# Exhibit 3:

# REVENUE

Exhibit 3: Revenue

# Tab 1 (of 2): Load and Revenue Forecast

# HISTORICAL & FORECAST VOLUMES

## Population and Load Trends

Bluewater Power is comprised of six separate geographic areas in Lambton County with the majority of the customers located in the City of Sarnia. The breakdown of customers by service territory is detailed in Table 1 below.

**Table 1 – Percent of customers by Service Territory**

| | |
|---|---|
| Sarnia | 86.1% |
| Petrolia | 6.7% |
| Point Edward | 3.0% |
| Alvinston | 1.1% |
| Oil Springs | 1.0% |
| Watford | 2.1% |
| | 100.0% |

Overall, the City of Sarnia has experienced a low level of growth since 2006 as detailed in the Census Information contained in Table 2 below. Whereas, Lambton County (which includes Sarnia and all other municipalities served by Bluewater Power) has experienced a negative growth value (-1.6%) between the years 2006 and 2011.

**Table 2 – Census Information**

| | Sarnia | Lambton County | Ontario |
|---|---|---|---|
| Population in 2011 | 72,366 | 126,199 | 12,851,821 |
| Population in 2006 | 71,419 | 128,204 | 12,160,282 |
| 2006 to 2011 population change (%) | 1.3 | -1.6 | 5.7 |

This population trend has affected both new housing starts and commercial growth in Bluewater Power's service territory. Housing starts are depicted in Table 3 below and the results demonstrate that 2011 represent a slight rebound to the 2010 results, but remain significantly lower than the prior three years.

**Table 3 – New Housing Starts**

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Single Detached | 152 | 201 | 201 | 194 | 177 | 177 | 250 | 252 | 174 | 191 | 148 |
| Total Starts | 155 | 374 | 203 | 194 | 243 | 191 | 258 | 278 | 299 | 203 | 223 |

*Housing starts sourced from CMHC, and includes Sarnia, St Clair Township (not part of Bluewater Power territory), and Point Edward Village.

Sarnia has a large industrial customer base centered on the refining and petrochemical industry. The recession in 2008 and 2009 affected a number of plants either through closures or reduced operations. Bluewater Power has seen the total number of customers in the Large Use rate class (> 5000 kW) decrease from 5 to 3, which represents a 40% decrease. The loss of the two large customers was discussed in our 2009 COS Application (EB-2008-0221) and we note that the load forecast was adjusted accordingly at that time.

In addition, the number of customers in the Intermediate rate class (demand between 1000 and 4999 kW) has decreased from 16 customers down to 12. This represents a 25% decrease in the number of customers in this class.

Given the large industrial base, a significant portion of Bluewater Power's load comes from rate classes other than residential. The data for consumption by rate class is detailed in Tables 4 and 5 below. The combined throughput related to General Service > 50 kW, Intermediate and Large Use customers is approximately 2.5 times the throughput related to residential customers. Industrial load has suffered a more pronounced decline as a result of the recent economic decline, such that distributors with customer demographics similar to Bluewater Power have exhibited significant base load erosion in the recent past. These impacts are furthered by conservation efforts that producing a downward trend in the average use per customer, which is further discussed in the CDM discussion in Exhibit 3, Tab 1, Schedule 3.

**Table 4**

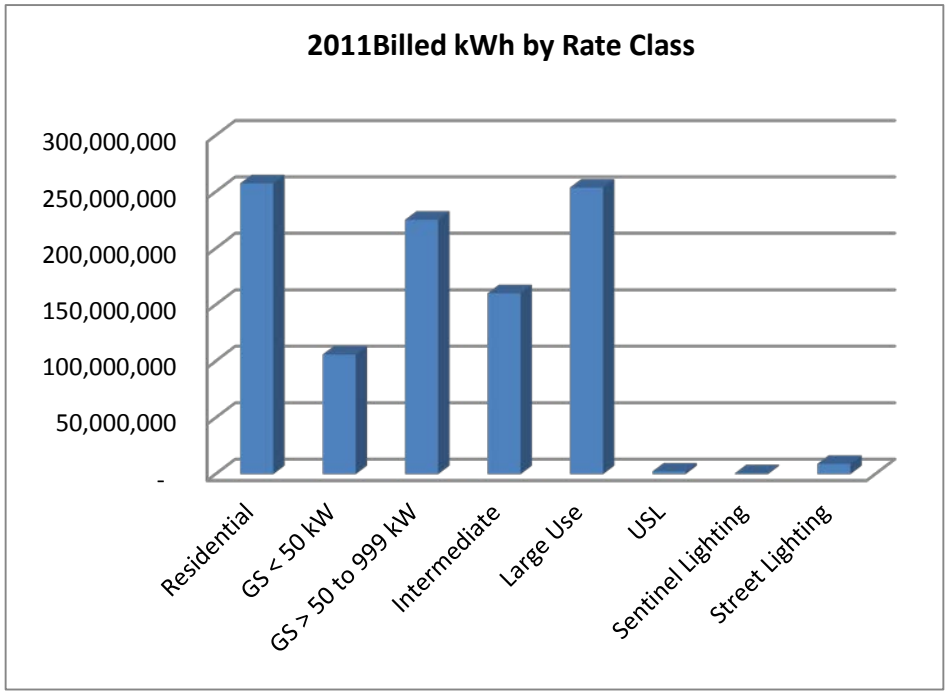
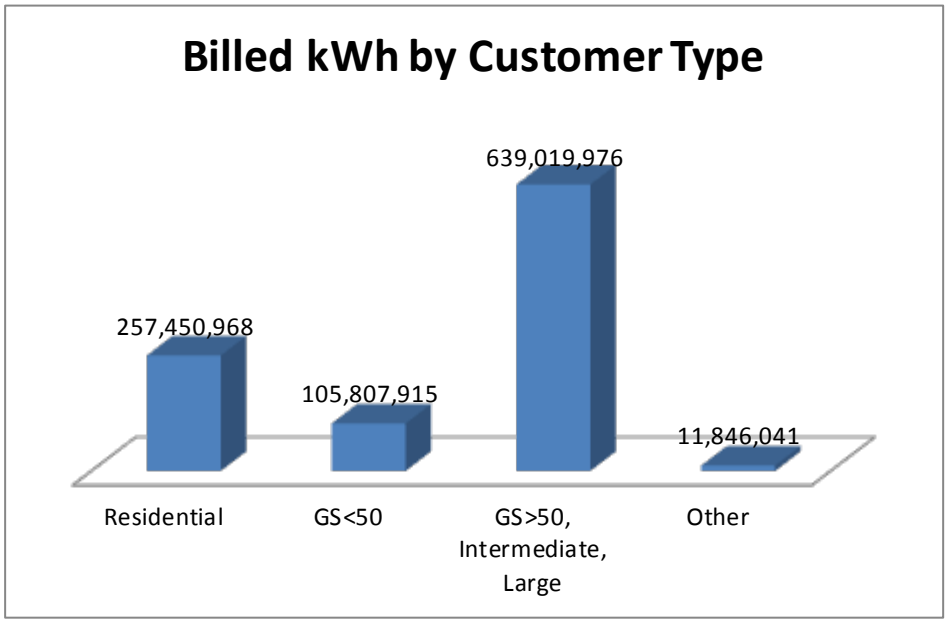



**Table 5**



## Customer Count and Volumetric Forecasts

The following three tables provide the summary of the actual and forecast customer count, energy (kWh) forecast and demand (kW) forecast. A full discussion of the development of the load forecast is provided in the load forecast report in Exhibit 3, Tab 1, Schedule 2, Attachment 1. The variance analysis is contained in Schedule 4 of this Exhibit.

Table 6 contains the customer count by year. The actual and forecast kWh and kW forecast are contained in Table 7 and Table 8, respectively. The 2013 forecast for both kWh and kW contains an adjustment to account for the expected impact of CDM on the load forecast. The CDM adjustment is detailed at Exhibit 3, Tab 1, Schedule 3.

**Table 6 – Customer Count (average per year)**

| Customer Class Name | 2009 Approved | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Forecast | 2013 Forecast |
|---|---|---|---|---|---|---|
| Residential | 31,560 | 31,554 | 31,552 | 31,787 | 31,954 | 32,122 |
| General Service < 50 kW | 3,890 | 3,412 | 3,511 | 3,507 | 3,525 | 3,544 |
| General Service > 50 to 999 kW | 399 | 380 | 393 | 409 | 423 | 438 |
| General Service 1000 to 4999 kW | 15 | 16 | 16 | 13 | 12 | 12 |
| Large Use | 3 | 4 | 3 | 3 | 3 | 3 |
| Unmetered Scattered Load (connections) | 266 | 257 | 257 | 260 | 260 | 260 |
| Sentinel Lighting (connections) | 526 | 497 | 497 | 497 | 497 | 445 |
| Street Lighting (connections) | 10,009 | 9,837 | 9,899 | 9,965 | 10,052 | 10,140 |
| TOTAL | 46,668 | 45,957 | 46,128 | 46,441 | 46,726 | 46,964 |

## Table 7 – Historical and Forecast Energy (kWh) Forecast

| Customer Class Name | 2009 EDR Approved | 2009 Actual | 2010 Actual | 2011 Actual | 2011 Normalized | 2012 Estimated | 2013 Normalized |
|---|---|---|---|---|---|---|---|
| Residential | 261,847,739 | 252,958,052 | 264,765,479 | 257,450,968 | 258,340,857 | 259,667,118 | 255,687,351 |
| General Service < 50 kW | 120,287,121 | 110,288,359 | 110,171,154 | 105,807,915 | 105,949,255 | 103,450,605 | 97,434,167 |
| General Service > 50 to 999 kW | 214,354,332 | 209,789,052 | 222,842,935 | 225,133,479 | 224,210,382 | 226,737,748 | 221,905,974 |
| General Service 1000 to 4999 kW | 165,546,229 | 168,518,709 | 179,379,861 | 160,156,759 | 157,283,380 | 158,216,681 | 156,701,083 |
| Large Use | 280,461,771 | 246,885,214 | 257,951,054 | 253,729,738 | 253,729,738 | 252,652,298 | 247,541,912 |
| Unmetered Scattered Load | 2,188,838 | 2,215,434 | 2,257,871 | 2,238,935 | 2,238,935 | 2,238,935 | 2,238,935 |
| Sentinel Lighting | 684,138 | 652,414 | 644,654 | 627,674 | 627,674 | 627,674 | 627,674 |
| Street Lighting | 8,719,920 | 8,550,828 | 8,583,820 | 8,979,432 | 8,979,432 | 9,058,347 | 8,991,302 |
| TOTAL | 1,054,090,088 | 999,858,062 | 1,046,596,828 | 1,014,124,900 | 1,011,359,653 | 1,012,649,406 | 991,128,398 |

## Table 8 – Historical and Forecast Demand (kW) Forecast

| Customer Class Name | 2009 EDR Approved | 2009 Actual | 2010 Actual | 2011 Actual | 2011 Normalized | 2012 Estimated | 2013 Normalized |
|---|---|---|---|---|---|---|---|
| Residential | | | | | | | |
| General Service < 50 kW | | | | | | | |
| General Service > 50 to 999 kW | 588,341 | 580,406 | 593,349 | 623,028 | 620,473 | 625,979 | 627,074 |
| General Service 1000 to 4999 kW | 372,459 | 366,321 | 382,392 | 338,998 | 331,374 | 333,340 | 337,859 |
| Large Use | 421,890 | 404,711 | 398,614 | 402,202 | 402,202 | 400,494 | 392,393 |
| Unmetered Scattered Load | | | | | | | |
| Sentinel Lighting | 1,637 | 1,543 | 1,463 | 1,452 | 1,452 | 1,452 | 1,452 |
| Street Lighting | 23,562 | 23,964 | 24,037 | 24,126 | 24,126 | 24,338 | 24,157 |
| TOTAL | 1,407,889 | 1,376,945 | 1,399,855 | 1,389,806 | 1,379,627 | 1,385,603 | 1,382,935 |

## Average Use Per Customer

Tables 9, 10 and 11 below show the overall trend of the average annual use per customer (kWh) based on weather normalized data (excluding CDM adjustment), and the detail is provided in Exhibit 3, Tab 1, Schedule 1, Attachment 1. As evidenced in the graphs, there is a general downward trend in the use per customer which can be mainly attributed to the overall "Culture of Conservation" which Bluewater Power began promoting heavily in 2007.

The residential average use per customer has decreased 3.6% from 2007 to 2011, GS<50 average use per customer has decreased 12.7% from 2007 to 2011, and the GS>50 average use per customer (kWh) has decreased 16.8% from 2007 to 2011.

**Table 9 – Residential Average kWh per customer per year**

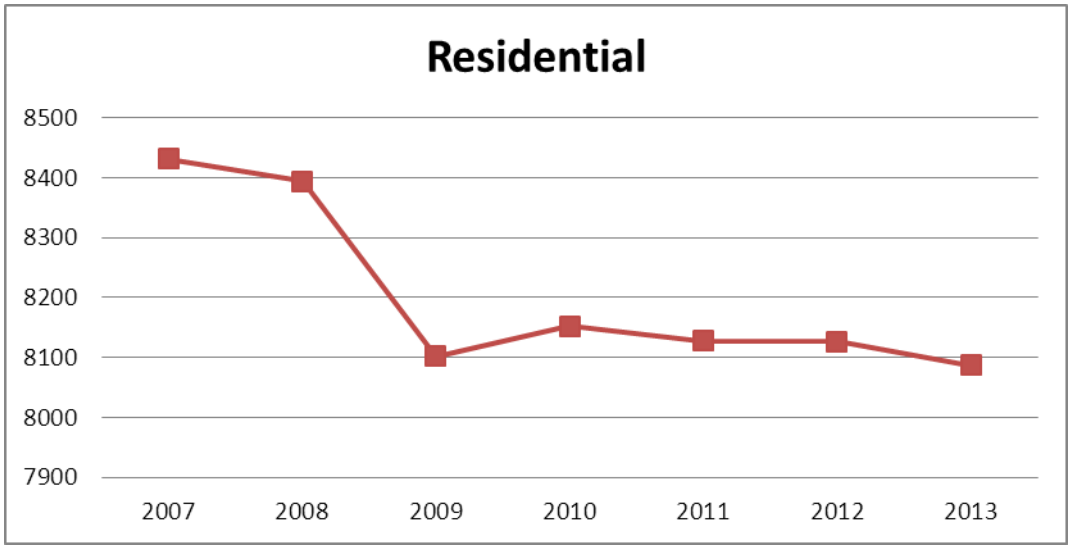


**Table 10 – GS<50 Average kWh per customer per year**

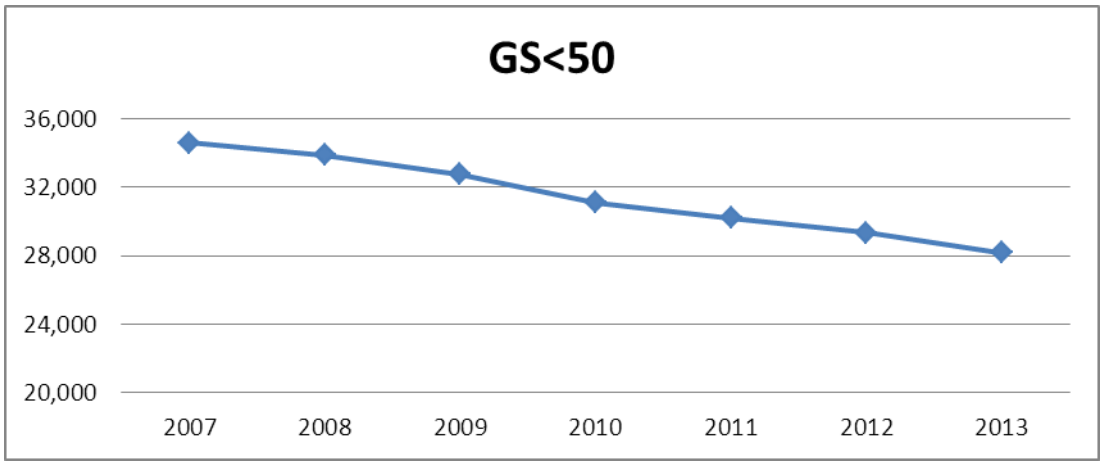
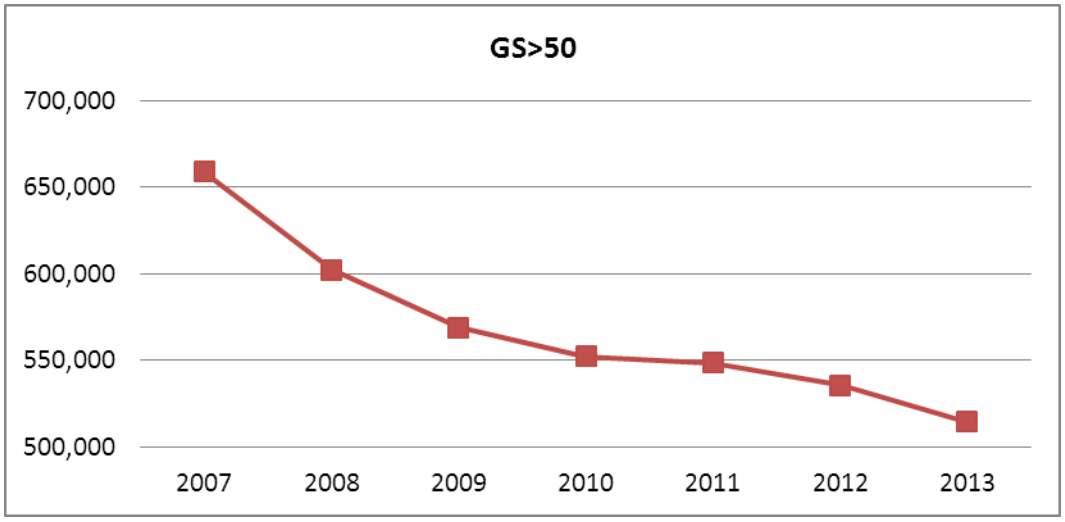



**Table 11 – GS>50 Average kWh per customer per year**



As demonstrated in Exhibit 3, Tab 1, Schedule 1, Attachment 1, there are no variances greater than 10% in the average use per customer for the residential, GS<50, GS>50, Intermediate, Sentinel or Streetlighting rate classes. Variances on the average use per customer for the Large Use class, and the USL class are discussed below.

