



Niagara-on-the-Lake Hydro Inc.

October 12, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Via RESS, e-mail and courier

Niagara-on-the-Lake Hydro Inc. 2013 Rate Application

OEB Case EB-2012-0063

Dear Ms. Walli

Niagara-on-the-Lake Hydro Inc. is pleased to submit the enclosed 2013 IRM3 Rate Application.

We would be pleased to provide any further information or details that you may require for this application.

Yours truly

 Jim Huntingdon, President
Encl.

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NIAGARA-ON-THE-LAKE HYDRO INC.

EB-2012-0063

APPLICATION FOR DISTRIBUTION RATES EFFECTIVE MAY 1, 2013

MANAGER'S SUMMARY

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NOTL's notice of application will be appearing in the local weekly newspaper, "The Niagara Advance", which is not a paid publication and has circulation of approximately 7,500 per week.

The contact for this application is:

***Philip Wormwell
Director of Corporate Services
Phone: 905.468.4235 x380
E-mail: pwormwell@notlhydro.com***

1 **1. INTRODUCTION**

2 The Sections in this Manager's Summary of the rate application by Niagara-on-
3 the-Lake Hydro Inc. ("NOTL") are:

- 4 • Section 2 - Requested adjustments to the **Retail Transmission Service**
5 **Rates** ("RTSRs") for 2013;
- 6 • Section 3 - Request for approval of **Shared Tax Savings** rate riders;
- 7 • Section 4 – Request for disposition of **Deferral/Variance Accounts**; and
- 8 • Section 5 - Request for approval of 2013 **Distribution Rates**.
- 9 • Section 6 - Proposed rate tariff.
- 10 • Section 7 - Bill impacts.

11 The documents submitted via RESS are:

- 12 • Cover letter and Manager's Summary (pdf)
 - 13 • RTSR model (Excel and pdf)
 - 14 • Shared Tax Savings model (Excel and pdf)
 - 15 • IRM Rate Generator model (Excel and pdf)
 - 16 • Current Tariff (pdf).
- 17
18
19

20 ***NOTL also wishes to bring the following to the Board's attention:***

21 **Revenue-Cost Ratio Adjustments**

22 *The revenue-cost ratio adjustments approved in NOTL's 2009 re-basing were*
23 *completed in the 2011 rates, so that no such adjustments are required in 2013.*

2. RETAIL TRANSMISSION SERVICE RATES

NOTL's application to adjust RTSRs is in accordance with Revision 4.0 of Guideline G-2008-0001, issued June 28, 2012. In Accordance with Section 4 of that Guideline, NOTL is presenting evidence as follows:

a) Historical transmission costs adjusted for new UTR levels.

NOTL's historical costs (2011) consist of only IESO-invoiced costs for network and line connection. NOTL owns its own transformer stations and consequently has no IESO-invoiced transformation costs. NOTL also has no Hydro One-invoiced transmission costs. The Table below, from Sheet 6 of the OEB model represents the historical network and line connection costs for the year 2011:

| IESO | | Network | | | Line Connection | | |
|-----------|--------------|---------|--------------|--------------|-----------------|------------|--|
| Month | Units Billed | Rate | Amount | Units Billed | Rate | Amount | |
| January | 27,628 | \$3.22 | \$ 88,962 | 28,135 | \$0.79 | \$ 22,227 | |
| February | 27,210 | \$3.22 | \$ 87,616 | 27,415 | \$0.79 | \$ 21,658 | |
| March | 25,074 | \$3.22 | \$ 80,738 | 25,074 | \$0.79 | \$ 19,808 | |
| April | 21,486 | \$3.22 | \$ 69,185 | 21,954 | \$0.79 | \$ 17,344 | |
| May | 28,799 | \$3.22 | \$ 92,733 | 28,822 | \$0.79 | \$ 22,769 | |
| June | 34,402 | \$3.22 | \$ 110,774 | 34,702 | \$0.79 | \$ 27,415 | |
| July | 43,282 | \$3.22 | \$ 139,368 | 43,940 | \$0.79 | \$ 34,713 | |
| August | 34,244 | \$3.22 | \$ 110,266 | 37,221 | \$0.79 | \$ 29,405 | |
| September | 35,404 | \$3.22 | \$ 114,001 | 37,349 | \$0.79 | \$ 29,506 | |
| October | 25,942 | \$3.22 | \$ 83,533 | 30,663 | \$0.79 | \$ 24,224 | |
| November | 23,306 | \$3.22 | \$ 75,045 | 24,537 | \$0.79 | \$ 19,384 | |
| December | 23,854 | \$3.22 | \$ 76,810 | 27,385 | \$0.79 | \$ 21,634 | |
| Total | 350,631 | \$ 3.22 | \$ 1,129,032 | 367,197 | \$ 0.79 | \$ 290,086 | |

When the forecasted Board approved UTRs (from Page 1 of the Guideline G-2008-0001) are applied against the above historical billing, the historical network and line connection costs adjusted for the new UTR levels are as shown in the Table below, from Sheet 8 of the OEB model:

Section 2 – Retail Transmission Service Rates

| IESO | | | | Network | | | Line Connection | | |
|--------------|----------------|----------------|---------------------|----------------|----------------|-------------------|-----------------|------|--------|
| Month | Units Billed | Rate | Amount | Units Billed | Rate | Amount | Units Billed | Rate | Amount |
| January | 27,628 | \$ 3.5700 | \$ 98,632 | 28,135 | \$ 0.8000 | \$ 22,508 | | | |
| February | 27,210 | \$ 3.5700 | \$ 97,140 | 27,415 | \$ 0.8000 | \$ 21,932 | | | |
| March | 25,074 | \$ 3.5700 | \$ 89,514 | 25,074 | \$ 0.8000 | \$ 20,059 | | | |
| April | 21,486 | \$ 3.5700 | \$ 76,705 | 21,954 | \$ 0.8000 | \$ 17,563 | | | |
| May | 28,799 | \$ 3.5700 | \$ 102,812 | 28,822 | \$ 0.8000 | \$ 23,058 | | | |
| June | 34,402 | \$ 3.5700 | \$ 122,815 | 34,702 | \$ 0.8000 | \$ 27,762 | | | |
| July | 43,282 | \$ 3.5700 | \$ 154,517 | 43,940 | \$ 0.8000 | \$ 35,152 | | | |
| August | 34,244 | \$ 3.5700 | \$ 122,251 | 37,221 | \$ 0.8000 | \$ 29,777 | | | |
| September | 35,404 | \$ 3.5700 | \$ 126,392 | 37,349 | \$ 0.8000 | \$ 29,879 | | | |
| October | 25,942 | \$ 3.5700 | \$ 92,613 | 30,663 | \$ 0.8000 | \$ 24,530 | | | |
| November | 23,306 | \$ 3.5700 | \$ 83,202 | 24,537 | \$ 0.8000 | \$ 19,630 | | | |
| December | 23,854 | \$ 3.5700 | \$ 85,159 | 27,385 | \$ 0.8000 | \$ 21,908 | | | |
| Total | 350,631 | \$ 3.57 | \$ 1,251,753 | 367,197 | \$ 0.80 | \$ 293,758 | | | |

It is noted that In the OEB model available at the time of our application, the wholesale billing forecast rates (effective Jan 1, 2013) in Sheet 8 are shown as being the same as the current rates in Sheet 7.

b) Revenues generated from existing RTSRs.

The billing determinants used to calculate the revenue are equal to the 2011 actual data, as reported in RRR and per the Table below from Sheet 4 of the model:

| Rate Class | Unit | Non-Loss Adjusted Metered kWh | Non-Loss Adjusted Metered kW | Applicable Loss Factor | Load Factor | Loss Adjusted Billed kWh | Billed kW |
|---|------|-------------------------------|------------------------------|------------------------|-------------|--------------------------|-----------|
| Residential | kWh | 67,755,761 | | 1.0463 | | 70,892,853 | - |
| General Service Less Than 50 kW | kWh | 34,155,077 | | 1.0463 | | 35,736,457 | - |
| General Service 50 to 4,999 kW | kW | 37,483,321 | 99,613 | | 51.57% | 37,483,321 | 99,613 |
| General Service 50 to 4,999 kW – Interval Metered | kW | 43,067,064 | 92,294 | | 63.96% | 43,067,064 | 92,294 |
| Unmetered Scattered Load | kWh | 219,039 | | 1.0463 | | 229,181 | - |
| Street Lighting | kW | 1,152,321 | 1,291 | | 122.34% | 1,152,321 | 1,291 |

The Tables below, taken from Sheets 9 and 10 of the OEB model, show what network and connection revenue would be billed at current RTSR rates as

