027	2000	-\$ 5.40	\$ 1.40	-20.59%
12 Late Payment Penalty	monthly	\$ 0.3700	1	\$ 0.37			\$ -	-\$ 0.37	-100.00%
13 Stranded Assets	monthly			\$ -	\$ 5.6000	1	\$ 5.60	\$ 5.60	
14 Foregone Revenue - fixed	monthly			\$ -	\$ 1.3000	1	\$ 1.30	\$ 1.30	
15 Foregone Revenue - volumetric	per kWh			\$ -	\$ 0.0004	2000	\$ 0.80	\$ 0.80	
16 Sub-Total A - Distribution				\$ 41.21			\$ 59.87	\$ 18.66	45.28%
17 RTSR - Network	per kWh	\$ 0.0051	2152.8	\$ 10.98	\$ 0.0052	2159.4	\$ 11.23	\$ 0.25	2.27%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0041	2152.8	\$ 8.83	\$ 0.0045	2159.4	\$ 9.72	\$ 0.89	10.09%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 61.02			\$ 80.82	\$ 19.80	32.45%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2152.8	\$ 11.19	\$ 0.0052	2159.4	\$ 11.23	\$ 0.03	0.31%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2152.8	\$ 2.80	\$ 0.0011	2159.4	\$ 2.38	-\$ 0.42	-15.13%
22 Special Purpose Charge			2152.8	\$ -		2159.4	\$ -	\$ -	
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25 Energy	per kWh	\$ 0.0757	2152.8	\$ 162.97	\$ 0.0757	2159.4	\$ 163.47	\$ 0.50	0.31%
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 252.23			\$ 272.14	\$ 19.91	7.89%
29 HST		13%		\$ 32.79	13%		\$ 35.38	\$ 2.59	7.89%
30 Total Bill (including Sub-total B)				\$ 285.02			\$ 307.51	\$ 22.49	7.89%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 28.50	-10%		-\$ 30.75	-\$ 2.25	7.89%
32 Total Bill (including OCEB)				\$ 256.52			\$ 276.76	\$ 20.24	7.89%
33 Loss Factor	(1)		7.64%			7.97%			

Appendix K – Capitalization Policy

RSL DISTRIBUTION INC.

Intent

This policy has been developed to ensure that RSL Group of Companies properly accounts for the investment in its property, plant and equipment and the changes in such investments. These guidelines were written in accordance with Generally Accepted Accounting Principles (GAAP) and amended to include changes with respect to International Financial Reporting Standards (IFRS) where required, auditor requirements and Ontario Energy Board's Accounting Procedures Handbook.

Capitalization Guidelines

A capital asset is broadly defined as being one that will provide future economic benefits to the organization. The definition in the OEB Handbook includes items which:

1. are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other capital assets;
2. have been acquired, constructed or developed with the intention of being used on a continuing basis; **and,**
3. are not intended for sale in the ordinary course of business.

Fixed assets have a useful life of more than one year and are subject to depreciation. Any directly attributable expenditures to acquire, construct or better that asset, should therefore be capitalized. All other expenditures should be expensed as a period expense in the year they occur.

Professional judgment must be used to determine when an expense is classified as capital or an operating expense. A betterment (capitalized) will enhance the service potential of an existing asset by increasing its service capacity, lowering the operational costs associated with the asset, extending the useful life of the asset, or improving the output of that asset. If the expenditure does not meet these tests, it will likely be considered an expense. Period expenses generally do not result in an improvement to the existing asset but rather, the expense is required to keep the asset operating in the same capacity as it was originally.

In order to be capitalized, an item must meet the minimum threshold requirement of five hundred dollars (\$500.00) unless it is a small vital component in a larger capital asset (i.e. ties at the base of a pole), then the item should still be capitalized. The minimum threshold may be overridden, based on justified professional judgment.

Value

The value of a capital asset is the cash price equivalent at the purchase date. The cash price of a capital asset includes:

- a) its purchase price, including an importing duties and non-refundable taxes, after deducting trade discounts and rebates.
- b) any costs directly attributed to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the RSL Group of Companies.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Residual Value & Useful Life

RSL Group of Companies will review at least annually the residual value and useful life of each asset. Reviews ensure that the carrying amount does not differ materially from what would be determined using fair value at the balance sheet date.

Increases and decreases in capital assets during reviews will be reported as a profit or loss in equity. If expectations differ from previous estimates the changes shall be accounted for as a change in estimate in accordance with IAS 8.

The following factors will be considered when determining the useful life of an asset:

- a) Expected usage of the asset. Usage is assessed by reference to the asset's expected capacity or physical output.
- b) Expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance program, and the care and maintenance of the asset while idle.
- c) Technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset.
- d) Legal or similar limits on the use of the asset, such as the expiry dates of related leases.
- e) Kinectrics report published by the OEB, to assist in determining the typical useful lives under IFRS.
- f) Professional judgment

Acknowledgement & Agreement

I, (Employee Name), acknowledge that I have read and understand the Capitalization Policy of RSL Group of Companies. Further, I agree to adhere to this Policy and will ensure that employees working under my direction adhere to these guiding principles. I understand that if I violate the rules/procedures outlined in this Policy, I may face corrective action, up to and including termination of employment.

Name: _____

Signature: _____

Date: _____

Witness: _____

CGAAP vs MIFRS Comparison of Burdenable Items

Based on the changes required for MIFRS, no amounts have been identified for removal from capitalized burdens.