Large Use Class

Table 10 below details the average use per customer contained in Appendix 1.

**Table 10 – Large Use Average Use per customer (kWh)**

| Year | Large User | % change | Avg # customers |
|---|---|---|---|
| 2007 | 69,993,397 | | 5 |
| 2008 | 72,241,283 | *3.2%* | 4.17 |
| 2009 | 67,332,331 | *-6.8%* | 3.67 |
| 2010 | 85,983,685 | *27.7%* | 3 |
| 2011 | 84,576,579 | *-1.6%* | 3 |
| 2012F | 84,217,433 | *-0.4%* | 3 |
| 2013F | 83,859,811 | *-0.4%* | 3 |

There is an increase of 27.7% shown for 2010 as compared to 2009 that is related to the 2 customers that were in the process of ceasing operations. As these customers ramp down their operations, the average in the category trended lower; however, once the customers are completely closed in 2010 the average use per customer no longer reflects their decreased load. The customers that remained in the category resulted in a higher average consumption

Unmetered Scattered Load

Table 11 shows the trend contained in Appendix 1 related to unmetered scattered load.

**Table 11 – USL Average Use per Customer (kWh)**

| Year | USL | % change |
|---|---|---|
| 2007 | 12,515 | |
| 2008 | 9,293 | *-25.7%* |
| 2009 | 8,620 | *-7.2%* |
| 2010 | 8,785 | *1.9%* |
| 2011 | 8,611 | *-2.0%* |
| 2012F | 8,611 | *0.0%* |
| 2013F | 8,611 | *0.0%* |

The unmetered scattered load rate category contains the load related to traffic lights. Throughout the calendar year 2007, Bluewater Power completed a project to convert the traffic lights to LED, which resulted in decreased annual consumption.

# Bluewater Power - Average Use Per Customer

## Actual

| Year | Residential | | GS<50 | | GS>50 | | Intermediate | | Large User | | Street | | Sentinel | | USL | | HDD | CDD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2007 | 8,556 | | 35,159 | | 660,384 | | 11,368,134 | | 69,993,397 | | 888 | | 1,304 | | 12,515 | | 3,255.9 | 613.6 |
| 2008 | 8,391 | -1.9% | 34,526 | -1.8% | 602,486 | -8.8% | 11,365,395 | 0.0% | 72,241,283 | 3.2% | 887 | 0.0% | 1,198 | -8.2% | 9,293 | -25.7% | 3,432.0 | 538.5 |
| 2009 | 8,017 | -4.5% | 32,321 | -6.4% | 551,834 | -8.4% | 10,587,563 | -6.8% | 67,332,331 | -6.8% | 869 | -2.0% | 1,313 | 9.6% | 8,620 | -7.2% | 3,387.9 | 355.8 |
| 2010 | 8,391 | 4.7% | 31,383 | -2.9% | 567,692 | 2.9% | 11,211,241 | 5.9% | 85,983,685 | 27.7% | 867 | -0.2% | 1,297 | -1.2% | 8,785 | 1.9% | 3,179.4 | 632.3 |
| 2011 | 8,099 | -3.5% | 30,172 | -3.9% | 550,785 | -3.0% | 12,319,751 | 9.9% | 84,576,579 | -1.6% | 901 | 3.9% | 1,263 | -2.6% | 8,611 | -2.0% | 3,341.3 | 579.7 |

## Normalized and Forecast Normalized

| Year | Residential | | GS<50 | | GS>50 | | Intermediate | | Large User | | Street | | Sentinel | | USL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2007 | 8,432 | | 34,622 | | 658,940 | | 11,368,134 | | 69,993,397 | | 888 | | 1,304 | | 12,515 | |
| 2008 | 8,394 | -0.4% | 33,901 | -2.1% | 602,189 | -8.6% | 11,365,395 | 0.0% | 72,241,283 | 3.2% | 887 | 0.0% | 1,198 | -8.2% | 9,293 | -25.7% |
| 2009 | 8,102 | -3.5% | 32,784 | -3.3% | 568,830 | -5.5% | 10,587,563 | -6.8% | 67,332,331 | -6.8% | 869 | -2.0% | 1,313 | 9.6% | 8,620 | -7.2% |
| 2010 | 8,152 | 0.6% | 31,100 | -5.1% | 552,217 | -2.9% | 11,211,241 | 5.9% | 85,983,685 | 27.7% | 867 | -0.2% | 1,297 | -1.2% | 8,785 | 1.9% |
| 2011 | 8,127 | -0.3% | 30,212 | -2.9% | 548,527 | -0.7% | 12,319,751 | 9.9% | 84,576,579 | -1.6% | 901 | 3.9% | 1,263 | -2.6% | 8,611 | -2.0% |
| 2012F | 8,126 | 0.0% | 29,344 | -2.9% | 535,733 | -2.3% | 13,184,723 | 7.0% | 84,217,433 | -0.4% | 901 | 0.0% | 1,263 | 0.0% | 8,611 | 0.0% |
| 2013F | 8,087 | -0.5% | 28,204 | -3.9% | 514,429 | -4.0% | 13,262,960 | 0.6% | 83,859,811 | -0.4% | 901 | 0.0% | 1,263 | 0.0% | 8,611 | 0.0% |

Calculation based on :  annual kWh / annual average customer count

# APPROACH TO WEATHER NORMALIZED LOAD FORECAST

Bluewater Power has used weather normalized forecasts in its determination of load for those rate classes that are weather sensitive. The weather sensitive rate classes are Residential, General Service <50 kW and General Service 50 to 999 kW. The remaining rate classes, being General Service 1,000 to 4,999 kW ("Intermediate"), Large Use, Street Lighting, Sentinel Lighting and Unmetered Scattered Load are not considered weather sensitive and the forecasts for those rate classes are based on consumption trends over the last five years.

Regression models were chosen in order to utilize the most recent historical consumption and weather data, and allows for the estimation of the statistical relationship between consumption, weather, and other variables that affect monthly consumption. In general, this is a more rigorous approach than using average use per customer or a single regression equation for wholesale purchases.

The weather normalization is based on a report prepared by Elenchus Research Associates ("ERA"). The ERA report titled '2012-2013 Weather Normalized Load Forecast for Bluewater Power' dated June 2012, is labeled as Exhibit 3, Tab 1, Schedule 2, Attachment 1 and referenced as "The load forecast report".

The methodology uses actual unadjusted data for 2007 to 2011 which is then modeled through separate multiple regression equations to determine a weather normalized forecast for 2012 and 2013 for the weather sensitive classes. Bluewater Power has adopted the most recent 10 year (2002-2011) monthly degree day average as the definition of weather normal.

The load forecast report provides details on the regression models including all variables and assumptions used. The report provides an explanation on the weather normalization

methodology, details the development of the billing kW for the applicable classes and addresses the movement of customers between rate classes.

A separate discussion of the impacts of conservation and demand management impacts on the load forecast is found at Exhibit 3, Tab 1, Schedule 3.

An excel file containing the load data used to derive the load forecast is provided by Bluewater Power, and has been filed through the RESS.

There is one variance between the load forecast for Bluewater Power and the forecast presented in the load forecast report. That variance is the number of sentinel connections reported in the load forecast for 2013 is 445, whereas the Elenchus load forecast report the number of connections is reported as 497. After the load forecast was completed by Elenchus, Bluewater Power finalized a review of the billing data and the number of sentinel connections was verified to be 445.

# 2012 – 2013 Weather Normalized Load Forecast for Bluewater Power

## A Report Prepared by Elenchus Research Associates Inc.

## On Behalf of Bluewater Power

## June 2012

# 1 INTRODUCTION

This report outlines the methodology used to derive the weather normal load forecast prepared for the Bluewater Power cost-of-service rate application for 2013. A weather normal load forecast has been derived for the bridge year (2012) and test year (2013). The forecast for Bluewater Power is based on monthly class specific retail data. Class specific retail data do not include losses; therefore, distribution system losses are not part of the class retail volumes.

In order to isolate demand determinants at the class specific level, separate multiple regression equations have been estimated to weather normalize and forecast kWh consumption for the residential and GS<50 classes. For the GS>50 class, a multi-step process is used since this class has undergone significant changes for certain customers. Over the analysis time period, several customers have been reclassified into the GS>50 class from other classes. Therefore, a "net GS>50 kWh" time series has been defined excluding these reclassified customers and a multiple regression equation to normalize and forecast consumption has been derived. Separate forecasting and normalizing equations have been developed for the reclassified customers in order to complete the class normalization and forecast. Related issues also exist for the intermediate and large user classes, although these classes are not considered weather sensitive. More details on the process are provided in the sections following.

Consumption for intermediate and large user classes, street lighting and sentinel lighting and unmetered scattered load (USL) is not considered weather sensitive, and these forecasts are based on trend consumption. Monthly data for intermediate and large user class consumption were regressed against monthly weather data and found to have very little correlation with weather.

# 2 CLASS SPECIFIC FORECASTS – WEATHER SENSITIVE

In order to determine the relationship between observed weather and energy consumption, monthly weather observations describing the extent of heating or cooling required within the month are necessary. Environment Canada publishes monthly observations on heating degree days (HDD) and cooling degree days (CDD) for selected weather stations across Canada. Heating degree days for a given day are the number of Celsius degrees that the mean temperature is below 18°C. Cooling degree days for a given day are the number of Celsius degrees that the mean temperature is above 18°C. For Bluewater Power, the monthly HDD and CDD as reported at Windsor Airport (YQG) have been used.

In order to measure the change in economic activity, a data series must be chosen which represents, as much as possible, regional economic activity. For Bluewater Power, monthly full-time employment for the Windsor-Sarnia area, as reported in Statistics Canada's Monthly Labour Force Survey (Table 282-0054, Full-time employment, Windsor-Sarnia, Ontario [3570]) is utilized.

Calendar variables are also included. These include explanatory variables such as number of days in the month or number of peak days in the month.

## 2.1 RESIDENTIAL CLASS

Using the monthly class consumption and explanatory variables, the following regression model has been estimated for residential class kWh consumption.

Table 1: Residential kWh Model
OLS using observations 2006:01-2011:12 (T = 72)
Dependent variable: ReskWh

| | coefficient | t-ratio | p-value |
|---|---|---|---|
| const | -16,212,084.1 | -2.7 | 0.008684 |
| HDD | 14,064.6 | 16.8 | 1.13E-25 |
| CDD | 71,999.4 | 22.7 | 3.23E-33 |
| Monthdays | 804,658.6 | 4.5 | 2.83E-05 |
| W_S_FTE | 27,026.6 | 2.3 | 0.026964 |

| | | | |
|---|---|---|---|
| R-squared | 0.90 | Adjusted R-squared | 0.89 |
| F(4, 67) | 145.7 | P-value(F) | 2.75E-32 |
| D-W | 1.2 | Theil's U | 0.33 |

The explanatory variable W_S_FTE represents Windsor-Sarnia economic region full-time employment in '000s. Actual versus predicted residential kWh values and the annual prediction errors are displayed in the table below.

*Table 2: Residential kWh Actual vs Predicted*

| *Year* | *Actual Res kWh* | *Predicted Res kWh* | *Error* |
|---|---|---|---|
| *2006* | 258,763,018 | 258,617,294 | -0.1% |
| *2007* | 266,618,398 | 268,433,894 | 0.7% |
| *2008* | 263,566,439 | 266,454,122 | 1.1% |
| *2009* | 252,958,052 | 244,642,624 | -3.3% |
| *2010* | 264,765,479 | 263,177,408 | -0.6% |
| *2011* | 257,450,968 | 262,797,012 | 2.1% |
| | ***Mean Absolute Percentage Error*** | | ***1.3%*** |

## 2.2 GS<50 kW Class

Using the monthly class consumption and explanatory variables, the following regression model has been estimated for GS<50 class kWh consumption.

Table 3: GS<50 kWh Model
OLS using observations 2006:01-2011:12 (T = 72)
Dependent variable: GS<50kWh

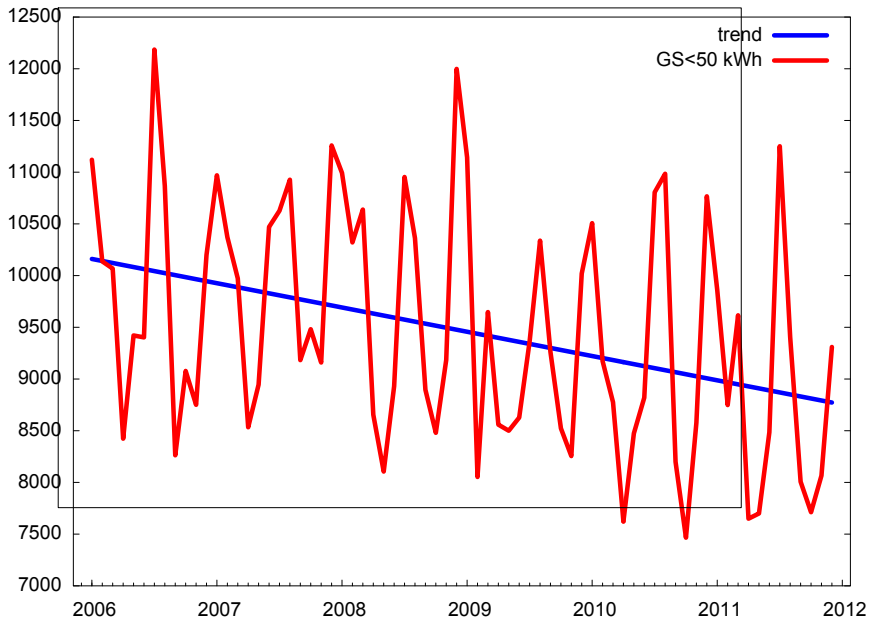
| | coefficient | t-ratio | p-value |
|---|---|---|---|
| const | -3,763,381.2 | -2.1 | 0.042515 |
| HDD | 5,174.8 | 14.7 | 1.82E-22 |
| CDD | 19,020.5 | 18.0 | 3.60E-27 |
| Monthdays | 386,433.6 | 6.5 | 1.41E-08 |
| time | -21,274.2 | -9.2 | 2.2E-13 |
| d_W_S_FTE | 23,169.8 | 1.1 | 0.27963 |

| | | | |
|---|---|---|---|
| R-squared | 0.88 | Adjusted R-squared | 0.88 |
| F(5, 66) | 100.5 | P-value(F) | 1.72E-29 |
| D-W | 1.7 | Theil's U | 0.30 |

The explanatory variable called d_W_S_FTE is the first difference of Windsor-Sarnia full-time employment ('000s); that is $W\_S\_FTE_t - W\_S\_FTE_{t-1}$. The explanatory variable

called time is an index variable that starts at 1 in the first month and increases by 1 for each month that passes. The negative value and statistical significance as indicated in the table above represents the trend of lower consumption in this class, despite increasing customer numbers (i.e., declining use per customer). This can be seen in the following chart of monthly consumption for the class. The trend has been confirmed to be continuing in 2012 based on preliminary data.

Chart 1:
Monthly GS<50 MWh and trend




Actual versus predicted kWh values and the annual prediction errors are displayed in the table below.

*Table 4: GS<50 kWh Actual vs Predicted*

| *Year* | *Actual GS<50 kWh* | *Predicted GS<50 kWh* | *Error* |
|---|---|---|---|
| *2006* | 117,915,371 | 119,055,814 | 1.0% |
| *2007* | 119,898,584 | 119,480,518 | -0.3% |
| *2008* | 117,516,343 | 116,286,309 | -1.0% |
| *2009* | 110,288,359 | 109,061,312 | -1.1% |
| *2010* | 110,171,154 | 110,553,380 | 0.3% |
| *2011* | 105,807,915 | 107,160,392 | 1.3% |
| | | ***Mean Absolute Percentage Error*** | ***0.9%*** |

## 2.3 GS>50 kW Class

As indicated in the introduction, the forecast for the GS>50 class involves a multi-step process since this class has undergone significant changes for certain customers. Over the analysis time period, several customers have been reclassified into the GS>50 class from other classes. Therefore, a "net GS>50 kWh" time series has been defined excluding these reclassified customers and a multiple regression equation to normalize and forecast consumption has been derived. Separate forecasting and normalizing equations have been developed for the reclassified customers in order to complete the class normalization and forecast.

### Specific Customer Details

As of April 2011, two customers, Customer A[1] and Customer B were moved from the Intermediate Class to the GS>50 kW class. In February 2011, Customer C was moved to the GS>50 kW class from the Intermediate Class. This customer was previously moved to the Intermediate Class from the Large User Class in September 2009. Both Customer A and Customer B have load that is weather dependent (cooling only) and regression models have been developed to forecast and normalize these customers' consumption. On the other hand, consumption for Customer C is flat and not weather dependent. As of April 2012, the Customer C premises have been vacated and the equipment at the site has been auctioned and removed. As a result, the monthly consumption for this customer is expected to be no more than 150 kW per month for the remainder of 2012 and 2013.