Section 2 – Retail Transmission Service Rates

1 compared with the wholesale billing at current rates, and the necessary
 2 adjusted RTSR rates to bring the revenue in line with wholesale billing:

| Rate Class | Unit | | Current RTSR- Network | Loss Adjusted Billed kWh | Loss Adjusted Billed kW | Billed Amount | Billed Amount % | Current Wholesale Billing | Proposed RTSR Network |
|--|------|----|-----------------------------|--------------------------------|-------------------------------|---------------------|-----------------------|---------------------------------|-----------------------------|
| Residential | kWh | \$ | 0.0066 | 70,892,853 | - | \$ 467,893 | 39.8% | \$ 498,677 | \$ 0.0070 |
| General Service Less Than 50 kW | kWh | \$ | 0.0060 | 35,736,457 | - | \$ 214,419 | 18.3% | \$ 228,526 | \$ 0.0064 |
| General Service 50 to 4,999 kW | kW | \$ | 2.4498 | 37,483,321 | 99,613 | \$ 244,032 | 20.8% | \$ 260,088 | \$ 2.6110 |
| General Service 50 to 4,999 kW – Interval Metered | kW | \$ | 2.6478 | 43,067,064 | 92,294 | \$ 244,376 | 20.8% | \$ 260,454 | \$ 2.8220 |
| Unmetered Scattered Load | kWh | \$ | 0.0060 | 229,181 | - | \$ 1,375 | 0.1% | \$ 1,466 | \$ 0.0064 |
| Street Lighting | kW | \$ | 1.8474 | 1,152,321 | 1,291 | \$ 2,385 | 0.2% | \$ 2,542 | \$ 1.9689 |
| | | | | | | \$ 1,174,480 | | | |

| Rate Class | Unit | | Current RTSR- Connection | Loss Adjusted Billed kWh | Loss Adjusted Billed kW | Billed Amount | Billed Amount % | Current Wholesale Billing | Proposed RTSR Connection |
|--|------|----|--------------------------------|--------------------------------|-------------------------------|-------------------|-----------------------|---------------------------------|--------------------------------|
| Residential | kWh | \$ | 0.0012 | 70,892,853 | - | \$ 85,071 | 31.5% | \$ 92,562 | \$ 0.0013 |
| General Service Less Than 50 kW | kWh | \$ | 0.0012 | 35,736,457 | - | \$ 42,884 | 15.9% | \$ 46,660 | \$ 0.0013 |
| General Service 50 to 4,999 kW | kW | \$ | 0.4394 | 37,483,321 | 99,613 | \$ 43,770 | 16.2% | \$ 47,624 | \$ 0.4781 |
| General Service 50 to 4,999 kW – Interval Metered | kW | \$ | 1.0569 | 43,067,064 | 92,294 | \$ 97,546 | 36.1% | \$ 106,135 | \$ 1.1500 |
| Unmetered Scattered Load | kWh | \$ | 0.0012 | 229,181 | - | \$ 275 | 0.1% | \$ 299 | \$ 0.0013 |
| Street Lighting | kW | \$ | 0.3397 | 1,152,321 | 1,291 | \$ 439 | 0.2% | \$ 477 | \$ 0.3696 |
| | | | | | | \$ 269,984 | | | |

7 With regard to adjustments from current to forecast wholesale rates, in the
 8 OEB model available at the time of our application, the wholesale billing
 9 forecast rates (effective Jan 1, 2013) are shown as being the same as the
 10 current rates. Thus, at this time, the following adjustments to NOTL's RTSRs,
 11 from Sheets 11 and 12 of the model are incorporated in NOTLs IRM3 rate
 12 generator model:

Section 2 – Retail Transmission Service Rates

| Rate Class | Unit | Adjusted RTSR- Network | Loss Adjusted Billed kWh | Loss Adjusted Billed kW | Billed Amount | Billed Amount % | Forecast Wholesale Billing | Proposed RTSR Network |
|--|------|------------------------------|--------------------------------|-------------------------------|---------------------|-----------------------|----------------------------------|-----------------------------|
| Residential | kWh | \$ 0.0070 | 70,892,853 | - | \$ 498,677 | 39.8% | \$ 498,677 | \$ 0.0070 |
| General Service Less Than 50 kW | kWh | \$ 0.0064 | 35,736,457 | - | \$ 228,526 | 18.3% | \$ 228,526 | \$ 0.0064 |
| General Service 50 to 4,999 kW | kW | \$ 2.6110 | 37,483,321 | 99,613 | \$ 260,088 | 20.8% | \$ 260,088 | \$ 2.6110 |
| General Service 50 to 4,999 kW – Interval Metered | kW | \$ 2.8220 | 43,067,064 | 92,294 | \$ 260,454 | 20.8% | \$ 260,454 | \$ 2.8220 |
| Unmetered Scattered Load | kWh | \$ 0.0064 | 229,181 | - | \$ 1,466 | 0.1% | \$ 1,466 | \$ 0.0064 |
| Street Lighting | kW | \$ 1.9689 | 1,152,321 | 1,291 | \$ 2,542 | 0.2% | \$ 2,542 | \$ 1.9689 |
| | | | | | \$ 1,251,753 | | | |

| Rate Class | Unit | Adjusted RTSR- Connection | Loss Adjusted Billed kWh | Loss Adjusted Billed kW | Billed Amount | Billed Amount % | Forecast Wholesale Billing | Proposed RTSR Connection |
|--|------|---------------------------------|--------------------------------|-------------------------------|-------------------|-----------------------|----------------------------------|--------------------------------|
| Residential | kWh | \$ 0.0013 | 70,892,853 | - | \$ 92,562 | 31.5% | \$ 92,562 | \$ 0.0013 |
| General Service Less Than 50 kW | kWh | \$ 0.0013 | 35,736,457 | - | \$ 46,660 | 15.9% | \$ 46,660 | \$ 0.0013 |
| General Service 50 to 4,999 kW | kW | \$ 0.4781 | 37,483,321 | 99,613 | \$ 47,624 | 16.2% | \$ 47,624 | \$ 0.4781 |
| General Service 50 to 4,999 kW – Interval Metered | kW | \$ 1.1500 | 43,067,064 | 92,294 | \$ 106,135 | 36.1% | \$ 106,135 | \$ 1.1500 |
| Unmetered Scattered Load | kWh | \$ 0.0013 | 229,181 | - | \$ 299 | 0.1% | \$ 299 | \$ 0.0013 |
| Street Lighting | kW | \$ 0.3696 | 1,152,321 | 1,291 | \$ 477 | 0.2% | \$ 477 | \$ 0.3696 |
| | | | | | \$ 293,758 | | | |

The following summary of the adjusted rates is taken from Sheet 13 of the OEB model:

| Rate Class | Unit | Proposed RTSR Network | Proposed RTSR Connection |
|--|------|-----------------------------|--------------------------------|
| Residential | kWh | \$ 0.0070 | \$ 0.0013 |
| General Service Less Than 50 kW | kWh | \$ 0.0064 | \$ 0.0013 |
| General Service 50 to 4,999 kW | kW | \$ 2.6110 | \$ 0.4781 |
| General Service 50 to 4,999 kW – Interval Metered | kW | \$ 2.8220 | \$ 1.1500 |
| Unmetered Scattered Load | kWh | \$ 0.0064 | \$ 0.0013 |
| Street Lighting | kW | \$ 1.9689 | \$ 0.3696 |

- 1 We understand that the OEB will adjust each applicant's model to reflect any
- 2 UTR changes on Jan 1, 2013 when they are determined.
- 3 The RTSR model is also being submitted separately in Excel and pdf formats.
- 4

3. SHARED TAX SAVINGS

NOTL has completed the required inputs to the OEB shared tax saving model in order to calculate the associated rate riders:

- Sheet 3 - Re-based Bill Determinants & Rates
- Sheet 5 - Z-Factor Tax Changes.

a) Rebased Bill Determinants and Rates

As indicated on Sheet 3, the billing determinants are required to be the 2009 rebased data. These determinants are taken from the final Revenue Requirement Workbook for NOTL's approved 2009 rate application (Sheet A – Data Input Sheet, Footnote 15) for case EB-2008-0237:

| Recalculation due to all changes: | | | | | | | |
|-----------------------------------|---|--|---|----------------------------------|--|---|--|
| Customer Class | Application Number of Customers/ Connections | Board Decision Number of Customers/ Connections | Application Proposed Rates | Board Decision Proposed Rates | Application Revenue at Proposed Rates | Board Decision Revenue at Proposed Rates | |
| Residential | 6,584 | 6,584 | \$19.08 | \$18.05 | \$1,507,473 | \$1,426,094 | |
| GS <50 kW | 1,209 | 1,209 | \$47.83 | \$45.33 | \$693,918 | \$657,648 | |
| GS>50 kW | 123 | 123 | \$370.25 | \$346.25 | \$547,172 | \$511,704 | |
| Street Light | 1,953 | 1,953 | \$3.0087 | \$2.91 | \$70,512 | \$68,199 | |
| Unmetered Scattered Load | 32 | 32 | \$36.30 | \$53.55 * | \$13,940 | \$20,563 | |
| | | | | | \$2,833,014 | \$2,684,208 | |
| Customer Class | Volumes kW or kWh | Volumes kW or kWh | Application Proposed Rates | Board Decision Proposed Rates | Application Revenue at Proposed Rates | Board Decision Revenue at Proposed Rates | |
| Residential | 66,320,829 kWh | 66,607,551 kWh | \$0.01340 | \$0.0127 | \$888,699 | \$845,916 | |
| GS <50 kW | 34,349,093 kWh | 34,497,593 kWh | \$0.01440 | \$0.0136 | \$494,627 | \$469,167 | |
| GS>50 kW | 207,437 kW | 208,072 kW | \$2.88560 | \$2.7058 | \$598,581 | \$563,002 | |
| Street Light | 2,900 kW | 2,900 kW | \$11.79060 | \$11.3847 | \$34,191 | \$33,014 | |
| Unmetered Scattered Load | 302,169 kWh | 302,169 kWh | \$0.01090 | \$0.0161 * | \$3,294 | \$4,865 | |
| | | | | | \$2,019,392 | \$1,915,965 | |
| | | | Total of fixed and variable rates | | \$4,852,406 | \$4,600,172 | |
| | | | Transformer allowance | | -\$24,326 | -\$24,326 | |
| | | | Difference due to rounding in models | | \$1,438 | \$2,153 | |
| | | | Total distribution revenue at current rates | | \$4,829,518 | \$4,577,999 | |
| | | | | | | -\$251,519 | |

