

Tab 1, Schedule 2, Manager's Summary,
Appendix C: Reference Documents

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Appendix C: Reference Documents

Attachment 1



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Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

March 23, 2010

Dear Ms. Walli,

RE: EB-2009-0259
2010 Electricity Distribution Rate Application for Burlington Hydro Inc.
Draft Rate Order

Please find attached the updated Draft Rate Order related to the 2010 Cost of Service Electricity Distribution Rate Application from Burlington Hydro Inc ("BHI"), requesting new distribution rates effective May 1, 2010.

This Draft Rate Order reflects the comments received by intervenors on the draft Rate Order originally filed with the Board on March 15, 2010. Specifically, this package has been updated to reflect the following items:

- Working capital has been updated to include a revised cost of power that previously had cost components of Transmission-Network, Transmission-Connection and Rural Rate Assistance at the original load forecast and not the approved load forecast. In addition, the Unmetered Scatter Load customer class in the Wholesale Market Service cost component had an incorrect volume which has been updated;
- Revenue requirement, cost allocation, and rate design have been updated to reflect this change to working capital/cost of power;
- Revenue to cost ratio for USL rate class has been left unchanged from the updated model, with a resulting ratio of 101.8%;
- Appendix B, Page 11, has been updated to correct the title of "Adjustment to controllable expenses"; and
- Appendix F has been updated to reflect the approved microFIT monthly charge (per EB-2009-0326 Rate Order), and to remove the blank page 4.



(2)

BHI has included two paper copies and one CD with all electronic files. BHI has also filed through the Board's web portal at www.err.oeb.gov.on.ca.

I can be reached at 905-332-2260 should anything further be required.

Yours truly,

Original signed by

Anne Rampado
Manager, Regulatory Affairs

EB-2009-0259

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

AND IN THE MATTER OF an Application by Burlington
Hydro Inc. to the Ontario Energy Board for an Order approving
just and reasonable rates and other charges for electricity
distribution to be effective May 1, 2010.

**DRAFT RATE ORDER OF BURLINGTON HYDRO INC.
DELIVERED MARCH 23, 2010**

Background

On August 28, 2009, Burlington Hydro Inc. (“Burlington”) filed an application with the Ontario Energy Board (the “Board”), under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Burlington charges for electricity distribution, to be effective May 1, 2010. The Board has assigned the File Number EB-2009-0259 to this Application (the “Application”).

On March 1, 2010 the Board issued its Decision in this Application. In that Decision the Board directed Burlington to file with the Board, and also forward to intervenors, a Draft Rate Order attaching a proposed Tariff of Rates and Charges reflecting the Board’s findings in its Decision, within 14 days of the date of the Decision. Included in the Draft Rate Order, Burlington was directed to include customer rate impacts and detailed supporting information showing the calculation of the final rates including the Revenue Requirement Work Form in Microsoft Excel format.

Burlington submits this Draft Rate Order which incorporates the information directed by the Board resulting from the Board’s Decision of March 1, 2010. In addition, this Draft Rate Order includes all adjustments to the Application included through interrogatories and Burlington’s

final submission dated February 2, 2010, which were assumed in the Decision but were not specifically identified in the Decision. All adjustments are described in detail in the supporting Appendixes to this document.

THE ISSUES

This Draft Rate Order is presented in order of the following issues, and the Boards Decision on those issues.

- Load Forecast
- Operating, Maintenance & Administrative Expenses
- Payments in Lieu of Taxes
- Rate Base and Capital Expenditures
- Cost of Capital and Capital Structure
- Cost Allocation and Rate Design
- Deferral and Variance Accounts
- LRAM and SSM
- Smart Meters
- Implementation

Load Forecast

- **Regression Methodology**
- **Weather Normalization**
- **Customer Forecast**

Board Findings – as per page 7 of the Decision

“The Board will accept the proposed forecast of customer numbers and the modification to the weather normalization method proposed by the intervenors and adopted by Burlington.

Burlington is directed to document the necessary adjustments related to weather normalization as part of its draft Rate Order.”

“With respect to the load forecast methodology, the Board will adopt the proposal of Energy Probe.”

“The Board concludes that the regression model as specified by Energy Probe represents an improvement on the NAC methodology and is sufficiently robust for purposes of this rebasing.”

Response

The revised weather normalization has 50% of volumes consumed by residential and General Service < 50kW customers as weather sensitive, as proposed by intervenors, and agreed upon in Burlington’s reply submissions. General Service > 50 kW is unchanged at 51% weather sensitive, while streetlighting and USL are not weather sensitive. These values have been incorporated into the revised forecast as shown below.

Burlington has updated the regression analysis and forecast to reflect the methodology proposed by Energy Probe, and provided in the IR response OEB Supplementary #4. This result, in conjunction with the agreed upon weather normalization is summarized below, along with the customer and connection forecast for 2010.

Rate Class	2010 Customers/ Connections	2010 Weather Normal Test	2010 Weather Normal Test
		<i>kWh</i>	<i>kW</i>
Residential	58,643	555,923,716	
GS<50	5,028	183,112,615	
GS>50	1,030	950,876,174	2,448,411
SLR	14,673	9,421,002	26,120
USL	602	3,918,008	
Total	79,977	1,703,251,515	2,474,532

Details supporting the calculation of the forecast are provided at Appendix B, page 2 of this document.

Operating, Maintenance & Administrative Expenses

- **Overall Increase in OM&A**
- **Board of Director Fees**
- **2010 Regulatory Costs**
- **Tree Trimming**
- **Bad Debt Expense**
- **One Time Costs**
- **Harmonization Sales Tax**
- **LEAP**
- **Regulatory Accountant**
- **Wage Increases**

Board Findings – as per pages 15 and 16 of the Decision

“The Board concludes that the total level of OM&A for 2010 is excessive.”

“The Board agrees with Burlington that no specific adjustments should be made for the tree trimming costs of the one time costs.”

“The Board estimates that a reduction of at least \$375,000 is warranted for the specific items listed above. However, the Board also finds that Burlington has not adequately controlled its overall costs and the rate at which those costs are increasing over the period and will therefore reduce the OM&A by a total of \$450,000.”

“The Board concludes that it is unnecessary to establish a variance account related to the introduction of HST.”

Response

Burlington has provided in Appendix B, pages 4 to 7, details showing the reductions to specific items listed in the Decision, specifically reductions to Board of Director fees, regulatory costs,

bad debt expense, harmonization sales tax, LEAP, and wage increases. As estimated in the Decision, these specific items total ‘at least \$375,000’, or by Burlington’s calculation \$377,494. To comply with the Decision’s direction to remove costs of \$450,000, Burlington has made an additional reduction for the remaining \$72,506 (i.e. \$450,000 minus \$377,494) that has been allocated across accounts that were not specifically reduced. This information is provided by line item and in a detailed breakdown by USofA account reflecting the total reduction of \$450,000. In addition to this reduction, as per Board Staff supplemental IR 8 Burlington has included the agreed upon reduction of \$4,000 in bank fees related to smart metering. This amount will be moved to the smart meter variance account.

In addition to this change, Burlington has reduced the amount of OM&A related to the depreciation expense in accordance with the reductions to capital spending as described in other sections of this order. The detail of this change is provided at Appendix B, Page 8. Consistent with the original filing, there is an amount of \$677,253 in depreciation that is charged directly to OM&A costs and not included in account 5705 – Depreciation Expense. This is the difference between the depreciation amount of \$7,336,493 on page 8 and \$6,659,239 in the revenue requirement workform.

Burlington has also included in the Operating Expenses the forecast update that was provided in Board Staff Supplemental IR 8, and subsequently accepted by parties through submissions, an increase of \$63,000 to property tax to correct a transposition error, as originally described in Energy Probe IR 55, and included in the property tax total at page 8 of the Decision. This amount, similar to the \$4,000 bank fee noted above, have been assumed in the data tables provided in the Decision, but not specifically identified in the Decision. Burlington is noting these as they comprise part of the changes from the original application and are apparent in the Revenue Requirement Model included at Appendix A.

Payment in Lieu of Taxes

Board Findings– as per page 17 of the Decision

“The Board accepts Burlington’s approach to the determination of its PILs allowance

modified to include the reduction of \$18,750 related to the small business surtax change. The Board accepts Burlington's explanation for the Federal Income Tax Credit treatment and the level of apprentice credits and concludes that no adjustment is required. The Board notes that the level of the PILs allowance will be determined on the basis of the Board's findings regarding other cost components and directs Burlington to provide sufficient detail regarding the PILs calculation in its draft Rate Order."

Response

Burlington has updated the PILs calculation to reflect changes to cost components as directed in other sections of this Decision. Details of the calculation are provided at Appendix B, pages 9 and 10. Burlington has also included a miscellaneous tax credit of \$18,750 to reflect the small business surtax change.

Burlington notes that the PILs amount of \$1,970,040 in the Decision refers to the amount calculated in Board Staff Supplemental IR 8. The corresponding value from the original application that appears in the Revenue Requirement Workform at Appendix A is \$1,712,667, which includes \$1,645,362 of grossed-up income tax and \$67,305 for capital tax.

Rate Base and Capital Expenditures

- **Capital Expenditures**
- **Shareholder Capital Contributions**
- **Working Capital**
- **Implementation of HST**

Board Findings – Capital Expenditures - as per page 19 of the Decision and Shareholder Capital Contributions - as per pages 20 and 21 of the Decision

"The Board is prepared to accept Burlington's 2009 capital forecast for purposes of determining

rate base and as a result will not consider any increase in the 2010 capital expenditure budget flowing from deferrals (other than the \$350,000 already incorporated)."

"The Board finds that the 2010 capital budget, for rate base determination purposes, will be limited to \$8.6 million, which approximates the average over the period 2007 through 2009 (thereby excluding the low expenditures in 2006) and incorporates an additional amount to represent inflation and overall growth in expenditures. The 2010 capital budget is therefore reduced by \$586,000, although further adjustments arise from the Board's findings below."

"The Board agrees that ratepayers should not fund what would otherwise be capital contributions required from the City of Burlington. The Board will accept Burlington's estimation that the appropriate amount in the 2010 budget is \$220,000."

Response

Burlington has decreased the capital expenditures by an amount of \$586,000, and increased the capital contributions by an amount of \$220,000 to reflect the Board's Decision. Burlington has also included the deferral of the Wholesale metering project from 2009 to 2010 in the revised capital budget which is included in the proposed 2010 capital expenditures of \$9,186,100 shown on page 18 of the Decision. The revised 2010 capital budget by project is provided at Appendix B, page 12. Burlington has also provided an updated continuity schedule at Appendix B, page 13 that reflects these changes.

Board Findings – Implementation of the HST - as per page 21 of the Decision

"The Board will adjust the 2010 capital forecast to reflect the implementation of the HST."

"The Board will reduce that adjustment, on a proportional basis to account for the reductions to rate base identified earlier, to \$155,000. As indicated above under OM&A, no variance account will be established for this item."

Response

Burlington has decreased the capital expenditures by \$155,000 to reflect the Board's Decision. This amount has been allocated proportionally across all capital accounts, with the exception of

Account 1995, Contributions and Grants, which does not currently attract PST. Details of this reduction are shown in Appendix B, page 12.

Board Findings – Working Capital - as per page 23 of the Decision

“The Board agrees that the WCA should be determined in a way that recognizes the split between RPP and non-RPP customers and will adopt the company’s estimate of the split.”

Response

The cost of power portion of the working capital has been adjusted to recognize the split between RPP and non-RPP customers, the revised 2010 forecast and the updated transmission rates. The updated 2010 forecast has been allocated based on the 2008 percentages of customers on RPP and non-RPP pricing, as provided in the response to Energy Probe IR 5. Details of the forecast and allocation have been provided at Appendix B, page 3. In addition to the updated forecast, the cost of power calculations have been updated to reflect the new retail transmission service rates, as calculated at Appendix D. The updated cost of power calculation has been provided at Appendix B, page 14.

The working capital also reflects the changes in controllable expenses as described in other sections of the rate order.

Cost of Capital and Capital Structure

- **Long-Term Debt Rate**
- **Return on Equity**
- **Capital Structure**

Board Findings – as per pages 25, 26 to 28, and 29 to 30 of the Decision

“The Board agrees with Burlington that the rate to be applied to its long-term affiliate debt

will be the lower of 7.25% and the Board's deemed long-term debt rate determined in accordance with the 2009 Report, which is 5.87%.

"The Board will not make the adjustment to the method of determining the ROE proposed by Energy Probe."

"The Board will make no adjustment to the deemed capital structure of 56% long-term debt and 4% short-term debt."

"In summary, the Board finds that the weighted average cost of capital for Burlington will be 7.31%. The table below sets out the Board's conclusion for Burlington's deemed capital structure and cost of capital. It incorporates the Board's recent updated cost of capital parameters."

<i>Capital Component</i>	<i>% of Total Capital Structure</i>	<i>Cost Rate</i>
<i>Long-Term Debt</i>	<i>56%</i>	<i>5.87%</i>
<i>Short-Term Debt</i>	<i>4%</i>	<i>2.07%</i>
<i>Equity</i>	<i>40%</i>	<i>9.85%</i>
<i>Weighted average cost of capital</i>		<i>7.31%</i>

Response

Burlington has updated the cost of capital factors to reflect the above percentages. This is detailed in Appendix A, page 6 of the Revenue Requirement Workform.

Cost Allocation and Rate Design

- **Loss Factors**
- **Revenue to Cost Ratios**
- **Rate Design**
- **Other Distribution Revenue**
- **Retail Transmission Rates**
- **MicroFIT Generator Service Classification and Rate**

Loss Factors - Board Findings - as per page 31 of the Decision

“The Board accepts the TLFs proposed by Burlington.”

Response

Burlington has provided the summary table of loss factors below.

Total Loss Factors	
Secondary Metered Customer < 5,000 kW	1.0405
Primary Metered Customer < 5,000 kW	1.0301

Revenue to Cost Ratios - Board Findings - as per pages 32 and 33 of the Decision

“The Board accepts Burlington’s proposal to increase the GS>50kW class to 85%.”

“With respect to Street Lighting, the Board accepts Burlington’s proposal to increase the ratio to 42.5% in 2010, but will require that Burlington adjust rates further in 2011 to bring the ratio to 70%, the bottom of the target range.”

Response

Burlington has updated the cost allocation study with the adjustments reflected in this Decision. The revised revenue to cost ratios are provided at Appendix C, page 2.

As per the Decision, Burlington has moved the GS>50kW class to 85%, and moved the Street Lighting Costs to 42.5%. This detail is provided at Appendix C, page 3.