[1] Customer names have been removed for confidentiality reasons.

Displayed below are the regression models for Customer A and Customer B. Charts are provided that display these customers' consumption and regression model predictions.

Table 5: Customer B kWh Model
OLS using observations 2010:01-2011:12 (T = 24)
Dependent variable: Customer B kWh

| | coefficient | t-ratio | p-value |
|---|---|---|---|
| const | 375,022.9 | 5.8 | 1.27E-05 |
| time | -1,318.9 | -3.1 | 0.005 |
| CDD | 410.2 | 8.4 | 8.12E-08 |
| Peakdays | 3,919.7 | 1.5 | 0.14 |
| d_W_S_FTE | 2,184.4 | 1.5 | 0.15 |

| | | | |
|---|---|---|---|
| R-squared | 0.90 | Adjusted R-squared | 0.87 |
| F(4, 19) | 40.6 | P-value(F) | 4.68E-09 |
| D-W | 1.4 | Theil's U | 0.35 |

Table 6: Customer A kWh Model
OLS using observations 2007:01-2011:12 (T = 60)
Dependent variable: Customer A kWh

| | coefficient | t-ratio | p-value |
|---|---|---|---|
| const | -275,766.8 | -3.7 | 4.98E-04 |
| CDD | 235.6 | 8.5 | 9.79892E-12 |
| Monthdays | 12,726.9 | 5.9 | 2.62E-07 |
| W_S_FTE | 1,149.6 | 6.7 | 1.27259E-08 |

| | | | |
|---|---|---|---|
| R-squared | 0.79 | Adjusted R-squared | 0.78 |
| F(3, 56) | 71.3 | P-value(F) | 4.09E-19 |
| D-W | 1.6 | Theil's U | 0.46 |

Chart 2:

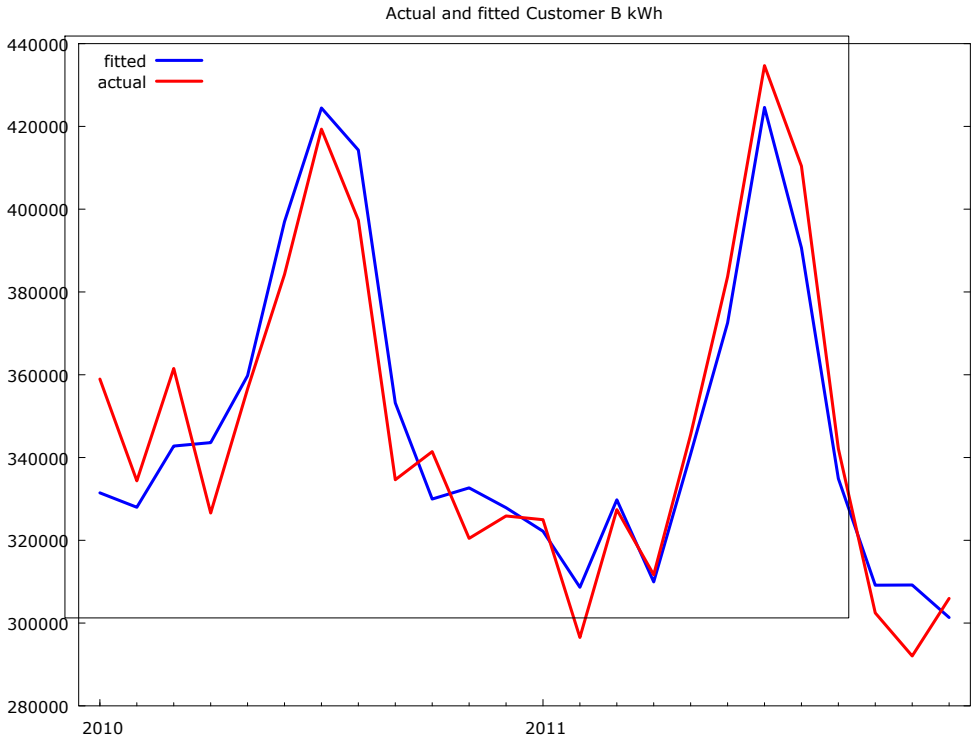
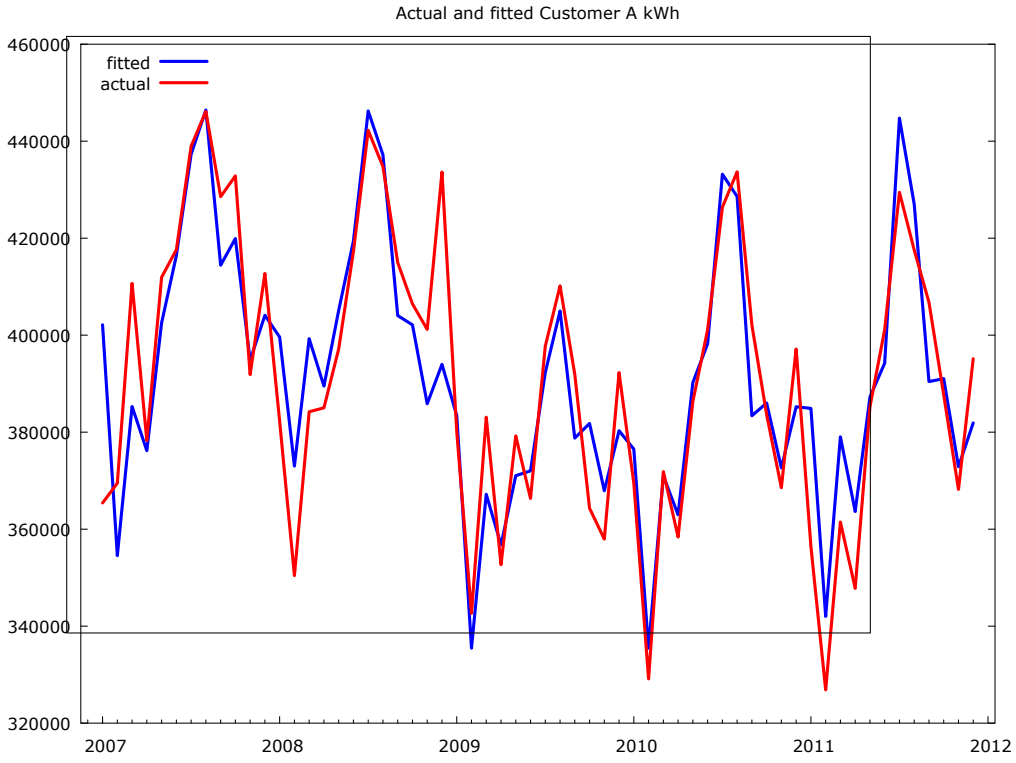



Chart 3:



Another GS>50 customer, Customer D, closed the OLG Slots on their site, effective April 30. For the first 17 days of May 2012, this customer consumed 36 per cent less energy than for the same days in 2011. Based on Environment Canada reported degree-days, there was no cooling required for either of these periods. Therefore, we have reduced the monthly consumption of this customer by 36% for the remainder of 2012 and 2013.

## ***NET GS>50 KWH CONSUMPTION***

Net GS>50 kWh is actual GS>50 kWh less the three above customers consumption. The net and actual consumption will differ only for 2011. The estimated regression model for Net GS>50 kWh consumption is displayed in the table below.

Table 7: Net GS>50 kWh Model
OLS using observations 2006:01-2011:12 (T = 72)
Dependent variable: NetGS>50kWh

| | coefficient | t-ratio | p-value |
|---|---|---|---|
| const | -9,817,132.2 | -2.4 | 0.018516031 |
| HDD | 7,298.6 | 12.8 | 1.03E-19 |
| CDD | 26,263.4 | 12.2 | 9.86E-19 |
| Monthdays | 745,584.8 | 6.1 | 5.04E-08 |
| W_S_FTE | 8,974.4 | 1.1 | 0.272081129 |

| | | | |
|---|---|---|---|
| R-squared | 0.77 | Adjusted R-squared | 0.76 |
| F(4, 67) | 57.6 | P-value(F) | 5.56E-21 |
| D-W | 2.0 | Theil's U | 0.36 |

The predicted values for the additional customers are then added to the Net GS>50 kWh to determine predicted total GS>50 kWh. These values along with actual values and the annual prediction errors are displayed in the table below.

*Table 8: GS>50 kWh Actual vs Predicted*

| *Year* | *Actual GS>50 kWh* | *Predicted GS>50 kWh* | *Error* |
|---|---|---|---|

| | | | |
|---|---|---|---|
| *2006* | 217,640,501 | 216,204,570 | -0.7% |
| *2007* | 219,082,316 | 220,546,277 | 0.7% |
| *2008* | 219,505,715 | 220,653,229 | 0.5% |
| *2009* | 209,789,052 | 212,385,888 | 1.2% |
| *2010* | 222,842,935 | 218,643,790 | -1.9% |
| *2011* | 225,133,479 | 225,925,879 | 0.4% |
| | | ***Mean Absolute Percentage Error*** | ***0.9%*** |

# 3 WEATHER NORMALIZATION AND FORECASTS

## *3.1 WEATHER SENSITIVE CLASS FORECASTS*

Bluewater Power has adopted the most recent 10 year monthly degree day average as the definition of weather normal, which to our knowledge, is consistent with most LDCs load forecast filings for cost-of-service rebasing applications. The table below displays the most recent 10 year average of heating degree days and cooling degree days as reported by Environment Canada for Windsor Airport.

***Table 9: 10-yr HDD and CDD, Windsor Airport***

| | 2002-2011 10-yr normal | |
|---|---|---|
| | HDD | CDD |
| Jan | 668.6 | 0.0 |
| Feb | 591.4 | 0.0 |
| Mar | 482.6 | 0.0 |
| Apr | 254.0 | 3.9 |
| May | 119.4 | 24.3 |
| Jun | 13.4 | 105.2 |
| Jul | 0.5 | 174.4 |
| Aug | 1.8 | 147.2 |
| Sep | 32.6 | 58.6 |
| Oct | 204.1 | 8.7 |
| Nov | 364.0 | 0.0 |
| Dec | 585.6 | 0.0 |
| **Annual** | **3,318.1** | **522.4** |

Forecasts for Ontario's employment outlook for 2012 and 2013 from four Canadian Chartered Banks, as available while preparing the load forecast, are summarized below.

***Table 10: - Employment Forecast – Ontario***
*(figures in annual percentage change)*

| | BMO | RBC | Scotia | TD | avg |
|---|---|---|---|---|---|
| | *(Mar 2, 2012)* | *(Dec 2011)* | *(Mar 6, 2012)* | *(Jan 4,2012)* | |
| 2012 | 0.5 | 1.0 | 0.7 | 0.7 | 0.7 |
| 2013 | 1.1 | 1.4 | 1.0 | 1.4 | 1.2 |

Incorporating the forecast economic variables, 10-yr weather normal heating and cooling degree days, and calendar and index variables, the following weather corrected consumption and forecast values are calculated:

***Table 11: Weather Corrected Consumption for Bluewater Power***

| | | | 10-yr (2002-2011) | |
|---|---|---|---|---|
| Year | Actual residential kWh | %chg | Weather Normal | %chg |
| 2007 | 266,618,398 | *3.0%* | 262,738,068 | *-1.1%* |
| 2008 | 263,566,439 | *-1.1%* | 263,688,670 | *0.4%* |
| 2009 | 252,958,052 | *-4.0%* | 255,651,704 | *-3.0%* |
| 2010 | 264,765,479 | *4.7%* | 257,211,136 | *0.6%* |
| 2011 | 257,450,968 | *-2.8%* | 258,340,847 | *0.4%* |
| 2012F | | | *259,667,118* | *0.5%* |
| 2013F | | | *259,773,254* | *0.0%* |
| | | | | |
| Year | Actual GS<50 kWh | %chg | Weather Normal | %chg |
| 2007 | 119,898,584 | *1.7%* | 118,066,516 | *-2.8%* |
| 2008 | 117,516,343 | *-2.0%* | 115,389,459 | *-2.3%* |
| 2009 | 110,288,359 | *-6.2%* | 111,867,708 | *-3.1%* |
| 2010 | 110,171,154 | *-0.1%* | 109,179,568 | *-2.4%* |
| 2011 | 105,807,915 | *-4.0%* | 105,949,255 | *-3.0%* |
| 2012F | | | *103,450,605* | *-2.4%* |
| 2013F | | | *99,956,659* | *-3.4%* |
| | | | | |
| Year | Actual GS>50 kWh | %chg | Weather Normal | %chg |

| | | | | |
|---|---|---|---|---|
| 2007 | 219,082,316 | *0.7%* | 218,603,348 | *-0.4%* |
| 2008 | 219,505,715 | *0.2%* | 219,397,395 | *0.4%* |
| 2009 | 209,789,052 | *-4.4%* | 216,250,255 | *-1.4%* |
| 2010 | 222,842,935 | *6.2%* | 216,768,079 | *0.2%* |
| 2011 | 225,133,479 | *1.0%* | 224,210,382 | *3.4%* |
| 2012F | | | *226,737,748* | *1.1%* |
| 2013F | | | *225,433,209* | *-0.6%* |

## ***GS>50 kW FORECAST***

Due to the reclassification of three customers within calendar year 2011 (Customer C in February, Customer B and Customer A in April), determination of normalized and forecast normalized kW for the class is slightly more complex. A multistep approach has been adopted. The intent is to ensure that an appropriate kW/kWh ratio is used to project normalized kW in 2012 and 2013. This is done by annualizing the reclassified customers' demand (kW) and consumption (kWh) for 2011. This overstates the actual consumption for 2011, but provides an appropriate kW/kWh ratio and starting point for 2012 and 2013. The table below displays actual kW, net kW (if new customers were not reclassified) and annualized (for 2011) kW, if each customer were added as of January 1st. A similar calculation is done for kWh to determine the kW/kWh ratio for 2012 and 2013.

Table 12: GS>50 Class kW

| Date | Actual GS>50 kW | *kW/kWh* | Reclassified kW | Net GS>50 kW | *kW/kWh* | Net kWh | kW/kWh |
|---|---|---|---|---|---|---|---|
| 2006 | 591,300 | 0.00272 | 0 | 591,300 | 0.00272 | 217,640,501 | 0.00272 |
| 2007 | 601,223 | 0.00274 | 0 | 601,223 | 0.00274 | 219,082,316 | 0.00274 |
| 2008 | 593,870 | 0.00271 | 0 | 593,870 | 0.00271 | 219,505,715 | 0.00271 |
| 2009 | 580,406 | 0.00277 | 0 | 580,406 | 0.00277 | 209,789,052 | 0.00277 |
| 2010 | 593,349 | 0.00266 | 0 | 593,349 | 0.00266 | 222,842,935 | 0.00266 |
| 2011 | 623,028 | 0.00277 | 16,757 | 606,271 | 0.00278 | 218,732,839 | 0.00278 |

GS>50 kW - Annualized Reclassification

| Date | Net kW | Annualized reclass | Annualized kW | Annualized kWh | *kW/kWh* |
|---|---|---|---|---|---|
| 2006 | 591,300 | 0 | 591,300 | 217,640,501 | 0.00272 |
| 2007 | 601,223 | 0 | 601,223 | 219,082,316 | 0.00274 |
| 2008 | 593,870 | 0 | 593,870 | 219,505,715 | 0.00271 |
| 2009 | 580,406 | 0 | 580,406 | 209,789,052 | 0.00277 |
| 2010 | 593,349 | 0 | 593,349 | 222,842,935 | 0.00266 |
| 2011 | 606,271 | 19,168 | 625,438 | 226,541,916 | 0.00276 |

The following table summarizes the kW sales for the GS>50 kW class. Normalized kW values are calculated based on the annual ratio of class kW to class kWh. For the bridge year and test year, the ratio for 2011 calculated using the annualized consumption of the three reclassified customers is used.

***Table 13: GS>50 Class kW (Actual, Normalized, and Forecast)***

| Year | Actual kW | % change | Class kW/kWh ratio | Normalized kW | % change |
|---|---|---|---|---|---|
| 2007 | 601,223 | *1.7%* | 0.002744279 | *599,909* | *0.6%* |
| 2008 | 593,870 | *-1.2%* | 0.002705488 | *593,577* | *-1.1%* |
| 2009 | 580,406 | *-2.3%* | 0.002766617 | *598,282* | *0.8%* |
| 2010 | 593,349 | *2.2%* | 0.002662634 | *577,174* | *-3.5%* |
| 2011 | 623,028 | *5.0%* | 0.002767371 | *620,473* | *7.5%* |
| 2012F | | | **0.002757098** | *625,979* | *0.9%* |
| 2013F | | | **0.002757098** | *622,378* | *-0.6%* |

## 3.2 NON-WEATHER SENSITIVE CLASSES

For classes that do not have weather sensitivity (intermediate and large users, street and sentinel lighting, unmetered scattered load), class consumption is forecast based on the average annual consumption growth from 2007 to 2011. As indicated above, due to changes in customer composition for both the intermediate and large user class, a multi-step process is used for both of these classes.

### *INTERMEDIATE CLASS: SPECIFIC CUSTOMER DETAILS*

The Intermediate class has undergone significant changes over the past several years. Two large customers in this class, Customer E and Customer F, have closed. Customer E closed in June 2011 and Customer F closed in July 2009. Customer F was previously in the Large User class until reclassified as an Intermediate class customer in March 2008. Additionally, as included in the discussion of the GS>50 kW class, three Intermediate class customers, Customer A, Customer B, and Customer C, were reclassified to the GS>50 kW class in 2011. To account for these changes, a 'net'

Intermediate class excluding these reclassified customers is calculated. This class will accurately reflect 'actual' Intermediate class consumption in months from April 2011 onwards, the date of the last reclassification. Therefore, the 'net' Intermediate consumption is the appropriate base for 2012 and 2013 consumption and is also the appropriate basis for historical growth patterns. The table below displays actual and net class consumption.