Rideau St. Lawrence Distribution Inc.		
Labour Burden Expenses		
Benefits	CGAAP	MIFRS
Vacation Pay	Y	Y
Stat Holiday	Y	Y
Sick Time	Y	Y
CPP	Y	Y
EI	Y	Y
EHT	Y	Y
OMERS	Y	Y
MEARIE Health and Dental	Y	Y
MEARIE Life Insurance	Y	Y
WSIB	Y	Y
All other capitalized costs are direct charges		
for labour from timesheets, material,		
vehicles, and specific purchases.		

Appendix L – Cost Allocation Sheet O1

2012 COS COST ALLOCATION

Rideau St. Lawrence Distribution Inc.

EB-2011-0274

Tuesday, February 07, 2012

Sheet O1 Revenue to Cost Summary Worksheet - Weather Normalization Settlement

Instructions:
Please see the first tab in this workbook for detailed instructions

Class Revenue, Cost Analysis, and Return on Rate Base

		Total	1 Residential	2 General Service Less than 50 kW	3 General Service 50 to 4,999 kW	7 Street Lighting	8 Sentinel Lighting	9 Unmetered Scattered Load
Rate Base								
Assets								
crev	Distribution Revenue at Existing Rates	\$1,957,800	\$1,140,450	\$371,470	\$341,752	\$80,544	\$3,846	\$19,737
mi	Miscellaneous Revenue (mi)	\$207,543	\$130,820	\$31,953	\$29,784	\$13,484	\$710	\$791
	Miscellaneous Revenue Input equals Output							
	Total Revenue at Existing Rates	\$2,165,343	\$1,271,270	\$403,423	\$371,536	\$94,029	\$4,556	\$20,529
	Factor required to recover deficiency (1 + D)	1.2378						
	Distribution Revenue at Status Quo Rates	\$2,423,305	\$1,411,614	\$459,794	\$423,011	\$99,695	\$4,761	\$24,430
	Miscellaneous Revenue (mi)	\$207,543	\$130,820	\$31,953	\$29,784	\$13,484	\$710	\$791
	Total Revenue at Status Quo Rates	\$2,630,848	\$1,542,434	\$491,747	\$452,795	\$113,179	\$5,471	\$25,222
	Expenses							
di	Distribution Costs (di)	\$580,500	\$326,320	\$86,646	\$118,287	\$44,816	\$2,118	\$2,313
cu	Customer Related Costs (cu)	\$489,500	\$360,165	\$71,493	\$47,241	\$7,873	\$1,008	\$1,720
ad	General and Administration (ad)	\$773,300	\$492,079	\$115,447	\$122,375	\$38,319	\$2,230	\$2,851
dep	Depreciation and Amortization (dep)	\$337,177	\$191,708	\$53,415	\$66,417	\$23,463	\$1,047	\$1,127
INPUT	PILs (INPUT)	\$36,674	\$21,200	\$6,122	\$7,273	\$1,891	\$87	\$99
INT	Interest	\$154,965	\$89,581	\$25,870	\$30,734	\$7,990	\$370	\$420
	Total Expenses	\$2,372,116	\$1,481,054	\$358,993	\$392,327	\$124,352	\$6,860	\$8,530
	Direct Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$258,732	\$149,567	\$43,193	\$51,314	\$13,341	\$617	\$701
	Revenue Requirement (includes NI)	\$2,630,848	\$1,630,620	\$402,187	\$443,641	\$137,693	\$7,477	\$9,230
	Revenue Requirement Input equals Output							
	Rate Base Calculation							
	Net Assets							
dp	Distribution Plant - Gross	\$7,002,613	\$4,012,171	\$1,138,689	\$1,391,998	\$419,555	\$19,093	\$21,107
gp	General Plant - Gross	\$1,142,390	\$659,858	\$189,075	\$225,871	\$61,534	\$2,851	\$3,203
accum dep	Accumulated Depreciation	(\$2,424,477)	(\$1,368,500)	(\$383,165)	(\$487,749)	(\$169,438)	(\$7,498)	(\$8,127)
co	Capital Contribution	(\$360,988)	(\$205,722)	(\$51,140)	(\$67,717)	(\$33,257)	(\$1,567)	(\$1,585)
	Total Net Plant	\$5,359,538	\$3,097,807	\$893,458	\$1,062,403	\$278,393	\$12,879	\$14,598
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$10,534,594	\$4,492,933	\$1,995,971	\$3,846,163	\$145,287	\$10,911	\$43,329
	OM&A Expenses	\$1,843,300	\$1,178,564	\$273,586	\$287,903	\$91,007	\$5,356	\$6,884
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$12,377,894	\$5,671,496	\$2,269,557	\$4,134,066	\$236,295	\$16,268	\$50,212
	Working Capital	\$1,732,905	\$794,009	\$317,738	\$578,769	\$33,081	\$2,277	\$7,030
	Total Rate Base	\$7,092,443	\$3,891,817	\$1,211,196	\$1,641,172	\$311,475	\$15,157	\$21,628
	Rate Base Input equals Output							
	Equity Component of Rate Base	\$2,836,977	\$1,556,727	\$484,478	\$656,469	\$124,590	\$6,063	\$8,651
	Net Income on Allocated Assets	\$258,732	\$61,381	\$132,753	\$60,468	(\$11,172)	(\$1,389)	\$16,692
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Net Income	\$258,732	\$61,381	\$132,753	\$60,468	(\$11,172)	(\$1,389)	\$16,692
	RATIOS ANALYSIS							
	REVENUE TO EXPENSES STATUS QUO%	100.00%	94.59%	122.27%	102.06%	82.20%	73.17%	273.24%
	EXISTING REVENUE MINUS ALLOCATED COSTS	(\$465,505)	(\$359,350)	\$1,236	(\$72,104)	(\$43,664)	(\$2,921)	\$11,298
	Deficiency Input equals Output							
	STATUS QUO REVENUE MINUS ALLOCATED COSTS	(\$0)	(\$88,186)	\$89,560	\$9,154	(\$24,513)	(\$2,006)	\$15,991
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.12%	3.94%	27.40%	9.21%	-8.97%	-22.92%	192.95%