Rate Design - Board Findings - as per page 34 of the Decision

“The Board accepts Burlington’s proposal with the exception of the Residential class. The Board agrees with VECC’s analysis and finds that it is appropriate to determine Burlington’s Residential monthly charge on the basis of the existing fixed/variable split.”

Response

Burlington's proposal included a monthly service charge at the ceiling for the GS<50kW rate class, GS>50kW rate class and USL. The monthly service charge for the streetlight class has been calculated based on the existing fixed/variable split, as well as the Residential rate class in accordance with the Decision.

Other Distribution Revenue - Board Findings - as per page 35 of the Decision

"The Board agrees with SEC and Energy Probe that additional revenue should be included which represents the City's use of Burlington's poles. Burlington has asserted that the City also provides pole-related services to Burlington for which it does not charge. The Board finds no reference to this in the Shareholder Direction and no evidence on the arrangement between the City and Burlington beyond the statement that such an arrangement exists. The Board is therefore satisfied that on the evidence in this proceeding an adjustment is warranted and will deem the amount of \$50,000 in the circumstances as a reasonable proxy."

Response

Burlington has included an incremental amount of \$50,000 in other revenue to reflect the Board's Decision. In addition, the other revenue has been adjusted to reflect the amount of \$175,417 as agreed upon through Board Staff Supplemental IR 8, related to SSS admin fees that had not been included in the original filing. These items are summarized at Appendix B, page 15.

Retail Transmission Service ("RTS") Rates - Board Findings - as per page 36 of the Decision

"The Board finds that Burlington has appropriately applied the Board's guidelines for the derivation of the RTS rates. However, the Board notes that an order was issued on January 1, 2010 setting new UTRs effective January 1, 2010." "The Board directs Burlington to

update its RTS rates accordingly in its draft Rate Order.”

Response

Burlington has updated its RTS rates to reflect the UTRs that became effective January 1, 2010. Details of this calculation are included at Appendix D. As indicated earlier, the new RTS rates have also been used to calculate the cost of power in determining the Working Capital Allowance.

MicroFIT Generator Service Classification and Rates - Board Findings - as per page 37 of the Decision

“As part of its draft Rate Order material, Burlington shall identify the MicroFit Generator service classification on its Tariff of Rates and Charges and include the currently approved interim monthly service charge (equal to the existing residential monthly service charge) as a placeholder.”

Response

Burlington has included the MicroFit Generator service classification in the Schedule of Rates and charges as included in Appendix F.

Deferral and Variance Accounts

Board Findings – as per pages 38 of the Decision

“The Board approves the account balances as presented by Burlington and approves a disposition period of four years as proposed by Burlington.”

“The Board will adopt the proposal of Board staff that a separate rate rider be developed for the Global Adjustment sub-account and that this rider will apply to the non-RPP customers, including the MUSH sector.”

Response

Burlington has provided the details of the rate rider calculation at Appendix E which reflects the total claim of \$(3,598,389), a disposition period of four years and the revised 2010 forecast. Also included at Appendix E is an updated calculation reflecting the Global Adjustment sub-account as directed by the Decision.

LRAM and SSM

Board Findings – as per page 39 of the Decision

“The Board approves the LRAM and SSM claim of \$926,628 (\$705,345 for LRAM and \$221,283 for SSM).”

Response

Burlington has provided the details of the rate rider calculation at Appendix E, page 10, which reflects the total claim of \$926,628, a disposition period of four years and the revised 2010 forecast.

Smart Meters

Board Findings – as per page 40 of the Decision

“The Board accepts Burlington’s proposal regarding the continuation of the \$1.00 smart meter adder and agrees that the variance account should include the costs associated with the loan.”

Response

This draft rate order contains the continuation of the \$1.00 smart meter adder. As described earlier, Burlington has removed these costs from the bank fees included in OM&A and will increase the variance account by this amount.

IMPLEMENTATION

Board Findings – as per page 53 of the Decision

“The Board approves a May 1 effective date and notes that there is sufficient time to implement the rates as on May 1, 2010 as well.”

“... the Board expects Burlington to file detailed supporting material, including all relevant calculations showing the impact of this Decision on Burlington’s revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates. Supporting documentation shall include, but not be limited to, filing a completed version of the Revenue Requirement Work Form excel spreadsheet, which can be found on the Board’s website. Burlington should also show detailed calculations of the revised retail transmission service rates and variance account rate riders reflecting this Decision.

Response

In filing this Draft Rate Order, Burlington has provided detailed supporting material, including all relevant calculations showing the impact of the Board’s Decision on Burlington’s proposed revenue requirement, the allocation of the approved revenue requirement to the classes and the determination of the final rates.

Supporting documentation include the following:

- a completed version of the Revenue Requirement Work Form excel spreadsheet (Appendix A);
- extended and supplementary detailed information outlining the impact of this Decision on the revenue requirement (Appendix B);
- detailed information on the cost allocation and rate design calculations (Appendix C);
- detailed calculations of the revised retail transmission service rates (Appendix D);
- variance account rate riders reflecting this Decision (Appendix E); and
- a schedule of rates and charges (Appendix F).

Other Board Directives

Shareholder Capital Contributions – as per page 21 of the Decision

“The Board directs Burlington to prepare a report as described by SEC and to file the report at the 2011 rates application.”

Other Distribution Revenue – as per page 35 of the Decision

“Burlington is directed to address this issue more fully at its next rebasing; specifically, the Board expects Burlington to lead evidence regarding the value of services received from and provided to the City in relation to the use of poles, and to provide documentation of the terms of the arrangement between Burlington and the City”.

APPENDIX A

REVENUE REQUIREMENT WORKFORM

This Appendix includes the Ontario Energy Board issued Revenue Requirement Workform. This Workform reflects Burlington's original filing as of August 28, 2009 in the "Application" column. The "Per Board Decision" column reflects both the direction included in the Board's decision, and the limited number of items that had been revised based on the interrogatory phase of the proceeding. These changes were included in the response to Board Staff interrogatory 8, and have been identified in the supporting material included in Appendix B of this package.



REVENUE REQUIREMENT WORK FORM

Name of LDC: **Burlington Hydro Inc. - Rate Order** (1)
 File Number: **EB-2009-0259**
 Rate Year: **2010** Version: **1.0**

Table of Content

<u>Sheet</u>	<u>Name</u>
A	<u>Data Input Sheet</u>
1	<u>Rate Base</u>
2	<u>Utility Income</u>
3	<u>Taxes/PILS</u>
4	<u>Capitalization/Cost of Capital</u>
5	<u>Revenue Sufficiency/Deficiency</u>
6	<u>Revenue Requirement</u>
7	<u>Bill Impacts</u>

Notes:

(1) Pale green cells represent inputs

(2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

Copyright

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Inc. - Rate Order
 File Number: EB-2009-0259
 Rate Year: 2010

Data Input (1)

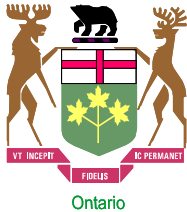
	Application	Adjustments	Per Board Decision
1 Rate Base			
Gross Fixed Assets (average)	\$204,419,334	(4) (\$655,500)	\$203,763,835
Accumulated Depreciation (average)	(\$121,196,017)	(5) \$24,426	(\$121,171,591)
Allowance for Working Capital:			
Controllable Expenses	\$15,029,994	(\$391,000)	\$14,638,994
Cost of Power	\$128,414,948	\$7,862,401	\$136,277,349
Working Capital Rate (%)	15.00%		15.00%
2 Utility Income			
Operating Revenues:			
Distribution Revenue at Current Rates	\$26,479,520		\$27,451,998
Distribution Revenue at Proposed Rates	\$29,734,912		\$29,253,965
Other Revenue:			
Specific Service Charges	\$846,985		\$846,985
Late Payment Charges	\$202,800		\$202,800
Other Distribution Revenue	\$381,727		\$607,144
Other Income and Deductions	\$151,390		\$151,390
Operating Expenses:			
OM+A Expenses	\$14,800,994	(\$454,000)	\$14,346,994
Depreciation/Amortization	\$6,694,092	(\$34,853)	\$6,659,239
Property taxes	\$229,000	\$63,000	\$292,000
Capital taxes	\$67,305		\$67,672
Other expenses	\$ -		\$0
3 Taxes/PILs			
Taxable Income:			
Adjustments required to arrive at taxable income	\$306,385	(3)	\$375,146
Utility Income Taxes and Rates:			
Income taxes (not grossed up)	\$1,135,300		\$1,382,821
Income taxes (grossed up)	\$1,645,362		\$2,004,088
Capital Taxes	\$67,305		\$67,672
Federal tax (%)	18.00%		18.00%
Provincial tax (%)	13.00%		13.00%
Income Tax Credits			(\$18,750)
4 Capitalization/Cost of Capital			
Capital Structure:			
Long-term debt Capitalization Ratio (%)	56.0%		56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%
Common Equity Capitalization Ratio (%)	40.0%		40.0%
Preferred Shares Capitalization Ratio (%)	0.0%		0.0%
Cost of Capital			
Long-term debt Cost Rate (%)	7.62%		5.87%
Short-term debt Cost Rate (%)	1.33%		2.07%
Common Equity Cost Rate (%)	8.01%		9.85%
Preferred Shares Cost Rate (%)	0.00%		0.00%

Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

Details of adjustments are included in Appendix B of the Draft Rate Order.



REVENUE REQUIREMENT WORK FORM

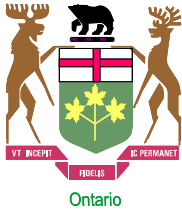
Name of LDC: Burlington Hydro Inc. - Rate Order
 File Number: EB-2009-0259
 Rate Year: 2010

Rate Base					
Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$204,419,334	(\$655,500)	\$203,763,835
2	Accumulated Depreciation (average)	(3)	(\$121,196,017)	\$24,426	(\$121,171,591)
3	Net Fixed Assets (average)	(3)	\$83,223,317	(\$631,074)	\$82,592,244
4	Allowance for Working Capital	(1)	\$21,516,741	\$1,120,710	\$22,637,451
5	Total Rate Base		\$104,740,059	\$489,637	\$105,229,695

(1) Allowance for Working Capital - Derivation					
6	Controllable Expenses		\$15,029,994	(\$391,000)	\$14,638,994
7	Cost of Power		\$128,414,948	\$7,862,401	\$136,277,349
8	Working Capital Base		\$143,444,942	\$7,471,401	\$150,916,343
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		\$21,516,741	\$1,120,710	\$22,637,451

Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
 (3) Average of opening and closing balances for the year.
 Details of the adjustments are included in Appendix B of the Draft Rate Order.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Inc. - Rate Order
 File Number: EB-2009-0259
 Rate Year: 2010

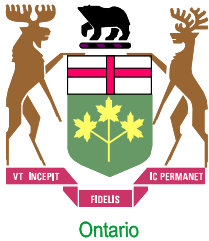
Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<u>Operating Revenues:</u>				
1	Distribution Revenue (at Proposed Rates)	\$29,734,912	(\$480,947)	\$29,253,965
2	Other Revenue	(1) \$1,582,902	\$225,417	\$1,808,319
3	Total Operating Revenues	\$31,317,814	(\$255,530)	\$31,062,284
<u>Operating Expenses:</u>				
4	OM+A Expenses	\$14,800,994	(\$454,000)	\$14,346,994
5	Depreciation/Amortization	\$6,694,092	(\$34,853)	\$6,659,239
6	Property taxes	\$229,000	\$63,000	\$292,000
7	Capital taxes	\$67,305	\$367	\$67,672
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$21,791,391	(\$425,486)	\$21,365,905
10	Deemed Interest Expense	\$4,525,189	(\$978,949)	\$3,546,241
11	Total Expenses (lines 4 to 10)	\$26,316,581	(\$1,404,435)	\$24,912,146
12	Utility income before income taxes	\$5,001,233	\$1,148,905	\$6,150,138
13	Income taxes (grossed-up)	\$1,645,362	\$358,727	\$2,004,088
14	Utility net income	\$3,355,872	\$790,178	\$4,146,050

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$846,985	\$846,985
	Late Payment Charges	\$202,800	\$202,800
	Other Distribution Revenue	\$381,727	\$607,144
	Other Income and Deductions	\$151,390	\$151,390
	Total Revenue Offsets	\$1,582,902	\$1,808,319

Details of the adjustments are included in Appendix B of the Draft Rate Order.



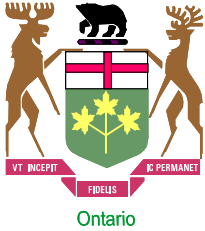
REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Inc. - Rate Order
 File Number: EB-2009-0259
 Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$3,355,871	\$4,146,050
2	Adjustments required to arrive at taxable utility income	\$306,385	\$375,146
3	Taxable income	<u>\$3,662,257</u>	<u>\$4,521,196</u>
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$1,135,300	\$1,382,821
5	Capital taxes	\$67,305	\$67,672
6	Total taxes	<u>\$1,202,605</u>	<u>\$1,450,493</u>
7	Gross-up of Income Taxes	<u>\$510,062</u>	<u>\$621,267</u>
8	Grossed-up Income Taxes	<u>\$1,645,362</u>	<u>\$2,004,088</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$1,712,667</u>	<u>\$2,071,760</u>
10	Other tax Credits	\$ -	(\$18,750)
<u>Tax Rates</u>			
11	Federal tax (%)	18.00%	18.00%
12	Provincial tax (%)	13.00%	13.00%
13	Total tax rate (%)	<u>31.00%</u>	<u>31.00%</u>

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Inc. - Rate Order
 File Number: EB-2009-0259
 Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
	Application				
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$58,654,433	7.62%	\$4,469,468
2	Short-term Debt	4.00%	\$4,189,602	1.33%	\$55,722
3	Total Debt	60.00%	\$62,844,035	7.20%	\$4,525,189
	Equity				
4	Common Equity	40.00%	\$41,896,023	8.01%	\$3,355,871
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$41,896,023	8.01%	\$3,355,871
7	Total	100%	\$104,740,059	7.52%	\$7,881,061
	Per Board Decision				
		(%)	(\$)	(%)	
	Debt				
8	Long-term Debt	56.00%	\$58,928,629	5.87%	\$3,459,111
9	Short-term Debt	4.00%	\$4,209,188	2.07%	\$87,130
10	Total Debt	60.00%	\$63,137,817	5.62%	\$3,546,241
	Equity				
11	Common Equity	40.0%	\$42,091,878	9.85%	\$4,146,050
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$42,091,878	9.85%	\$4,146,050
14	Total	100%	\$105,229,695	7.31%	\$7,692,291

Notes

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



REVENUE REQUIREMENT WORK FORM

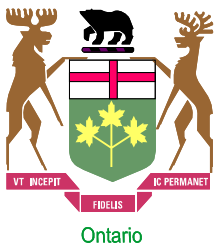
Name of LDC: Burlington Hydro Inc. - Rate Order
 File Number: EB-2009-0259
 Rate Year: 2010