**Table 14: Intermediate Class kWh**

| Date | Actual Int kWh | *%chg* | Reclassified kWh | Net Int kWh | *%chg* |
|---|---|---|---|---|---|
| 2006 | 174,273,598 | | 20,461,223 | 153,812,375 | |
| 2007 | 170,522,010 | *-2.2%* | 24,736,496 | 145,785,513 | *-5.2%* |
| 2008 | 179,952,089 | *5.5%* | 35,534,071 | 144,418,017 | *-0.9%* |
| 2009 | 168,518,709 | *-6.4%* | 29,228,093 | 139,290,617 | *-3.6%* |
| 2010 | 179,379,861 | *6.4%* | 25,723,943 | 153,655,917 | *10.3%* |
| 2011 | 160,156,759 | *-10.7%* | 2,873,379 | 157,283,380 | *2.4%* |
| 2012 | | | | 158,216,681 | *0.6%* |
| 2013 | | | | 159,155,521 | *0.6%* |

A 'net' class kW is also calculated in order to establish the appropriate base for 2012 and 2013. This is shown in the following table.

**Table 15: Intermediate Class kW**

| Date | Actual Int kW | *%chg* | Reclassified kW | Net Int kW | *%chg* |
|---|---|---|---|---|---|
| 2006 | 357,342 | | 37,172 | 320,170 | |
| 2007 | 370,714 | *3.7%* | 48,670 | 322,044 | *0.6%* |
| 2008 | 394,728 | *6.5%* | 67,247 | 327,482 | *1.7%* |
| 2009 | 366,321 | *-7.2%* | 58,221 | 308,100 | *-5.9%* |
| 2010 | 382,392 | *4.4%* | 53,445 | 328,947 | *6.8%* |
| 2011 | 338,998 | *-11.3%* | 7,624 | 331,374 | *0.7%* |
| 2012 | | | | 333,340 | *0.6%* |
| 2013 | | | | 335,318 | *0.6%* |

***LARGE USER CLASS: SPECIFIC CUSTOMER DETAILS***

The Large User class has also undergone change with the loss of two large customers. Customer F was reclassified from the Large User class to Intermediate as of March 2008 and subsequently closed. Customer C was reclassified from the Large User class to Intermediate as of September 2009 (and subsequently again reclassified to GS>50 kW). To account for these changes, a 'net' Large User class excluding these reclassified customers is calculated. This class will accurately reflect 'actual' Large User class consumption in months after August 2009, the date of the last reclassification. Therefore, the 'net' Large User consumption is the appropriate base for 2012 and 2013 consumption and is also the appropriate basis for historical growth patterns. The table below displays actual and net class consumption.

**Table 16: Large User Class kWh**

| Date | Actual LU kWh | *%chg* | Reclassified kWh | Net LU kWh | *%chg* |
|---|---|---|---|---|---|
| 2006 | 339,361,533 | | 74,672,149 | 264,689,384 | |
| 2007 | 349,966,983 | *3.1%* | 73,048,546 | 276,918,437 | *4.6%* |
| 2008 | 301,005,345 | *-14.0%* | 40,486,067 | 260,519,278 | *-5.9%* |
| 2009 | 246,885,214 | *-18.0%* | 20,281,809 | 226,603,405 | *-13.0%* |
| 2010 | 257,951,054 | *4.5%* | 0 | 257,951,054 | *13.8%* |
| 2011 | 253,729,738 | *-1.6%* | 0 | 253,729,738 | *-1.6%* |
| 2012 | | | | 252,652,298 | *-0.4%* |
| 2013 | | | | 251,579,433 | *-0.4%* |

A 'net' class kW is also calculated in order to establish the appropriate base for 2012 and 2013. This is shown in the following table.

**Table 17: Large User Class kW**

| Date | Actual LU kW | *%chg* | Reclassified kW | Net LU kW | *%chg* |
|---|---|---|---|---|---|
| 2006 | 552,133 | | 135,150 | 416,983 | |
| 2007 | 544,917 | *-1.3%* | 123,844 | 421,073 | *1.0%* |
| 2008 | 483,880 | *-11.2%* | 76,093 | 407,788 | *-3.2%* |
| 2009 | 404,711 | *-16.4%* | 41,601 | 363,110 | *-11.0%* |
| 2010 | 398,614 | *-1.5%* | 0 | 398,614 | *9.8%* |
| 2011 | 402,202 | *0.9%* | 0 | 402,202 | *0.9%* |
| 2012 | | | | 400,494 | *-0.4%* |
| 2013 | | | | 398,793 | *-0.4%* |

## STREET LIGHTING, SENTINEL LIGHTING, AND UNMETERED SCATTERED LOAD (USL)

Class consumption for street lighting, sentinel lighting and USL classes is based on average annual customer connection growth. For sentinel lighting and USL, no change from 2011 is forecast for customer attachments. For street lights, the customer attachments are forecast to grow at 0.9% per annum, which is the average annual growth rate in attachments from 2007 to 2010. The following table displays street light, sentinel light and USL customer attachments since 2007 and the forecast attachments for 2012 and 2013.

Table 18: Street light, Sentinel Light and USL Customer Connections

| Date | Street | %chg | Sent | %chg | USL | %chg |
|---|---|---|---|---|---|---|
| 2007 | 9,618 | 0.8% | 526 | 0.0% | 238 | -1.0% |
| 2008 | 9,742 | 1.3% | 526 | 0.0% | 232 | -2.7% |
| 2009 | 9,837 | 1.0% | 497 | -5.5% | 257 | 11.0% |
| 2010 | 9,899 | 0.6% | 497 | 0.0% | 257 | 0.0% |
| 2011 | 9,965 | 0.7% | 497 | 0.0% | 260 | 1.2% |
| 2012 | 10,052 | 0.9% | 497 | 0.0% | 260 | 0.0% |
| 2013 | 10,140 | 0.9% | 497 | 0.0% | 260 | 0.0% |

Kilowatt-hour use per customer connection per year is displayed below.

Table 19: Street Light, Sentinel Light and USL kWh use per customer connection

| Date | Street | %chg | Sent | %chg | USL | %chg |
|---|---|---|---|---|---|---|
| 2007 | 888 | -1.3% | 1,304 | 2.5% | 12,515 | 0.6% |
| 2008 | 887 | 0.0% | 1,198 | -8.2% | 9,293 | -25.7% |
| 2009 | 869 | -2.0% | 1,313 | 9.6% | 8,620 | -7.2% |
| 2010 | 867 | -0.2% | 1,297 | -1.2% | 8,785 | 1.9% |
| 2011 | 901 | 3.9% | 1,263 | -2.6% | 8,611 | -2.0% |

Historical consumption and the resulting kWh forecast are shown below.

Table 20: Street light, Sentinel Light and USL kWh

| Date | Street | %chg | Sent | %chg | USL | %chg |
|---|---|---|---|---|---|---|
| 2007 | 8,536,684 | -0.5% | 685,929 | 2.5% | 2,978,570 | -0.5% |
| 2008 | 8,642,642 | 1.2% | 629,997 | -8.2% | 2,152,148 | -27.7% |
| 2009 | 8,550,828 | -1.1% | 652,414 | 3.6% | 2,215,434 | 2.9% |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2010 | 8,583,820 | *0.4%* | 644,654 | *-1.2%* | 2,257,871 | *1.9%* |
| 2011 | 8,979,432 | *4.6%* | 627,674 | *-2.6%* | 2,238,935 | *-0.8%* |
| 2012 | 9,058,347 | *0.9%* | 627,674 | *0.0%* | 2,238,935 | *0.0%* |
| 2013 | 9,137,954 | *0.9%* | 627,674 | *0.0%* | 2,238,935 | *0.0%* |

Resulting Street and Sentinel kW are displayed below.

Table 21: Street and Sentinel Light kW

| Date | Street | *%chg* | kW/kWh | Sent | *%chg* |
|---|---|---|---|---|---|
| 2007 | 23,751 | *-1.3%* | 0.00278 | 1,634 | *1.6%* |
| 2008 | 23,964 | *0.9%* | 0.00277 | 1,590 | *-2.7%* |
| 2009 | 23,964 | *0.0%* | 0.00280 | 1,543 | *-3.0%* |
| 2010 | 24,037 | *0.3%* | 0.00280 | 1,463 | *-5.2%* |
| 2011 | 24,126 | *0.4%* | 0.00269 | 1,452 | *-0.8%* |
| 2012 | 24,338 | *0.9%* | 0.00269 | 1,452 | *0.0%* |
| 2013 | 24,551 | *0.9%* | 0.00269 | 1,452 | *0.0%* |

# 4 CUSTOMER COUNT SUMMARY

The table below displays the annual average customer count summary for all classes. Customer count projections for most classes are based on the average annual growth in customer connections seen since 2007. Exceptions are for classes where no change is expected (sentinel, USL, intermediate and large user).

Table 22: Annual Average Customer Count

| Customers | Res | *%chg* | GS<50 | *%chg* | GS>50 | *%chg* | Intermediate | *%chg* | LU | *%chg* | Street | *%chg* | Sent | *%chg* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2007 | 31,161 | *0.6%* | 3,410 | *-0.2%* | 332 | *-3.8%* | 15 | *6.5%* | 5 | *0.0%* | 9,618 | *0.8%* | 526 | *0.0%* |
| 2008 | 31,412 | *0.8%* | 3,404 | *-0.2%* | 364 | *9.8%* | 16 | *5.6%* | 4 | *-16.7%* | 9,742 | *1.3%* | 526 | *0.0%* |
| 2009 | 31,554 | *0.5%* | 3,412 | *0.2%* | 380 | *4.3%* | 16 | *0.5%* | 4 | *-12.0%* | 9,837 | *1.0%* | 497 | *-5.5%* |
| 2010 | 31,552 | *0.0%* | 3,511 | *2.9%* | 393 | *3.3%* | 16 | *0.5%* | 3 | *-18.2%* | 9,899 | *0.6%* | 497 | *0.0%* |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2011 | 31,787 | 0.7% | 3,507 | -0.1% | 409 | 4.1% | 13 | -18.8% | 3 | 0.0% | 9,965 | 0.7% | 497 | 0.0% |
| 2012 | 31,954 | 0.5% | 3,525 | 0.5% | 423 | 3.5% | 12 | -7.7% | 3 | 0.0% | 10,052 | 0.9% | 497 | 0.0% |
| 2013 | 32,122 | 0.5% | 3,544 | 0.5% | 438 | 3.5% | 12 | 0.0% | 3 | 0.0% | 10,140 | 0.9% | 497 | 0.0% |

# 5 FORECAST SUMMARY

Table 23:

| | 2011 Actual | 2011 Normalized | 2012f Normalized | 2013f Normalized |
|---|---|---|---|---|
| Residential (kWh) | 257,450,968 | 258,340,847 | **259,667,118** | **259,773,254** |
| GS<50 (kWh) | 105,807,915 | 105,949,255 | **103,450,605** | **99,956,659** |
| GS>50 (kWh) | 225,133,479 | 224,210,382 | **226,737,748** | **225,433,209** |
| (kW) | 623,028 | 620,473 | **625,979** | **622,378** |
| Int (kWh) | 160,156,759 | 160,156,759 | **158,216,681** | **159,155,521** |
| (kW) | 338,998 | 338,998 | **333,340** | **335,318** |
| LU (kWh) | 253,729,738 | 253,729,738 | **252,652,298** | **251,579,433** |
| (kW) | 402,202 | 402,202 | **400,494** | **398,793** |
| Street Lights (kWh) | 8,979,432 | 8,979,432 | **9,058,347** | **9,137,954** |
| (kW) | 24,126 | 24,126 | **24,338** | **24,551** |
| Sentinel Lights (kWh) | 627,674 | 627,674 | **627,674** | **627,674** |
| (kW) | 1,452 | 1,452 | **1,452** | **1,452** |
| USL (kWh) | 2,238,935 | 2,238,935 | **2,238,935** | **2,238,935** |
| Total Retail kWh | 1,014,124,900 | 1,014,233,022 | 1,012,649,406 | 1,007,902,640 |

Table 24:

Bluewater Power - Average Use Per Customer
(annual kWh / annual average customer count)

Actual

| Year | Residential | GS<50 | GS>50 | Intermediate | Large User | Street | Sentinel | USL | HDD | CDD |
|---|---|---|---|---|---|---|---|---|---|---|
| 2007 | 8,556 | 35,159 | 660,384 | 11,368,134 | 69,993,397 | 888 | 1,304 | 12,515 | 3,255.9 | 613.6 |
| 2008 | 8,391 | 34,526 | 602,486 | 11,365,395 | 72,241,283 | 887 | 1,198 | 9,293 | 3,432.0 | 538.5 |
| 2009 | 8,017 | 32,321 | 551,834 | 10,587,563 | 67,332,331 | 869 | 1,313 | 8,620 | 3,387.9 | 355.8 |
| 2010 | 8,391 | 31,383 | 567,692 | 11,211,241 | 85,983,685 | 867 | 1,297 | 8,785 | 3,179.4 | 632.3 |
| 2011 | 8,099 | 30,172 | 550,785 | 12,319,751 | 84,576,579 | 901 | 1,263 | 8,611 | 3,341.3 | 579.7 |

Normalized and Forecast Normalized

| Year | Residential | GS<50 | GS>50 | Intermediate | Large User | Street | Sentinel | USL |
|---|---|---|---|---|---|---|---|---|
| 2007 | 8,432 | 34,622 | 658,940 | 11,368,134 | 69,993,397 | 888 | 1,304 | 12,515 |
| 2008 | 8,394 | 33,901 | 602,189 | 11,365,395 | 72,241,283 | 887 | 1,198 | 9,293 |
| 2009 | 8,102 | 32,784 | 568,830 | 10,587,563 | 67,332,331 | 869 | 1,313 | 8,620 |
| 2010 | 8,152 | 31,100 | 552,217 | 11,211,241 | 85,983,685 | 867 | 1,297 | 8,785 |
| 2011 | 8,127 | 30,212 | 548,527 | 12,319,751 | 84,576,579 | 901 | 1,263 | 8,611 |
| 2012 | 8,126 | 29,344 | 535,733 | 13,184,723 | 84,217,433 | 901 | 1,263 | 8,611 |
| 2013 | 8,087 | 28,204 | 514,429 | 13,262,960 | 83,859,811 | 901 | 1,263 | 8,611 |

# APPROACH TO CONSERVATION AND DEMAND MANAGEMENT

Sections 2.6.1.2 and 2.6.1.3 of the Board's Filing Requirements dated June 28, 2012 specify that an LDC must provide a description of how CDM impacts have been accounted for in the historical period and how the CDM target is factored into the Test Year load forecast.

It is Bluewater Power's assumption that the Board expects LDCs to make an appropriate adjustment to their weather normalized load forecast to ensure customers realize, at the earliest date possible, the effects of conservation efforts undertaken to meet the government's provincial target in 2014. As noted by the Board in its Decision in the Hydro One Brampton Inc. proceeding (EB-2010-0132)[1]:

> *"The Board is of the view that CDM targets will be achieved on an incremental, staged basis and that any adjustment to the test year's rates should be commensurate with the quantum of forecast savings for the test year."*

The CDM Adjustment to Bluewater Power's load forecast, as prepared by Elenchus, addresses both past and future reductions from CDM programs. Load reductions from the persistence of previous CDM programs are known quantities available from the OPA's CDM final results analysis. Bluewater Power has also made an adjustment for incremental CDM program results based on projected that Bluewater Power will meet its 2014 CDM target.

The specific adjustment related to the 2014 CDM target for the 2013 Test Year kWh forecast is 30% of Bluewater Power's assigned cumulative target of 53.8 MWh which equates to 16.1MWh. The CDM reduction equal to 30% of Bluewater Power's provincial target is comprised of two components; the first component is the projected CDM savings from new incremental CDM results in 2013 of 10%, while the second component is the persisting effect of CDM programs from 2011(10%) and 2012 (10%) for a cumulative total of 30% in 2013.

[1] EB-2010-0132, issued April 4, 2011, page 8.

The CDM Adjustment results for Energy reductions are presented in the Table 1 and a description of the methodology used to derive those results follows.