Appendix M – Revenue Requirement

	Initial Application		Adjustments		Settlement Agreement
Rate Base					
Gross Fixed Assets (average)	\$7,784,016				\$ 7,784,016
Accumulated Depreciation (average)	(\$2,424,477)	(5)			(\$2,424,477)
Allowance for Working Capital:					
Controllable Expenses	\$1,915,028		(\$71,728)		\$ 1,843,300
Cost of Power	\$10,499,095		\$35,499		\$ 10,534,594
Working Capital Rate (%)	15.00%				14.00%
Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$1,957,800		(\$0)		\$1,957,800
Distribution Revenue at Proposed Rates	\$2,528,129		(\$104,924)		\$2,423,205
Other Revenue:					
Specific Service Charges	\$88,900		\$0		\$88,900
Late Payment Charges	\$32,400		\$0		\$32,400
Other Distribution Revenue	\$86,243		\$0		\$86,243
Other Income and Deductions					
Total Revenue Offsets	(\$207,543)	(7)	\$0		(\$207,543)
Operating Expenses:					
OM+A Expenses	\$1,891,728		(\$71,728)		\$ 1,820,000
Depreciation/Amortization	\$340,980		(\$3,803)		\$ 337,177
Property taxes	\$23,300				\$ 23,300
Other expenses					
Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	(\$58,797)	(3)			(\$58,797)
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$33,064				\$30,990
Income taxes (grossed up)	\$39,129				\$36,675
Federal tax (%)	11.00%				11.00%
Provincial tax (%)	4.50%				4.50%
Income Tax Credits					
Capitalization/Cost of Capital					
Capital Structure:					
Long-term debt Capitalization Ratio (%)	56.0%				56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(2)			4.0%
Common Equity Capitalization Ratio (%)	40.0%				40.0%
Preferred Shares Capitalization Ratio (%)					
	100.0%				100.0%
Cost of Capital					
Long-term debt Cost Rate (%)	4.02%				3.75%
Short-term debt Cost Rate (%)	2.08%				2.08%
Common Equity Cost Rate (%)	9.42%				9.12%
Preferred Shares Cost Rate (%)					

Rate Base and Working Capital

Particulars		Initial Application		Adjustments		Settlement Agreement		Adjustments		Per Board Decision
Gross Fixed Assets (average) (3)		\$7,784,016		\$ -		\$7,784,016		\$ -		\$7,784,016
Accumulated Depreciation (average) (3)		(\$2,424,477)		\$ -		(\$2,424,477)		\$ -		(\$2,424,477)
Net Fixed Assets (average) (3)		\$5,359,539		\$ -		\$5,359,539		\$ -		\$5,359,539
Allowance for Working Capital (1)		\$1,862,118		(\$129,213)		\$1,732,905		\$ -		\$1,732,905
Total Rate Base		\$7,221,657		(\$129,213)		\$7,092,444		\$ -		\$7,092,444

Allowance for Working Capital - Derivation

Controllable Expenses		\$1,915,028		(\$71,728)		\$1,843,300		\$ -		\$1,843,300
Cost of Power		\$10,499,095		\$35,499		\$10,534,594		\$ -		\$10,534,594
Working Capital Base		\$12,414,122		(\$36,228)		\$12,377,894		\$ -		\$12,377,894
Working Capital Rate % (2)		15.00%		-1.00%		14.00%		0.00%		14.00%
Working Capital Allowance		\$1,862,118		(\$129,213)		\$1,732,905		\$ -		\$1,732,905

Utility Income

Line No.	Particulars	Initial Application		Adjustments		Settlement Agreement		Adjustments		Per Board Decision
	Operating Revenues:									
1	Distribution Revenue (at Proposed Rates)	\$2,528,129		(\$104,824)		\$2,423,305		\$ -		\$2,423,305
2	Other Revenue (1)	\$207,543		\$ -		\$207,543		\$ -		\$207,543
3	Total Operating Revenues	\$2,735,672		(\$104,824)		\$2,630,848		\$ -		\$2,630,848
	Operating Expenses:									
4	OM+A Expenses	\$1,891,728		(\$71,728)		\$1,820,000		\$ -		\$1,820,000
5	Depreciation/Amortization	\$340,980		(\$3,803)		\$337,177		\$ -		\$337,177
6	Property taxes	\$23,300		\$ -		\$23,300		\$ -		\$23,300
7	Capital taxes	\$ -		\$ -		\$ -		\$ -		\$ -
8	Other expense	\$ -		\$ -		\$ -		\$ -		\$ -
9	Subtotal (lines 4 to 8)	\$2,256,008		(\$75,531)		\$2,180,477		\$ -		\$2,180,477
10	Deemed Interest Expense	\$168,423		(\$13,458)		\$154,965		\$10,445		\$165,410
11	Total Expenses (lines 9 to 10)	\$2,424,431		(\$88,989)		\$2,335,442		\$10,445		\$2,345,887
12	Utility income before income taxes	\$311,241		(\$15,835)		\$295,406		(\$10,445)		\$284,961
13	Income taxes (grossed-up)	\$39,129		(\$2,454)		\$36,675		\$ -		\$36,675
14	Utility net income	\$272,112		(\$13,380)		\$258,732		(\$10,445)		\$248,287