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$3,255,392		\$1,801,967
2	Distribution Revenue	\$26,479,520	\$26,479,520	\$27,451,998	\$27,451,998
3	Other Operating Revenue Offsets - net	\$1,582,902	\$1,582,902	\$1,808,319	\$1,808,319
4	Total Revenue	\$28,062,422	\$31,317,814	\$29,260,317	\$31,062,284
5	Operating Expenses	\$21,791,391	\$21,791,391	\$21,365,905	\$21,365,905
6	Deemed Interest Expense	\$4,525,189	\$4,525,189	\$3,546,241	\$3,546,241
	Total Cost and Expenses	\$26,316,581	\$26,316,581	\$24,912,146	\$24,912,146
7	Utility Income Before Income Taxes	\$1,745,841	\$5,001,233	\$4,348,171	\$6,150,138
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$306,385	\$306,385	\$375,146	\$375,146
9	Taxable Income	\$2,052,226	\$5,307,618	\$4,723,317	\$6,525,284
10	Income Tax Rate	31.00%	31.00%	31.00%	31.00%
11	Income Tax on Taxable Income	\$636,190	\$1,645,362	\$1,464,228	\$2,022,838
12	Income Tax Credits	\$ -	\$ -	(\$18,750)	(\$18,750)
13	Utility Net Income	\$1,109,651	\$3,355,872	\$2,902,693	\$4,146,050
14	Utility Rate Base	\$104,740,059	\$104,740,059	\$105,229,695	\$105,229,695
	Deemed Equity Portion of Rate Base	\$41,896,023	\$41,896,023	\$42,091,878	\$42,091,878
15	Income/Equity Rate Base (%)	2.65%	8.01%	6.90%	9.85%
16	Target Return - Equity on Rate Base	8.01%	8.01%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-5.36%	0.00%	-2.95%	0.00%
17	Indicated Rate of Return	5.38%	7.52%	6.13%	7.31%
18	Requested Rate of Return on Rate Base	7.52%	7.52%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-2.14%	0.00%	-1.18%	0.00%
20	Target Return on Equity	\$3,355,871	\$3,355,871	\$4,146,050	\$4,146,050
21	Revenue Sufficiency/Deficiency	\$2,246,221	\$0	\$1,243,357	(\$0)
22	Gross Revenue Sufficiency/Deficiency	\$3,255,392 (1)		\$1,801,967 (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Inc. - Rate Order

File Number: EB-2009-0259

Rate Year: 2010

Revenue Requirement			
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$14,800,994	\$14,346,994
2	Amortization/Depreciation	\$6,694,092	\$6,659,239
3	Property Taxes	\$229,000	\$292,000
4	Capital Taxes	\$67,305	\$67,672
5	Income Taxes (Grossed up)	\$1,645,362	\$2,004,088
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$4,525,189	\$3,546,241
	Return on Deemed Equity	\$3,355,871	\$4,146,050
8	Distribution Revenue Requirement before Revenues	<u>\$31,317,814</u>	<u>\$31,062,284</u>
9	Distribution revenue	\$29,734,912	\$29,253,965
10	Other revenue	<u>\$1,582,902</u>	<u>\$1,808,319</u>
11	Total revenue	<u>\$31,317,814</u>	<u>\$31,062,284</u>
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>(\$0) (1)</u>

Notes

(1)

Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Name of LDC: Burlington Hydro Inc. - Rate Order

File Number: EB-2009-0259

Rate Year: 2010

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate Order	Change			Current	Per Draft Rate Order	Change	
				\$	%				\$	%
Residential	800 kWh/month	\$ 25.27	\$ 26.19	\$ 0.92	3.6%		\$ 100.50	\$ 102.24	\$ 1.74	1.7%
GS < 50kW	2000 kWh/month	\$ 51.38	\$ 52.44	\$ 1.06	2.1%		\$ 243.75	\$ 246.59	\$ 2.84	1.2%

Notes:

APPENDIX B

REVENUE REQUIREMENT SUPPORTING MATERIAL

This Appendix includes the following information to support the derivation of the revenue requirement.

Load Forecast

- Revised Load Forecast Details
- Breakdown of load forecast to RPP and non-RPP volumes by customer class

OM&A Forecast

- Summary of Changes to OM&A spending
- Breakdown of OM&A reduction in spending by line item and by USofA account
- Updated depreciation expense schedule
- Updated tax calculations
- Updated CCA schedule

Rate Base

- Summary of Changes to Rate Base
- Revised 2010 Capital Additions by project
- Revised 2010 Fixed Asset Continuity Schedule
- Updated Cost of Power worksheet

Other Revenue

- Summary of Changes to Other Revenue

Table 3-15: Weather Sensitivity by Rate Class

Residential	GS<50	GS>50	SLR	USL
Weather Sensitivity	50%	51%	0%	0%

Table 3-16: Alignment of Non-normal to Weather Normal Forecast

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
Non-normalized Weather Billed Energy Forecast (GWh)						
2009 NON-Normalized Bridge	539.6	176.5	931.8	9.2	3.9	1,661.0
2010 NON-Normalized Test	544.3	179.3	930.7	9.4	3.9	1,667.6
Adjustment for Weather (GWh)						
2009 Normalized Bridge	2.7	0.9	4.9	0.0	0.0	8.5
2010 Normalized Test	11.7	3.8	20.1	0.0	0.0	35.6
Weather Normalized Billed Energy Forecast (GWh)						
2009 Normalized Bridge	542.3	177.4	936.8	9.2	3.9	1,669.5
2010 Normalized Test	555.9	183.1	950.9	9.4	3.9	1,703.3

Table 3-19: kW Forecast by Applicable Rate Class

Year	GS<50	SLR	TOTAL
Predicted Billed kW			
2009 Normalized Bridge	2,412,063	25,369	2,437,432
2010 Normalized Test	2,448,411	26,120	2,474,532

Table 3-20: Summary of Forecast

	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 With Actual (J-A) Weather Normal Remaining	2010 Weather Normal Test
ACTUAL AND PREDICTED KWH PURCHASES						
Actual kWh Purchases		1,740,504,463	1,768,767,708	1,716,667,999		
Predicted kWh Purchases before load displacement		1,746,754,168	1,800,057,032	1,773,214,233	1,737,536,247	1,772,649,461
% Difference between actual and		0.4%	1.8%	3.3%		
BILLING DETERMINANTS BY CLASS						
Residential						
Customers	52,787	54,582	55,380	56,284	57,451	58,643
kWh	530,711,276	528,303,980	545,180,314	534,926,360	542,287,937	555,923,716
GS<50						
Customers	4,381	4,484	4,766	4,826	4,926	5,028
kWh	162,824,507	164,156,752	177,295,234	173,848,077	177,426,882	183,112,615
GS>50						
Customers	1,051	1,101	992	1,012	1,021	1,030
kWh	2,527,531	2,628,975	2,518,089	2,448,386	2,412,063	2,448,411
kWh	1,001,248,021	963,800,303	972,110,976	932,963,615	936,759,716	950,876,174
SLR						
Connections	13,907	14,276	14,222	14,380	14,526	14,673
kWh	24,753	25,551	24,575	25,768	25,369	26,120
kWh	8,720,337	9,144,515	9,134,108	9,234,331	9,150,176	9,421,002
USL						
Connections	634	623	589	602	602	602
kWh	3,163,978	4,169,170	4,040,802	4,009,459	3,888,246	3,918,008
Total						
Customer/Connections	72,760	75,066	75,949	77,104	78,526	79,977
kWh	1,706,668,120	1,669,574,719	1,707,761,434	1,654,981,842	1,669,512,957	1,703,251,515
kWh from applicable classes	2,552,284	2,654,526	2,542,663	2,474,154	2,437,432	2,474,532

Breakdown of Forecast between RPP and non-RPP Volumes				
2010 Data By Class	Total Forecasted 2010 kWhs	% of 2008 Consumption Billed Provincial Benefit	Forecasted RPP kWhs	Forecasted Non- RPP kWhs
RESIDENTIAL CLASS	555,923,716	8.93%	506,279,728	49,643,988
GENERAL SERVICE <50 KW CLASS	183,112,615	16.62%	152,679,298	30,433,317
GENERAL SERVICE >50 KW	950,876,172	83.88%	153,281,239	797,594,933
UNMETERED SCATTERED LOADS	3,918,008	0.64%	3,892,933	25,075
STREET LIGHTING	9,421,002	99.24%	71,600	9,349,402
TOTAL	1,703,251,513	52.48%	816,204,798	887,046,715

Summary of Changes to Operating Expenses		
Description	2010 Test Year Adjustment	Comments
Change to OM&A Expenses		
- Reduced OM&A	(450,000)	Reduction to reflect decision. See attached for account allocations.
- Reduction to Bank Fees	(4,000)	Decrease related to smart meter banking charges, as per supplemental IRs
Total	(454,000)	
Change to Other Operating Expenses		
- decrease in 2010 amortization	(34,853)	Decrease to additions in accumulated depreciation
- Increase in property tax	63,000	Increase to correct input error, as per supplemental IRs
- Increase in capital tax	246	Increase due to increase in rate base
Change to Taxes Payable		
- tax credits	(18,750)	Additional tax credit related to the elimination of the small business tax

Allocation of Reduction in OM&A of \$450,000					
Topic	Decision Reference	Description	USofA Account	2010 Test Year Adjustment	Comments
OM&A Reductions	pages 15 and 16	Board of Directors Fees	5605	(127,500)	As per Energy Probe IR 2
- specific items listed		Regulatory Costs	5655	(17,500)	As per SEC IR 25
		Bad debt expense	5335	(25,000)	Most current estimate
		Impact of HST	various (1)	(36,364)	as per Board Staff Supp. IR 1
		Additional costs of LEAP	5410	(39,000)	as per evidence at E4/T2/S4/p20
		Adjustment to unionized staff	various (2)	(19,740)	as per Energy Probe IR 44
		Adjustment to non-unionized staff	various (3)	(10,390)	Most current estimate
		Incentive pay	5615	(102,000)	As per Energy Probe IR 25 and BHI Reply Submission par. 97
- general reduction		General reduction of OM&A	various (4)	(72,506)	
				(450,000)	
Notes:					
(1) The total amount of HST reduction was allocated over OM&A accounts using a weighted average of accounts that would typically capture expenses that would attract PST. BHI excluded USofA accounts that were primarily comprised of either salaries, contractor costs, or rent.					
(2) The adjustment for the unionized staff amount was allocated over OM&A accounts that captured the majority of the unionized labour costs.					
(3) The adjustment for the non-unionized staff					
(4) The general reduction of OM&A was applied to accounts that were not specifically identified in the decision. The total was adjusted to ensure that a total reduction of \$450,000 was achieved.					

Detailed, Account by Account, OM&A Expense Table								
OEB USofA Account	2010 Test Year Application	Dir. Fees, Reg Costs, Bad Debt, LEAP, Incentive Pay, Bank Fee	Unionized Wages Adjustment	Non-Unionized Wages Adjustment	HST	Additional Reductions	Total Reductions	Revised 2010
Operation								
5005 Operation Supervision and Engineering	-	-	-	-	-	-	-	-
5010 Load Dispatching	1,090,861	-	(4,882)	-	-	(6,721)	(11,603)	1,079,258
5012 Station Buildings and Fixtures Expense	93,941	-	-	-	(518)	(579)	(1,097)	92,844
5014 Transformer Station Equipment - Operation Labour	-	-	-	-	-	-	-	-
5015 Transformer Station Equipment - Operation Supplies and Expenses	-	-	-	-	-	-	-	-
5016 Distribution Station Equipment - Operation Labour	599,364	-	(2,682)	-	-	(3,693)	(6,375)	592,989
5017 Distribution Station Equipment - Operation Supplies and Expenses	320,072	-	-	-	(1,766)	(1,972)	(3,738)	316,334
5020 Overhead Distribution Lines and Feeders - Operation Labour	361,128	-	(1,616)	-	-	(2,225)	(3,841)	357,287
5025 Overhead Distribution Lines & Feeders - Operation Supplies and Exp.	464,702	-	-	-	(2,564)	(2,863)	(5,427)	459,275
5030 Overhead Subtransmission Feeders - Operation	-	-	-	-	-	-	-	-
5035 Overhead Distribution Transformers- Operation	184,304	-	-	-	(1,017)	(1,136)	(2,152)	182,152
5040 Underground Distribution Lines and Feeders - Operation Labour	154,360	-	(691)	-	-	(951)	(1,642)	152,718
5045 Underground Distribution Lines & Feeders - Operation Supplies & Exp.	556,455	-	-	-	(3,070)	(3,429)	(6,499)	549,956
5050 Underground Subtransmission Feeders - Operation	-	-	-	-	-	-	-	-
5055 Underground Distribution Transformers - Operation	69,925	-	-	-	(386)	(431)	(817)	69,108
5060 Street Lighting and Signal System Expense	-	-	-	-	-	-	-	-
5065 Meter Expense	249,521	-	-	-	(1,377)	(1,537)	(2,914)	246,607
5070 Customer Premises - Operation Labour	152,157	-	(681)	-	-	(938)	(1,618)	150,539
5075 Customer Premises - Materials and Expenses	31,587	-	-	-	(174)	(195)	(369)	31,218
5085 Miscellaneous Distribution Expense	-	-	-	-	-	-	-	-
5090 Underground Distribution Lines and Feeders - Rental Paid	71	-	-	-	-	(0)	(0)	71
5095 Overhead Distribution Lines and Feeders - Rental Paid	184,906	-	-	-	-	(1,139)	(1,139)	183,767
5096 Other Rent	-	-	-	-	-	-	-	-
Subtotal Operation	4,513,354	-	(10,551)	-	(10,872)	(27,809)	(49,232)	4,464,122
Maintenance								
5105 Maintenance Supervision and Engineering	-	-	-	-	-	-	-	-
5110 Maintenance of Buildings and Fixtures - Distribution Stations	129,620	-	-	-	(715)	(799)	(1,514)	128,106
5112 Maintenance of Transformer Station Equipment	-	-	-	-	-	-	-	-
5114 Maintenance of Distribution Station Equipment	108,119	-	-	-	(597)	(666)	(1,263)	106,856
5120 Maintenance of Poles, Towers and Fixtures	137,219	-	-	-	(757)	(845)	(1,603)	135,616
5125 Maintenance of Overhead Conductors and Devices	555,809	-	-	-	(3,066)	(3,425)	(6,491)	549,318
5130 Maintenance of Overhead Services	248,776	-	-	-	(1,373)	(1,533)	(2,905)	245,871
5135 Overhead Distribution Lines and Feeders - Right of Way	582,162	-	-	-	-	(3,587)	(3,587)	578,575
5145 Maintenance of Underground Conduit	44,107	-	-	-	(243)	(272)	(515)	43,592
5150 Maintenance of Underground Conductors and Devices	406,883	-	-	-	(2,245)	(2,507)	(4,752)	402,131
5155 Maintenance of Underground Services	254,176	-	-	-	(1,402)	(1,566)	(2,968)	251,208
5160 Maintenance of Line Transformers	194,322	-	-	-	(1,072)	(1,197)	(2,269)	192,053
5165 Maintenance of Street Lighting and Signal Systems	-	-	-	-	-	-	-	-
5170 Sentinel Lights - Labour	-	-	-	-	-	-	-	-
5172 Sentinel Lights - Materials and Expenses	-	-	-	-	-	-	-	-
5175 Maintenance of Meters	233,752	-	-	-	(1,290)	(1,440)	(2,730)	231,022
5178 Customer Installations Expenses- Leased Property	-	-	-	-	-	-	-	-
5195 Maintenance of Other Installations on Customer Premises	-	-	-	-	-	-	-	-
Subtotal Maintenance	2,894,945	-	-	-	(12,760)	(17,837)	(30,597)	2,864,348