**Table 1 - CDM Adjustment per Class – Energy (kWh)**

| | Weather Normalized | 2006-2010 CDM Programs | | Weather Normalized | 2011-2014 CDM Target | Weather Normalized |
|---|---|---|---|---|---|---|
| | 2013F | 6 yr. Avg. | 2013 | Revised | (30% of Target) | Adjusted |
| | (Elenchus) | (2006/11) | Persistence (from 2006-2010 programs) | 2013F | | 2013F |
| **Reference** | **A** | **B** | **C** | **D=A+B-C** | **E** | **F=D-E** |
| **Residential** | 259,773,254 | 5,183,287 | 5,098,813 | 259,857,728 | 4,170,377 | **255,687,351** |
| **GS<50** | 99,956,659 | 1,532,546 | 2,465,842 | 99,023,363 | 1,589,196 | **97,434,167** |
| **GS>50** | 225,433,209 | 847,979 | 755,826 | 225,525,362 | 3,619,388 | **221,905,974** |
| **Intermediate** | 159,155,521 | 414,214 | 312,786 | 159,256,950 | 2,555,866 | **156,701,083** |
| **Large Use** | 251,579,433 | 0 | 0 | 251,579,433 | 4,037,521 | **247,541,912** |
| **Street Lights** | 9,137,954 | 0 | 0 | 9,137,954 | 146,652 | **8,991,302** |
| **Sentinel Lights** | 627,674 | 0 | 0 | 627,674 | 0 | **627,674** |
| **USL** | 2,238,935 | 0 | 0 | 2,238,935 | 0 | **2,238,935** |
| **Total Customer (kWh)** | **1,007,902,639** | **6,911,633** | **8,320,481** | **1,007,247,398** | **16,119,000** | **991,128,398** |

With respect to the energy forecast adjustment, Bluewater Power proceeded first by grossing up the weather normalized forecast prepared by Elenchus by the average results of the 2006-2010 CDM programs of the previous six years (2006 to 2011). The theory in step one is to approximate a gross forecast without reflecting the impacts of conservation. Secondly, the grossed up forecast was then reduced by an amount related to the expected persistence in CDM reductions from those same programs (2006 to 2010) in 2013. This provides a revised 'net' load forecast from which the 30% CDM incremental target for 2013 is subtracted. The CDM target reduction is allocated by class based on their respective revised energy volume. Bluewater Power does not expect CDM reductions for the unmetered classes (i.e., USL and Sentinel) and they have been excluded from the 30% allocation of the 2014 target.

The CDM Adjustment results for Demand reductions are presented in the Table 2 and a description of the methodology used to derive those results follows.

**Table 2 - CDM Adjustment per Class – Demand (kW)**

| | Weather Normalized | 2006-2010 CDM Programs | | Weather Normalized | 2011-2014 CDM Target | Weather Normalized |
|---|---|---|---|---|---|---|
| | 2013F | 6 yr. Avg. | 2013 | Revised | Proportional | Adjusted |
| | (Elenchus) | (2006/11) | Persistence (from 2006-2010 programs) | 2013F | | 2013F |
| | A | B | C | D=A+B-C | E | F=D-E |
| **GS>50 (kW)** | 622,378 | 15,768 | 844 | 637,302 | 10,228 | **627,074** |
| **Intermediate** | 335,318 | 8,507 | 455 | 343,370 | 5,511 | **337,859** |
| **Large Use** | 398,793 | 0 | 0 | 398,793 | 6,400 | **392,393** |
| **Street Lights (kW)** | 24,551 | 0 | 0 | 24,551 | 394 | **24,157** |
| **Sentinel Lights (kW)** | 1,452 | 0 | 0 | 1,452 | 0 | **1,452** |
| **Total Demand** | **1,382,492** | **24,275** | **1,299** | **1,405,468** | **22,533** | **1,382,935** |

Bluewater Power adjusted the demand (kW) forecast for past CDM programs by grossing it up by the six year average of the 2006-2010 programs and reducing it by the expected 2013 CDM persistence. The demand forecast is then further adjusted to reflect the reduction in the energy forecast from the 2014 CDM target. The reduction in demand is proportional to that in energy (i.e., a 10% reduction in energy will yield a 10% reduction in demand).

Bluewater Power notes that no Large Use, streetlight or sentinel customers participated in past CDM programs between 2006 and 2010 therefore these classes do not have an adjustment related to the 2006-2010 program results.

Overall, the CDM adjusted weather normalized load forecast (kWh) for the 2013 Test Year for Bluewater Power is 991,128,398 kWh or 1.7% less than the base load forecast prepared by Elenchus. Bluewater Power recognizes that any variances that arise from the actual verified results from the OPA in 2013 as compared to this reduction will be booked to the LRAM Variance Account for future disposition.

The supporting schedule detailing the 2006-2010 CDM program results are provided in Exhibit 3, Tab 1, Schedule 3, Attachment 1.

## Bluewater Power - Calculation of 2013 CDM Forecast Reduction

| | Original 2013f Normalized - ERA Forecast | 2006 - 2011 CDM Savings (based on 2006-2010 programs) 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Average 2006-2011 | Revised 2013F | Share of Total Volume | Target 16,119,000 | Adjusted 2013F | Change from Original forecast | % change from Original |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential (kWh) | 259,773,254 | 2,450,277 | 4,597,857 | 6,243,841 | 6,710,145 | 5,688,994 | 5,408,608 | 5,214,531 | 5,098,813 | 5,183,287 | 259,857,728 | 25.9% | 4,170,377 | 255,687,351 | -4,085,903 | -1.6% |
| GS<50 (kWh) | 99,956,659 | | | 2,913 | 1,195,586 | 2,465,842 | 2,465,842 | 2,465,842 | 2,465,842 | 1,532,546 | 99,023,363 | 9.9% | 1,589,196 | 97,434,167 | -2,522,492 | -2.5% |
| GS>50 (kWh) | 225,433,209 | | 44,916 | 44,916 | 669,934 | 1,282,480 | 443,040 | 443,040 | 443,040 | 847,979 | 225,525,362 | 22.5% | 3,619,388 | 221,905,974 | -3,527,235 | -1.6% |
| Intermediate | 159,155,521 | | 31,710 | 31,710 | 472,973 | 905,429 | 312,786 | 312,786 | 312,786 | 414,214 | 159,256,950 | 15.9% | 2,555,866 | 156,701,083 | -2,454,438 | -1.5% |
| Large Users | 251,579,433 | | | | | | | | | | 251,579,433 | 25.0% | 4,037,521 | 247,541,912 | -4,037,521 | -1.6% |
| Street Lights (kWh) | 9,137,954 | | | | | | | | | | 9,137,954 | 0.9% | 146,652 | 8,991,302 | -146,652 | -1.6% |
| Sentinel Lights (kWh) | 627,674 | | | | | | | | | | 627,674 | 0.0% | - | 627,674 | 0 | 0.0% |
| USL (kWh) | 2,238,935 | | | | | | | | | | 2,238,935 | 0.0% | - | 2,238,935 | 0 | 0.0% |
| Total Customer (kWh) | **1,007,902,639** | 2,450,277 | 4,674,483 | 6,323,380 | 9,048,638 | 10,342,746 | 8,630,276 | 8,436,199 | 8,320,481 | 6,911,633 | 1,007,247,398 | 100.0% | 16,119,000 | **991,128,398** | -16,774,241 | -1.7% |
| GS>50 (kW) | 622,378 | 12,267 | 15,030 | 22,583 | 23,462 | 20,469 | 845 | 845 | 845 | 15,776 | 637,309 | | 10,228 | 627,081.40 | 4,703 | 0.8% |
| Intermediate | 335,318 | 6,609 | 8,098 | 12,167 | 12,641 | 11,028 | 455 | 455 | 455 | 8,500 | 343,363 | | 5,511 | 337,852.05 | 2,534 | 0.8% |
| Large Users | 398,793 | | | | | | | | | | 398,793 | | 6,400 | 392,392.89 | -6,400 | -1.6% |
| Street Lights (kW) | 24,551 | | | | | | | | | | 24,551 | | 394 | 24,156.99 | -394 | -1.6% |
| Sentinel Lights (kW) | 1,452 | | | | | | | | | | 1,452 | | - | 1,452 | 0 | 0.0% |
| Total Demand | **1,382,492** | 18,876 | 23,128 | 34,750 | 36,102 | 31,496 | 1,299 | 1,299 | 1,299 | 24,275 | 1,405,468 | | 22,533 | **1,382,935** | 443 | 0.0% |

Allocation of kWh and kW savings to Other Rate Classes based on percentage of load forecast

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| CDM (kWh) GS>50 Classes | | | 76,626 | 76,626 | 1,142,907 | 2,187,910 | 755,826 | 755,826 | 755,826 |
| GS>50 (kWh) | 58.6% | - | 44,916 | 44,916 | 669,934 | 1,282,480 | 443,040 | 443,040 | 443,040 |
| Intermediate | 41.4% | - | 31,710 | 31,710 | 472,973 | 905,429 | 312,786 | 312,786 | 312,786 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| CDM (kW) GS>50 Classes | | 18,876 | 23,128 | 34,750 | 36,102 | 31,496 | 1,299 | 1,299 | 1,299 |
| GS>50 (kW) | 65.0% | 12,267 | 15,030 | 22,583 | 23,462 | 20,469 | 845 | 845 | 845 |
| Intermediate (kW) | 35.0% | 6,609 | 8,098 | 12,167 | 12,641 | 11,028 | 455 | 455 | 455 |

*Data is sourced from the 2006-2010 OPA Final Results

# VARIANCE ANALYSIS OF LOAD FORECAST

Table 1 provides a variance analysis of the number of customers by rate class each year. The number of customers presented represents the average number of customers in the respective year. A discussion of the annual variances greater than 10% is provided below.

**Table 1 – Number of Customers by year**

| | 2009 EDR Approved | 2009 Actual | variance 2009 approved vs. 2009 actual | 2010 Actual | 2010 vs. 2009 | 2011 Actual | 2011 vs. 2010 | 2012 Forecast | 2012 vs 2011 | 2013 Forecast | 2013 vs. 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential | 31,560 | 31,554 | 0.0% | 31,552 | 0.0% | 31,787 | 0.7% | 31,954 | 0.5% | 32,122 | 0.5% |
| General Service < 50 kW | 3,890 | 3,412 | -12.3% | 3,511 | 2.9% | 3,507 | -0.1% | 3,525 | 0.5% | 3,544 | 0.5% |
| General Service > 50 to 999 kW | 399 | 380 | -4.8% | 393 | 3.4% | 409 | 4.1% | 423 | 3.4% | 438 | 3.5% |
| General Service 1000 to 4999 kW | 15 | 16 | 6.7% | 16 | 0.0% | 13 | -18.8% | 12 | -7.7% | 12 | 0.0% |
| Large Use | 3 | 4 | 33.3% | 3 | -25.0% | 3 | 0.0% | 3 | 0.0% | 3 | 0.0% |
| Unmetered Scattered Load | 266 | 257 | -3.4% | 257 | 0.0% | 260 | 1.2% | 260 | 0.0% | 260 | 0.0% |
| Sentinel Lighting | 526 | 497 | -5.5% | 497 | 0.0% | 497 | 0.0% | 497 | 0.0% | 445 | -10.5% |
| Street Lighting | 10,009 | 9,837 | -1.7% | 9,899 | 0.6% | 9,965 | 0.7% | 10,052 | 0.9% | 10,140 | 0.9% |
| TOTAL | 46,668 | 45,957 | -1.5% | 46,128 | 0.4% | 46,441 | 0.7% | 46,726 | 0.6% | 46,964 | 0.6% |

Variance 2009 Board approved vs. 2009 Actual

- GS<50 – 12.3% decrease.
    - The number of GS<50 customers approved in Bluewater Power 2009 COS Application was 3,890. However, in the year 2009 (after our 2009 rates were approved) an issue with the “query” used in our billing system to count the number of customers was uncovered; it was determined that the number of customers for this rate class had been overstated for a number of years. The query incorrectly included customers with closed accounts. The query was modified and the correct number of active customers is now accounted for. The actual number of customers in

2009 was 3,412 which led to the -12.3% variance from the 2009 approved value.

- Large – 33% increase
    - The number of customers approved in the 2009 forecast was 3, however there were 4 customers until August 2009 at which point one of the Large Use customers ceased operations and was moved to the Intermediate rate class to reflect their lower usage.

Variance 2010 vs. 2009 actual

- Large – 25% decrease
    - 2010 reflects the loss of the Large Use customer noted above that moved to the Intermediate rate class in August 2009 taking the number of customers as 4 in 2009 to 3 in 2010.

Variance 2011 vs. 2010

- Intermediate – 18.8% decrease
    - The number of customers in the Intermediate rate class dropped from 16 in 2010 to 13 in 2011. This reflects one customer that was in the Large Use rate class, that was moved to the Intermediate rate class in 2009 and was further reclassified to the GS>50 rate class in 2011. Two additional customers were reclassified from the Intermediate rate class to the GS>50 rate class in April 2011 to reflect their lower usage.

Variance 2013 vs. 2012

- Sentinel – 10.5% decrease
    - The number of sentinel connections decreased from 497 to 445 in 2013. This is related to a billing update to the number of devices or fixtures in operation.

There are no other material changes to the customer numbers forecast for 2012 and 2013.

## Variance Analysis on Energy Forecast (kWh)

Table 2 details the kWh variance between 2009 Actual results and the kWh included in Bluewater Power's 2009 Board approved values. The table also includes the 2009 normalized results as compared to the 2009 Board approved values. Normalized in the context of this kWh forecast refers to 'weather normalized' in the case of weather sensitive rate classes (residential, GS<50 and GS>50). For the other rate classes, normalized represents the actual results.

The largest variance is in the Large Use rate class where the actual results were 12% lower than the kWh approved for 2009. This is due to a fire at one of the large customer sites, and operations were ceased for a five month period. This led to a reduction in consumption of approximately 32,000,000 kWh, and a reduction in demand of approximately 33,000 kW.

**Table 2 – kWh Variance for 2009**

| | 2009 EDR Approved | 2009 Actual | Variance 2009 Actual vs. 2009 Approved | 2009 Normalized | 2009 normalized vs. 2009 approved |
|---|---|---|---|---|---|
| Residential | 261,847,739 | 252,958,052 | -3.4% | 255,651,704 | -2.4% |
| General Service < 50 kW | 120,287,121 | 110,288,359 | -8.3% | 111,867,708 | -7.0% |
| General Service > 50 to 999 kW | 214,354,332 | 209,789,052 | -2.1% | 216,250,255 | 0.9% |
| General Service 1000 to 4999 kW | 165,546,229 | 168,518,709 | 1.8% | 168,518,709 | 1.8% |
| Large Use | 280,461,771 | 246,885,214 | -12.0% | 246,885,214 | -12.0% |
| Unmetered Scattered Load | 2,188,838 | 2,215,434 | 1.2% | 2,215,434 | 1.2% |
| Sentinel Lighting | 684,138 | 652,414 | -4.6% | 652,414 | -4.6% |
| Street Lighting | 8,719,920 | 8,550,828 | -1.9% | 8,550,828 | -1.9% |
| TOTAL | **1,054,090,088** | **999,858,062** | | **1,010,592,266** | |

Table 3 shows the main variance in 2011 as compared to 2010 is a 10.7% decrease in the Intermediate rate category. At the start of 2011 there were 16 customers in the rate category, and by the end of 2011 there were 13 customers so the reduction in the

throughput is directly related to two customers being reallocated to the GS>50 rate class, and one customer closing completely.

**Table 3 – kWh Variance for 2010 and 2011**

| | 2010 actual | 2010 normalized | 2010 normalized vs. 2009 normalized | 2011 Actual | 2011 normalized | 2011 normalized vs. 2010 normalized |
|---|---|---|---|---|---|---|
| Residential | 264,765,479 | 257,211,136 | 0.6% | 257,450,968 | 258,340,847 | 0.4% |
| General Service < 50 kW | 110,171,154 | 109,179,568 | -2.4% | 105,807,915 | 105,949,255 | -3.0% |
| General Service > 50 to 999 kW | 222,842,935 | 216,768,079 | 0.2% | 225,133,479 | 224,210,382 | 3.4% |
| General Service 1000 to 4999 kW | 179,379,861 | 179,379,861 | 6.4% | 160,156,759 | 160,156,759 | -10.7% |
| Large Use | 257,951,054 | 257,951,054 | 4.5% | 253,729,738 | 253,729,738 | -1.6% |
| Unmetered Scattered Load | 2,257,871 | 2,257,871 | 1.9% | 2,238,935 | 2,238,935 | -0.8% |
| Sentinel Lighting | 644,654 | 644,654 | -1.2% | 627,674 | 627,674 | -2.6% |
| Street Lighting | 8,583,820 | 8,583,820 | 0.4% | 8,979,432 | 8,979,432 | 4.6% |
| TOTAL | **1,046,596,828** | **1,031,976,043** | | **1,014,124,900** | **1,014,233,022** | |

Table 4 shows there are no material variances projected for 2012 as compared to 2011. The reductions in the values for 2013 compared to 2012 relate to the reduction in the forecast attributable to CDM projected savings. This was discussed in Exhibit 3, Tab 1, Schedule 3.

**Table 4 – kWh Variance for 2012 and 2013**

| | 2011 normalized | 2012 Forecast - normalized | 2012 normalized vs. 2011 normalized | 2013 Forecast - Normalized | 2013 normalized vs. 2012 normalized |
|---|---|---|---|---|---|
| Residential | 258,340,847 | 259,667,118 | 0.5% | 255,687,351 | -1.5% |
| General Service < 50 kW | 105,949,255 | 103,450,605 | -2.4% | 97,434,167 | -5.8% |
| General Service > 50 to 999 kW | 224,210,382 | 226,737,748 | 1.1% | 221,905,974 | -2.1% |
| General Service 1000 to 4999 kW | 160,156,759 | 158,216,681 | -1.2% | 156,701,083 | -1.0% |
| Large Use | 253,729,738 | 252,652,298 | -0.4% | 247,541,912 | -2.0% |
| Unmetered Scattered Load | 2,238,935 | 2,238,935 | | 2,238,935 | |
| Sentinel Lighting | 627,674 | 627,674 | | 627,674 | |
| Street Lighting | 8,979,432 | 9,058,347 | 0.9% | 8,991,302 | -0.7% |
| TOTAL | 1,014,233,022 | **1,012,649,406** | | **991,128,398** | |

## Variance on Demand (kW) Forecast

The variance analysis on the demand forecast is based on actual data. The majority of the customers that are weather sensitive are not demand based (with the exception of the GS>50 kW customers), therefore the table below does not include 'normalized' data. The only variance greater than 10% is for the Intermediate rate category comparing 2011 to 2010 demand. There is a decrease of 11.3% which is related to the movement of 3 customers out of the intermediate rate category in 2011 as noted above.