Note re USL *

The change from Application to Board Decision includes the Board Findings [Page 23 of Rate Decision] to allocate the revenue requirement for the 39 re-assigned sentinel lights to the assigned classes, i.e. 25 sentinel lights (64%) go to USL and 14 lights (36%) go to streetlights. The relative impact on streetlights and USL of this re-assignment is different because of the relatively larger size (load) of the streetlight class. In the case of streetlights, the impact is offset by the net effect of various other changes made as a result of the interrogatory process.

and are input into Sheet 3 as shown below:

Last COS Re-based Year was in 2009

| Rate Group | Rate Class | Fixed Metric | Vol Metric | Re-based Billed Customers or Connections A | Re-based Billed kWh B | Re-based Billed kW C |
|------------|---------------------------------|--------------|------------|--|-----------------------------|----------------------------|
| RES | Residential | Customer | kWh | 6,584 | 66,607,551 | |
| GSLT50 | General Service Less Than 50 kW | Customer | kWh | 1,209 | 34,497,593 | |
| GSGT50 | General Service 50 to 4,999 kW | Customer | kW | 123 | | 208,072 |
| USL | Unmetered Scattered Load | Customer | kWh | 32 | 302,169 | |
| SL | Street Lighting | Connection | kW | 1,953 | | 2,900 |

The required rates are 2012 approved rates and are taken from NOTL's 2012 Tariff. These rates are also input into Sheet 3 as shown below:





| Rate Class | Fixed Metric | Vol Metric | Re-based Billed Customers or Connections A | Re-based Billed kWh B | Re-based Billed kW C | Rate ReBal Base Service Charge D | Rate ReBal Base Distribution Volumetric Rate kWh E | Rate ReBal Base Distribution Volumetric Rate kW F |
|---------------------------------|--------------|------------|--|-----------------------------|----------------------------|--|--|---|
| Residential | Customer | kWh | 6,584 | 66,607,551 | | 18.22 | 0.0128 | |
| General Service Less Than 50 kW | Customer | kWh | 1,209 | 34,497,593 | | 45.75 | 0.0137 | |
| General Service 50 to 4,999 kW | Customer | kW | 123 | | 208,072 | 326.84 | | 2.5541 |
| Unmetered Scattered Load | Customer | kWh | 32 | 302,169 | | 54.05 | 0.0162 | |
| Street Lighting | Connection | kW | 1,953 | | 2,900 | 4.96 | | 19.3864 |

b) Z-Factor Tax Changes

The required data are to be from the latest COS filing, which is 2009 in NOTL's case. Specifically, the values come from Sheets 1 and 3 in the Revenue Requirement Work Form in EB-2008-0237:

| | | |
|-----------------------------|--------------|-------------------|
| • Taxable capital | \$21,857,012 | Sheet 1, cell K17 |
| • Regulatory taxable income | \$763,707 | Sheet 3, cell I18 |
| • Corporate tax rate | 31.53% | Sheet 3, cell I39 |
| • Grossed-up tax | \$351,762 | Sheet 3, cell I29 |

The Work Form was submitted on April 6th, 2009 and can be found in the web-drawer:

| | | | |
|--|---------------------------------------|------------------|------------------------|
| 2008-0237 | 09, 2009 | | |
|   EB-2008-0237 | 2009_Rev_Reqt_Work_Form_NOTL_20090406 | Submission | Monday, April 06, 2009 |
|   EB-2008- | NOTL_DRO_20090406 | Draft Rate Order | Monday, April 06, 2009 |

These data are input into the 2009 column of Sheet 5, as shown below. The 2013 column shows the 2012 50% tax sharing amount:

Summary - Sharing of Tax Change Forecast Amounts

For the 2009 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)

\$ -

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

| | 2009 | 2013 |
|---|---------------|--------------|
| Taxable Capital | \$ 21,857,012 | \$21,857,012 |
| Deduction from taxable capital up to \$15,000,000 | \$ 15,000,000 | \$15,000,000 |
| Net Taxable Capital | \$ 6,857,012 | \$ 6,857,012 |
| Rate | 0.225% | 0.000% |
| Ontario Capital Tax (Deductible, not grossed-up) | \$ 15,428 | \$ - |

2. Tax Related Amounts Forecast from Income Tax Rate Changes

| | 2009 | 2013 |
|--|-------------------|-------------------|
| Regulatory Taxable Income | \$ 763,707 | \$ 763,707 |
| Corporate Tax Rate | 31.53% | 21.92% |
| Tax Impact | \$ 240,797 | \$ 167,382 |
| Grossed-up Tax Amount | \$ 351,762 | \$ 214,365 |
| Tax Related Amounts Forecast from Capital Tax Rate Changes | \$ 15,428 | \$ - |
| Tax Related Amounts Forecast from Income Tax Rate Changes | \$ 351,762 | \$ 214,365 |
| Total Tax Related Amounts | \$ 367,190 | \$ 214,365 |
| Incremental Tax Savings | | -\$ 152,825 |
| Sharing of Tax Savings (50%) | | -\$ 76,413 |

The resulting requested rate riders are calculated in sheet 6, as shown below,
and are entered into Sheet 11 of NOTL's 2013 IRM3 Rate Generator model;

| Rate Class | Total Revenue \$ by Rate Class A | Total Revenue % by Rate Class B = A / \$H | Total Z-Factor Tax Change\$ by Rate Class C = \$I * B | Billed kWh D | Billed kW E | Distribution Volumetric Rate kWh Rate Rider F = C / D | Distribution Volumetric Rate kW Rate Rider G = C / E |
|---------------------------------|--|---|--|-----------------|----------------|--|---|
| Residential | \$2,292,102.4128 | 49.39% | -\$37,743 | 66,607,551 | 0 | -\$0.0006 | |
| General Service Less Than 50 kW | \$1,136,358 | 24.49% | -\$18,712 | 34,497,593 | 0 | -\$0.0005 | |
| General Service 50 to 4,999 kW | \$1,013,853 | 21.85% | -\$16,695 | 0 | 208,072 | | -\$0.0802 |
| Unmetered Scattered Load | \$25,650 | 0.55% | -\$422 | 302,169 | 0 | -\$0.0014 | |
| Street Lighting | \$172,463 | 3.72% | -\$2,840 | 0 | 2,900 | | -\$0.9793 |
| | \$4,640,426 | 100.00% | -\$76,413 | | | | |

The Shared Tax Savings model is also being submitted separately in Excel and
pdf formats.

4. DEFERRAL /VARIANCE ACCOUNTS

[This Section is structured in terms of headings the same as “Appendix A: Filing Guidelines” of the EDDVAR Report, July 31, 2009]

General Filing Requirements

a) Manager’s Summary and Certification

Overall Claim

The Table below, taken from Sheet 5 of the Rate Generator model, summarizes the total claim. Detailed comments for each account are provided following the Table.

| Group 1 Accounts | | \$ Claim |
|--|-------------|-----------------|
| LV Variance Account | 1550 | 0 |
| RSVA - Wholesale Market Service Charge | 1580 | (583,054) |
| RSVA - Retail Transmission Network Charge | 1584 | 12,750 |
| RSVA - Retail Transmission Connection Charge | 1586 | (75,974) |
| RSVA - Power (excluding Global Adjustment) | 1588 | 571,952 |
| RSVA - Power - Sub-account - Global Adjustment | 1588 | 433,645 |
| Recovery of Regulatory Asset Balances | 1590 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵ | 1595 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵ | 1595 | 0 |
| Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵ | 1595 | (26,246) |
| Group 1 Sub-Total (including Account 1588 - Global Adjustment) | | 333,073 |
| Group 1 Sub-Total (excluding Account 1588 - Global Adjustment) | | (100,572) |
| RSVA - Power - Sub-account - Global Adjustment | 1588 | 433,645 |
| Deferred Payments in Lieu of Taxes | 1562 | 0 |
| Total of Group 1 and Account 1562 | | 333,073 |
| Special Purpose Charge Assessment Variance Account⁴ | 1521 | 0 |
| LRAM Variance Account | 1568 | 0 |

Notes regarding Group 1 Accounts

- **Account 1550**

Account 1550 has been previously approved for disposition. There is no longer any balance to dispose of.