Detailed, Account by Account, OM&A Expense Table								
OEB USofA Account	2010 Test Year Application	Dir. Fees, Reg Costs, Bad Debt, LEAP, Incentive Pay, Bank Fee	Unionized Wages Adjustment	Non-Unionized Wages Adjustment	HST	Additional Reductions	Total Reductions	Revised 2010
Billing and Collecting								
5305 Supervision	-		-	-	-	-	-	-
5310 Meter Reading Expense	376,389		-	-	-	(2,319)	(2,319)	374,070
5315 Customer Billing	726,649		(3,252)	-	-	(4,477)	(7,729)	718,920
5320 Collecting	198,375		-	-	-	(1,222)	(1,222)	197,152
5325 Collecting- Cash Over and Short	100		-	-	-	(1)	(1)	99
5330 Collection Charges	13,997		-	-	-	(86)	(86)	13,911
5335 Bad Debt Expense	400,000	(25,000)	-	-	-	-	(25,000)	375,000
5340 Miscellaneous Customer Accounts Expenses	633,398		-	-	(3,495)	(3,903)	(7,397)	626,001
Subtotal Billing and Collecting	2,348,908	(25,000)	(3,252)	-	(3,495)	(12,008)	(43,754)	2,305,153
Community Relations								
5405 Supervision	-		-	-	-	-	-	-
5410 Community Relations - Sundry	64,000	(39,000)	-	-	-	-	(39,000)	25,000
5415 Energy Conservation	3,087		-	-	-	(19)	(19)	3,068
5420 Community Safety Program	13,600		-	-	-	(84)	(84)	13,516
5425 Miscellaneous Customer Service and Informational Expenses	-		-	-	-	-	-	-
5505 Supervision	-		-	-	-	-	-	-
5510 Demonstrating and Selling Expense	-		-	-	-	-	-	-
5515 Advertising Expense	-		-	-	-	-	-	-
5520 Miscellaneous Sales Expense	-		-	-	-	-	-	-
Subtotal Community Relations	80,687	(39,000)	-	-	-	(103)	(39,103)	41,584
Administration and General Expenses								
5605 Executive Salaries and Expenses	788,318	(127,500)	-	(6,372)	-	-	(133,872)	654,446
5610 Management Salaries and Expenses	497,055		-	(4,018)	-	(3,063)	(7,080)	489,975
5615 General Administrative Salaries and Expenses	1,428,668	(102,000)	(5,937)	-	-	-	(107,937)	1,320,731
5620 Office Supplies and Expenses	425,015	(4,000)	-	-	(2,345)	(2,619)	(8,964)	416,051
5625 Administrative Expense Transferred Credit	(259,430)		-	-	-	1,598	1,598	(257,831)
5630 Outside Services Employed	351,659		-	-	-	(2,167)	(2,167)	349,492
5635 Property Insurance	144,495		-	-	(797)	(890)	(1,687)	142,808
5640 Injuries and Damages	131,580		-	-	(726)	(811)	(1,537)	130,043
5645 Employee Pensions and Benefits	346,814		-	-	(1,913)	(2,137)	(4,050)	342,764
5650 Franchise Requirements	-		-	-	-	-	-	-
5655 Regulatory Expenses	352,270	(17,500)	-	-	-	-	(17,500)	334,770
5660 General Advertising Expenses	10,200		-	-	-	(63)	(63)	10,137
5665 Miscellaneous General Expenses	423,645		-	-	(2,337)	(2,610)	(4,948)	418,697
5670 Rent	120,000		-	-	-	(739)	(739)	119,261
5675 Maintenance of General Plant	202,811		-	-	(1,119)	(1,250)	(2,369)	200,442
5680 Electrical Safety Authority Fees	-		-	-	-	-	-	-
5685 Independent Market Operator Fees and Penalties	-		-	-	-	-	-	-
5695 OM&A Contra Account	-		-	-	-	-	-	-
Subtotal Admin	4,963,100	(251,000)	(5,937)	(10,390)	(9,238)	(14,749)	(291,314)	4,671,786
Total OM&A	14,800,994	(315,000)	(19,740)	(10,390)	(36,364)	(72,506)	(454,000)	14,346,994

Depreciation Expense 2010								
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)
1805	Land	202,703	-	202,703	-	202,703	-	-
1806	Land Rights - Thirty Five Years	12,933	2,130	10,803	-	10,803	35	309
1806	Land Rights - Seventy Years	176,418	-	176,418	-	176,418	70	2,520
1806	Land Rights	189,351	2,130	187,221	-	187,221	-	2,829
1808	Buildings - Equipment	161,977	22,174	139,803	-	139,803	10	13,980
1808	Buildings - Major Repairs	304,541	14,394	290,147	78,903	329,599	25	13,184
1808	Buildings - Brick, Stone, Concrete and Steel	1,655,728	-	1,655,728	-	1,655,728	50	33,115
1808	Buildings and Fixtures	2,122,246	36,568	2,085,678	78,903	2,125,130	-	60,279
1820	Distribution Station Equipment - Normally Primary below 50kV	13,060,895	2,317,634	10,743,262	352,596	10,919,560	30	363,985
1830	Poles, Towers and Fixtures	24,130,933	2,815,379	21,315,554	1,809,830	22,220,469	25	888,819
1835	Overhead Conductors and Devices	36,975,997	4,848,708	32,127,289	1,431,097	32,842,837	25	1,313,713
1840	Underground Conduit	12,179,310	1,564,099	10,615,210	862,998	11,046,709	25	441,868
1845	Underground Conductors and Devices	24,012,099	2,658,969	21,353,130	1,787,441	22,246,851	25	889,874
1850	Line Transformers	42,011,353	4,453,185	37,558,168	1,775,310	38,445,823	25	1,537,833
1855	Services	25,764,097	3,753,839	22,010,258	993,878	22,507,197	25	900,288
1860	Meters	13,926,572	1,483,897	12,442,674	1,237,786	13,061,567	25	522,463
1905	Land	96,300	-	96,300	-	96,300	-	-
1908	Buildings - Equipment	231,107	133,208	97,899	42,000	118,899	10	11,890
1908	Buildings - Driveways etc.	555,994	161,661	394,333	-	394,333	20	19,717
1908	Buildings - Major Repairs	959,173	-	959,173	125,668	1,022,007	25	40,880
1908	Buildings - Brick, Stone, Concrete and Steel	6,187,440	-	6,187,440	-	6,187,440	50	123,749
1908	Buildings and Fixtures	7,933,713	294,869	7,638,844	167,668	7,722,678	-	196,236
1915	Office Furniture and Equipment	1,269,152	865,122	404,029	126,343	467,201	10	46,720
1920	Computer Equipment - Hardware	1,892,832	1,543,874	348,958	59,177	378,547	5	75,709
1925	Computer Software	4,180,452	2,379,494	1,800,958	157,805	1,879,860	5	375,972
1930	Vehicles under three tons	948,324	340,407	607,917	35,000	625,417	5	125,083
1930	Vehicles three tons and over.	2,979,760	1,484,733	1,495,027	48,834	1,519,444	8	189,931
1930	Transportation Equipment	3,928,084	1,825,140	2,102,945	83,834	2,144,862	-	315,014
1935	Stores Equipment	292,425	292,425	-	-	-	10	-
1940	Tools, Shop and Garage Equipment	1,329,349	945,423	383,926	49,807	408,829	10	40,883
1945	Measurement and Testing Equipment	368,948	309,936	59,012	12,822	65,423	10	6,542
1955	Communication Equipment	191,861	191,861	-	-	-	-	-
1980	System Supervisory Equipment	2,884,678	150,363	2,734,315	157,805	2,813,218	15	187,548
1995	Contributions and Grants - Credit	(19,292,065)	-	(19,292,065)	(2,920,000)	(20,752,065)	25	(830,083)
TOTAL		199,651,284	32,732,915	166,918,369	8,225,100	171,030,919		7,336,493

Tax Calculations			
Description	2006 Board Approved	2009 Bridge	2010 Test
Determination of Taxable Income			
Utility Income Before Taxes	4,338,421	4,084,896	6,150,138
Book to Tax Adjustments			
Additions to Accounting Income:			
Amortization of tangible assets	5,960,693	7,010,486	7,336,493
Reserves from financial statements- balance at end of year	2,149,397	2,823,839	2,823,839
Realized Income from Deferred Credit Accounts	1,000,000	0	0
Federal ITCs	0	6,000	33,325
Other Additions	400,000	0	0
Total Additions	9,510,090	9,840,325	10,193,657
Deductions from Accounting Income:			
Capital cost allowance from Schedule 8	5,306,089	6,903,453	6,987,063
Cumulative eligible capital deduction from Schedule 10	228	8,181	7,608
Reserves from financial statements - balance at beginning of year	2,149,397	2,681,058	2,823,839
Other Deductions	66,243	0	0
Total Deductions	7,521,957	9,592,692	9,818,511
Regulatory Taxable Income	6,326,554	4,332,530	6,525,284
Corporate Income Tax Rate	36.12%	33.00%	31.00%
Regulatory Income Tax	2,285,151	1,429,735	2,022,838
Calculation of Utility Income Taxes			
Income Taxes	2,285,151	1,429,735	2,022,838
Miscellaneous Tax Credits	0	0	(18,750)
Large Corporation Tax	0	0	0
Ontario Capital Tax	273,670	198,337	67,672
Total Taxes	2,558,821	1,628,071	2,071,760
Tax Rates			
Federal Tax	22.12%	19.00%	18.00%
Provincial Tax	14.00%	14.00%	13.00%
Total Tax Rate	36.12%	33.00%	31.00%
Large Corporation Tax	0		
Calculation of Ontario Capital Tax			
Total Rate Base		103,149,567	105,229,695
Less Exemption		15,000,000	15,000,000
Taxable Capital /Deemed taxable capital		88,149,567	90,229,695
OCT Rate		0.225%	0.075%
Ontario Capital Tax	273,670	198,337	67,672
Summary of Income Taxes			
Description	2006 Board Approved	2009 Bridge	2010 Test
Income Taxes	2,285,151	1,429,735	2,022,838
Miscellaneous Tax Credits	0	0	(18,750)
Large Corporation Tax	0	0	0
Ontario Capital Tax	273,670	198,337	67,672
Total Taxes	2,558,821	1,628,071	2,071,760

CCA Continuity Schedule (2010)													
Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	79,850,076	0	0	79,850,076	520,264	0	80,370,340	260,132	80,110,208	4%	3,204,408	77,165,832
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	3,971,707	0	0	3,971,707	1,426,758	0	5,398,465	713,379	4,685,086	20%	937,017	4,461,448
10	Computer Hardware/ Vehicles	1,067,298	0	0	1,067,298	83,834	0	1,151,132	41,917	1,109,215	30%	332,765	818,368
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	339,500	0	0	339,500	157,805	0	497,305	78,903	418,403	100%	418,403	78,903
13.1	Lease # 1	0	0	0	0	0	0	0	0	0	20%	0	0
13.2	Lease #2	0	0	0	0	0	0	0	0	0	0	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0	0	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0	0	0	0
14	Franchise	0	0	0	0	0	0	0	0	0	0	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	0	0	0	8%	0	0
52	Computer & Systems Hardware acq'd post Jan 27/09	0	0	0	0	59,177	0	59,177	0	59,177	100%	59,177	0
45	Computers & Systems Hardware acq'd post Mar 22/04	33,652	0	0	33,652	0	0	33,652	0	33,652	45%	15,144	18,509
45.1	Computers & Systems Hardware acq'd post Mar 19/07	16,486	0	0	16,486	0	0	16,486	0	16,486	55%	9,067	7,419
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	22,149,902	0	0	22,149,902	5,977,262	0	28,127,164	2,988,631	25,138,533	8%	2,011,083	26,116,081
	SUB-TOTAL - UCC	107,428,622	0	0	107,428,622	8,225,100	0	115,653,722	4,082,962	111,570,761		6,987,063	108,666,659
CEC	Goodwill	108,690	0	0	108,690								
CEC	Land Rights	0	0	0	0								
CEC	FMV Bump-up	0	0	0	0								
	SUB-TOTAL - CEC	108,690	0	0	108,690								

Cumulative Eligible Capital Calculation			
Cumulative Eligible Capital			108,690
Additions:			
Cost of Eligible Capital Property Acquired during the year	0		
Other Adjustments	0		
Subtotal	0 x 3/4 =	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =	0	
		0	108,690
Amount transferred on amalgamation or wind-up of subsidiary	0		0
Subtotal			108,690
Deductions:			
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year			
Other Adjustments	0		
Subtotal	0 x 3/4 =	0	108,690
Cumulative Eligible Capital Balance			108,690
CEC Deduction	7%		7,608
Cumulative Eligible Capital - Closing Balance			101,082