**Table 5 – Variance on Demand (kW)**

| | 2009 Approved | 2009 Actual | Variance 2009 actual vs. 2009 approved | 2010 Actual | 2010 vs. 2009 actual | 2011 Actual | 2011 vs. 2010 | 2012 Forecast | 2012 vs. 2011 | 2013 Forecast | 2013 vs. 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential | | | | | | | | | | | |
| General Service < 50 kW | | | | | | | | | | | |
| General Service > 50 to 999 kW | 588,341 | 580,406 | -1.3% | 593,349 | 2.2% | 623,028 | 5.0% | 625,979 | 0.5% | 627,074 | 0.2% |
| General Service 1000 to 4999 kW | 372,459 | 366,321 | -1.6% | 382,392 | 4.4% | 338,998 | -11.3% | 333,340 | -1.7% | 337,859 | 1.4% |
| Large Use | 421,890 | 404,711 | -4.1% | 398,614 | -1.5% | 402,202 | 0.9% | 400,494 | -0.4% | 392,393 | -2.0% |
| Unmetered Scattered Load | | | | | | | | | | | |
| Sentinel Lighting | 1,637 | 1,543 | -5.7% | 1,463 | -5.2% | 1,452 | -0.8% | 1,452 | | 1,452 | |
| Street Lighting | 23,562 | 23,964 | 1.7% | 24,037 | 0.3% | 24,126 | 0.4% | 24,338 | 0.9% | 24,157 | -0.7% |

# OVERVIEW OF DISTRIBUTION REVENUE

Bluewater Power's base Revenue Requirement proposed to be recovered through rates is $21,876,690, plus an additional amount of $501,229 to be recovered related to transformer allowance credits, for a gross revenue requirement of $22,377,919.

**Table 1 – Base Revenue Requirement**

| Rate Class | Base Revenue Requirement | Add: Transformer Allowance Revenue Required | Gross Revenue Requirement |
|---|---|---|---|
| Residential | 12,026,198 | 0 | 12,026,198 |
| General Service < 50 kW | 3,118,381 | 0 | 3,118,381 |
| General Service > 50 to 999 kW | 3,450,825 | 74,131 | 3,524,955 |
| General Service 1000 to 4999 kW | 871,603 | 187,823 | 1,059,426 |
| Large Use | 1,441,059 | 239,276 | 1,680,335 |
| Unmetered Scattered Load | 123,755 | 0 | 123,755 |
| Sentinel Lighting | 60,776 | 0 | 60,776 |
| Street Lighting | 784,092 | 0 | 784,092 |
| TOTAL | 21,876,690 | 501,229 | 22,377,919 |

The attachment included as Exhibit 3, Tab 1, Schedule 5, Attachment 1 includes the 2012 and 2013 projected revenues using the currently approved distribution rates (effective May 1, 2012).

The attachment included as Exhibit 3, Tab 1, Schedule 5, Attachment 2 includes an overview of distribution revenue from the 2009 Board Approved values, 2009 Actual, 2010 Actual, 2011 Actual, and 2012 Bridge Year (at existing rates), and 2013 Test Year (at proposed rates). The 2009, 2010, and 2011 results match the Audited Financial Statements. The amounts indicated represent the revenue attributable to fixed and variable distribution charges only and exclude any rate riders. A variance analysis on the distribution revenue is at Exhibit 3, Tab 1, Schedule 6.

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## C3 Revenue from Current Distribution Charges

| Customer Class Name | 2012 PROJECTED REVENUE FROM EXISTING VARIABLE CHARGES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Variable Distribution Rate | per | Volume | Gross Variable Revenue | Transform. Allowance Rate | Transform. Allowance kW's | Transform. Allowance $'s | Net Variable Revenue |
| Residential | $0.0188 | kWh | 259,667,118 | 4,881,742 | | | | 4,881,742 |
| General Service < 50 kW | $0.0166 | kWh | 103,450,605 | 1,717,280 | | | | 1,717,280 |
| General Service > 50 to 999 kW | $3.5617 | kW | 625,979 | 2,229,549 | ($0.60) | 136,586 | (81,952) | 2,147,598 |
| General Service 1000 to 4999 kW | $1.2790 | kW | 333,340 | 426,342 | ($0.60) | 298,810 | (179,286) | 247,056 |
| Large Use | $1.4610 | kW | 400,494 | 585,122 | ($0.60) | 400,191 | (240,114) | 345,007 |
| Unmetered Scattered Load | $0.0426 | kWh | 2,238,935 | 95,379 | | | | 95,379 |
| Sentinel Lighting | $22.6299 | kW | 1,452 | 32,859 | ($0.60) | | | 32,859 |
| Street Lighting | $16.5512 | kW | 24,338 | 402,823 | ($0.60) | | | 402,823 |
| **TOTAL VARIABLE REVENUE** | | | | **10,371,095** | | **835,586** | **(501,352)** | **9,869,743** |

| Customer Class Name | 2012 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Fixed Rate | Customers (Connections) | Fixed Charge Revenue | Variable Revenue | TOTAL | % Fixed Revenue | % Variable Revenue | % Total Revenue |
| Residential | $13.8000 | 31,954 | 5,291,582 | 4,881,742 | 10,173,324 | 52.01% | 47.99% | 54.87% |
| General Service < 50 kW | $23.7100 | 3,525 | 1,002,933 | 1,717,280 | 2,720,213 | 36.87% | 63.13% | 14.67% |
| General Service > 50 to 999 kW | $142.0000 | 423 | 720,792 | 2,147,598 | 2,868,390 | 25.13% | 74.87% | 15.47% |
| General Service 1000 to 4999 kW | $3,121.6300 | 12 | 449,515 | 247,056 | 696,571 | 64.53% | 35.47% | 3.76% |
| Large Use | $24,427.6000 | 3 | 879,394 | 345,007 | 1,224,401 | 71.82% | 28.18% | 6.60% |
| Unmetered Scattered Load | $15.6800 | 260 | 48,922 | 95,379 | 144,300 | 33.90% | 66.10% | 0.78% |
| Sentinel Lighting | $3.4300 | 497 | 20,457 | 32,859 | 53,315 | 38.37% | 61.63% | 0.29% |
| Street Lighting | $2.1400 | 10,052 | 258,135 | 402,823 | 660,958 | 39.05% | 60.95% | 3.56% |
| **DISTRIBUTION REVENUE** | | | **8,671,729** | **9,869,743** | **18,541,473** | 46.77% | 53.23% | 100.00% |

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## C3 Revenue from Current Distribution Charges

| Customer Class Name | 2013 PROJECTED REVENUE FROM EXISTING VARIABLE CHARGES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Variable Distribution Rate | per | Volume | Gross Variable Revenue | Transform. Allowance Rate | Transform. Allowance kW's | Transform. Allowance $'s | Net Variable Revenue |
| Residential | $0.0188 | kWh | 255,687,351 | 4,806,922 | | | | 4,806,922 |
| General Service < 50 kW | $0.0166 | kWh | 97,434,167 | 1,617,407 | | | | 1,617,407 |
| General Service > 50 to 999 kW | $3.5617 | kW | 627,074 | 2,233,449 | ($0.60) | 123,551 | (74,131) | 2,159,319 |
| General Service 1000 to 4999 kW | $1.2790 | kW | 337,859 | 432,122 | ($0.60) | 313,038 | (187,823) | 244,299 |
| Large Use | $1.4610 | kW | 392,393 | 573,286 | ($0.60) | 398,793 | (239,276) | 334,010 |
| Unmetered Scattered Load | $0.0426 | kWh | 2,238,935 | 95,379 | | | | 95,379 |
| Sentinel Lighting | $22.6299 | kW | 1,452 | 32,859 | ($0.60) | | | 32,859 |
| Street Lighting | $16.5512 | kW | 24,157 | 399,827 | ($0.60) | | | 399,827 |
| **TOTAL VARIABLE REVENUE** | | | | **10,191,251** | | **835,382** | **(501,229)** | **9,690,022** |

| Customer Class Name | 2013 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Fixed Rate | Customers (Connections) | Fixed Charge Revenue | Variable Revenue | TOTAL | % Fixed Revenue | % Variable Revenue | % Total Revenue |
| Residential | $13.8000 | 32,122 | 5,319,403 | 4,806,922 | 10,126,325 | 52.53% | 47.47% | 54.97% |
| General Service < 50 kW | $23.7100 | 3,544 | 1,008,339 | 1,617,407 | 2,625,746 | 38.40% | 61.60% | 14.25% |
| General Service > 50 to 999 kW | $142.0000 | 438 | 746,352 | 2,159,319 | 2,905,671 | 25.69% | 74.31% | 15.77% |
| General Service 1000 to 4999 kW | $3,121.6300 | 12 | 449,515 | 244,299 | 693,814 | 64.79% | 35.21% | 3.77% |
| Large Use | $24,427.6000 | 3 | 879,394 | 334,010 | 1,213,404 | 72.47% | 27.53% | 6.59% |
| Unmetered Scattered Load | $15.6800 | 260 | 48,922 | 95,379 | 144,300 | 33.90% | 66.10% | 0.78% |
| Sentinel Lighting | $3.4300 | 445 | 18,316 | 32,859 | 51,175 | 35.79% | 64.21% | 0.28% |
| Street Lighting | $2.1400 | 10,140 | 260,395 | 399,827 | 660,223 | 39.44% | 60.56% | 3.58% |
| **DISTRIBUTION REVENUE** | | | **8,730,635** | **9,690,022** | **18,420,657** | 47.40% | 52.60% | 100.00% |

## Summary of Historical and Proposed Distribution Revenue

| | 2009 Board Approved | 2009 Actual | Variance 2009 Board Approved - 2009 Actual | 2010 Actual | Variance 2010 - 2009 Actual | 2011 Actual | Variance 2011 - 2010 | 2012 Bridge Year | Variance 2012 - 2011 | 2013 Test Year | Variance from 2012 Bridge Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential | 10,039,409 | 9,157,764 | (881,645) | 10,031,282 | 873,518 | 10,032,358 | 1,076 | 10,173,324 | 140,966 | 12,026,198 | 1,852,874 |
| General Service < 50 kW | 3,306,729 | 2,800,099 | (506,630) | 2,972,249 | 172,150 | 2,822,474 | (149,775) | 2,720,213 | (102,261) | 3,118,381 | 398,168 |
| General Service > 50 to 999 kW | 2,657,066 | 2,541,703 | (115,363) | 2,735,517 | 193,814 | 2,752,119 | 16,602 | 2,868,390 | 116,271 | 3,450,825 | 582,435 |
| General Service 1000 to 4999 kW | 823,088 | 811,958 | (11,130) | 815,189 | 3,231 | 695,136 | (120,053) | 696,571 | 1,435 | 871,603 | 175,032 |
| Large Use | 1,275,057 | 1,087,819 | (187,238) | 1,271,343 | 183,524 | 1,290,125 | 18,782 | 1,224,401 | (65,724) | 1,441,059 | 216,659 |
| Unmetered Scattered Load | 114,970 | 94,221 | (20,749) | 120,612 | 26,391 | 127,429 | 6,817 | 144,300 | 16,871 | 123,755 | (20,545) |
| Sentinel Lighting | 31,021 | 27,528 | (3,493) | 38,682 | 11,154 | 43,478 | 4,796 | 53,315 | 9,837 | 60,776 | 7,461 |
| Street Lighting | 413,272 | 360,409 | (52,863) | 465,903 | 105,494 | 544,686 | 78,783 | 660,958 | 116,272 | 784,092 | 123,133 |
| **TOTAL Distribution Revenue** | 18,660,611 | 16,881,501 | (1,779,110) | 18,450,777 | 1,569,276 | 18,307,805 | (142,972) | 18,541,473 | 233,668 | 21,876,690 | 3,335,217 |

# VARIANCE ANALYSIS ON DISTRIBUTION REVENUE

Bluewater Power's total proposed Service Revenue Requirement is $22,956,938. The amount of 'other revenue' is forecast at $1,080,249 for a base revenue requirement of $21,876,690. Below is a general description of the annual variances related to the change in distribution revenue.

## 2009 Board Approved vs. 2009 Actual

The variance of - $1,779,110 is mainly related to the fact that the 2009 Board Approved rates did not come into effect until May 1, 2009 therefore one-third of 2009 revenue was at 'old rates' and, therefore, Bluewater Power only realized the increase in the 2009 revenue requirement after May 2009.

## 2010 Actual vs. 2009 Actual

There was a positive variance of $1,569,276 for the same reason as noted above; 2009 only reflected a partial year at rebased rates whereas 2010 included a full twelve months at the rebased rates. Although there is a positive variance over 2009 actual results, the 2010 revenue of $18,450,777 was lower than the 2009 approved revenue of $18,660,611. One of the main drivers of the negative variance throughout the IRM period related to an issue with the customer counts for the GS<50 rate class as described in Exhibit 3, Tab 1, Schedule 4. The 2009 COS Application included approximately 480 more customers in this rate class than actually existed. This issue impacted the fixed revenue, and Bluewater Power realized $145,000 lower revenues per year as a result.

## 2011 Actual vs. 2010 Actual

There was a negative variance of $142,972 mainly attributable to the loss of one customer in the Intermediate rate category that ceased operations in 2011 after going into receivership. The loss of this customer accounted for $120,053 of the total variance.

## 2012 Bridge Year vs. 2011 Actual

There was a positive variance of $233,666 mainly in the residential and GS>50 rate classes offset by a slight decrease in the Large Use rate class.

## 2013 Test Year vs. 2012 Bridge Year

The variance of $3,335,217 is related to the fact that the 2013 Test Year values are calculated at the proposed rates, and the 2012 bridge year revenue is calculated at 2012 rates. The variance of $3.3 million is the excess revenue proposed in order to recover the revenue deficiency.

Exhibit 3: Revenue

# Tab 2 (of 2): Other Revenue

# OVERVIEW OF OTHER REVENUE

Other distribution revenue is any revenue that is distribution in nature but that is sourced from means other than distribution rates.

Bluewater Power has categorized the other distribution revenue into the following categories, which is detailed in the OEB Appendix 2-F at Exhibit 3, Tab 2, Schedule 1, Attachment 1:

1. Specific Service Charges
2. Late Payment Charges
3. Other Distribution Revenue
4. Other Income or Deductions
5. Investment Income

This schedule will detail the revenue associated with each category from 2009 Board Approved to 2013 Test Year, and a variance analysis with each. A summary of the Other Revenue is detailed in Table 1 below. The full amount of $1,080,249 for the 2013 Test Year is a revenue offset, meaning this amount of revenue is projected to be recovered from sources other than distribution rates therefore the Service Revenue Requirement can be reduced by this amount to determine the remaining amount to be recovered through rates.

**Table 1 – Summary of Other Revenue**

| | 2009 Board Approved | 2009 Actual | 2010 Actual | 2011 Actual | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|
| Specific Service Charges | 135,320 | 1,105,751 | 209,404 | 174,751 | 151,520 | 151,520 | 157,724 |
| Late Payment Charges | 225,433 | 285,586 | 230,017 | 244,953 | 240,000 | 240,000 | 232,694 |
| Other Distribution Revenue | 294,111 | 577,137 | 577,970 | 538,535 | 526,902 | 526,902 | 413,474 |
| Other Income or Deductions | 316,850 | 397,514 | 396,875 | 628,599 | 214,394 | 209,394 | 180,257 |
| Investment Income | (243,636) | 52,701 | 111,557 | 312,894 | 169,332 | 169,332 | 96,099 |
| Total | 728,078 | 2,418,689 | 1,525,823 | 1,899,732 | 1,302,148 | 1,297,148 | 1,080,248 |

## 1. Specific Service Charges

Bluewater Power charges fees for certain services. Exhibit 3, Tab 2, Schedule 1, Attachment 2 contains the trend table of other revenue from Service Charges from 2009 to 2012. All of these fees are booked to Account 4235.

Bluewater Power is proposing the continuation of Current Service Charges at current levels and the addition of two additional service charges shown below under the heading of Proposed Service Charges. The proposed charges are based on standards charges established by the OEB. The need to request the inclusion of these charges in Bluewater Power's list of Specific Service Charges is based on the projected need for the service in our territory. The list of the current and proposed service charges and the associates rates are detailed below:

Current Service Charges

- Duplicate Invoices for previous billing $15.00
- Income tax letter $15.00
- Legal letter charge $15.00
- Account set up charge/change of occupancy $10.00
- Returned cheque charge (plus bank charges) $15.00
- Special meter reads $30.00
- Collection of account charge – no disconnection $30.00
- Disconnect/reconnect – at meter, regular hours $65.00
- Disconnect/reconnect – at meter after hours $185.00
- Microfit Monthly charge (per month – new rate) $5.40

Proposed Service Charges

- Account history $15.00
- Meter Dispute test $30.00

A detailed discussion of the two new proposed service charges is contained in Exhibit 8, Tab 3, Schedule 4.

Table 2 below contains the annual revenue amounts booked to Account 4235, and the projected revenues for the 2012 Bridge Year and the 2013 Test Year.