- **Accounts 1580, 1584, 1586 and 1588**

The amounts claimed are shown in the Table above.

- **Account 1590**

Account 1590 has been previously approved for disposition. There is no longer any balance to dispose of.

- **Account 1595-2008**

NOTL did not have any disposition of balances in the 2008 rates process that required use of account 1595. Therefore, no values are entered in row 31 in Sheet 5 of the Rate Generator model.

- **Account 1595-2009**

The recovery period for this account ends on April 30, 2013 and thus has not yet been completed. Therefore, no data has been entered in row 32 in Sheet 5 of the Rate Generator model, other than the 2.1.7 RRR value in cell CG32. This results in an apparent variance in cell CH32, but the actual audited balance at December 31, 2011 is the same as the 2.1.7 value.

- **Account 1595-2010**

The amount claimed is shown in the Table above (page 11).

Please note the **variance of \$2,572** between the 2.1.7 RRR value at December 31, 2012 and the claimed amount in cell CH44 in Sheet 5 of the Rate Generator model. During preparation of this rate application, an inadvertent error was found in the interest calculations involved in applying

1 the guidance in Q6/A6 in the OEB FAQ of October 2009, regarding
2 recoveries. Consequently, the audited balance and the reported RRR
3 were in error by \$2,572. This error has been corrected, in terms of what
4 the current 1595-2010 account balance should be, as an adjusting journal
5 entry effective August 2012. This adjustment will be reported in the 2012
6 Q3 2.1.1 RRR submission. NOTL confirms that the correct claim is as
7 shown in the Table above.

8 Note regarding other Accounts (1562, 1521 and 1568)

9 • **Account 1562**

10 NOTL has received the Board's decision on case EB-2012-0026 relating
11 to disposal of Account 1562. Therefore, as disposal of 1562 has been a
12 separate case, no data has been entered in row 40 in Sheet 5 of the Rate
13 Generator model, other than the 2.1.7 RRR value in column CH. The
14 approved rate riders for disposal of 1562 have been included in the current
15 tariff in Sheet 4 of the rate generator model, effective October 1, 2012 until
16 April 30, 2014.

17 • **Account 1521**

18 NOTL had account 1521 cleared by the Board in the 2012 IRM, case EB-
19 2011-0186, so that no balance clearance is being requested in the current
20 application. The approved amount for disposal was moved to account
21 1595 in June 2012, for disposition in a future rate setting in accordance
22 with the Board decision in case EB-2011-0186. The resulting balance in
23 1521 at June 30, 2012, was zero as reported in 2.1.1 RRR for that date.

24 Therefore, no data has been entered in row 44 in Sheet 5 of the Rate
25 Generator model, other than the 2.1.7 RRR value as of December 31,
26 2011, in column CH

27 • **Account 1568**

1 NOTL has never used account 1568, so that no values are entered in row
2 46 in Sheet 5 of the Rate Generator model, except for a zero value as
3 reported in 2.1.7 RRR entered in column CH.
4

Rate Riders for Disposal of Group 1 Accounts

The proposed rate riders for disposition of Group 1 accounts (specifically 1580, 1584, 1586, 1588 and 1595-2010) are as shown below from Sheet 8 of the Rate Generator model, with a proposed recovery period of one year:

Please indicate the Rate Rider Recovery Period (in years)

| Rate Class | Unit | Billed kWh | Billed kW | Balance of Accounts Allocated by kWh/kW (RPP) or Distribution | Deferral/Variance Account Rate Rider | Allocation of Balance in Account 1588 | Billed kWh or Estimated kW for Non-RPP | Global Adjustment Rate Rider |
|---------------------------------|--------|--------------------|----------------|---|--------------------------------------|---------------------------------------|--|------------------------------|
| Residential | \$/kWh | 67,755,761 | | (41,830) | (0.0006) | 17,240 | 3,283,288 | 0.0053 |
| General Service Less Than 50 kW | \$/kWh | 34,155,077 | | (20,712) | (0.0006) | 19,436 | 3,701,398 | 0.0053 |
| General Service 50 to 4,999 kW | \$/kW | 80,550,385 | 191,907 | (37,344) | (0.1946) | 391,428 | 177,599 | 2.2040 |
| Unmetered Scattered Load | \$/kWh | 219,039 | | (167) | (0.0008) | 23 | 4,300 | 0.0053 |
| Street Lighting | \$/kW | 1,152,321 | 1,291 | (518) | (0.4015) | 5,518 | 1,177 | 4.6869 |
| MicroFit | | | | | | | | |
| Total | | 183,832,583 | 193,198 | (100,572) | | 433,645 | 7,167,762 | |

The billed kWh and kW are 2011 data as reported in RRR 2.1.5 submitted on April 30, 2012.

Please note that column G is Sheet 6 is left blank, as 1562 disposition is not part of this application. Consequently, column E in Sheet 7 is not populated with values; however, values are not required as this column is not required in the rate calculations.

1 Accounting Procedures

2 There are no exceptions to the accounting procedures to note or explain.

3

1 Certification

2 In accordance with the filing guidelines, the following certification is provided:

3 I, James Huntingdon, President of Niagara-on-the-Lake Hydro Inc. certify
4 this application:

5 
6 Signature _____
7

1 **b) Reconciliation RRR vs. Financial Statements**

2 Note 10 of the 2011 audited financial statements reported the following regulatory
3 asset account balances as of December 31, 2011:

| NIAGARA-ON-THE-LAKE HYDRO INC. | | |
|--|---------------------|-------------------|
| Notes to Financial Statements | | |
| Year ended December 31, 2011 | | |
| 10. Regulatory Assets (continued): | | |
| As part of the OEB's 2009 rate application process, the recovery through distribution rates of specific amounts of the Company's deferral and variance account regulatory asset balances as at December 31, 2007 was approved and is to be recovered over a four year period commencing May 1, 2009. | | |
| As part of the OEB's 2010 rate application process, the recovery through distribution rates of specific amounts of the Company's deferral and variance account regulatory asset balances as at December 31, 2008 was approved and was recovered over a one year period commencing May 1, 2010. | | |
| As part of the OEB's 2011 rate application process, the recovery through distribution rates of specific amounts of the Company's deferral and variance account regulatory asset balances as at December 31, 2009 was approved and is to be recovered over a one year period commencing May 1, 2011. | | |
| As at December 31, 2011, the Company has accumulated \$2,005,738 (2010 - \$179,381) in net regulatory assets on the balance sheet. It is management's belief that these assets are consistent with the OEB's deferral criteria. | | |
| | 2011 | 2010 |
| Deferred PILS variances | \$ 316,682 | \$ (110,085) |
| Settlement variances | 575,838 | (349,980) |
| Renewable generation connection and Smart grid development deferral accounts | 384,290 | 287,804 |
| Other deferral accounts | (132,009) | (20,537) |
| Smart meter deferral accounts | 1,684,475 | 1,412,474 |
| Stranded meters | 133,165 | - |
| Regulatory liability for future taxes | (956,703) | (1,040,295) |
| | \$ 2,005,738 | \$ 179,381 |

4
5 The following Table provides the reconciliation between the Financial Statements
6 and 2.1.7 RRR:

| 2011 Audited Financial Statements vs 2.1.7 RRR | | | | | | | | |
|--|-------------------------|----------------------|--|-------------------------|-------------------------------|-----------------|---------------------------------------|-------------|
| Account | Deferred PILS variances | Settlement variances | Renewable generation connection and Smart grid development deferral accounts | Other deferral accounts | Smart meter deferral accounts | Stranded Meters | Regulatory liability for future taxes | RRR Totals |
| 1508 | | | | \$25,480 | | | | \$25,480 |
| 1518 | | \$79,486 | | | | | | \$79,486 |
| 1521 | | | | (\$2,809) | | | | (\$2,809) |
| 1531 | | | \$15,325 | | | | | \$15,325 |
| 1532 | | | \$7,817 | | | | | \$7,817 |
| 1534 | | | \$278,175 | | | | | \$278,175 |
| 1535 | | | \$82,974 | | | | | \$82,974 |
| 1548 | | \$131,722 | | | | | | \$131,722 |
| 1555 | | | | | \$1,355,246 | | | \$1,355,246 |
| 1556 | | | | | \$329,229 | | | \$329,229 |
| 1562 | \$316,682 | | | | | | | \$316,682 |
| 1572 | | | | \$75,180 | | | | \$75,180 |
| 1580 | | (\$571,986) | | | | | | (\$571,986) |
| 1582 | | \$12,271 | | | | | | \$12,271 |
| 1584 | | \$12,498 | | | | | | \$12,498 |
| 1586 | | (\$74,539) | | | | | | (\$74,539) |
| 1588 exc GA | | \$561,037 | | | | | | \$561,037 |
| 1588 GA | | \$425,349 | | | | | | \$425,349 |
| 1595-2009 | | | | \$54,152 | | | | \$54,152 |
| 1595-2010 | | | | (\$23,227) | | | | (\$23,227) |
| 1595-2011 | | | | (\$260,785) | | | | (\$260,785) |
| 1860 (part) | | | | | | \$349,266 | | \$349,266 |
| 2105 (part) | | | | | | (\$216,101) | | (\$216,101) |
| 2320 | | | | | | | (\$956,703) | (\$956,703) |
| Financial Statement Totals* | \$316,682 | \$575,839 | \$384,290 | (\$132,009) | \$1,684,475 | \$133,165 | (\$956,703) | \$2,005,738 |
| * See Note 10 of Statements | | | | | | | | |

c) For Each Account Balance submitted for disposition (1580, 1584, 1586, 1588 and 1595-2010)

- Continuity schedules - The continuity schedules for these accounts are provided in Sheet 5 of the IRM rate generator model.