Notes

Other Revenues/Revenue Offsets

(1)	Specific Service Charges	\$88,900		\$ -		\$88,900				\$88,900
	Late Payment Charges	\$32,400		\$ -		\$32,400				\$32,400
	Other Distribution Revenue	\$86,243		\$ -		\$86,243				\$86,243
	Other Income and Deductions	\$ -		\$ -		\$ -				\$ -
	Total Revenue Offsets	\$207,543		\$ -		\$207,543		\$ -		\$207,543

Line No.	Particulars	Taxes/PILs			Per Board Decision
		Application	Settlement Agreement		
	<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$272,112	\$258,732		\$267,243
2	Adjustments required to arrive at taxable utility income	(\$58,797)	(\$58,797)		(\$58,797)
3	Taxable income	<u>\$213,315</u>	<u>\$199,935</u>		<u>\$208,446</u>
	<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$33,064	\$30,990		\$30,990
6	Total taxes	<u>\$33,064</u>	<u>\$30,990</u>		<u>\$30,990</u>
7	Gross-up of Income Taxes	\$6,065	\$5,685		\$5,685
8	Grossed-up Income Taxes	<u>\$39,129</u>	<u>\$36,675</u>		<u>\$36,675</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$39,129</u>	<u>\$36,675</u>		<u>\$36,675</u>
10	Other tax Credits	\$ -	\$ -		\$ -
	<u>Tax Rates</u>				
11	Federal tax (%)	11.00%	11.00%		11.00%
12	Provincial tax (%)	4.50%	4.50%		4.50%
13	Total tax rate (%)	<u>15.50%</u>	<u>15.50%</u>		<u>15.50%</u>

Capitalization/ Cost of Capital							
Line No.	Particulars	Capitalization Ratio		Cost Rate		Return	
		Initial Application					
		(%)		(\$)		(%)	(\$)
	Debt						
1	Long-term Debt	56.00%		\$4,044,128	4.02%		\$162,415
2	Short-term Debt	4.00%		\$288,866	2.08%		\$6,008
3	Total Debt	60.00%		\$4,332,994	3.89%		\$168,423
	Equity						
4	Common Equity	40.00%		\$2,888,663	9.42%		\$272,112
5	Preferred Shares	0.00%		\$ -	0.00%		\$ -
6	Total Equity	40.00%		\$2,888,663	9.42%		\$272,112
7	Total	100.00%		\$7,221,657	6.10%		\$440,535
		Settlement Agreement					
		(%)		(\$)		(%)	(\$)
	Debt						
1	Long-term Debt	56.00%		\$3,971,768	3.75%		\$148,941
2	Short-term Debt	4.00%		\$283,698	2.08%		\$5,901
3	Total Debt	60.00%		\$4,255,466	3.64%		\$154,842
	Equity						
4	Common Equity	40.00%		\$2,836,977	9.12%		\$258,732
5	Preferred Shares	0.00%		\$ -	0.00%		\$ -
6	Total Equity	40.00%		\$2,836,977	9.12%		\$258,732
7	Total	100.00%		\$7,092,444	5.83%		\$413,575

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$570,329		\$465,506		\$465,506
2	Distribution Revenue	\$1,957,800	\$1,957,800	\$1,957,800	\$1,957,799	\$1,957,800	\$1,957,799
3	Other Operating Revenue	\$207,543	\$207,543	\$207,543	\$207,543	\$207,543	\$207,543
	Offsets - net						
4	Total Revenue	\$2,165,343	\$2,735,672	\$2,165,343	\$2,630,848	\$2,165,343	\$2,630,848
5	Operating Expenses	\$2,256,008	\$2,256,008	\$2,180,477	\$2,180,477	\$2,180,477	\$2,180,477
6	Deemed Interest Expense	\$168,423	\$168,423	\$154,965	\$154,965	\$154,965	\$154,965
	Total Cost and Expenses	\$2,424,431	\$2,424,431	\$2,335,442	\$2,335,442	\$2,335,442	\$2,335,442
7	Utility Income Before Income Taxes	(\$259,088)	\$311,241	(\$170,099)	\$295,406	(\$170,099)	\$295,406
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$58,797)	(\$58,797)	(\$58,797)	(\$58,797)	(\$58,797)	(\$58,797)
9	Taxable Income	(\$317,885)	\$252,443	(\$228,896)	\$236,609	(\$228,896)	\$236,609
10	Income Tax Rate	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
11	Income Tax on Taxable Income	(\$49,272)	\$39,129	(\$35,479)	\$36,674	(\$35,479)	\$36,674
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$209,816)	\$272,112	(\$134,620)	\$258,732	(\$134,620)	\$258,732
14	Utility Rate Base	\$7,221,657	\$7,221,657	\$7,092,444	\$7,092,444	\$7,092,444	\$7,092,444
	Deemed Equity Portion of Rate Base	\$2,888,663	\$2,888,663	\$2,836,977	\$2,836,977	\$2,836,977	\$2,836,977
15	Income/(Equity Portion of Rate Base)	-7.26%	9.42%	-4.75%	9.12%	-4.75%	9.12%
16	Target Return - Equity on Rate Base	9.42%	9.42%	9.12%	9.12%	9.12%	9.12%
17	Deficiency/Sufficiency in Return on Equity	-16.68%	0.00%	-13.87%	0.00%	-13.87%	0.00%
18	Indicated Rate of Return	-0.57%	6.10%	0.29%	5.83%	0.29%	5.83%
19	Requested Rate of Return on Rate Base	6.10%	6.10%	5.83%	5.83%	5.83%	5.83%
20	Deficiency/Sufficiency in Rate of Return	-6.67%	0.00%	-5.55%	0.00%	-5.55%	0.00%
21	Target Return on Equity	\$272,112	\$272,112	\$258,732	\$258,732	\$258,732	\$258,732
22	Revenue Deficiency/(Sufficiency)	\$481,928	(\$0)	\$393,352	(\$1)	\$393,352	(\$1)
23	Gross Revenue Deficiency/(Sufficiency)	\$570,329 (1)		\$465,506 (1)		\$465,506 (1)	

Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$1,891,728	\$1,820,000	\$1,820,000
2	Amortization/Depreciation	\$340,980	\$337,177	\$337,177
3	Property Taxes	\$23,300	\$23,300	\$23,300
5	Income Taxes (Grossed up)	\$39,129	\$36,675	\$36,675
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$168,423	\$154,965	\$154,965
	Return on Deemed Equity	\$272,112	\$258,732	\$258,732
8	Service Revenue Requirement (before Revenues)	\$2,735,672	\$2,630,849	\$2,630,849
9	Revenue Offsets	(\$207,543)	(\$207,543)	(\$207,543)
10	Base Revenue Requirement	\$2,943,215	\$2,838,392	\$2,838,392
11	Distribution revenue	\$2,528,129	\$2,423,305	\$2,423,305
12	Other revenue	\$207,543	\$207,543	\$207,543
13	Total revenue	\$2,735,672	\$2,630,848	\$2,630,848
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$0) (1)	(\$1) (1)	(\$1)

APPENDIX D

Revenue Requirement Work Form



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Choose Your Utility:

Renfrew Hydro Inc.	-
Rideau St. Lawrence Distribution Inc.	-
Sioux Lookout Hydro Inc.	-

File Number:

EB-2011-0274

Rate Year:

2012



Click here to
print the
entire
workbook

Application Contact Information

Name:

Title:

Phone Number:

Email Address:

Copyright

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Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Table of Contents

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10A. Bill Impacts - Residential](#)

[10B. Bill Impacts - GS LT 50kW](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (5) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel**



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Data Input ⁽¹⁾

	Initial Application	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
1 Rate Base						
Gross Fixed Assets (average)	\$7,784,016		\$ 7,784,016			\$7,784,016
Accumulated Depreciation (average)	(\$2,424,477)	(5)	(\$2,424,477)			(\$2,424,477)
Allowance for Working Capital:						
Controllable Expenses	\$1,915,028	(\$71,728)	\$ 1,843,300			\$1,843,300
Cost of Power	\$10,499,095	\$35,499	\$ 10,534,594			\$10,534,594
Working Capital Rate (%)	15.00%		14.00%			14.00%
2 Utility Income						
Operating Revenues:						
Distribution Revenue at Current Rates	\$1,957,800	(\$0)	\$1,957,800		\$0	\$1,957,800
Distribution Revenue at Proposed Rates	\$2,528,129	(\$104,824)	\$2,423,305		\$0	\$2,423,305
Other Revenue:						
Specific Service Charges	\$88,900	\$0	\$88,900		\$0	\$88,900
Late Payment Charges	\$32,400	\$0	\$32,400		\$0	\$32,400
Other Distribution Revenue	\$86,243	\$0	\$86,243		\$0	\$86,243
Other Income and Deductions						
Total Revenue Offsets	(\$207,543)	(7) \$0	(\$207,543)		\$0	(\$207,543)
Operating Expenses:						
OM+A Expenses	\$1,891,728	(\$71,728)	\$ 1,820,000			\$1,820,000
Depreciation/Amortization	\$340,980	(\$3,803)	\$ 337,177			\$337,177
Property taxes	\$23,300		\$ 23,300			\$23,300
Other expenses						
3 Taxes/PILs						
Taxable Income:	(\$58,797)	(3)	(\$58,797)			(\$58,797)
Adjustments required to arrive at taxable income						
Utility Income Taxes and Rates:						
Income taxes (not grossed up)	\$33,064		\$30,990			\$30,990
Income taxes (grossed up)	\$39,129		\$36,675			\$36,675
Federal tax (%)	11.00%		11.00%			11.00%
Provincial tax (%)	4.50%		4.50%			4.50%
Income Tax Credits						
4 Capitalization/Cost of Capital						
Capital Structure:						
Long-term debt Capitalization Ratio (%)	56.0%		56.0%			56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)		4.0%
Common Equity Capitalization Ratio (%)	40.0%		40.0%			40.0%
Preferred Shares Capitalization Ratio (%)						
	100.0%		100.0%			100.0%
Cost of Capital						
Long-term debt Cost Rate (%)	4.02%		3.75%			3.75%
Short-term debt Cost Rate (%)	2.08%		2.08%			2.08%
Common Equity Cost Rate (%)	9.42%		9.12%			9.12%
Preferred Shares Cost Rate (%)						

Notes:

- General** Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
 - (2) 4.0% unless an Applicant has proposed or been approved for another amount.
 - (3) Net of addbacks and deductions to arrive at taxable income.
 - (4) Average of Gross Fixed Assets at beginning and end of the Test Year
 - (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
 - (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
 - (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$7,784,016	\$ -	\$7,784,016	\$ -	\$7,784,016
2	Accumulated Depreciation (average)	(3)	(\$2,424,477)	\$ -	(\$2,424,477)	\$ -	(\$2,424,477)
3	Net Fixed Assets (average)	(3)	\$5,359,539	\$ -	\$5,359,539	\$ -	\$5,359,539
4	Allowance for Working Capital	(1)	\$1,862,118	(\$129,213)	\$1,732,905	\$ -	\$1,732,905
5	Total Rate Base		\$7,221,657	(\$129,213)	\$7,092,444	\$ -	\$7,092,444