Summary of Changes to Rate Base		
Description	2010 Test Year Adjustment	Comments
Gross Fixed Assets (average)		
- Reduced Capital Additions	(293,000)	50% of reduction of \$586,000 to various projects to reflect Decision
- Increase in Capital Contributions	(110,000)	50% of increase to capital contributions to reflect contributions from City
- Tax adjustment	(77,500)	50% of decrease in budget by \$155,000 to reflect HST implementation
- Deferral of projects	(350,000)	Deferral of wholesale metering project from 2009 to 2010 - reduction to reflect reduced opening balance
- Deferral of projects	175,000	Deferral of wholesale metering project from 2009 to 2010
Change to Rate Base	(655,500)	
Accumulated Depreciation (average)		
- decrease in 2010 amortization	(17,427)	50% of the decrease to additions in accumulated depreciation
- decrease in 2010 opening balance	(7,000)	decrease in opening balance to reflect delay of wholesale metering project from 2009 to 2010
Adjustment to accumulated depreciation	(24,427)	
Controllable Expenses		
- decrease in 2010 OM&A	(450,000)	Decrease to reflect Decision
- decrease in 2010 OM&A	(4,000)	Decrease related to smart meter banking charges, as per supplemental IRs
- increase in property tax	63,000	Increase to correct input error, as per supplemental IRs
Adjustment to controllable expenses	(391,000)	
Cost of Power		
- RPP/non-RPP adjustment	(1,080,699)	Impact to original forecast for RPP/non-RPP adjustment (Energy Probe IR#40)
- RTR adjustment	1,862,825	Impact to original forecast to reflect new Uniform Transmission Rate decision
- volume adjustment	7,080,275	Impact to reflect increase in 2010 volume forecast
Adjustment to Cost of Power	7,862,401	

Reconciliation:	
Original Application:	8,836,100
Deferred from 2009:	350,000
Subtotal:	9,186,100
Reduction in Additions:	(586,000)
for City Projects:	(220,000)
on Related to HST:	(155,000)
Additions Forecast:	8,225,100

Fixed Asset Continuity Schedule (Distribution & Operations) as at December 31, 2010 Per Appendix 2N - Depreciation Schedule											
		Cost				Accumulated Depreciation					
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
	1706	Transmission - Land Rights	0			0	0			0	0
	1715	Transmission - Equipment	0			0	0			0	0
	1725	Transmission - Poles and Fixtures	0			0	0			0	0
	1730	Transmission - Overhead Conductors and Devices	0			0	0			0	0
N/A	1805	Land	202,703			202,703	0			0	202,703
CEC	1806	Land Rights	189,351			189,351	18,030	2,829		20,859	168,491
1	1808	Buildings and Fixtures	2,122,246	78,903		2,201,149	954,162	60,279		1,014,440	1,186,709
0	1810	Leasehold Improvements	0			0	0			0	0
0	1815	Transformer Station Equipment - Normally Primary above 50 kV	0			0	0			0	0
1	1820	Distribution Station Equipment - Normally Primary below 50 kV	13,060,895	352,596		13,413,491	8,031,581	363,985		8,395,566	5,017,925
0	1825	Storage Battery Equipment	0			0	0			0	0
1	1830	Poles, Towers and Fixtures	24,130,933	1,809,830		25,940,763	11,924,573	888,819		12,813,392	13,127,371
1	1835	Overhead Conductors and Devices	36,975,997	1,431,097		38,407,094	19,927,141	1,313,713		21,240,854	17,166,240
1	1840	Underground Conduit	12,179,310	862,998		13,042,308	6,353,923	441,868		6,795,791	6,246,517
1	1845	Underground Conductors and Devices	24,012,099	1,787,441		25,799,540	11,478,321	889,874		12,368,195	13,431,345
1	1850	Line Transformers	42,011,353	1,775,310		43,786,663	22,587,798	1,537,833		24,125,631	19,661,032
1	1855	Services	25,764,097	993,878		26,757,975	15,078,787	900,288		15,979,074	10,778,901
1	1860	Meters	13,926,572	1,237,786		15,164,358	8,021,914	522,463		8,544,377	6,619,980
0	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	96,300			96,300	0			0	96,300
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	7,933,713	167,668		8,101,381	3,231,430	196,236		3,427,666	4,673,716
0	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	1,269,152	126,343		1,395,495	1,024,975	46,720		1,071,695	323,799
45	1920	Computer Equipment - Hardware	1,892,832	59,177		1,952,009	1,742,421	75,709		1,818,130	133,879
12	1925	Computer Software	4,180,452	157,805		4,338,257	3,073,101	375,972		3,449,074	889,183
10	1930	Transportation Equipment	3,928,084	83,834		4,011,918	2,605,227	315,014		2,920,241	1,091,677
10	1935	Stores Equipment	292,425			292,425	292,458			292,458	(33)
8	1940	Tools, Shop and Garage Equipment	1,329,349	49,807		1,379,156	1,119,793	40,883		1,160,676	218,480
0	1945	Measurement and Testing Equipment	368,948	12,822		381,770	330,872	6,542		337,414	44,356
0	1950	Power Operated Equipment	0			0	0			0	0
10	1955	Communication Equipment	191,861			191,861	191,861			191,861	0
0	1960	Miscellaneous Equipment	0			0	0			0	0
0	1970	Load Management Controls - Customer Premises	0			0	0			0	0
0	1975	Load Management Controls - Utility Premises	0			0	0			0	0
0	1980	System Supervisory Equipment	2,884,678	157,805		3,042,483	2,491,460	187,548		2,679,008	363,475
0	1985	Sentinel Lighting Rentals	0			0	0			0	0
0	1990	Other Tangible Property	0			0	0			0	0
1	1995	Contributions and Grants	(19,292,065)	(2,920,000)		(22,212,065)	(2,976,484)	(830,083)		(3,806,567)	(18,405,498)
0	0	-	0			0	0			0	0
0	0	-	0			0	0			0	0
		Total before Work in Process	199,651,284	8,225,100	0	207,876,384	117,503,344	7,336,493	0	124,839,837	83,036,547
WIP		Work in Process	0			0	0			0	0
		Total after Work in Process	199,651,284	8,225,100	0	207,876,384	117,503,344	7,336,493	0	124,839,837	83,036,547

<u>Electricity - Commodity</u>					
Class per Load Forecast	2010 RPP Forecasted Metered kWhs	2010 Loss Factor	2010		
Residential	506,279,728	1.0405	526,784,057	\$0.06215	\$32,739,629
Street Lighting	71,600	1.0405	74,499	\$0.06215	\$4,630
GS<50kW	152,679,298	1.0405	158,862,810	\$0.06215	\$9,873,324
GS>50kW	153,281,239	1.0405	159,489,129	\$0.06215	\$9,912,249
Unmetered Scattered Load	3,892,933	1.0405	4,050,596	\$0.06215	\$251,745
TOTAL	816,204,798		845,210,496		\$52,781,577
<u>Electricity - Commodity</u>					
Class per Load Forecast	2010 non-RPP Forecasted Metered kWhs	2010 Loss Factor	2010		
Residential	49,643,988	1.0405	51,654,569	\$0.05820	\$3,006,296
Street Lighting	9,349,402	1.0405	9,728,053	\$0.05820	\$566,173
GS<50kW	30,433,317	1.0405	31,665,866	\$0.05820	\$1,842,953
GS>50kW	797,594,933	1.0405	829,897,528	\$0.05820	\$48,300,036
Unmetered Scattered Load	25,075	1.0405	26,091	\$0.05820	\$1,518
TOTAL	887,046,715		922,946,016		\$53,716,977
<u>Transmission - Network</u>		Volume			
Class per Load Forecast		Metric	2010		
Residential		kWh	578,438,626	\$0.0061	\$3,528,476
Street Lighting		kW	26,120	\$1.7370	\$45,370
GS<50kW		kWh	190,528,676	\$0.0057	\$1,086,013
GS>50kW		kW	2,448,411	\$2.3428	\$5,736,137
Unmetered Scattered Load		kWh	4,076,687	\$0.0057	\$23,237
TOTAL					\$10,419,234
<u>Transmission - Connection</u>		Volume			
Class per Load Forecast		Metric	2010		
Residential		kWh	578,438,626	\$0.0054	\$3,123,569
Street Lighting		kW	26,120	\$1.4705	\$38,409
GS<50kW		kWh	190,528,676	\$0.0047	\$895,485
GS>50kW		kW	2,448,411	\$2.0663	\$5,059,152
Unmetered Scattered Load		kWh	4,076,687	\$0.0047	\$19,160
TOTAL					\$9,135,775
<u>Wholesale Market Service</u>					
Class per Load Forecast			2010		
Residential			578,438,626	\$0.0052	\$3,007,881
Street Lighting			9,802,562	\$0.0052	\$50,973
GS<50kW			190,528,676	\$0.0052	\$990,749
GS>50kW			989,386,657	\$0.0052	\$5,144,811
Unmetered Scattered Load			4,076,687	\$0.0052	\$21,199
TOTAL					\$9,215,613
<u>Rural Rate Assistance</u>					
Class per Load Forecast			2010		
Residential			578,438,626	\$0.0013	\$751,970
Street Lighting			26,120	\$0.0013	\$34
GS<50kW			190,528,676	\$0.0013	\$247,687
GS>50kW			2,448,411	\$0.0013	\$3,183
Unmetered Scattered Load			4,076,687	\$0.0013	\$5,300
TOTAL					\$1,008,174
2010					
4705-Power Purchased	\$106,498,553				
4708-Charges-WMIS	\$9,215,613				
4714-Charges-NW	\$10,419,234				
4716-Charges-CN	\$9,135,775				
4730-Rural Rate Assistance	\$1,008,174				
4750-Low Voltage					
TOTAL	136,277,349				

Summary of Changes Impacting Revenue		
Description	2010 Test Year Adjustment	Comments
Distribution Volume (kWh)		
- Increase in forecast	87,956,461	Increase in throughput volume to 1,772,649,461 kWh actual purchased volumes, or 1,703,251,515 kWh distribution volume
Distribution Revenue (\$)		
- Increase in revenue at existing rates	972,479	Increase in revenue at existing rates as a result of the above increase in throughput volume
Other Revenue (\$)		
- SSS Admin Fee Revenue	(175,417)	Increase related to SSS Admin charges, as per supplemental IRs
- Pole Revenue	(50,000)	adjustment to reflect addition revenue from City related to pole fees
Total Other Revenue Adjustments	(225,417)	

APPENDIX C

COST ALLOCATION AND RATE DESIGN SUPPORTING MATERIAL

This Appendix includes the following information to support the cost allocation and the derivation of the rates.

Cost allocation

- Updated Revenue to Cost Summary Worksheet
- Various tables supporting the cost allocation analysis

Rate Design

- Various tables supporting the rate design analysis
- Rate impact schedule



2010 COST ALLOCATION STUDY

Burlington Hydro Inc.

EB-2009-0259

Monday, March 15, 2010

Sheet 01 Revenue to Cost Summary Worksheet

Class Revenue, Cost Analysis, and Return on Rate Base

		Total	1 Residential	2 GS <50	3 GS>50-Regular	7 Street Light	9 Unmetered Scattered Load
Rate Base Assets							
crev	Distribution Revenue (sale)	\$29,253,966	\$18,021,621	\$4,197,970	\$6,848,973	\$42,777	\$142,624
mi	Miscellaneous Revenue (mi)	\$1,808,319	\$1,101,677	\$335,582	\$360,989	\$4,362	\$5,709
	Total Revenue	\$31,062,285	\$19,123,299	\$4,533,552	\$7,209,962	\$47,139	\$148,332
Expenses							
di	Distribution Costs (di)	\$6,669,085	\$3,678,668	\$753,322	\$2,121,539	\$80,368	\$35,188
cu	Customer Related Costs (cu)	\$2,964,032	\$1,819,839	\$603,508	\$530,322	\$4,396	\$5,966
ad	General and Administration (ad)	\$5,005,369	\$2,854,326	\$696,455	\$1,387,612	\$45,258	\$21,719
dep	Depreciation and Amortization (dep)	\$6,659,239	\$3,916,440	\$798,028	\$1,824,365	\$84,368	\$36,038
INPUT	PILs (INPUT)	\$2,071,760	\$1,143,744	\$255,561	\$640,058	\$22,467	\$9,931
INT	Interest	\$3,546,241	\$1,957,752	\$437,444	\$1,065,590	\$38,456	\$16,999
	Total Expenses	\$26,915,727	\$15,370,770	\$3,544,318	\$7,599,485	\$275,314	\$125,840
Direct Allocation		\$508	\$0	\$0	\$0	\$508	\$0
N	Allocated Net Income (N)	\$4,146,050	\$2,288,885	\$511,433	\$1,280,897	\$44,961	\$19,874
	Revenue Requirement (includes N)	\$31,062,285	\$17,659,655	\$4,055,751	\$8,880,382	\$320,783	\$145,714
		Revenue Requirement Input Does Not Equal Output					
Rate Base Calculation							
Net Assets							
dp	Distribution Plant - Gross	\$199,740,475	\$116,847,130	\$23,940,712	\$55,368,206	\$2,510,861	\$1,073,566
gp	General Plant - Gross	\$24,775,424	\$14,580,460	\$2,943,641	\$6,800,718	\$315,781	\$134,824
accum dep	Accumulated Depreciation	(\$121,171,590)	(\$70,608,951)	(\$14,605,710)	(\$33,801,477)	(\$1,509,444)	(\$646,008)
co	Capital Contribution	(\$20,752,065)	(\$14,929,098)	(\$2,127,091)	(\$3,128,376)	(\$406,238)	(\$161,262)
	Total Net Plant	\$82,592,244	\$45,889,542	\$10,151,552	\$25,239,071	\$910,960	\$401,119
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0	\$0	\$0
COOP							
	Cost of Power (COOP)	\$136,277,349	\$44,479,520	\$14,650,861	\$76,079,712	\$753,775	\$313,480
	OM&A Expenses	\$14,638,486	\$8,352,833	\$2,053,285	\$4,039,472	\$130,022	\$62,873
	Directly Allocated Expenses	\$508	\$0	\$0	\$0	\$508	\$0
	Subtotal	\$150,916,343	\$52,832,354	\$16,704,147	\$80,119,184	\$884,306	\$376,353
	Working Capital	\$22,637,451	\$7,924,853	\$2,505,622	\$12,017,878	\$132,646	\$56,453
	Total Rate Base	\$105,229,695	\$53,814,395	\$12,657,174	\$37,256,949	\$1,043,606	\$457,572
		Rate Base Input equals Output					
Equity Component of Rate Base		\$42,091,878	\$21,525,758	\$5,062,870	\$14,902,779	\$417,442	\$183,029
Net Income on Allocated Assets		\$4,146,050	\$3,752,529	\$989,234	(\$389,522)	(\$228,682)	\$22,492
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$4,146,050	\$3,752,529	\$989,234	(\$389,522)	(\$228,682)	\$22,492
RATIOS ANALYSIS							
REVENUE TO EXPENSES %		100.00%	108.29%	111.78%	81.19%	14.70%	101.80%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$0)	\$1,463,644	\$477,801	(\$1,670,419)	(\$273,643)	\$2,618
RETURN ON EQUITY COMPONENT OF RATE BASE		9.85%	17.43%	19.54%	-2.61%	-54.78%	12.29%