- 1 • Last approved balances and transfers to 1595
 - 2 ○ Accounts 1580, 1584, 1586 and 1588:
 - 3 ■ The last Board approved dispositions occurred in the 2011
 - 4 IRM process (EB-2011-0101) and are entered in columns
 - 5 BO and BW of Sheet 5. These amounts were transferred to
 - 6 1595-2011. Further to the instructions in cell C15, Column
 - 7 AV is used as a starting point for entries.
 - 8 ○ Account 1595-2010
 - 9 ■ There has been no previous Board decision to dispose of
 - 10 this account. However, columns BE and BJ in Sheet 5 are
 - 11 used to enter the Board approved amounts going into this
 - 12 account in 2010 as a result of the approval in the 2010 IRM
 - 13 (EB-2009-0237).
- 14 • Balance for consideration in the Threshold Test for disposition - The
- 15 balance (principal + interest) is shown in cell C30 of Sheet 6 of the IRM
- 16 rate generator model. This amount “passes” the threshold test for
- 17 disposition.
- 18 • Projected Carrying Charges - These charges from January 2012 to April
- 19 2013 are shown in columns CD and CE in Sheet 5.

20 **d) Interest Rates**

21 The interest rates used in calculating the interest shown in the continuity
22 schedules in Sheet 9 of the IRM model for 2009 through to April 2013 are the
23 OEB prescribed interest rates, as shown below:

| | | |
|------|----|-------|
| 2009 | Q1 | 2.45% |
| | Q2 | 1.00% |
| | Q3 | 0.55% |
| | Q4 | 0.55% |
| 2010 | Q1 | 0.55% |
| | Q2 | 0.55% |
| | Q3 | 0.89% |
| | Q4 | 1.20% |
| 2011 | Q1 | 1.47% |
| | Q2 | 1.47% |
| | Q3 | 1.47% |
| | Q4 | 1.47% |
| 2012 | Q1 | 1.47% |
| | Q2 | 1.47% |
| | Q3 | 1.47% |
| | Q4 | 1.47% |
| 2013 | Q1 | 1.47% |
| | Q2 | 1.47% |

e) Allocation of balances

NOTL's methodology uses the approach in the IRM rate generator model provided by the OEB, and as such we believe the methodology is in accordance with applicable OEB guidelines. The allocation factors are calculated in sheet 7 of the model, using bill determinants from sheet 6.

The detailed calculations of the 1595 Recovery Share Proportions (2010) in column K of Sheet 6 are shown below:

| | EB-2009-0237 Cost allocations | | | | Proposed Recovery Share |
|--|-------------------------------|----------------|---------------------------|--------------------|-------------------------|
| | 1590 | 1588 Non-RPP | 1580, 1584, 1586 and 1588 | Total | |
| Rate Class | (\$15,647) | \$7,307 | (\$141,475) | (\$149,815) | 55.0% |
| Residential | (\$4,312) | \$5,874 | (\$73,273) | (\$71,711) | 26.3% |
| General Service Less Than 50 kW | (\$3,322) | \$125,331 | (\$171,732) | (\$49,723) | 18.2% |
| General Service 50 to 4,999 kW | (\$70) | \$2 | (\$642) | (\$710) | 0.3% |
| Unmetered Scattered Load | (\$31) | \$1,792 | (\$2,307) | (\$546) | 0.2% |
| Street Lighting | (\$23,382) | \$140,306 | (\$389,429) | (\$272,505) | 100.0% |
| <i>Sheet in approved 2010 IRM rate model</i> | <i>E1.3</i> | <i>E1.2</i> | <i>E1.1</i> | | |
| <i>Approved balance, Page 11 of Decision and Order</i> | | | | (\$272,507) | |
| <i>Rounding difference</i> | | | | (\$2) | |

1 **f) Bill impacts**

2 The impact analysis calculations are done using Sheet 14 of the IRM3 rate
3 generator model. These impacts are provided in Section 7 of this Manager's
4 Summary.

5 **g) Calculation of riders**

6 The detailed calculation of rate riders is provided in the submitted IRM rate
7 generator model, culminating in sheet 8.

8 ***Account Specific Filing Requirements***

9 ○ RSVA Accounts 1580, 1584, 1586, 1588

10 Pursuant to the account specific filing requirements in the EDDVAR report,
11 NOTL states that it has used the accrual approach for the RSVA Accounts
12 and that this approach has been used consistently over time and among
13 RSVA Accounts for the applicable period.

14 ○ Account 1588 (RSVA Power)

15 NOTL confirms that the variance between Board-approved and actual line
16 losses is reflected in Account 1588 on NOTL's books for the applicable
17 period.

5. DISTRIBUTION RATES

a) Calculations of rates

The requested rates and rate riders are calculated by completing the following OEB models, which are provided with this application:

- 2013 IRM rate generator
- 2013 IRM Tax Sharing model
- 2013 RTSR model.

b) Current items with no proposed change

In this application, the following items are requested to be continued without change:

- Rate classes
- Smart meter rate riders (SMDR, SMIRR)
- Loss factors
- Allowances and specific service charges
- Retail Service charges
- microFIT service charge (subject to the recently announced OEB directed change).

c) Sunset Items

The following current items sunset at April 30, 2013 and are requested to be discontinued:

- Rate riders for Storm cost recovery – effective until April 30, 2013
- LRAM/SSM Rate Riders – effective until April 30, 2013
- Rate Riders for Tax Change effective until April 30, 2013
- Rate Riders for DVA disposition (2009) – effective until April 30, 2013

d) New Items

The following are new items requested to be effective until April 30, 2014:

- Rate Riders for Tax Change effective until April 30, 2014
- Rate Riders for DVA disposition (2013)
- Rate Riders for Global Adjustment sub-account disposition (2013)

e) Adjusted Items

The following items are requested to be adjusted:

- Distribution service charge
- Distribution volumetric charge
- Retail transmission rates – Network.
- Retail transmission rates – Line and Transformation Connection

f) Adjusted Distribution Service Charges and Volumetric Rates

The driver determining the requested adjustments to these rates is:

- Price cap index = 0.88%

This parameter (currently set at 2012 values) is provided in Sheet 9 of the 2013 IRM rate generator, as follows:

If applicable, please enter any adjustments related to the revenue to cost ratio model into columns C and E.
The Price Escalator has been set at the 2012 values and will be updated by Board staff. The Stretch Factor Value will also be updated by Board staff.

| | | | |
|---------------------|-------|---------------------------------|------|
| Price Escalator | 2.00% | Choose Stretch Factor Group | II |
| Productivity Factor | 0.72% | Associated Stretch Factor Value | 0.4% |
| Price Cap Index | 0.88% | | |

All of the requested rates and rate riders – i.e. no change, new or adjusted, referred to in b), d), e) and f) above) - are shown in the Rates Tariff in Section 6 below.

The Rate Generator model is also being submitted separately in Excel and pdf formats.

1 **6. PROPOSED RATES TARIFF**

2 The proposed rates tariff as generated by the model is provided in Sheet 13 of
3 the rate generator model.

4 The current Tariff is also being submitted separately in pdf format.

5
6 **7. BILL IMPACTS**

7 Using the 2013 IRM3 rate generator, the total bill impacts for NOTL customer
8 classes are all less than 10%.

9 Details of the bill impacts for various usage levels are provided below, as
10 generated by the model.

11 Mitigation Measures

12 NOTL submits that bill impact mitigation measures are not required for any of the
13 classes.

1 Residential

2 (A representative volume for NOTL for the residential class is 800 kWh).