**Table 2 – Specific Service Charge Revenue – Account 4235**

| Account Description | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|
| Miscellaneous - Micro Fit Monthly Charge | - | - | - | - | 1,500 | 1,500 | 5,184 |
| Miscellaneous - Special Meter Reading | - | - | - | 30 | 120 | 120 | 30 |
| Miscellaneous - Meter Dispute Test (new 2013) | - | - | - | - | - | - | 30 |
| Miscellaneous - Duplicate Invoice for previous billing | - | - | - | - | - | - | 150 |
| Miscellaneous - NSF Cheques | 9,120 | 6,992 | 5,941 | 5,822 | 6,200 | 6,200 | 6,255 |
| Miscellaneous - Reconnect Nighttime | 1,110 | 370 | 555 | 490 | 500 | 500 | 370 |
| Miscellaneous - Reconnect Daytime | 7,280 | 13,023 | 6,810 | 11,799 | 9,200 | 9,200 | 10,530 |
| Miscellaneous - Account History (New 2013) | - | - | - | - | - | - | 150 |
| Miscellaneous - Income Tax Statements | 1,935 | 3,645 | 3,798 | 3,452 | 4,000 | 4,000 | 3,630 |
| Miscellaneous - Arrears/Lawyers Certificate | 5,145 | 3,821 | 4,255 | 3,521 | 4,000 | 4,000 | 3,855 |
| Miscellaneous - Collection Charges | 60,900 | 84,445 | 60,742 | 82,354 | 74,000 | 74,000 | 75,840 |
| Miscellaneous - Change of Occupancy Charge | 50,350 | 47,361 | 47,596 | 48,154 | 48,000 | 48,000 | 47,700 |
| Miscellaneous - Miscellaneous One Time | | 946,094 | 79,707 | 19,130 | 4,000 | 4,000 | 4,000 |
| TOTAL | 135,840 | 1,105,751 | 209,404 | 174,751 | 151,520 | 151,520 | 157,724 |
| Year over Year variance | | 969,911 | (896,347) | (34,653) | (23,231) | 0 | 6,204 |

## Variance 2009 Actual – 2009 Board Approved - $969,911

There were two significant non-recurring revenue items that occurred in 2009 that were not forecast as follows:

| | |
|---|---|
| Great West Life Refund | $162,178 |
| Customer Contract Payment | $769,250 |
| Other Miscellaneous | $ 14,666 |
| Total | $946,094 |

## Variance 2010 – 2009 Actual - ($896,347)

There were small decreases in the volumes related to NSF cheques, daytime reconnects and the amount received through collection charges in 2010. The primary driver of the decrease in 2010 reflects the loss of the two significant non-recurring revenue items noted above for 2009.

## Variance 2011 - 2010 – ($34,653)

There was a small increase in 2011 in the volumes related to daytime reconnections and collection charges. There was a decrease in the one-time items, with the total in 2011 being $19,130 and the total in 2010 being made-up of non-recurring items as follows:

| | |
|---|---|
| Apprenticeship credit from College | $15,046 |
| One-time DRC recovery from bad debt write-offs | $15,015 |
| SR&ED tax credit | $46,870 |
| Other miscellaneous | $ 2,776 |
| Total | $79,707 |

## Other Variances

The variance from 2011 to 2012 is projected to be ($23,231) related to volume changes for the service charges. The variance 2012 to 2013 is projected to be $6,204 which is mainly attributable to the increase in the number of monthly service charges related to the increase of microFIT contracts.

## 2. Late Payment Charges

Bluewater Power imposes the following late payment charges to customer accounts when the total amount of the bill has not been paid within the time outlined in the Distribution System Code Section 2.7:

| | |
|---|---|
| Late payment – per month | 1.50% |
| Late payment – per annum | 19.56% |

The amount assessed as late payment charges over the last four years has been relatively stable. The only notable variance is the 2009 total, which relates to the fact that late payment revenue associated with water billing was improperly booked to account 4225 for that year only. In 2010 and the first three months of 2011, the revenue associated with water billing was recorded in Account 4375 as it was non-utility related. As of April 1, 2011, the water billing function is now performed by BPSC and the late payment amounts are allocated to BPSC.

**Table 3 – Late Payment Charge Revenue**

| Account Description | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|
| Late Payment Charges - Water | | 62,475 | - | - | - | - | - |
| Late Payment Charges | 225,433 | 223,111 | 230,017 | 244,953 | 240,000 | 240,000 | 232,694 |
| Total | 225,433 | 285,586 | 230,017 | 244,953 | 240,000 | 240,000 | 232,694 |
| Year-over-year variance | | 60,153 | (55,569) | 14,936 | (4,953) | 0 | (7,306) |

## 3. Other Distribution Revenue

Other distribution revenue includes Retailer Service Charges which include a standard set-up charge for new retailers, a monthly fixed charge per retailer, a monthly variable charge per retail customer; a standard distributor consolidated billing charge per retail customer, a service transaction request fee and a service transaction processing fee.

**Table 4 – Retail Service Revenue**

| | OEB Account | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 IFRS |
|---|---|---|---|---|---|---|---|---|
| Retail Service Revenue (includes monthly charges, variable charges) | 4082 | 68,097 | 60,838 | 56,983 | 48,541 | 50,000 | 50,000 | 46,297 |
| Service Transaction Request revenue | 4084 | 5,092 | 1,746 | 3,756 | 3,805 | 2,000 | 2,000 | 2,037 |
| Total | | 73,189 | 62,584 | 60,739 | 52,346 | 52,000 | 52,000 | 48,334 |
| Year over Year variance | | | (10,605) | (1,845) | (8,393) | (346) | 0 | (3,666) |

The largest variance in Table 4 is a decrease of $10,605 from 2009 Actual compared to 2009 Board Approved which is the result of a decline in the number of retail customers. Bluewater Power has projected a further decrease in the number of retail customers for 2013 which results in a slightly lower revenue projection from these charges.

**Table 5– Account 4210 – Rent from Electric Property**

| | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|
| Vehicle rental revenue | | 80,916 | 85,454 | 46,642 | 44,677 | 44,677 | 50,176 |
| Building rental revenue | | 22,400 | 22,800 | 22,800 | 22,800 | 22,800 | 17,200 |
| Return on invested capital | | 62,244 | 57,456 | 57,456 | 56,077 | 56,077 | 55,402 |
| Pole rental revenue | 136,320 | 142,269 | 147,819 | 152,679 | 152,400 | 152,400 | 151,967 |
| Total | 136,320 | 307,829 | 313,529 | 279,577 | 275,954 | 275,954 | 274,745 |
| Year over Year variance | | 171,509 | 5,700 | (33,952) | (3,623) | | (1,209) |

Other distribution revenue amounts booked to account 4210 - “Rent from Electric Property” includes pole rental revenue, vehicle rental revenue, building rental revenue and revenue received from Affiliates in relation to a return on invested capital on vehicles and computer software. The 2009 Board Approved values only include the pole rental revenue. The other items were booked to account 4325 in the 2009 COS Application, however; since 2009 the vehicle rental revenue, building rental revenue and return on invested capital amount are booked to account 4210.

There was a decrease in 2011 related to the sale of a fully depreciated large bucket truck to an affiliate. The sale reduced the demand from the affiliate for vehicles to rent from Bluewater Power.

**Table 6 – Account 4086 – SSS Administration Charge Revenue**

| | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|
| SSS Administration Fee Revenue | 84,603 | 89,114 | 90,530 | 93,861 | 93,000 | 93,000 | 90,395 |
| Year over Year variance | | 4,511 | 1,416 | 3,331 | (861) | 0 | (2,605) |

Other distribution revenue also includes SSS Administration Fees which is a charge of $0.25 per customer per month for all customers that receive their electricity commodity from Bluewater Power. The revenue was previously booked to account 4080, however recent changes to the Uniform System of Accounts (January 2012), now have this revenue booked to a new Account 4086. There is no material annual variance for this account.

**Table 7 – Account 4220 – Other Electric Revenue**

| | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013MIFRS |
|---|---|---|---|---|---|---|---|
| Other Electric Revenue | 0 | 117,610 | 113,172 | 112,751 | 105,948 | 105,948 | - |
| Year over Year variance | | 117,610 | (4,438) | (421) | (6,803) | 0 | (105,948) |

Finally, other distribution revenue includes Account 4220 – “Other Electric Revenues”. This account is to “include revenues derived from electric operations not included in any of the foregoing accounts”. Bluewater Power used this account to record management fee revenue realized from Affiliates from 2009 to 2012. After analyzing the management fees for the 2013 Test Year, and undergoing a Transfer Pricing Study (as discussed in Exhibit 4, Tab 5, Schedule 1, Attachment 2), it was determined that this offset was more accurately recognized as an OM&A reduction to management salaries rather than as revenue. The impact on the 2013 Test Year Revenue Requirement is the same using either accounting method. The amount offset to OM&A in 2013 for Management, as well

as for charges related to Finance, IT and Human Resources is $186,938, plus an offset to Directors fees in the amount of $8,056. The resulting negative variance of $105,948 reflects the loss of the revenue offsets in 2013, but that loss is more than compensated by the reduction to OM&A.

## 4. Other Income and Deductions

Other Income and Deductions include revenue booked to account 4325/4330 Revenue and Expenses from Jobbing, Account 4355/4360 Gain and Loss on Disposal, and Account 4390 – Miscellaneous non-operating income which is related to sale of scrap metal.

Table 8 details the net revenue associated with billable jobs that are distribution related. The types of jobs would include trenching for service wire, revenue associated with connection of renewable generation, upgrades driven by customers or relocates due to a road widening requested by a road authority, etc.

**Table 8 – Account 4325/4330 – Net Revenue from Jobbing**

| | OEB Account | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|---|
| Management Fees and Rent Earned from Affiliates | 4325 | 134,310 | | | | | | |
| Revenues from Jobbing | 4325 | 226,774 | 597,536 | 1,655,256 | 1,475,205 | 757,575 | 757,575 | 641,026 |
| Expenses from Jobbing | 4330 | (92,578) | (372,896) | (1,304,982) | (896,293) | (568,181) | (568,181) | (480,769) |
| Net Revenue | | 268,506 | 224,640 | 350,274 | 578,912 | 189,394 | 189,394 | 160,257 |
| Year over Year variance | | | (43,866) | 294,764 | 228,638 | (389,518) | 0 | (29,137) |

## Variance 2009 to 2009 Board Approved

As noted in the explanation for Table 5, Bluewater Power now records rent for building space and vehicle rental revenue, as well as return on invested capital in Account 4210; however, the 2009 Board Approved budget included this revenue in Account 4325.

Accordingly, there is not a negative variance of $134,310 as these items contribute to a positive variance of $171,509 in Account 4210 as demonstrated in Table 5 above.

The other revenue and costs booked to these accounts relates to one-time billable work which is unpredictable and therefore difficult to forecast. The revenue and expense in 2009 Actuals reflect the unexpected revenue due to the connection of solar farms under the OPA's RESOP program.

**Variance 2010 to 2009 - $294,764**

This variance is due to the one-time billable work related to connecting new solar and landfill gas generation facilities to Bluewater Power's distribution network. Although there was some level of work in 2009, the demand in 2010 was significantly higher. The work continued into 2011 as discussed next.

**Variance 2011 to 2010 - $228,638**

This variance is also due to the same generation projects that were started in 2010 and completed in 2011 as discussed in the previous paragraph. Although the revenue was higher in 2010, the costs in 2011 were lower as the invoices issued in 2011 also included a true-up from prior years.

**Variance 2012 to 2011 – ($389,518)**

This negative variance is due to 2012 being more reflective of typical recurring on-demand billable work. There are no one-time billable projects expected in 2012.

**Variance 2013 to 2012 – ($29,137)**

This negative variance is due to the lower than anticipated billable work experienced in 2012. The lower level of work reflects the dampened demand due to the economy and

the near saturation of renewal energy in our service territory. As a result, the 2013 test year budget has been reduced slightly.

The other Income and Deductions accounts also include profit and loss related to disposal of assets related to Accounts 4355/4360, and the sale of scrap metal which is booked to account 4390. Table 9 details the annual amounts recorded to these accounts. The 2009 net gain of approximately $152,000 (Accounts 4355/4360) was related to the gain on sale of the civil fleet to an affiliate upon the creation of the affiliate in 2009 as discussed in our 2009 COS Application.

It should be noted that MIFRS directs that gains on retirement of capital assets be booked to account 4357 – Gain from Retirement of Utility and Other Property which is an adjustment to depreciation expense for ratemaking purposes. See discussion of Bluewater Power's Asset Retirement Policy at Exhibit 2, Tab 2, Schedule 3. As a result, there are no amounts included in these revenue offset accounts for 2012 MIFRS and 2013 MIFRS. An amount of $10,000 has been budgeted for the 2013 Test Year relating to gains from retirements and this amount has been applied as a reduction to the 2013 Test Year depreciation expense as shown in Appendix 2-CH 'Depreciation and Amortization Expense' at Exhibit 4, Tab 7, Schedule 1.

**Table 9 – Accounts 4355/4360 and 4390 – Gain and Loss on Assets and Material**

| | OEB Account | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|---|
| Gain on disposition | 4355 | 15,026 | 358,539 | 20,735 | 23,293 | 5,000 | 0 | 0 |
| Loss on disposition | 4360 | | (206,378) | | | | | |
| Misc. non-operating income | 4390 | 33,318 | | 25,866 | 26,394 | 20,000 | 20,000 | 20,000 |
| Total | | 48,344 | 152,161 | 46,601 | 49,687 | 25,000 | 20,000 | 20,000 |
| Year over year variance | | | 103,817 | (105,560) | 3,086 | (24,687) | (5,000) | - |

## 5. Interest and Dividend Income

Account 4405 is used to record interest revenues on securities, notes, loans, deposits, and all other interest bearing assets. Bluewater Power does not own any shares of any corporations and therefore has no dividend income. Table 10 details the amounts and nature of interest income, which includes carrying charges income.

**Table 10 – Interest and Dividend Income**

| | OEB Account | 2009 Board Approved | 2009 | 2010 | 2011 | 2012 CGAAP | 2012 MIFRS | 2013 MIFRS |
|---|---|---|---|---|---|---|---|---|
| Interest on advances to affiliates | 4405 | | 15,662 | 22,554 | 9,832 | - | - | - |
| Interest on bank accounts | 4405 | | 37,039 | 22,146 | 25,934 | 23,610 | 23,610 | 43,610 |
| Interest on promissory note receivable | 4405 | | - | - | 75,902 | 84,955 | 84,955 | - |
| Carrying charges income | 4405 | (243,636) | - | 66,857 | 201,226 | 60,767 | 60,767 | 52,489 |
| **Total** | **4405** | **(243,636)** | **52,701** | **111,557** | **312,894** | **169,332** | **169,332** | **96,099** |
| Year over year variance | | | 296,337 | 58,856 | 201,337 | (143,562) | - | (73,233) |

### Variance 2009 to 2009 Board Approved - $296,337

The only amount booked to Account 4405 in the 2009 COS Application related to the expected carrying charges at that time. The amount included as a debit in this account was not specifically approved as part of the settlement with Intervenors, as approved by the Board. During the year 2009 and beyond, no debits were actually booked to Account 4405 in relation to Carrying Charges as the OEB direction that followed provided greater clarity that Carry Charge debits should not be booked to this account.

With respect to interest income, there was no amount forecast for interest on bank accounts in the 2009 COS Application as we were expected to be in a borrowing position.

**Variance 2010 to 2009 - $58,856**

This variance is due to our accounting for carrying charges. Bluewater Power had recorded all carrying charges income or expense, to Account 6035 in 2009. In 2010, carrying charges income was separated into 'income' being recorded to Account 4405, and 'expense' being recorded to Account 6035.

**Variance 2011 to 2010 - $201,337**

This variance is due to a significant increase in carrying charges income relating to smart meters as well as interest from a new promissory note receivable with an affiliate.

**Variance 2012 to 2011 – ($143,562**)

This variance is due to a significant decrease in carrying charges income. Upon filing our smart meter rate application in 2012, it was determined that only certain carrying charges would be allowed for recovery.

**Variance 2013 to 2012 – ($73,233**)

This variance is due to the promissory note receivable with an affiliate being repaid prior to year end of 2012. This issue is discussed in the section on Affiliate Transactions included as Exhibit 1, Tab 2, Schedule 8.