Revenue to Cost Ratio (%)			
Customer Class	Decision Cost Allocation Model	Proposed for Test Year	Board Target Range
Residential	108.3%	107.0%	85-115
GS<50 kW	111.8%	107.1%	80-123
GS>50 kW	81.2%	85.0%	80-180
Street Lights	14.7%	42.5%	70-120
USL	101.8%	101.8%	80-120

Proposed Allocation					
Class	Total Revenue Requirement - 2010 Cost Allocation	Proposed Revenue to Cost Ratio	2010 Proposed Service Revenue Requirement	2010 Proposed Miscellaneous Revenue per Cost Allocation Model	2010 Proposed Base Revenue Requirement
Residential	17,659,655	107.0%	18,887,001	1,101,677	17,785,324
GS < 50 kW	4,055,751	107.1%	4,342,290	335,582	4,006,708
GS >50	8,880,382	85.0%	7,548,324	360,989	7,187,335
Street Lighting	320,783	42.5%	136,333	4,362	131,970
Unmetered Scattered Load	145,714	101.8%	148,337	5,709	142,628
TOTAL	31,062,285		31,062,285	1,808,319	29,253,966

Base Revenue Impacts			
Class	2010 Total Base Revenue with 2009 Approved Rates	2010 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	2010 Base Revenue Requirement
Residential	16,911,537	18,021,621	17,785,324
GS < 50 kW	3,939,386	4,197,970	4,006,708
GS >50	6,427,095	6,848,973	7,187,335
Street Lighting	40,142	42,777	131,970
Unmetered Scattered Load	133,839	142,624	142,628
TOTAL	27,451,998	29,253,966	29,253,966

Forecast Class Billing Determinants for 2010 Test Year Based on Existing Class Revenue Proportions										
Revenue At Existing Rates										
Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Rev. Including Transformer	Transformer Allowance	Dist. Rev. Excluding Transformer	Dist Rev At Existing Rates %
Residential	555,923,716		703,718		8,127,942	8,783,595	16,911,537		16,911,537	61.60%
GS < 50 kW	183,112,615		60,340		1,265,942	2,673,444	3,939,386		3,939,386	14.35%
GS >50	950,876,174	2,448,411	12,357		813,322	6,237,572	7,050,894	623,799	6,427,095	23.41%
Street Lighting	9,421,002	26,120		176,080	19,369	20,773	40,142		40,142	0.15%
USL	3,918,008			7,224	75,852	57,987	133,839		133,839	0.49%
	1,703,251,515	2,474,532	776,415	183,304	10,302,427	17,773,371	28,075,798	623,799	27,451,998	100%

Current Fixed Variable Split					
Class	2010 Total Base Revenue with 2009 Approved Rates	2010 Fixed Base Revenue with 2009 Approved Rates	2010 Variable Base Revenue with 2009 Approved Rates	Fixed Revenue Proportion	Variable Revenue Proportion
Residential	16,911,537	8,127,942	8,783,595	48.1%	51.9%
GS < 50 kW	3,939,386	1,265,942	2,673,444	32.1%	67.9%
GS >50	6,427,095	813,322	5,613,773	12.7%	87.3%
Street Lighting	40,142	19,369	20,773	48.3%	51.7%
Unmetered Scattered Load	133,839	75,852	57,987	56.7%	43.3%
TOTAL	27,451,998	10,302,427	17,149,572		

Proposed Fixed Variable Split					
Class	2010 Total Base Revenue with 2010 Proposed Rates	2010 Fixed Base Revenue with 2010 Proposed Rates	2010 Variable Base Revenue with 2010 Proposed Rates	Proposed Fixed Revenue Proportion	Proposed Variable Revenue Proportion
Residential	17,785,324	8,547,898	9,237,426	48.1%	51.9%
GS < 50 kW	4,006,708	1,522,731	2,483,977	38.0%	62.0%
GS >50	7,187,335	885,494	6,301,841	12.3%	87.7%
Street Lighting	131,970	63,676	68,294	48.3%	51.7%
Unmetered Scattered Load	142,628	73,560	69,068	51.6%	48.4%
TOTAL	29,253,966	11,093,359	18,160,607		

Fixed Charge Analysis				
Customer Class	2009 Fixed Rates From OEB Approved Tariff	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	Proposed Fixed Rates	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	11.55	12.15	12.15	13.62
GS < 50 kW	20.98	21.34	25.24	25.24
GS >50	65.82	73.61	71.66	71.66
Street Lighting	0.11	0.36	0.36	9.82
Unmetered Scattered Load	10.50	11.19	10.18	10.18

Proposed Monthly Service Charge

Class	2010 Total Base Revenue	Proposed Fixed Distribution Charge	Annualized Customers / Connections	2010 Fixed Base Revenue with 2010 Proposed Rates
Residential	17,785,324	12.15	703,718	8,547,898
GS < 50 kW	4,006,708	25.24	60,340	1,522,731
GS >50	7,187,335	71.66	12,357	885,494
Street Lighting	131,970	0.36	176,080	63,676
Unmetered Scattered Load	142,628	10.18	7,224	73,560
TOTAL	29,253,966			11,093,359

Proposed Volumetric Service Charge

Class	2010 Total Base Revenue	Fixed Revenue	Variable Revenue	Annualized kWh or kW as required	Unit of Measure	Proposed Variable Charge before Transformer Allowance	Transformer Allowance Adjustment	Proposed Variable Charge including Transformer Allowance
Residential	17,785,324	8,547,898	9,237,426	555,923,716	kWh	\$0.0166	\$0.0000	\$0.0166
GS < 50 kW	4,006,708	1,522,731	2,483,977	183,112,615	kWh	\$0.0136	\$0.0000	\$0.0136
GS >50	7,187,335	885,494	6,301,841	2,448,411	kW	\$2.5738	\$0.2548	\$2.8286
Street Lighting	131,970	63,676	68,294	26,120	kW	\$2.6146	\$0.0000	\$2.6146
Unmetered Scattered Load	142,628	73,560	69,068	3,918,008	kWh	\$0.0176	\$0.0000	\$0.0176
TOTAL	29,253,966	11,093,359	18,160,607					

Summary of Fixed and Variable Charges

Class	Proposed Monthly Service Charge Excl. Smart Meter Adder (\$)	Unit of Measure	Proposed Volumetric Distribution Charge Inc. Transformer Allowance Adjustment (\$)
Residential	12.15	kWh	0.0166
GS < 50 kW	25.24	kWh	0.0136
GS >50	71.66	kW	2.8286
Street Lighting	0.36	kW	2.6146
Unmetered Scattered Load	10.18	kWh	0.0176
Transformer Discount		kW	-0.0600

BILL IMPACTS (Monthly Consumptions)

RESIDENTIAL										
Consumption		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
100 kWh	Monthly Service Charge			11.55			12.15	0.60	5.19%	49.42%
	Distribution (kWh)	100	0.0159	1.59	100	0.0166	1.66	0.07	4.40%	6.75%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	4.07%
	LRAM & SSM Rider (kWh)	100			100	0.0003	0.03	0.03	0.00%	0.12%
	Regulatory Assets (kWh)	100	0.0000	0.00	100	(0.0006)	(0.06)	(0.06)	100.00%	(0.24%)
	Sub-Total			14.14			14.78	0.64	4.53%	60.11%
	Other Charges (kWh)	104	0.0239	2.49	104	0.0250	2.60	0.11	4.36%	10.58%
	Cost of Power Commodity (kWh)	104	0.0580	6.05	104	0.0580	6.03	(0.01)	(0.23%)	24.54%
	Total Bill Before Taxes			22.68			23.42	0.73	3.24%	95.24%
	GST		5.00%	1.13		5.00%	1.17	0.04	3.24%	4.76%
	Total Bill			23.82			24.59	0.77	3.24%	100.00%

RESIDENTIAL										
Consumption		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
250 kWh	Monthly Service Charge			11.55			12.15	0.60	5.19%	29.81%
	Distribution (kWh)	250	0.0159	3.98	250	0.0166	4.15	0.18	4.40%	10.18%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	2.45%
	LRAM & SSM Rider (kWh)	250			250	0.0003	0.08	0.08	0.00%	0.18%
	Regulatory Assets (kWh)	250	0.0000	0.00	250	(0.0006)	(0.15)	(0.15)	100.00%	(0.37%)
	Sub-Total			16.53			17.23	0.70	4.24%	42.26%
	Other Charges (kWh)	261	0.0239	6.23	260	0.0250	6.50	0.27	4.36%	15.96%
	Cost of Power Commodity (kWh)	261	0.0580	15.12	260	0.0580	15.09	(0.04)	(0.23%)	37.02%
	Total Bill Before Taxes			37.88			38.81	0.94	2.47%	95.24%
	GST		5.00%	1.89		5.00%	1.94	0.05	2.47%	4.76%
	Total Bill			39.77			40.76	0.94	2.35%	100.00%

RESIDENTIAL										
Consumption		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
500 kWh	Monthly Service Charge			11.55			12.15	0.60	5.19%	17.95%
	Distribution (kWh)	500	0.0159	7.95	500	0.0166	8.30	0.35	4.40%	12.26%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.48%
	LRAM & SSM Rider (kWh)	500			500	0.0003	0.15	0.15	0.00%	0.22%
	Regulatory Assets (kWh)	500	0.0000	0.00	500	(0.0006)	(0.30)	(0.30)	100.00%	(0.44%)
	Sub-Total			20.50			21.30	0.80	3.90%	31.46%
	Other Charges (kWh)	521	0.0239	12.46	520	0.0250	13.01	0.54	4.36%	19.21%
	Cost of Power Commodity (kWh)	521	0.0580	30.24	520	0.0580	30.17	(0.07)	(0.23%)	44.57%
	Total Bill Before Taxes			63.21			64.48	1.27	2.01%	95.24%
	GST		5.00%	3.16		5.00%	3.22	0.06	2.01%	4.76%
	Total Bill			66.37			67.70	1.34	2.01%	100.00%

RESIDENTIAL										
Consumption		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
800 kWh	Monthly Service Charge			11.55			12.15	0.60	5.19%	11.88%
	Distribution (kWh)	800	0.0159	12.72	800	0.0166	13.28	0.56	4.40%	12.99%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.98%
	LRAM & SSM Rider (kWh)	800			800	0.0003	0.24	0.24	0.00%	0.23%
	Regulatory Assets (kWh)	800	0.0000	0.00	800	(0.0006)	(0.48)	(0.48)	100.00%	(0.47%)
	Sub-Total			25.27			26.19	0.92	3.64%	25.62%
	Other Charges (kWh)	834	0.0239	19.94	832	0.0250	20.81	0.87	4.36%	20.35%
	Cost of Power Commodity (kWh)	600	0.0580	34.80	600	0.0580	34.80	0.00	0.00%	34.04%
	Cost of Power Commodity (kWh)	234	0.0670	15.70	232	0.0670	15.57	(0.13)	(0.83%)	15.23%
	Total Bill Before Taxes			95.71			97.37	1.66	1.73%	95.24%
	GST		5.00%	4.79		5.00%	4.87	0.08	1.73%	4.76%
	Total Bill			100.50			102.24	1.74	1.73%	100.00%

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption 1,000 kWh	Monthly Service Charge			11.55			12.15	0.60	5.19%	9.66%
	Distribution (kWh)	1,000	0.0159	15.90	1,000	0.0166	16.60	0.70	4.40%	13.20%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.80%
	LRAM & SSM Rider (kWh)	1,000			1,000	0.0003	0.30	0.30	0.00%	0.24%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0006)	(0.60)	(0.60)	100.00%	(0.48%)
	Sub-Total			28.45			29.45	1.00	3.51%	23.42%
	Other Charges (kWh)	1,043	0.0239	24.93	1,040	0.0250	26.01	1.09	4.36%	20.68%
	Cost of Power Commodity (kWh)	600	0.0580	34.80	600	0.0580	34.80	0.00	0.00%	27.67%
	Cost of Power Commodity (kWh)	443	0.0670	29.67	440	0.0670	29.51	(0.16)	(0.55%)	23.47%
	Total Bill Before Taxes			117.85			119.77	1.92	1.63%	95.24%
	GST		5.00%	5.89		5.00%	5.99	0.10	1.63%	4.76%
	Total Bill			123.74			125.76	2.02	1.63%	100.00%

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption 1,500 kWh	Monthly Service Charge			11.55			12.15	0.60	5.19%	6.58%
	Distribution (kWh)	1,500	0.0159	23.85	1,500	0.0166	24.90	1.05	4.40%	13.49%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.54%
	LRAM & SSM Rider (kWh)	1,500			1,500	0.0003	0.45	0.45	0.00%	0.24%
	Regulatory Assets (kWh)	1,500	0.0000	0.00	1,500	(0.0006)	(0.90)	(0.90)	100.00%	(0.49%)
	Sub-Total			36.40			37.60	1.20	3.30%	20.37%
	Other Charges (kWh)	1,564	0.0239	37.39	1,561	0.0250	39.02	1.63	4.36%	21.14%
	Cost of Power Commodity (kWh)	600	0.0580	34.80	600	0.0580	34.80	0.00	0.00%	18.85%
	Cost of Power Commodity (kWh)	964	0.0670	64.61	961	0.0670	64.37	(0.24)	(0.38%)	34.87%
	Total Bill Before Taxes			173.20			175.78	2.59	1.49%	95.24%
	GST		5.00%	8.66		5.00%	8.79	0.13	1.49%	4.76%
	Total Bill			181.86			184.57	2.71	1.49%	100.00%

GENERAL SERVICE < 50 KW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption 1,000 kWh	Monthly Service Charge			20.98			25.24	4.26	20.31%	18.90%
	Distribution (kWh)	1,000	0.0147	14.70	1,000	0.0136	13.60	(1.10)	(7.48%)	10.19%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.75%
	LRAM & SSM Rider (kWh)	1,000	0.0000	0.00	1,000	0.0001	0.10	0.10	0.00%	0.07%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0006)	(0.60)	(0.60)	100.00%	(0.45%)
	Sub-Total			36.68			39.34	2.66	7.25%	29.46%
	Other Charges (kWh)	1,043	0.0229	23.88	1,040	0.0239	24.87	0.98	4.12%	18.62%
	Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	32.58%
	Cost of Power Commodity (kWh)	293	0.0670	19.62	290	0.0670	19.46	(0.16)	(0.83%)	14.57%
	Total Bill Before Taxes			123.69			127.17	3.48	2.81%	95.24%
	GST		5.00%	6.18		5.00%	6.36	0.17	2.81%	4.76%
	Total Bill			129.87			133.53	3.66	2.81%	100.00%