Residential

Consumption 800 kWh
RPP Tier One 600 kWh
Load Factor
Loss Factor 1.0463

| | CURRENT ESTIMATED BILL | | | PROPOSED ESTIMATED BILL | | | | | | |
|--|------------------------|-------------------|---------------------|-------------------------|--------------------|----------------------|-------------|------------|---------------------|---------------------|
| | Volume | Current Rate (\$) | Current Charge (\$) | Volume | Proposed Rate (\$) | Proposed Charge (\$) | Change (\$) | Change (%) | % of Total RPP Bill | % of Total TOU Bill |
| Energy First Tier (kWh) | 600.00 | 0.0750 | 45.00 | 600.00 | 0.0750 | 45.00 | 0.00 | 0.00% | 38.54% | |
| Energy Second Tier (kWh) | 237.04 | 0.0880 | 20.86 | 237.04 | 0.0880 | 20.86 | 0.00 | 0.00% | 17.86% | |
| TOU - Off Peak | 535.71 | 0.0650 | 34.82 | 535.71 | 0.0650 | 34.82 | 0.00 | 0.00% | | 29.30% |
| TOU - Mid Peak | 150.67 | 0.1000 | 15.07 | 150.67 | 0.1000 | 15.07 | 0.00 | 0.00% | | 12.72% |
| TOU - On Peak | 150.67 | 0.1170 | 17.63 | 150.67 | 0.1170 | 17.63 | 0.00 | 0.00% | | 14.88% |
| Service Charge | 1 | 18.22 | 18.22 | 1 | 18.38 | 18.38 | 0.16 | 0.88% | 15.74% | 15.52% |
| Service Charge Rate Rider(s) | 1 | 4.33 | 4.33 | 1 | 4.03 | 4.03 | (0.30) | (6.93)% | 3.45% | 3.40% |
| Distribution Volumetric Rate | 800 | 0.0128 | 10.24 | 800 | 0.0129 | 10.32 | 0.08 | 0.78% | 8.84% | 8.71% |
| Low Voltage Volumetric Rate | 800 | | 0.00 | 800 | | 0.00 | 0.00 | 0.00% | 0.00% | 0.00% |
| Distribution Volumetric Rate Rider(s) | 800 | (0.0013) | (1.04) | 800 | (0.0023) | (1.84) | (0.80) | (76.92)% | -1.58% | -1.55% |
| Total: Distribution | | | 31.75 | | | 30.89 | (0.86) | (2.71)% | 28.45% | 28.08% |
| Retail Transmission Rate - Network Service Rate | 837.04 | 0.0066 | 5.52 | 837.04 | 0.0070 | 5.86 | 0.34 | 6.16% | 5.02% | 4.95% |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | 837.04 | 0.0012 | 1.00 | 837.04 | 0.0013 | 1.09 | 0.09 | 9.00% | 0.93% | 0.92% |
| Total: Retail Transmission | | | 6.52 | | | 6.95 | 0.43 | 6.60% | 5.95% | 5.87% |
| Sub-Total: Delivery (Distribution and Retail Transmission) | | | 38.27 | | | 37.84 | (0.43) | (1.12)% | 32.41% | 31.94% |
| Wholesale Market Service Rate | 837.04 | 0.0052 | 4.35 | 837.04 | 0.0052 | 4.35 | 0.00 | 0.00% | 3.73% | 3.67% |
| Rural Rate Protection Charge | 837.04 | 0.0011 | 0.92 | 837.04 | 0.0011 | 0.92 | 0.00 | 0.00% | 0.79% | 0.78% |
| Standard Supply Service - Administration Charge (if applicable) | 1 | 0.25 | 0.25 | 1 | 0.25 | 0.25 | 0.00 | 0.00% | 0.21% | 0.21% |
| Sub-Total: Regulatory | | | 5.52 | | | 5.52 | 0.00 | 0.00% | 4.73% | 4.66% |
| Debt Retirement Charge (DRC) | 800.00 | 0.00700 | 5.60 | 800.00 | 0.0070 | 5.60 | 0.00 | 0.00% | 4.80% | 4.73% |
| Total Bill on RPP (before taxes) | | | 115.25 | | | 114.82 | (0.43) | (0.37)% | 98.33% | |
| HST | | 13% | 14.98 | | 13% | 14.93 | (0.06) | (0.37)% | 12.78% | |
| Total Bill (including HST) | | | 130.23 | | | 129.75 | (0.49) | (0.37)% | 111.11% | |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (13.02) | | (10%) | (12.97) | 0.05 | (0.37)% | -11.11% | |
| Total Bill on RPP (including OCEB) | | | 117.21 | | | 116.77 | (0.44) | (0.37)% | 100.00% | |
| Total Bill on TOU (before taxes) | | | 116.91 | | | 116.48 | (0.43) | (0.37)% | | 98.33% |
| HST | | 13% | 15.20 | | 13% | 15.14 | (0.06) | (0.37)% | | 12.78% |
| Total Bill (including HST) | | | 132.11 | | | 131.62 | (0.49) | (0.37)% | | 111.11% |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (13.21) | | (10%) | (13.16) | 0.05 | (0.37)% | | -11.11% |
| Total Bill on TOU (including OCEB) | | | 118.90 | | | 118.46 | (0.44) | (0.37)% | | 100.00% |

3

4

5

1 GS < 50kW

2 (A representative volume for NOTL for the GS < 50kW class is 2,000 kWh).

General Service Less Than 50 kW

UPDATE

Consumption 2,000 kWh
 RPP Tier One 750 kWh
 Load Factor
 Loss Factor 1.0463

| | CURRENT ESTIMATED BILL | | | PROPOSED ESTIMATED BILL | | | | | | |
|--|------------------------|-------------------|---------------------|-------------------------|--------------------|----------------------|-------------|------------|---------------------|---------------------|
| | Volume | Current Rate (\$) | Current Charge (\$) | Volume | Proposed Rate (\$) | Proposed Charge (\$) | Change (\$) | Change (%) | % of Total RPP Bill | % of Total TOU Bill |
| Energy First Tier (kWh) | 750.00 | 0.0750 | 56.25 | 750.00 | 0.0750 | 56.25 | 0.00 | 0.00% | 18.67% | |
| Energy Second Tier (kWh) | 1,342.60 | 0.0680 | 118.15 | 1,342.60 | 0.0680 | 118.15 | 0.00 | 0.00% | 39.21% | |
| TOU - Off Peak | 1,339.26 | 0.0650 | 87.05 | 1,339.26 | 0.0650 | 87.05 | 0.00 | 0.00% | | 29.45% |
| TOU - Mid Peak | 376.67 | 0.1000 | 37.67 | 376.67 | 0.1000 | 37.67 | 0.00 | 0.00% | | 12.74% |
| TOU - On Peak | 376.67 | 0.1170 | 44.07 | 376.67 | 0.1170 | 44.07 | 0.00 | 0.00% | | 14.91% |
| Service Charge | 1 | 45.75 | 45.75 | 1 | 46.15 | 46.15 | 0.40 | 0.87% | 15.32% | 15.61% |
| Service Charge Rate Rider(s) | 1 | 8.75 | 8.75 | 1 | 8.00 | 8.00 | (0.75) | (8.57%) | 2.65% | 2.71% |
| Distribution Volumetric Rate | 2000 | 0.0137 | 27.40 | 2,000 | 0.0138 | 27.60 | 0.20 | 0.73% | 9.16% | 9.34% |
| Low Voltage Volumetric Rate | 2000 | | 0.00 | 2,000 | | 0.00 | 0.00 | 0.00% | 0.00% | 0.00% |
| Distribution Volumetric Rate Rider(s) | 2000 | (0.0011) | (2.20) | 2,000 | (0.0017) | (3.40) | (1.20) | 54.55% | -1.13% | -1.15% |
| Total: Distribution | | | 79.70 | | | 78.35 | (1.35) | (1.69)% | 26.00% | 26.50% |
| Retail Transmission Rate - Network Service Rate | 2,092.60 | 0.006 | 12.56 | 2,092.60 | 0.0064 | 13.39 | 0.83 | 6.61% | 4.44% | 4.53% |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | 2,092.60 | 0.0012 | 2.51 | 2,092.60 | 0.0013 | 2.72 | 0.21 | 8.37% | 0.90% | 0.92% |
| Total: Retail Transmission | | | 15.07 | | | 16.11 | 1.04 | 6.90% | 5.35% | 5.45% |
| Sub-Total: Delivery (Distribution and Retail Transmission) | | | 94.77 | | | 94.46 | (0.31) | (0.33%) | 31.35% | 31.95% |
| Wholesale Market Service Rate | 2,092.60 | 0.0052 | 10.88 | 2,092.60 | 0.0052 | 10.88 | 0.00 | 0.00% | 3.61% | 3.68% |
| Rural Rate Protection Charge | 2,092.60 | 0.0011 | 2.30 | 2,092.60 | 0.0011 | 2.30 | 0.00 | 0.00% | 0.76% | 0.78% |
| Standard Supply Service - Administration Charge (if applicable) | 1 | 0.25 | 0.25 | 1 | 0.25 | 0.25 | 0.00 | 0.00% | 0.08% | 0.08% |
| Sub-Total: Regulatory | | | 13.43 | | | 13.43 | 0.00 | 0.00% | 4.46% | 4.54% |
| Debt Retirement Charge (DRC) | 2,000.00 | 0.00700 | 14.00 | 2,000.00 | 0.0070 | 14.00 | 0.00 | 0.00% | 4.65% | 4.74% |
| Total Bill on RPP (before taxes) | | | 296.60 | | | 296.29 | (0.31) | (0.10)% | 98.33% | |
| HST | | 13% | 38.56 | | 13% | 38.52 | (0.04) | (0.10)% | 12.78% | |
| Total Bill (including HST) | | | 335.16 | | | 334.81 | (0.35) | (0.10)% | 111.11% | |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (33.52) | | (10%) | (33.48) | 0.04 | (0.10)% | -11.11% | |
| Total Bill on RPP (including OCEB) | | | 301.64 | | | 301.33 | (0.32) | (0.10)% | 100.00% | |
| Total Bill on TOU (before taxes) | | | 290.99 | | | 290.68 | (0.31) | (0.11)% | | 98.33% |
| HST | | 13% | 37.83 | | 13% | 37.79 | (0.04) | (0.11)% | | 12.78% |
| Total Bill (including HST) | | | 328.82 | | | 328.47 | (0.35) | (0.11)% | | 111.11% |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (32.88) | | (10%) | (32.85) | 0.04 | (0.11)% | | -11.11% |
| Total Bill on TOU (including OCEB) | | | 295.94 | | | 295.62 | (0.32) | (0.11)% | | 100.00% |

3
 4 Please note: Cell F34 (proposed Distribution Volumetric Rate Riders) should be
 5 \$(0.0022), not \$(0.0017). The cell is locked and so the correct value could not be
 6 entered. The value appears to omit the proposed tax change rate rider of
 7 \$(0.0005).