Allowance for Working Capital - Derivation

(1)

6	Controllable Expenses		\$1,915,028	(\$71,728)	\$1,843,300	\$ -	\$1,843,300
7	Cost of Power		\$10,499,095	\$35,499	\$10,534,594	\$ -	\$10,534,594
8	Working Capital Base		\$12,414,122	(\$36,228)	\$12,377,894	\$ -	\$12,377,894
9	Working Capital Rate %	(2)	15.00%	-1.00%	14.00%	0.00%	14.00%
10	Working Capital Allowance		\$1,862,118	(\$129,213)	\$1,732,905	\$ -	\$1,732,905

Notes

(2)

Some Applicants may have a unique rate as a result of a lead-lag study.

(3)

Average of opening and closing balances for the year.



Ontario Energy Board

**REVENUE REQUIREMENT
WORK FORM**

Version 2.20

Rideau St. Lawrence Distribution Inc.
Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$2,528,129	(\$104,824)	\$2,423,305	\$ -	\$2,423,305
2	Other Revenue (1)	\$207,543	\$ -	\$207,543	\$ -	\$207,543
3	Total Operating Revenues	\$2,735,672	(\$104,824)	\$2,630,848	\$ -	\$2,630,848
	Operating Expenses:					
4	OM+A Expenses	\$1,891,728	(\$71,728)	\$1,820,000	\$ -	\$1,820,000
5	Depreciation/Amortization	\$340,980	(\$3,803)	\$337,177	\$ -	\$337,177
6	Property taxes	\$23,300	\$ -	\$23,300	\$ -	\$23,300
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$2,256,008	(\$75,531)	\$2,180,477	\$ -	\$2,180,477
10	Deemed Interest Expense	\$168,423	(\$13,458)	\$154,965	\$ -	\$154,965
11	Total Expenses (lines 9 to 10)	\$2,424,431	(\$88,989)	\$2,335,442	\$ -	\$2,335,442
12	Utility income before income taxes	\$311,241	(\$15,835)	\$295,406	\$ -	\$295,406
13	Income taxes (grossed-up)	\$39,129	(\$2,454)	\$36,675	\$ -	\$36,675
14	Utility net income	\$272,112	(\$13,380)	\$258,732	\$ -	\$258,732
Notes						
	Other Revenues / Revenue Offsets					
(1)	Specific Service Charges	\$88,900	\$ -	\$88,900	\$ -	\$88,900
	Late Payment Charges	\$32,400	\$ -	\$32,400	\$ -	\$32,400
	Other Distribution Revenue	\$86,243	\$ -	\$86,243	\$ -	\$86,243
	Other Income and Deductions	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Revenue Offsets	\$207,543	\$ -	\$207,543	\$ -	\$207,543



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc.
Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$272,112	\$258,732	\$258,732
2	Adjustments required to arrive at taxable utility income	(\$58,797)	(\$58,797)	(\$58,797)
3	Taxable income	<u>\$213,315</u>	<u>\$199,935</u>	<u>\$199,935</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$33,064	\$30,990	\$30,990
6	Total taxes	<u>\$33,064</u>	<u>\$30,990</u>	<u>\$30,990</u>
7	Gross-up of Income Taxes	\$6,065	\$5,685	\$5,685
8	Grossed-up Income Taxes	<u>\$39,129</u>	<u>\$36,675</u>	<u>\$36,675</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$39,129</u>	<u>\$36,675</u>	<u>\$36,675</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	11.00%	11.00%	11.00%
12	Provincial tax (%)	4.50%	4.50%	4.50%
13	Total tax rate (%)	<u>15.50%</u>	<u>15.50%</u>	<u>15.50%</u>

Notes





Ontario Energy Board REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$4,044,128	4.02%	\$162,415
2	Short-term Debt	4.00%	\$288,866	2.08%	\$6,008
3	Total Debt	60.00%	\$4,332,994	3.89%	\$168,423
	Equity				
4	Common Equity	40.00%	\$2,888,663	9.42%	\$272,112
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$2,888,663	9.42%	\$272,112
7	Total	100.00%	\$7,221,657	6.10%	\$440,535
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$3,971,768	3.75%	\$149,064
2	Short-term Debt	4.00%	\$283,698	2.08%	\$5,901
3	Total Debt	60.00%	\$4,255,466	3.64%	\$154,965
	Equity				
4	Common Equity	40.00%	\$2,836,977	9.12%	\$258,732
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$2,836,977	9.12%	\$258,732
7	Total	100.00%	\$7,092,444	5.83%	\$413,697
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$3,971,768	3.75%	\$149,064
9	Short-term Debt	4.00%	\$283,698	2.08%	\$5,901
10	Total Debt	60.00%	\$4,255,466	3.64%	\$154,965
	Equity				
11	Common Equity	40.00%	\$2,836,977	9.12%	\$258,732
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$2,836,977	9.12%	\$258,732
14	Total	100.00%	\$7,092,444	5.83%	\$413,697