GENERAL SERVICE < 50 KW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption 2,000 kWh	Monthly Service Charge			20.98			25.24	4.26	20.31%	10.24%
	Distribution (kWh)	2,000	0.0147	29.40	2,000	0.0136	27.20	(2.20)	(7.48%)	11.03%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.41%
	LRAM & SSM Rider (kWh)	2,000	0.0000	0.00	2,000	0.0001	0.20	0.20	0.00%	0.08%
	Regulatory Assets (kWh)	2,000	0.0000	0.00	2,000	(0.0006)	(1.20)	(1.20)	100.00%	(0.49%)
	Sub-Total			51.38			52.44	1.06	2.06%	21.27%
	Other Charges (kWh)	2,086	0.0229	47.76	2,081	0.0239	49.73	1.97	4.12%	20.17%
	Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	17.64%
	Cost of Power Commodity (kWh)	1,336	0.0670	89.50	1,331	0.0670	89.17	(0.33)	(0.36%)	36.16%
	Total Bill Before Taxes			232.14			234.85	2.70	1.16%	95.24%
	GST		5.00%	11.61		5.00%	11.74	0.14	1.16%	4.76%
	Total Bill			243.75			246.59	2.84	1.16%	100.00%

GENERAL SERVICE < 50 kW											
			2009 BILL			2010 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	5,000 kWh	Monthly Service Charge			20.98			25.24	4.26	20.31%	4.31%
		Distribution (kWh)	5,000	0.0147	73.50	5,000	0.0136	68.00	(5.50)	(7.48%)	11.61%
		Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.17%
		LRAM & SSM Rider (kWh)	5,000	0.0000	0.00	5,000	0.0001	0.50	0.50	0.00%	0.09%
		Regulatory Assets (kWh)	5,000	0.0000	0.00	5,000	(0.0006)	(3.00)	(3.00)	100.00%	(0.51%)
		Sub-Total			95.48			91.74	(3.74)	(3.92%)	15.66%
		Other Charges (kWh)	5,215	0.0229	119.41	5,202	0.0239	124.34	4.92	4.12%	21.23%
		Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	7.43%
		Cost of Power Commodity (kWh)	4,465	0.0670	299.12	4,452	0.0670	298.31	(0.81)	(0.27%)	50.92%
		Total Bill Before Taxes			557.51			557.88	0.37	0.07%	95.24%
		GST		5.00%	27.88		5.00%	27.89	0.02	0.07%	4.76%
		Total Bill			585.39			585.78	0.39	0.07%	100.00%

GENERAL SERVICE < 50 kW											
			2009 BILL			2010 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	10,000 kWh	Monthly Service Charge			20.98			25.24	4.26	20.31%	2.19%
		Distribution (kWh)	10,000	0.0147	147.00	10,000	0.0136	136.00	(11.00)	(7.48%)	11.81%
		Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.09%
		LRAM & SSM Rider (kWh)	10,000	0.0000	0.00	10,000	0.0001	1.00	1.00	0.00%	0.09%
		Regulatory Assets (kWh)	10,000	0.0000	0.00	10,000	(0.0006)	(6.00)	(6.00)	100.00%	(0.52%)
		Sub-Total			168.98			157.24	(11.74)	(6.95%)	13.66%
		Other Charges (kWh)	10,429	0.0229	238.82	10,405	0.0239	248.67	9.85	4.12%	21.60%
		Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	3.78%
		Cost of Power Commodity (kWh)	9,679	0.0670	648.49	9,655	0.0670	646.86	(1.63)	(0.25%)	56.20%
		Total Bill Before Taxes			1,099.80			1,096.27	(3.52)	(0.32%)	95.24%
		GST		5.00%	54.99		5.00%	54.81	(0.18)	(0.32%)	4.76%
		Total Bill			1,154.79			1,151.09	(3.70)	(0.32%)	100.00%

GENERAL SERVICE < 50 kW											
			2009 BILL			2010 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	15,000 kWh	Monthly Service Charge			20.98			25.24	4.26	20.31%	1.47%
		Distribution (kWh)	15,000	0.0147	220.50	15,000	0.0136	204.00	(16.50)	(7.48%)	11.89%
		Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.06%
		LRAM & SSM Rider (kWh)	15,000	0.0000	0.00	15,000	0.0001	1.50	1.50	0.00%	0.09%
		Regulatory Assets (kWh)	15,000	0.0000	0.00	15,000	(0.0006)	(9.00)	(9.00)	100.00%	(0.52%)
		Sub-Total			242.48			222.74	(19.74)	(8.14%)	12.98%
		Other Charges (kWh)	15,644	0.0229	358.24	15,607	0.0239	373.01	14.77	4.12%	21.73%
		Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	2.53%
		Cost of Power Commodity (kWh)	14,894	0.0670	997.86	14,857	0.0670	995.42	(2.44)	(0.25%)	57.99%
		Total Bill Before Taxes			1,642.08			1,634.67	(7.41)	(0.45%)	95.24%
		GST		5.00%	82.10		5.00%	81.73	(0.37)	(0.45%)	4.76%
		Total Bill			1,724.18			1,716.40	(7.78)	(0.45%)	100.00%

GENERAL SERVICE > 50 kW											
			2009 BILL			2010 BILL			IMPACT		
			Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	30,000 kWh 100 kW	Monthly Service Charge			65.82			71.66	5.84	8.87%	2.26%
		Distribution (kW)	100	2.5994	259.94	100	2.8286	282.86	22.92	8.82%	8.94%
		Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.03%
		LRAM & SSM Rider (kW)	100	0.0000	0.00	100	0.0119	1.19	1.19	0.00%	0.04%
		Regulatory Assets (kW)	100	0.0000	0.00	100	(0.2906)	(29.06)	(29.06)	100.00%	(0.92%)
		Sub-Total			326.76			327.65	0.89	0.27%	10.35%
		Other Charges (kWh)	31,287	0.0135	422.37	31,214	0.0135	421.39	(0.99)	(0.23%)	13.31%
		Other Charges (kW)	100	3.8884	388.84	100	4.4431	444.31	55.47	14.27%	14.04%
		Cost of Power Commodity (kWh)	31,287	0.0582	1,820.90	31,287	0.0582	1,820.90	0.00	0.00%	57.53%
		Total Bill Before Taxes			2,958.88			3,014.25	55.37	1.87%	95.24%
		GST		5.00%	147.94		5.00%	150.71	2.77	1.87%	4.76%
		Total Bill			3,106.82			3,164.97	58.14	1.87%	100.00%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			65.82			71.66	5.84	8.87%
75,000 kWh	Distribution (kW)	250	2.5994	649.85	250	2.8286	707.15	57.30	8.82%
250 kW	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%
	LRAM & SSM Rider (kW)	250	0.0000	0.00	250	0.0119	2.98	2.98	0.00%
	Regulatory Assets (kW)	250	0.0000	0.00	250	(0.2906)	(72.65)	(72.65)	100.00%
	Sub-Total			716.67			710.14	(6.54)	(0.91%)
	Other Charges (kWh)	78,218	0.0135	1,055.94	78,035	0.0135	1,053.47	(2.46)	(0.23%)
	Other Charges (kW)	250	3.8884	972.10	250	4.4431	1,110.78	138.68	14.27%
	Cost of Power Commodity (kWh)	78,218	0.0582	4,552.26	78,035	0.0582	4,541.64	(10.62)	(0.23%)
	Total Bill Before Taxes			7,296.96			7,416.02	119.06	1.63%
	GST		5.00%	364.85		5.00%	370.80	5.95	1.63%
	Total Bill			7,661.81			7,786.82	125.01	1.63%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			65.82			71.66	5.84	8.87%
200,000 kWh	Distribution (kW)	500	2.5994	1,299.70	500	2.8286	1,414.30	114.60	8.82%
500 kW	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%
	LRAM & SSM Rider (kW)	500	0.0000	0.00	500	0.0119	5.95	5.95	0.00%
	Regulatory Assets (kW)	500	0.0000	0.00	500	(0.2906)	(145.30)	(145.30)	100.00%
	Sub-Total			1,366.52			1,347.61	(18.91)	(1.38%)
	Other Charges (kWh)	208,580	0.0135	2,815.83	208,093	0.0135	2,809.26	(6.57)	(0.23%)
	Other Charges (kW)	500	3.8884	1,944.20	500	4.4431	2,221.55	277.35	14.27%
	Cost of Power Commodity (kWh)	208,580	0.0582	12,139.36	208,093	0.0582	12,111.04	(28.32)	(0.23%)
	Total Bill Before Taxes			18,265.91			18,489.46	223.56	1.22%
	GST		5.00%	913.30		5.00%	924.47	11.18	1.22%
	Total Bill			19,179.20			19,413.93	234.73	1.22%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			65.82			71.66	5.84	8.87%
800,000 kWh	Distribution (kW)	2,000	2.5994	5,198.80	2,000	2.8286	5,657.20	458.40	8.82%
2,000 kW	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%
	LRAM & SSM Rider (kW)	2,000	0.0000	0.00	2,000	0.0119	23.80	23.80	0.00%
	Regulatory Assets (kW)	2,000	0.0000	0.00	2,000	(0.2906)	(581.20)	(581.20)	100.00%
	Sub-Total			5,265.62			5,172.46	(93.16)	(1.77%)
	Other Charges (kWh)	834,320	0.0135	11,263.32	832,374	0.0135	11,237.05	(26.27)	(0.23%)
	Other Charges (kW)	2,000	3.8884	7,776.80	2,000	4.4431	8,886.20	1,109.40	14.27%
	Cost of Power Commodity (kWh)	834,320	0.0582	48,557.42	832,374	0.0582	48,444.16	(113.27)	(0.23%)
	Total Bill Before Taxes			72,863.16			73,739.87	876.70	1.20%
	GST		5.00%	3,643.16		5.00%	3,686.99	43.84	1.20%
	Total Bill			76,506.32			77,426.86	920.54	1.20%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	% of Total Bill
Consumption	Monthly Service Charge			65.82			71.66	5.84	8.87%
1,600,000 kWh	Distribution (kW)	4,000	2.5994	10,397.60	4,000	2.8286	11,314.40	916.80	8.82%
4,000 kW	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%
	LRAM & SSM Rider (kW)	4,000	0.0000	0.00	4,000	0.0119	47.60	47.60	0.00%
	Transformer Credit	4,000	(0.6000)	(2,400.00)	4,000	(0.6000)	(2,400.00)	0.00	0.00%
	Regulatory Assets (kW)	4,000	0.0000	0.00	4,000	(0.2906)	(1,162.40)	(1,162.40)	100.00%
	Sub-Total			8,064.42			7,872.26	(192.16)	(2.38%)
	Other Charges (kWh)	1,668,640	0.0135	22,526.64	1,664,748	0.0135	22,474.09	(52.55)	(0.23%)
	Other Charges (kW)	4,000	3.8884	15,553.60	4,000	4.4431	17,772.40	2,218.80	14.27%
	Cost of Power Commodity (kWh)	1,668,640	0.0582	97,114.85	1,664,748	0.0582	96,888.32	(226.53)	(0.23%)
	Total Bill Before Taxes			143,259.51			145,007.07	1,747.56	1.22%
	GST		5.00%	7,162.98		5.00%	7,250.35	87.38	1.22%
	Total Bill			150,422.48			152,257.42	1,834.94	1.22%

Street Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Billing Determinants	Monthly Service Charge	5,000	0.1100	550.00	5,000	0.3616	1,808.00	1,258.00	228.73%	6.65%
	5,000 Connections									
	250,000 kWh									
	1,000 kW									
	Distribution (kWh)	250,000	0.0000	0.00	250,000	0.0000	0.00	0.00	0.00%	0.00%
	Distribution (kW)	1,000	0.8361	836.10	1,000	2.6146	2,614.60	1,778.50	212.71%	9.62%
	Regulatory Assets (kW)	1,000	0.0000	0.00	1,000	(0.3359)	(335.90)	(335.90)	100.00%	(1.24%)
	Sub-Total			1,386.10			4,086.70	2,700.60	194.83%	15.03%
	Other Charges (kWh)	260,725	0.0135	3,519.79	260,117	0.0135	3,511.58	(8.21)	(0.23%)	12.92%
	Other Charges (kW)	1,000	2.9013	2,901.30	1,000	3.2075	3,207.50	306.20	10.55%	11.80%
	Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	0.16%
	Cost of Power Commodity (kW)	259,975	0.0580	15,078.55	259,367	0.0580	15,043.28	(35.27)	(0.23%)	55.33%
	Total Bill Before Taxes			22,929.24			25,892.55	2,963.32	12.92%	95.24%
	GST		5.00%	1,146.46		5.00%	1,294.63	148.17	12.92%	4.76%
	Total Bill			24,075.70			27,187.18	3,111.48	12.92%	100.00%

Street Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Billing Determinants	Monthly Service Charge	100	0.1100	11.00	100	0.3616	36.16	25.16	228.73%	6.65%
	100 Connections									
	5,000.00 kWh									
	20.00 kW									
	Distribution (kWh)	5,000	0.0000	0.00	5,000	0.0000	0.00	0.00	0.00%	0.00%
	Distribution (kW)	20.00	0.8361	16.72	20.00	2.6146	52.29	35.57	212.71%	9.62%
	Regulatory Assets (kW)	20.00	0.0000	0.00	20.00	(0.3359)	(6.72)	(6.72)	100.00%	(1.24%)
	Sub-Total			27.72			81.73	54.01	194.83%	15.03%
	Other Charges (kWh)	5,215	0.0135	70.40	5,202	0.0135	70.23	(0.16)	(0.23%)	12.92%
	Other Charges (kW)	20	2.9013	58.03	20.00	3.2075	64.15	6.12	10.55%	11.80%
	Cost of Power Commodity (kWh)	5,215	0.0580	302.44	5,202	0.0580	301.74	(0.71)	(0.23%)	55.49%
	Total Bill Before Taxes			458.58			517.85	59.27	12.92%	95.24%
	GST		5.00%	22.93		5.00%	25.89	2.96	12.92%	4.76%
	Total Bill			481.51			543.74	62.23	12.92%	100.00%

Unmetered Scattered										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			10.50			10.18	(0.32)	(3.02%)	27.14%
	250 kWh									
	Distribution (kWh)	250	0.0149	3.73	250	0.0176	4.40	0.68	18.12%	11.73%
	Regulatory Assets (kW)	250	0.0000	0.00	250	(0.0006)	(0.15)	(0.15)	100.00%	(0.40%)
	Sub-Total			14.23			14.43	0.21	1.46%	38.46%
	Other Charges (kWh)	261	0.0229	5.97	260	0.0239	6.22	0.25	4.12%	16.57%
	Cost of Power Commodity (kWh)	261	0.0580	15.12	260	0.0580	15.09	(0.04)	(0.23%)	40.21%
	Total Bill Before Taxes			35.32			35.74	0.42	1.19%	95.24%
	GST		5.00%	1.77		5.00%	1.79	0.02	1.19%	4.76%
	Total Bill			37.08			37.52	0.44	1.19%	100.00%

Unmetered Scattered										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			10.50			10.18	(0.32)	(3.02%)	8.67%
	1,000 kWh									
	Distribution (kWh)	1,000	0.0149	14.90	1,000	0.0176	17.60	2.70	18.12%	14.99%
	Regulatory Assets (kW)	1,000	0.0000	0.00	1,000	(0.0006)	(0.60)	(0.60)	100.00%	(0.51%)
	Sub-Total			25.40			27.18	1.78	7.02%	23.16%
	Other Charges (kWh)	1,043	0.0229	23.88	1,040	0.0239	24.87	0.98	4.12%	21.18%
	Cost of Power Commodity (kWh)	1,043	0.0580	60.49	1,040	0.0580	60.35	(0.14)	(0.23%)	51.41%
	Total Bill Before Taxes			109.77			111.80	2.03	1.85%	95.24%
	GST		5.00%	5.49		5.00%	5.59	0.10	1.85%	4.76%
	Total Bill			115.26			117.39	2.13	1.85%	100.00%

APPENDIX D

RETAIL TRANSMISSION SERVICE RATES SUPPORTING MATERIAL

This Appendix includes information to support the determination of the revised retail transmission service rates that reflect the Uniform Transmission Rates effective January 1, 2010.