8

1 GS > 50kW

2 (A representative volume for NOTL for the GS > 50kW class is 500,000 kWh and
3 1,100 kW.)

General Service 50 to 4,999 kW

UPDATE

Consumption 500,000 kWh
RPP Tier One 750 kWh
Load Factor 62%
Loss Factor 1.0463

| | CURRENT ESTIMATED BILL | | | PROPOSED ESTIMATED BILL | | | | | | |
|--|------------------------|-------------------|---------------------|-------------------------|--------------------|----------------------|-------------|------------|---------------------|---------------------|
| | Volume | Current Rate (\$) | Current Charge (\$) | Volume | Proposed Rate (\$) | Proposed Charge (\$) | Change (\$) | Change (%) | % of Total RPP Bill | % of Total TOU Bill |
| Energy First Tier (kWh) | 523,149.99 | 0.0750 | 39,236.25 | 523,149.99 | 0.0750 | 39,236.25 | 0.00 | 0.00% | 70.76% | |
| Energy Second Tier (kWh) | 0.00 | 0.0880 | 0.00 | 0.00 | 0.0880 | 0.00 | 0.00 | 0.00% | 0.00% | |
| TOU - Off Peak | 334,816.00 | 0.0650 | 21,763.04 | 334,816.00 | 0.0650 | 21,763.04 | 0.00 | 0.00% | | 37.23% |
| TOU - Mid Peak | 94,167.00 | 0.1000 | 9,416.70 | 94,167.00 | 0.1000 | 9,416.70 | 0.00 | 0.00% | | 16.11% |
| TOU - On Peak | 94,167.00 | 0.1170 | 11,017.54 | 94,167.00 | 0.1170 | 11,017.54 | 0.00 | 0.00% | | 18.85% |
| Service Charge | 1 | 326.84 | 326.84 | 1 | 329.72 | 329.72 | 2.88 | 0.88% | 0.59% | 0.56% |
| Service Charge Rate Rider(s) | 1 | 5.73 | 5.73 | 1 | 0.00 | 0.00 | (5.73) | (100.00)% | 0.00% | 0.00% |
| Distribution Volumetric Rate | 1100 | 2.5541 | 2,809.51 | 1,100 | 2.5766 | 2,834.26 | 24.75 | 0.88% | 5.11% | 4.85% |
| Low Voltage Volumetric Rate | 1100 | | 0.00 | 1,100 | | 0.00 | 0.00 | 0.00% | 0.00% | 0.00% |
| Distribution Volumetric Rate Rider(s) | 1100 | (0.1537) | (169.07) | 1,100 | 1.7548 | 1,930.28 | 2,099.35 | (1241.70)% | 3.48% | 3.30% |
| Total: Distribution | | | 2,973.01 | | | 5,094.26 | 2,121.25 | 71.35% | 9.19% | 8.71% |
| Retail Transmission Rate - Network Service Rate | 1,100.00 | 2.4498 | 2,694.78 | 1,100.00 | 2.6110 | 2,872.10 | 177.32 | 6.58% | 5.18% | 4.91% |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | 1,100.00 | 0.4304 | 483.34 | 1,100.00 | 0.4781 | 525.91 | 42.57 | 8.81% | 0.95% | 0.90% |
| Total: Retail Transmission | | | 3,178.12 | | | 3,398.01 | 219.89 | 6.92% | 6.13% | 5.81% |
| Sub-Total: Delivery (Distribution and Retail Transmission) | | | 6,151.13 | | | 8,492.27 | 2,341.14 | 38.06% | 15.31% | 14.53% |
| Wholesale Market Service Rate | 523,149.99 | 0.0052 | 2,720.38 | 523,149.99 | 0.0052 | 2,720.38 | 0.00 | 0.00% | 4.91% | 4.65% |
| Rural Rate Protection Charge | 523,149.99 | 0.0011 | 575.46 | 523,149.99 | 0.0011 | 575.46 | 0.00 | 0.00% | 1.04% | 0.98% |
| Standard Supply Service - Administration Charge (if applicable) | 1 | 0.25 | 0.25 | 1 | 0.25 | 0.25 | 0.00 | 0.00% | 0.00% | 0.00% |
| Sub-Total: Regulatory | | | 3,296.09 | | | 3,296.09 | 0.00 | 0.00% | 5.94% | 5.64% |
| Debt Retirement Charge (DRC) | 500,000.00 | 0.00700 | 3,500.00 | 500,000.00 | 0.0070 | 3,500.00 | 0.00 | 0.00% | 6.31% | 5.99% |
| Total Bill on RPP (before taxes) | | | 52,183.47 | | | 54,524.61 | 2,341.14 | 4.49% | 98.33% | |
| HST | | 13% | 6,783.85 | | 13% | 7,088.20 | 304.35 | 4.49% | 12.78% | |
| Total Bill (including HST) | | | 58,967.32 | | | 61,612.81 | 2,645.49 | 4.49% | 111.11% | |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (5,806.73) | | (10%) | (6,161.28) | (264.55) | 4.49% | -11.11% | |
| Total Bill on RPP (including OCEB) | | | 53,070.59 | | | 55,451.53 | 2,380.94 | 4.49% | 100.00% | |
| Total Bill on TOU (before taxes) | | | 55,144.50 | | | 57,485.64 | 2,341.14 | 4.25% | | 98.33% |
| HST | | 13% | 7,168.79 | | 13% | 7,473.13 | 304.35 | 4.25% | | 12.78% |
| Total Bill (including HST) | | | 62,313.29 | | | 64,958.77 | 2,645.49 | 4.25% | | 111.11% |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (6,231.33) | | (10%) | (6,495.88) | (264.55) | 4.25% | | -11.11% |
| Total Bill on TOU (including OCEB) | | | 56,081.96 | | | 58,462.90 | 2,380.94 | 4.25% | | 100.00% |

4

5

6

1 Unmetered Scattered Loads

2 (A representative volume for NOTL for the USL class is 800 kWh).