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$570,329		\$465,506		\$465,506
2	Distribution Revenue	\$1,957,800	\$1,957,800	\$1,957,800	\$1,957,799	\$1,957,800	\$1,957,799
3	Other Operating Revenue Offsets - net	\$207,543	\$207,543	\$207,543	\$207,543	\$207,543	\$207,543
4	Total Revenue	\$2,165,343	\$2,735,672	\$2,165,343	\$2,630,848	\$2,165,343	\$2,630,848
5	Operating Expenses	\$2,256,008	\$2,256,008	\$2,180,477	\$2,180,477	\$2,180,477	\$2,180,477
6	Deemed Interest Expense	\$168,423	\$168,423	\$154,965	\$154,965	\$154,965	\$154,965
	Total Cost and Expenses	\$2,424,431	\$2,424,431	\$2,335,442	\$2,335,442	\$2,335,442	\$2,335,442
7	Utility Income Before Income Taxes	(\$259,088)	\$311,241	(\$170,099)	\$295,406	(\$170,099)	\$295,406
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$58,797)	(\$58,797)	(\$58,797)	(\$58,797)	(\$58,797)	(\$58,797)
9	Taxable Income	(\$317,885)	\$252,443	(\$228,896)	\$236,609	(\$228,896)	\$236,609
10	Income Tax Rate	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
11	Income Tax on Taxable Income	(\$49,272)	\$39,129	(\$35,479)	\$36,674	(\$35,479)	\$36,674
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$209,816)	\$272,112	(\$134,620)	\$258,732	(\$134,620)	\$258,732
14	Utility Rate Base	\$7,221,657	\$7,221,657	\$7,092,444	\$7,092,444	\$7,092,444	\$7,092,444
	Deemed Equity Portion of Rate Base	\$2,888,663	\$2,888,663	\$2,836,977	\$2,836,977	\$2,836,977	\$2,836,977
15	Income/(Equity Portion of Rate Base)	-7.26%	9.42%	-4.75%	9.12%	-4.75%	9.12%
16	Target Return - Equity on Rate Base	9.42%	9.42%	9.12%	9.12%	9.12%	9.12%
17	Deficiency/Sufficiency in Return on Equity	-16.68%	0.00%	-13.87%	0.00%	-13.87%	0.00%
18	Indicated Rate of Return	-0.57%	6.10%	0.29%	5.83%	0.29%	5.83%
19	Requested Rate of Return on Rate Base	6.10%	6.10%	5.83%	5.83%	5.83%	5.83%
20	Deficiency/Sufficiency in Rate of Return	-6.67%	0.00%	-5.55%	0.00%	-5.55%	0.00%
21	Target Return on Equity	\$272,112	\$272,112	\$258,732	\$258,732	\$258,732	\$258,732
22	Revenue Deficiency/(Sufficiency)	\$481,928	(\$0)	\$393,352	(\$1)	\$393,352	(\$1)
23	Gross Revenue Deficiency/(Sufficiency)	\$570,329 (1)		\$465,506 (1)		\$465,506 (1)	

Notes:

(1)

Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$1,891,728	\$1,820,000	\$1,820,000
2	Amortization/Depreciation	\$340,980	\$337,177	\$337,177
3	Property Taxes	\$23,300	\$23,300	\$23,300
5	Income Taxes (Grossed up)	\$39,129	\$36,675	\$36,675
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$168,423	\$154,965	\$154,965
	Return on Deemed Equity	\$272,112	\$258,732	\$258,732
8	Service Revenue Requirement (before Revenues)	<u>\$2,735,672</u>	<u>\$2,630,849</u>	<u>\$2,630,849</u>
9	Revenue Offsets	<u>(\$207,543)</u>	<u>(\$207,543)</u>	<u>(\$207,543)</u>
10	Base Revenue Requirement	<u>\$2,943,215</u>	<u>\$2,838,392</u>	<u>\$2,838,392</u>
11	Distribution revenue	\$2,528,129	\$2,423,305	\$2,423,305
12	Other revenue	\$207,543	\$207,543	\$207,543
13	Total revenue	<u>\$2,735,672</u>	<u>\$2,630,848</u>	<u>\$2,630,848</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>(\$0) (1)</u>	<u>(\$1) (1)</u>	<u>(\$1) (1)</u>

Notes (1)