## 6. Accounts 4375/4380 – Revenues/Expenses of Non Rate-Regulated Operations

Bluewater Power records revenue and expenses related to the OPA CDM programs to accounts 4375/4380. This amount is related to the salaries and related expenses that are removed from OM&A expenses and are allocated to the OPA accounts. The revenue and expenses relating to streetlight installations are also booked to Accounts 4375/4380. Prior to 2012, revenues associated with water billing were booked to these accounts. However, as disclosed in Exhibit 1, Tab 2, Schedule 8, the Services Company now assumes responsibility for water billing and street light installation work.

| | |
|---|---|
| **File Number:** | EB-2012-0107 |
| **Exhibit:** | 3 |
| **Tab:** | 2 |
| **Schedule:** | 1 |
| **Page:** | 1 |
| **Date:** | October 22, 2012 |

# Appendix 2-F
# Other Operating Revenue

| USoA # | USoA Description | 2009 Actual | 2010 Actual | 2011 Actual[2] | 2011 Actual[2] | Bridge Year[3] 2012 | Bridge Year[3] 2012 | Test Year 2013 |
|---|---|---|---|---|---|---|---|---|
| | *Reporting Basis* | CGAAP | CGAAP | CGAAP | | CGAAP | MIFRS | MIFRS |
| 4235 | Specific Service Charges | $ 1,105,751 | $ 209,404 | $ 174,751 | | $ 151,520 | $ 151,520 | $ 157,724 |
| 4225 | Late Payment Charges | $ 285,586 | $ 230,017 | $ 244,953 | | $ 240,000 | $ 240,000 | $ 232,694 |
| 4082 | Retail Services Revenues | $ 60,838 | $ 56,983 | $ 48,541 | | $ 50,000 | $ 50,000 | $ 46,297 |
| 4086 | Distribution Service Revenue | $ 89,114 | $ 90,530 | $ 93,861 | | $ 93,000 | $ 93,000 | $ 90,395 |
| 4084 | STR Revenue | $ 1,746 | $ 3,756 | $ 3,805 | | $ 2,000 | $ 2,000 | $ 2,037 |
| 4210 | Rent from Electric property | $ 307,829 | $ 313,529 | $ 279,577 | | $ 275,954 | $ 275,954 | $ 274,745 |
| 4220 | Other Electric Revenue | $ 117,610 | $ 113,172 | $ 112,751 | | $ 105,948 | $ 105,948 | $ - |
| 4325 | Revenues from Jobbing | $ 597,536 | $ 1,655,256 | $ 1,475,205 | | $ 757,575 | $ 757,575 | $ 641,026 |
| 4330 | Expenses from Jobbing | -$ 372,896 | -$ 1,304,982 | -$ 896,293 | | -$ 568,181 | -$ 568,181 | -$ 480,769 |
| 4355 | Gain on disposition | $ 358,539 | $ 20,735 | $ 23,293 | | $ 5,000 | $ - | $ - |
| 4360 | Loss on disposition | -$ 206,378 | | | | | | |
| 4390 | Misc. non-operating income | $ 20,713 | $ 25,866 | $ 26,394 | | $ 20,000 | $ 20,000 | $ 20,000 |
| 4405 | Interest and dividend income | $ 52,701 | $ 111,557 | $ 312,894 | | $ 169,332 | $ 169,332 | $ 96,099 |
| **Specific Service Charges** | | $ 1,105,751 | $ 209,404 | $ 174,751 | $ - | $ 151,520 | $ 151,520 | $ 157,724 |
| **Late Payment Charges** | | $ 285,586 | $ 230,017 | $ 244,953 | $ - | $ 240,000 | $ 240,000 | $ 232,694 |
| **Other Distribution Revenues:** | | $ 577,137 | $ 577,970 | $ 538,535 | $ - | $ 526,902 | $ 526,902 | $ 413,474 |
| **Other Income or Deductions** | | $ 397,514 | $ 396,875 | $ 628,599 | $ - | $ 214,394 | $ 209,394 | $ 180,257 |
| **Investment Income** | | $ 52,701 | $ 111,557 | $ 312,894 | $ - | $ 169,332 | $ 169,332 | $ 96,099 |
| **Total** | | $ 2,418,689 | $ 1,525,823 | $ 1,899,732 | $ - | $ 1,302,148 | $ 1,297,148 | $ 1,080,248 |

| Description | Account(s) |
|---|---|
| Specific Service Charges: | 4235 |
| Late Payment Charges: | 4225 |
| Other Distribution Revenues: | 4080, 4082, 4084, 4090, 4205, 4210, 4215, 4220, 4240, 4245 |
| Other Income and Expenses: | 4305, 4310, 4315, 4320, 4325, 4330, 4335, 4340, 4345, 4350, 4355, 4360, 4365, 4370, 4375, 4380, 4385, 4390, 4395, 4398, 4405, 4415 |

**Note: Add all applicable accounts listed above to the table and include all relevant information.**

**The above table assumes adoption of MIFRS as of January 1, 2013. If the adoption year differs, please adjust the table accordingly.**

**Account Breakdown Details**

For each "Other Operating Revenue" and "Other Income or Deductions" Account, a detailed breakdown of the account components is required. See the example below for Account 4405, Interest and Dividend Income.

**Account 4405 - Interest and Dividend Income**

| | 2009 Actual | 2010 Actual | 2011 Actual[2] | 2011 Actual[2] | Bridge Year | Bridge Year | Test Year |
|---|---|---|---|---|---|---|---|
| **Reporting Basis** | CGAAP | CGAAP | CGAAP | | CGAAP | MIFRS | MIFRS |
| Interest on advances to affiliates | $ 15,662 | $ 22,554 | $ 9,832 | | | | |
| Interest on bank accounts | $ 37,039 | $ 22,146 | $ 25,934 | | $ 23,610 | $ 23,610 | $ 43,610 |
| Interest on promissory note recievable | | | $ 75,902 | | $ 84,955 | $ 84,955 | |
| Carrying Charges Income | | $ 66,857 | $ 201,226 | | $ 60,767 | $ 60,767 | $ 52,489 |
| | | | | | | | |
| **Total** | $ 52,701 | $ 111,557 | $ 312,894 | $ - | $ 169,332 | $ 169,332 | $ 96,099 |

**Notes:**

1 List and specify any other interest revenue

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## Trend Table of Other Revenue from Service Charges

| Service | USA # | 2009 Approved Volume | 2009 Approved Rate | 2009 Approved Revenue |
|---|---|---|---|---|
| Standard Supply Service -- Administrative Charge | 4086 | 338,412 | $0.25 | 84,603 |
| Duplicate invoices for previous billing | 4235 | | | |
| Income tax letter | 4235 | 129 | $15.00 | 1,935 |
| Account history | 4235 | | | |
| Returned Cheque charge (plus bank charges) | 4235 | 608 | $15.00 | 9,120 |
| Legal letter charge | 4235 | 343 | $15.00 | 5,145 |
| Account set up charge / change of occupancy charge | 4235 | 5,035 | $10.00 | 50,350 |
| Special Meter reads | 4235 | | | |
| Meter dispute charge plus Measurement Canada fees (if meter found cor | 4235 | | | |
| Late Payment - per month | 4225 | | 1.50% | 225,433 |
| Collection of account charge – no disconnection | 4235 | 2,030 | $30.00 | 60,900 |
| Disconnect/Reconnect at meter – during regular hours | 4235 | 112 | $65.00 | 7,280 |
| Disconnect/Reconnect at meter – after regular hours | 4235 | 6 | $185.00 | 1,110 |
| Specific Charge for Access to the Power Poles – per pole/year | 4210 | 6,099 | $22.35 | 136,320 |
| Retailer Service Agreement -- standard charge | 4082 | | | |
| Retailer Service Agreement -- monthly fixed charge (per retailer) | 4082 | 133 | $20.00 | 2,660 |
| Retailer Service Agreement -- monthly variable charge (per customer) | 4082 | 81,846 | $0.50 | 40,923 |
| Distributor-Consolidated Billing -- monthly charge (per customer) | 4082 | 81,792 | $0.30 | 24,538 |
| Retailer-Consolidated Billing -- monthly credit (per customer) | 4082 | | $0.30 | |
| Service Transaction Request -- request fee (per request) | 4084 | 8,955 | $0.25 | 2,239 |
| Service Transaction Request -- processing fee (per processed request) | 4084 | 5,705 | $0.50 | 2,853 |
| **TOTAL** | | | | **655,408** |

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## Trend Table of Other Revenue from Service Charges

| Service | USA # | 2009 Actual Volume | Rate | Revenue |
|---|---|---|---|---|
| Standard Supply Service -- Administrative Charge | 4086 | 356,456 | $0.25 | 89,114 |
| Duplicate invoices for previous billing | 4235 | | | |
| Income tax letter | 4235 | 243 | $15.00 | 3,645 |
| Account history | 4235 | | | |
| Returned Cheque charge (plus bank charges) | 4235 | 466 | $15.00 | 6,992 |
| Legal letter charge | 4235 | 255 | $15.00 | 3,821 |
| Account set up charge / change of occupancy charge | 4235 | 3,157 | $15.00 | 47,361 |
| Special Meter reads | 4235 | | | |
| Meter dispute charge plus Measurement Canada fees (if meter found cor | 4235 | | | |
| Late Payment - per month | 4225 | | 1.50% | 223,111 |
| Collection of account charge – no disconnection | 4235 | 2,815 | $30.00 | 84,445 |
| Disconnect/Reconnect at meter – during regular hours | 4235 | 200 | $65.00 | 13,023 |
| Disconnect/Reconnect at meter – after regular hours | 4235 | 2 | $185.00 | 370 |
| Specific Charge for Access to the Power Poles – per pole/year | 4210 | 6,366 | $22.35 | 142,269 |
| Retailer Service Agreement -- standard charge | 4082 | | | |
| Retailer Service Agreement -- monthly fixed charge (per retailer) | 4082 | 172 | $20.00 | 3,447 |
| Retailer Service Agreement -- monthly variable charge (per customer) | 4082 | 55,501 | $0.50 | 27,751 |
| Distributor-Consolidated Billing -- monthly charge (per customer) | 4082 | 50,000 | $0.30 | 15,000 |
| Retailer-Consolidated Billing -- monthly credit (per customer) | 4082 | | | |
| Service Transaction Request -- request fee (per request) | 4084 | 3,432 | $0.25 | 858 |
| Service Transaction Request -- processing fee (per processed request) | 4084 | 2,358 | $0.50 | 1,179 |
| **TOTAL** | | | | **662,386** |

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## Trend Table of Other Revenue from Service Charges

| Service | USA # | 2010 Actual Volume | 2010 Actual Rate | 2010 Actual Revenue |
|---|---|---|---|---|
| Standard Supply Service -- Administrative Charge | 4086 | 362,120 | $0.25 | 90,530 |
| Duplicate invoices for previous billing | 4235 | | | |
| Income tax letter | 4235 | 129 | $15.00 | 3,798 |
| Account history | 4235 | | | |
| Returned Cheque charge (plus bank charges) | 4235 | 608 | $15.00 | 5,941 |
| Legal letter charge | 4235 | 343 | $15.00 | 4,255 |
| Account set up charge / change of occupancy charge | 4235 | 5,035 | $10.00 | 47,596 |
| Special Meter reads | 4235 | | | |
| Meter dispute charge plus Measurement Canada fees (if meter found cor | 4235 | | | |
| Late Payment - per month | 4225 | | 1.50% | 230,017 |
| Collection of account charge – no disconnection | 4235 | 2,030 | $30.00 | 60,742 |
| Disconnect/Reconnect at meter – during regular hours | 4235 | 112 | $65.00 | 6,810 |
| Disconnect/Reconnect at meter – after regular hours | 4235 | 6 | $185.00 | 555 |
| Specific Charge for Access to the Power Poles – per pole/year | 4210 | 6,614 | $22.35 | 147,819 |
| Retailer Service Agreement -- standard charge | 4082 | 1 | $100.00 | 100 |
| Retailer Service Agreement -- monthly fixed charge (per retailer) | 4082 | 168 | $20.00 | 3,360 |
| Retailer Service Agreement -- monthly variable charge (per customer) | 4082 | 66,679 | $0.50 | 33,340 |
| Distributor-Consolidated Billing -- monthly charge (per customer) | 4082 | 66,680 | $0.30 | 20,004 |
| Retailer-Consolidated Billing -- monthly credit (per customer) | 4082 | | | |
| Service Transaction Request -- request fee (per request) | 4084 | 4,542 | $0.25 | 1,136 |
| Service Transaction Request -- processing fee (per processed request) | 4084 | 3,217 | $0.50 | 1,609 |
| **TOTAL** | | | | **657,611** |

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## Trend Table of Other Revenue from Service Charges

| Service | USA # | 2011 Actual Volume | 2011 Actual Rate | 2011 Actual Revenue |
|---|---|---|---|---|
| Standard Supply Service -- Administrative Charge | 4086 | 375,444 | $0.25 | 93,861 |
| Duplicate invoices for previous billing | 4235 | | | |
| Income tax letter | 4235 | 243 | $15.00 | 3,452 |
| Account history | 4235 | | | |
| Returned Cheque charge (plus bank charges) | 4235 | 466 | $15.00 | 5,822 |
| Legal letter charge | 4235 | 255 | $15.00 | 3,521 |
| Account set up charge / change of occupancy charge | 4235 | 4,736 | $10.00 | 48,154 |
| Special Meter reads | 4235 | | | |
| Meter dispute charge plus Measurement Canada fees (if meter found cor | 4235 | | | |
| Late Payment - per month | 4225 | | 1.50% | 244,953 |
| Collection of account charge – no disconnection | 4235 | 2,815 | $30.00 | 82,354 |
| Disconnect/Reconnect at meter – during regular hours | 4235 | 200 | $65.00 | 11,799 |
| Disconnect/Reconnect at meter – after regular hours | 4235 | 2 | $185.00 | 490 |
| Specific Charge for Access to the Power Poles – per pole/year | 4210 | 6,831 | $22.35 | 152,679 |
| Retailer Service Agreement -- standard charge | 4082 | 2 | $100.00 | 200 |
| Retailer Service Agreement -- monthly fixed charge (per retailer) | 4082 | 197 | $20.00 | 3,940 |
| Retailer Service Agreement -- monthly variable charge (per customer) | 4082 | 55,499 | $0.50 | 27,750 |
| Distributor-Consolidated Billing -- monthly charge (per customer) | 4082 | 55,500 | $0.30 | 16,650 |
| Retailer-Consolidated Billing -- monthly credit (per customer) | 4082 | | | |
| Service Transaction Request -- request fee (per request) | 4084 | 2,498 | $0.25 | 625 |
| Service Transaction Request -- processing fee (per processed request) | 4084 | 1,994 | $0.50 | 997 |
| **TOTAL** | | | | **697,246** |

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## Trend Table of Other Revenue from Service Charges

| Service | USA # | 2012 Projection | | |
|---|---|---|---|---|
| | | Volume | Rate | Revenue |
| Standard Supply Service -- Administrative Charge | 4086 | 372,000 | $0.25 | 93,000 |
| Duplicate invoices for previous billing | 4235 | | | |
| Income tax letter | 4235 | 267 | $15.00 | 4,000 |
| Account history | 4235 | | | |
| Returned Cheque charge (plus bank charges) | 4235 | 413 | $15.00 | 6,200 |
| Legal letter charge | 4235 | 257 | $15.00 | 4,000 |
| Account set up charge / change of occupancy charge | 4235 | 4,800 | $10.00 | 48,000 |
| Special Meter reads | 4235 | | | |
| Meter dispute charge plus Measurement Canada fees (if meter found cor | 4235 | | | |
| Late Payment - per month | 4225 | | 1.50% | 240,000 |
| Collection of account charge – no disconnection | 4235 | 2,528 | $30.00 | 74,000 |
| Disconnect/Reconnect at meter – during regular hours | 4235 | 162 | $65.00 | 9,200 |
| Disconnect/Reconnect at meter – after regular hours | 4235 | 2 | $185.00 | 500 |
| Specific Charge for Access to the Power Poles – per pole/year | 4210 | 6,819 | $22.35 | 152,400 |
| Retailer Service Agreement -- standard charge | 4082 | 1 | $100.00 | 100 |
| Retailer Service Agreement -- monthly fixed charge (per retailer) | 4082 | 160 | $20.00 | 3,200 |
| Retailer Service Agreement -- monthly variable charge (per customer) | 4082 | 59,400 | $0.50 | 29,700 |
| Distributor-Consolidated Billing -- monthly charge (per customer) | 4082 | 56,667 | $0.30 | 17,000 |
| Retailer-Consolidated Billing -- monthly credit (per customer) | 4082 | | | |
| Service Transaction Request -- request fee (per request) | 4084 | 3,600 | $0.25 | 900 |
| Service Transaction Request -- processing fee (per processed request) | 4084 | 2,200 | $0.50 | 1,100 |
| **TOTAL** | | | | **683,300** |

# Bluewater Power (ED-2002-0517)

**2013 EDR Application (EB-2012-0107) version: 1**

**October 12, 2012**

## Trend Table of Other Revenue from Service Charges

| Service | USA # | 2013 Projection (proposed rates) Volume | Rate | Revenue |
|---|---|---|---|---|
| Standard Supply Service -- Administrative Charge | 4086 | 361,580 | $0.25 | 90,395 |
| Duplicate invoices for previous billing | 4235 | 10 | $15.00 | 150 |
| Income tax letter | 4235 | 242 | $15.00 | 3,630 |
| Account history | 4235 | 10 | $15.00 | 150 |
| Returned Cheque charge (plus bank charges) | 4235 | 417 | $15.00 | 6,255 |
| Legal letter charge | 4235 | 257 | $15.00 | 3,855 |
| Account set up charge / change of occupancy charge | 4235 | 4,770 | $10.00 | 47,700 |
| Special Meter reads | 4235 | 1 | $30.00 | 30 |
| Meter dispute charge plus Measurement Canada fees (if meter found cor | 4235 | 1 | $30.00 | 30 |
| Late Payment - per month | 4225 | | 1.50% | 232,694 |
| Collection of account charge – no disconnection | 4235 | 2,528 | $30.00 | 75,840 |
| Disconnect/Reconnect at meter – during regular hours | 4235 | 162 | $65.00 | 10,530 |
| Disconnect/Reconnect at meter – after regular hours | 4235 | 2 | $185.00 | 370 |
| Specific Charge for Access to the Power Poles – per pole/year | 4210 | 6,819 | $22.35 | 151,967 |
| Retailer Service Agreement -- standard charge | 4082 | 1 | $100.00 | 100 |
| Retailer Service Agreement -- monthly fixed charge (per retailer) | 4082 | 172 | $20.00 | 3,447 |
| Retailer Service Agreement -- monthly variable charge (per customer) | 4082 | 55,501 | $0.50 | 27,751 |
| Distributor-Consolidated Billing -- monthly charge (per customer) | 4082 | 50,000 | $0.30 | 15,000 |
| Retailer-Consolidated Billing -- monthly credit (per customer) | 4082 | | | |
| Service Transaction Request -- request fee (per request) | 4084 | 3,432 | $0.25 | 858 |
| Service Transaction Request -- processing fee (per processed request) | 4084 | 2,358 | $0.50 | 1,179 |
| **TOTAL** | | | | **671,931** |