Unmetered Scattered Load

Consumption 800 kWh
RPP Tier One 600 kWh
Load Factor
Loss Factor 1.0463

| | CURRENT ESTIMATED BILL | | | PROPOSED ESTIMATED BILL | | | | | | |
|--|------------------------|-------------------|---------------------|-------------------------|--------------------|----------------------|-------------|------------|---------------------|---------------------|
| | Volume | Current Rate (\$) | Current Charge (\$) | Volume | Proposed Rate (\$) | Proposed Charge (\$) | Change (\$) | Change (%) | % of Total RPP Bill | % of Total TOU Bill |
| Energy First Tier (kWh) | 600.00 | 0.0750 | 45.00 | 600.00 | 0.0750 | 45.00 | 0.00 | 0.00% | 30.25% | |
| Energy Second Tier (kWh) | 237.04 | 0.0880 | 20.86 | 237.04 | 0.0880 | 20.86 | 0.00 | 0.00% | 14.02% | |
| TOU - Off Peak | 535.71 | 0.0650 | 34.82 | 535.71 | 0.0650 | 34.82 | 0.00 | 0.00% | | 23.14% |
| TOU - Mid Peak | 150.67 | 0.1000 | 15.07 | 150.67 | 0.1000 | 15.07 | 0.00 | 0.00% | | 10.01% |
| TOU - On Peak | 150.67 | 0.1170 | 17.63 | 150.67 | 0.1170 | 17.63 | 0.00 | 0.00% | | 11.72% |
| Service Charge | 1 | 54.05 | 54.05 | 1 | 54.53 | 54.53 | 0.48 | 0.89% | 36.65% | 36.24% |
| Service Charge Rate Rider(s) | 1 | 0.89 | 0.89 | 1 | 0.00 | 0.00 | (0.89) | (100.00)% | 0.00% | 0.00% |
| Distribution Volumetric Rate | 800 | 0.0162 | 12.96 | 800 | 0.0163 | 13.04 | 0.08 | 0.62% | 8.77% | 8.67% |
| Low Voltage Volumetric Rate | 800 | | 0.00 | 800 | | 0.00 | 0.00 | 0.00% | 0.00% | 0.00% |
| Distribution Volumetric Rate Rider(s) | 800 | (0.0015) | (1.20) | 800 | (0.0058) | (4.72) | (3.52) | 293.33% | -3.17% | -3.14% |
| Total: Distribution | | | 66.70 | | | 62.85 | (3.85) | (5.77)% | 42.25% | 41.77% |
| Retail Transmission Rate - Network Service Rate | 837.04 | 0.006 | 5.02 | 837.04 | 0.0064 | 5.36 | 0.34 | 6.77% | 3.60% | 3.56% |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | 837.04 | 0.0012 | 1.00 | 837.04 | 0.0013 | 1.09 | 0.09 | 9.00% | 0.73% | 0.72% |
| Total: Retail Transmission | | | 6.02 | | | 6.45 | 0.43 | 7.14% | 4.34% | 4.29% |
| Sub-Total: Delivery (Distribution and Retail Transmission) | | | 72.72 | | | 69.30 | (3.42) | (4.70)% | 46.58% | 46.06% |
| Wholesale Market Service Rate | 837.04 | 0.0052 | 4.35 | 837.04 | 0.0052 | 4.35 | 0.00 | 0.00% | 2.93% | 2.89% |
| Rural Rate Protection Charge | 837.04 | 0.0011 | 0.92 | 837.04 | 0.0011 | 0.92 | 0.00 | 0.00% | 0.62% | 0.61% |
| Standard Supply Service - Administration Charge (if applicable) | 1 | 0.25 | 0.25 | 1 | 0.25 | 0.25 | 0.00 | 0.00% | 0.17% | 0.17% |
| Sub-Total: Regulatory | | | 5.52 | | | 5.52 | 0.00 | 0.00% | 3.71% | 3.67% |
| Debt Retirement Charge (DRC) | 800.00 | 0.00700 | 5.60 | 800.00 | 0.0070 | 5.60 | 0.00 | 0.00% | 3.76% | 3.72% |
| Total Bill on RPP (before taxes) | | | 149.70 | | | 146.28 | (3.42) | (2.28)% | 98.33% | |
| HST | | 13% | 19.46 | | 13% | 19.02 | (0.44) | (2.28)% | 12.78% | |
| Total Bill (including HST) | | | 169.16 | | | 165.30 | (3.86) | (2.28)% | 111.11% | |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (16.92) | | (10%) | (16.53) | 0.39 | (2.28)% | -11.11% | |
| Total Bill on RPP (including OCEB) | | | 152.24 | | | 148.77 | (3.48) | (2.28)% | 100.00% | |
| Total Bill on TOU (before taxes) | | | 151.36 | | | 147.94 | (3.42) | (2.26)% | | 98.33% |
| HST | | 13% | 19.68 | | 13% | 19.23 | (0.44) | (2.26)% | | 12.78% |
| Total Bill (including HST) | | | 171.04 | | | 167.17 | (3.86) | (2.26)% | | 111.11% |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (17.10) | | (10%) | (16.72) | 0.39 | (2.26)% | | -11.11% |
| Total Bill on TOU (including OCEB) | | | 153.93 | | | 150.45 | (3.48) | (2.26)% | | 100.00% |

3

4

1 Street Lighting

2 (A representative volume for NOTL for the Street Lighting class is 63 kWh and
 3 0.14 kW).

| | | |
|-----------------|---------|--------|
| Street Lighting | | UPDATE |
| Consumption | 63 kWh | 0.1 kW |
| RPP Tier One | 600 kWh | |
| Load Factor | 62% | |
| Loss Factor | 1.0463 | |

| | CURRENT ESTIMATED BILL | | | PROPOSED ESTIMATED BILL | | | Change (\$) | Change (%) | % of Total RPP Bill | % of Total TOU Bill |
|--|------------------------|-------------------|---------------------|-------------------------|--------------------|----------------------|-------------|------------|---------------------|---------------------|
| | Volume | Current Rate (\$) | Current Charge (\$) | Volume | Proposed Rate (\$) | Proposed Charge (\$) | | | | |
| Energy First Tier (kWh) | 66.30 | 0.0750 | 4.97 | 66.30 | 0.0750 | 4.97 | 0.00 | 0.00% | 34.29% | |
| Energy Second Tier (kWh) | 0.00 | 0.0680 | 0.00 | 0.00 | 0.0680 | 0.00 | 0.00 | 0.00% | 0.00% | |
| TOU - Off Peak | 42.43 | 0.0650 | 2.76 | 42.43 | 0.0650 | 2.76 | 0.00 | 0.00% | | 18.52% |
| TOU - Mid Peak | 11.93 | 0.1000 | 1.19 | 11.93 | 0.1000 | 1.19 | 0.00 | 0.00% | | 8.02% |
| TOU - On Peak | 11.93 | 0.1170 | 1.40 | 11.93 | 0.1170 | 1.40 | 0.00 | 0.00% | | 9.36% |
| Service Charge | 1 | 4.96 | 4.96 | 1 | 5.00 | 5.00 | 0.04 | 0.81% | 34.48% | 33.58% |
| Service Charge Rate Rider(s) | 1 | 0.05 | 0.05 | 1 | 0.00 | 0.00 | (0.05) | (100.00)% | 0.00% | 0.00% |
| Distribution Volumetric Rate | 0 | 19.3864 | 2.71 | 0 | 19.5570 | 2.74 | 0.02 | 0.88% | 18.88% | 18.39% |
| Low Voltage Volumetric Rate | 0 | | 0.00 | 0 | | 0.00 | 0.00 | 0.00% | 0.00% | 0.00% |
| Distribution Volumetric Rate Rider(s) | 0 | (3.1980) | (0.45) | 0 | 0.8079 | 0.11 | 0.56 | (125.25)% | 0.78% | 0.76% |
| Total: Distribution | | | 7.28 | | | 7.85 | 0.57 | 7.83% | 54.13% | 52.72% |
| Retail Transmission Rate - Network Service Rate | 0.14 | 1.8474 | 0.26 | 0.14 | 1.9689 | 0.28 | 0.02 | 7.63% | 1.93% | 1.88% |
| Retail Transmission Rate - Line and Transformation Connection Service Rate | 0.14 | 0.3397 | 0.05 | 0.14 | 0.3696 | 0.05 | 0.00 | 0.00% | 0.34% | 0.34% |
| Total: Retail Transmission | | | 0.31 | | | 0.33 | 0.02 | 6.45% | 2.28% | 2.22% |
| Sub-Total: Delivery (Distribution and Retail Transmission) | | | 7.59 | | | 8.18 | 0.59 | 7.77% | 56.40% | 54.94% |
| Wholesale Market Service Rate | 66.30 | 0.0052 | 0.34 | 66.30 | 0.0052 | 0.34 | 0.00 | 0.00% | 2.38% | 2.32% |
| Rural Rate Protection Charge | 66.30 | 0.0011 | 0.07 | 66.30 | 0.0011 | 0.07 | 0.00 | 0.00% | 0.50% | 0.49% |
| Standard Supply Service - Administration Charge (if applicable) | 1 | 0.25 | 0.25 | 1 | 0.25 | 0.25 | 0.00 | 0.00% | 1.72% | 1.68% |
| Sub-Total: Regulatory | | | 0.67 | | | 0.67 | 0.00 | 0.00% | 4.60% | 4.48% |
| Debt Retirement Charge (DRC) | 63.36 | 0.00700 | 0.44 | 63.36 | 0.0070 | 0.44 | 0.00 | 0.00% | 3.06% | 2.98% |
| Total Bill on RPP (before taxes) | | | 13.67 | | | 14.26 | 0.59 | 4.32% | 98.33% | |
| HST | | 13% | 1.78 | | 13% | 1.85 | 0.08 | 4.32% | 12.78% | |
| Total Bill (including HST) | | | 15.45 | | | 16.11 | 0.67 | 4.32% | 111.11% | |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (1.54) | | (10%) | (1.61) | (0.07) | 4.32% | -11.11% | |
| Total Bill on RPP (including OCEB) | | | 13.90 | | | 14.50 | 0.60 | 4.32% | 100.00% | |
| Total Bill on TOU (before taxes) | | | 14.05 | | | 14.64 | 0.59 | 4.20% | | 98.33% |
| HST | | 13% | 1.83 | | 13% | 1.90 | 0.08 | 4.20% | | 12.78% |
| Total Bill (including HST) | | | 15.88 | | | 16.54 | 0.67 | 4.20% | | 111.11% |
| Ontario Clean Energy Benefit (OCEB) | | (10%) | (1.59) | | (10%) | (1.65) | (0.07) | 4.20% | | -11.11% |
| Total Bill on TOU (including OCEB) | | | 14.29 | | | 14.89 | 0.60 | 4.20% | | 100.00% |

- END -