Line 11 - Line 8



Ontario Energy Board

REVENUE REQUIREMENT WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc. Bill Impacts - Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 10.2800	1	\$ 10.28	\$ 12.7600	1	\$ 12.76	\$ 2.48	24.12%
2 Smart Meter Rate Adder	monthly	\$ 2.5000	1	\$ 2.50	\$ 0.2800	1	\$ 0.28	-\$ 2.22	-88.80%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0117	800	\$ 9.36	\$ 0.0145	800	\$ 11.60	\$ 2.24	23.93%
6 Low Voltage Rate Adder	per kWh	\$ 0.0016	800	\$ 1.28	\$ 0.0024	800	\$ 1.92	\$ 0.64	50.00%
7 Volumetric Rate Adder(s)			800	\$ -		800	\$ -	\$ -	
8 Volumetric Rate Rider(s)			800	\$ -		800	\$ -	\$ -	
9 Smart Meter Disposition Rider			800	\$ -		800	\$ -	\$ -	
10 LRAM & SSM Rate Rider	per kWh	\$ 0.0007	800	\$ 0.56	\$ 0.0002	800	\$ 0.16	-\$ 0.40	-71.43%
11 Deferral/Variance Account Disposition Rate Rider	per kWh	-\$ 0.0034	800	-\$ 2.72	-\$ 0.0015	800	-\$ 1.20	\$ 1.52	-55.88%
12 Late Payment Penalty	monthly	\$ 0.1800	1	\$ 0.18			\$ -	-\$ 0.18	-100.00%
13 Stranded Assets	monthly			\$ -	\$ 1.8300	1	\$ 1.83	\$ 1.83	
14 Foregone Revenue - Fixed	monthly			\$ -	\$ 0.6200	1	\$ 0.62	\$ 0.62	
15 Foregone Revenue - Volumetric	per kWh			\$ -	\$ 0.0007	800	\$ 0.56	\$ 0.56	
16 Sub-Total A - Distribution				\$ 21.44			\$ 28.53	\$ 7.09	33.07%
17 RTSR - Network	per kWh	\$ 0.0056	861.12	\$ 4.82	\$ 0.0057	863.76	\$ 4.92	\$ 0.10	2.10%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0044	861.12	\$ 3.79	\$ 0.0048	863.76	\$ 4.15	\$ 0.36	9.43%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 30.05			\$ 37.60	\$ 7.55	25.12%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	861.12	\$ 4.48	\$ 0.0052	863.76	\$ 4.49	\$ 0.01	0.31%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	861.12	\$ 0.95	\$ 0.0011	863.76	\$ 0.95	\$ 0.00	0.31%
22 Special Purpose Charge			861.12	\$ -		863.76	\$ -	\$ -	
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	0.00%
25 Energy	per kWh	\$ 0.0757	861.12	\$ 65.19	\$ 0.0757	863.76	\$ 65.34	\$ 0.16	0.24%
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 106.51			\$ 114.23	\$ 7.72	7.25%
29 HST		13%		\$ 13.85	13%		\$ 14.85	\$ 1.00	7.25%
30 Total Bill (including Sub-total B)				\$ 120.36			\$ 129.09	\$ 8.73	7.25%
31 Ontario Clean Energy Benefit (OCEB)		-10%		-\$ 12.04	-10%		-\$ 12.91	-\$ 0.87	7.23%
32 Total Bill (including OCEB)				\$ 108.32			\$ 116.18	\$ 7.86	7.26%
33 Loss Factor (%)	Note 1			7.64%			7.97%		

Notes:

(1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.

The Smart Meter disposition for 2012 has been put in line 2, as the correct line (9) could not accept a fixed amount.



Ontario Energy Board

REVENUE REQUIREMENT
WORK FORM

Version 2.20

Rideau St. Lawrence Distribution Inc.
Bill Impacts - General Service < 50 kW

Consumption **2000** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge	monthly	\$ 24.3400	1	\$ 24.34	\$ 29.5300	1	\$ 29.53	\$ 5.19	21.32%
2 Smart Meter Rate Adder	monthly	\$ 2.5000	1	\$ 2.50		1	\$ -	\$- 2.50	-100.00%
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate	per kWh	\$ 0.0074	2000	\$ 14.80	\$ 0.0090	2000	\$ 18.00	\$ 3.20	21.62%
6 Low Voltage Rate Adder	per kWh	\$ 0.0015	2000	\$ 3.00	\$ 0.0022	2000	\$ 4.40	\$ 1.40	46.67%
7 Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider	monthly		2000	\$ -	\$ 5.2400	1	\$ 5.24	\$ 5.24	
10 LRAM & SSM Rider	per kWh	\$ 0.0015	2000	\$ 3.00	\$ 0.0002	2000	\$ 0.40	\$- 2.60	-86.67%
11 Deferral/Variance Account Disposition Rate Rider	per kWh	\$- 0.0034	2000	\$- 6.80	\$- 0.0027	2000	\$- 5.40	\$ 1.40	-20.59%
12 Late Payment Penalty	monthly	\$ 0.3700	1	\$ 0.37			\$ -	\$- 0.37	-100.00%
13 Stranded Assets	monthly			\$ -	\$ 5.6000	1	\$ 5.60	\$ 5.60	
14 Foregone Revenue - fixed	monthly			\$ -	\$ 1.3000	1	\$ 1.30	\$ 1.30	
15 Foregone Revenue - volumetric	per kWh			\$ -	\$ 0.0004	2000	\$ 0.80	\$ 0.80	
16 Sub-Total A - Distribution				\$ 41.21			\$ 59.87	\$ 18.66	45.28%
17 RTSR - Network	per kWh	\$ 0.0051	2152.8	\$ 10.98	\$ 0.0052	2159.4	\$ 11.23	\$ 0.25	2.27%
18 RTSR - Line and Transformation Connection	per kWh	\$ 0.0041	2152.8	\$ 8.83	\$ 0.0045	2159.4	\$ 9.72	\$ 0.89	10.09%
19 Sub-Total B - Delivery (including Sub-Total A)				\$ 61.02			\$ 80.82	\$ 19.80	32.45%
20 Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2152.8	\$ 11.19	\$ 0.0052	2159.4	\$ 11.23	\$ 0.03	0.31%
21 Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	2152.8	\$ 2.37	\$ 0.0011	2159.4	\$ 2.38	\$ 0.01	0.31%
22 Special Purpose Charge			2152.8	\$ -		2159.4	\$ -	\$ -	
23 Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24 Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%
25 Energy	per kWh	\$ 0.0757	2152.8	\$ 162.97	\$ 0.0757	2159.4	\$ 163.47	\$ 0.50	0.31%
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ 251.80			\$ 272.14	\$ 20.34	8.08%
29 HST		13%		\$ 32.73	13%		\$ 35.38	\$ 2.64	8.08%
30 Total Bill (including Sub-total B)				\$ 284.53			\$ 307.51	\$ 22.98	8.08%
31 Ontario Clean Energy Benefit (OCEB)		-10%		\$- 28.45	-10%		\$- 30.75	\$- 2.30	8.08%
32 Total Bill (including OCEB)				\$ 256.08			\$ 276.76	\$ 20.68	8.08%
33 Loss Factor	(1)		7.64%			7.97%			

Notes:

(1): See Note (1) from Sheet 10A. Bill Impacts - Residential