Summary of Percentage Changes					
Uniform Transmission Rates	Existing Rate	Rate July 1, 2009	Rate January 1, 2010	Original % Change	Revised % Change
	\$/kW	\$/kW	\$/kW		
Network Service Rate	2.57	2.66	2.97	3.5%	15.6%
Line Connection Service Rate	0.70	0.70	0.73	0.0%	4.3%
Transformation Connection Service Rate	1.62	1.57	1.71	-3.1%	5.6%
Total Connection Charges	2.32	2.27	2.44	-2.2%	5.2%

Summary of Changes to RTSR Rates					
Customer Class	Existing Rate		% Change	Proposed Rate	
Residential					
- Retail Transmission Rate - Network Service Rate	0.0053	\$/kWh	15.6%	0.0061	\$/kWh
- Retail Transmission Rate - Line Transformation Connection	0.0051	\$/kWh	5.2%	0.0054	\$/kWh
General Service < 50 kW					
- Retail Transmission Rate - Network Service Rate	0.0049	\$/kWh	15.6%	0.0057	\$/kWh
- Retail Transmission Rate - Line Transformation Connection	0.0045	\$/kWh	5.2%	0.0047	\$/kWh
General Service > 50 kW					
- Retail Transmission Rate - Network Service Rate	2.0273	\$/kW	15.6%	2.3428	\$/kW
- Retail Transmission Rate - Line Transformation Connection	1.8611	\$/kW	5.2%	1.9574	\$/kW
General Service > 50 kW (Interval Metered)					
- Retail Transmission Rate - Network Service Rate	2.0567	\$/kW	15.6%	2.3768	\$/kW
- Retail Transmission Rate - Line Transformation Connection	1.9647	\$/kW	5.2%	2.0663	\$/kW
Unmetered Scattered Loads					
- Retail Transmission Rate - Network Service Rate	0.0049	\$/kWh	15.6%	0.0057	\$/kWh
- Retail Transmission Rate - Line Transformation Connection	0.0045	\$/kWh	5.2%	0.0047	\$/kWh
Street Lighting					
- Retail Transmission Rate - Network Service Rate	1.5031	\$/kW	15.6%	1.7370	\$/kW
- Retail Transmission Rate - Line Transformation Connection	1.3982	\$/kW	5.2%	1.4705	\$/kW

APPENDIX E

DEFERRAL AND VARIANCE ACCOUNT CLERANCE AND RATE RIDER SUPPORTING MATERIAL

This Appendix includes information to support the determination of rate riders including:

- Summary of all rate riders;
- Listing of deferral and variance accounts and allocators;
- Detailed calculation of Global Adjustment sub-account rate rider applicable to non-RPP customers;
- Detailed calculations of all rate rider for all other deferral and variance accounts;
- Updated calculation of LRAM/SSM rate rider.

Summary of Rate Riders

Rate Rider Calculation - Excluding Global Adjustment Sub-Account						
Customer Class	RSVA Accounts		non-RSVA Accounts		Total	
	per kWh	per kW	per kWh	per kW	per kWh	per kW
Residential	(0.0007)		0.0001		(0.0006)	
General Service <50 kW	(0.0007)		0.0000		(0.0006)	
General Service >50 kW		(0.2666)		(0.0239)		(0.2906)
Street Lighting		(0.2476)		(0.0883)		(0.3359)
Unmetered Scattered Load	(0.0007)		0.0001		(0.0006)	

Rate Rider Calc. - Global Adjustment Sub-Account		
Customer Class	GA Sub-Account	
	per kWh	per kW
Residential	0.0003	
General Service <50 kW	0.0003	
General Service >50 kW		0.1240
Street Lighting		0.1089
Unmetered Scattered Load	0.0003	

Rate Rider Summary - LRAM/SSM		
Rate Class	LRAM/SSM	
	per kWh	per kW
Residential	0.0003	
GS < 50 kW	0.0001	
GS >50		0.0119
Street Lighting		0.0000
USL	0.0000	

Variance Accounts & Balances				
Account Description	Account Number	Closing Principal Balance as at December 31, 2008, plus interest to April	Allocation to Rate Class Method	Customers Applied to
RSVA - Wholesale Market Service Charge	1580	\$ (3,999,762)	kWh	all
RSVA - One-time Wholesale Market Service	1582	\$ 290,500	kWh	all
RSVA - Retail Transmission Network Charge	1584	\$ (931,864)	kWh	all
RSVA - Retail Transmission Connection Charge	1586	\$ (232,984)	kWh	all
RSVA - Power (excluding Global Adjustment)	1588	\$ 196,956	kWh	all
RSVA - Power (Global Adjustment)	1588	\$ 1,076,240	kWh for non-RPP	non-RPP
subtotal RSVA		\$ (3,600,914)		
Other Regulatory Assets	1508	\$ 860,706	Dx revenue	all
Retail Cost Variance Account - Retail	1518	\$ (50,608)	# customers	all
Retail Cost Variance Account - STR	1548	\$ (7,342)	# customers	all
Misc. Deferred Debits	1525	\$ 13,174	# cust w/ rebate Cheq	all
LV Variance Account	1550	\$ (199,941)	kWh	all
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 7,971	kWh	all
CDM Contra	1566	\$ (7,971)	kWh	all
Recovery of Regulatory Asset Balances	1590	\$ (613,465)	per 2006 EDR allocation	all
subtotal non-RSVA		\$ 2,525		
TOTAL		\$ (3,598,389)		

SHEET 1 - December 31, 2008 Deferral and Variance Accounts

NAME OF UTILITY **Burlington Hydro Inc.**
NAME OF CONTACT
E-mail Address
VERSION NUMBER **ONLY RSVA - Power (Global Adjustment)**
Date **15-Mar-10**

LICENCE NUMBER
DOCID NUMBER
PHONE NUMBER
(extension)

EB-2009-0259

Note to User - You may want to add others

Enter appropriate data in cells which are highlighted in yellow only.

Enter the total applied for Deferral and Variance amounts for each account in the appropriate cells below.

Account Description	Account Number	Principal Amounts as of Dec-31 2008	Interest to Dec31-08	Interest Jan-1 to Dec31-09	Interest Jan1-10 to Apr30-10	Total Claim
RSVA - Wholesale Market Service Charge	1580					\$ -
RSVA - One-time Wholesale Market Service	1582					\$ -
RSVA - Retail Transmission Network Charge	1584					\$ -
RSVA - Retail Transmission Connection Charge	1586					\$ -
RSVA - Power (excluding Global Adjustment)	1588					\$ -
RSVA - Power (Global Adjustment)	1588	\$ 1,063,629	\$ (1,338)	\$ 12,026	\$ 1,923	\$ 1,076,240
Sub-Totals		\$ 1,063,629	\$ (1,338)	\$ 12,026	\$ 1,923	\$ 1,076,240
Other Regulatory Assets - OEB Cost Assessments	1508					\$ -
Other Regulatory Assets - Pension Contributions	1508					\$ -
Retail Cost Variance Account - Retail	1518					\$ -
Retail Cost Variance Account - STR	1548					\$ -
Misc. Deferred Debits	1525					\$ -
Smart Meters Revenue and Capital	1555					\$ -
Smart Meter Expenses	1556					\$ -
Low Voltage	1550					\$ -
CDM	1565					\$ -
CDM Contra	1566					\$ -
Other Deferred Credits	2425					\$ -
Recovery of Regulatory Asset Balances	1590					\$ -
Sub-Totals		\$ -	\$ -	\$ -	\$ -	\$ -
Totals per column		\$ 1,063,629	\$ (1,338)	\$ 12,026	\$ 1,923	\$ 1,076,240

Annual interest rate:

3.35%

Enter the appropriate 2010 data in the cells below.

Once the data in the yellow fields on Sheet 1 has been entered, the relevant allocations will appear on Sheet 2.

Go to Sheets 3 and 4 and enter the appropriate data in the yellow cells.

2010 Data By Class	kW	kWhs	Non-RPP kW	Non-RPP kWhs	Cust. Num's	2006 EDR Recovery Allocation	Cust #'s w/ Rebate Cheques	Dx Revenue
RESIDENTIAL CLASS		555,923,716		49,643,988	58,643	3,002,897	43,544	\$ 17,671,854
GENERAL SERVICE <50 KW CLASS		183,112,615		30,433,317	5,028	888,254	4,139	\$ 3,993,344
GENERAL SERVICE >50 KW NON TIME OF USE	2,448,411	950,876,174	1,951,626	797,594,935	1,030	4,786,601	201	\$ 7,285,256
GENERAL SERVICE >50 KW TIME OF USE								
STANDBY								
LARGE USER CLASS								
UNMETERED & SCATTERED LOADS		3,918,008		25,075	602	23,869	0	\$ 143,375
SENTINEL LIGHTS								
STREET LIGHTING	26,120	9,421,002	26,044	9,349,402	14,673	20,515	2	\$ 134,448
Totals	2,474,532	1,703,251,515	1,977,670	887,046,717	79,977	8,722,136	47,886	\$ 29,228,277

[illegible]

NAME OF CONTACT
E-mail Address
VERSION NUMBER
Date

ONLY RSVA - Power (Global Adjustment)
15-Mar-10

DOCID NUMBER EB-2009-0259
PHONE NUMBER
(extension)

Deferral and Variance Accounts:	Amount	ALLOCATOR	Residential	GS < 50 KW	GS > 50 Non TOU	Small Scattered Load	Street Lighting	Total
WMSC - Account 1580	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One-Time WMSC - Account 1582	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network - Account 1584	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection - Account 1586	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power (excluding Global Adj) - Account 1588	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power (Global Adjustment) - Account 1588	\$ 1,076,240	kWh non-RPP customers	\$ 60,232	\$ 36,924	\$ 967,710	\$ 30	\$ 11,343	\$ 1,076,240
Subtotal - RSVA	\$ 1,076,240		\$ 60,232	\$ 36,924	\$ 967,710	\$ 30	\$ 11,343	\$ 1,076,240
Other Regulatory Assets - Account 1508	\$ -	Dx Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Account 1508	\$ -	Dx Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Acct 1518	\$ -	# of Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account (STR) Acct 1548	\$ -	# of Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Deferred Debits - Account 1525	\$ -	# cust w/ rebate Cheq	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Voltage - Account 1550	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM Contra	\$ -	kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery of Regulatory Asset Balances	\$ -	2006 EDR Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Non RSVA Variable	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meters Revenue and Capital, 1555 (Fixed)	\$ -	# of Metered Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Expenses, 1556 (Fixed)	\$ -	# of Metered Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Non RSVA Fixed	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total to be Recovered	\$ 1,076,240		\$ 60,232	\$ 36,924	\$ 967,710	\$ 30	\$ 11,343	\$ 1,076,240

Balance to be collected or refunded, Variable	\$ 1,076,240	\$ 60,232	\$ 36,924	\$ 967,710	\$ 30	\$ 11,343	\$ 1,076,240
Balance to be collected or refunded, Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Number of years for Variable	4						
Number of years for Fixed	4						
Balance to be collected or refunded per year, Variable	\$ 269,060	\$ 15,058	\$ 9,231	\$ 241,927	\$ 8	\$ 2,836	\$ 269,060
Balance to be collected or refunded per year, Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Class
Deferral and Variance Account Rate Riders, Variable
Billing Determinants
Deferral and Variance Account Rate Riders, Fixed (per month)
Billing Determinants

Residential	GS < 50 KW	GS > 50 Non TOU	Scattered Load	Street Lighting
\$ 0.0003	\$ 0.0003	\$ 0.1240	\$ 0.0003	\$ 0.1089
kWh	kWh	kW	kWh	kW
\$ -	\$ -	\$ -	\$ -	\$ -
# metered cust.	# metered cust.	# metered cust.		

SHEET 1 - December 31, 2008 Deferral and Variance Accounts

NAME OF UTILITY	Burlington Hydro Inc.
NAME OF CONTACT	
E-mail Address	
VERSION NUMBER	NO RSVA - Power (Global Adjustment)
Date	15-Mar-10

LICENCE NUMBER
DOCID NUMBER
PHONE NUMBER
(extension)

EB-2009-0259

Note to User - You may want to add others

Enter appropriate data in cells which are highlighted in yellow only.

Enter the total applied for Deferral and Variance amounts for each account in the appropriate cells below:

Account Description	Account Number	Principal Amounts as of Dec-31 2008	Interest to Dec31-08	Interest Jan-1 to Dec31-09	Interest Jan1-10 to Apr30-10	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (3,892,432)	\$ (63,798)	\$ (37,530)	\$ (6,002)	\$ (3,999,762)
RSVA - One-time Wholesale Market Service	1582	\$ 251,781	\$ 35,938	\$ 2,397	\$ 383	\$ 290,500
RSVA - Retail Transmission Network Charge	1584	\$ (1,003,791)	\$ 77,818	\$ (5,078)	\$ (812)	\$ (931,864)
RSVA - Retail Transmission Connection Charge	1586	\$ (301,032)	\$ 65,557	\$ 2,148	\$ 344	\$ (232,984)
RSVA - Power (excluding Global Adjustment)	1588	\$ (379,309)	\$ 580,209	\$ (4,288)	\$ 344	\$ 196,956
RSVA - Power (Global Adjustment)	1588					\$ -
Sub-Totals		\$ (5,324,783)	\$ 695,724	\$ (42,351)	\$ (5,743)	\$ (4,677,154)
Other Regulatory Assets - OEB Cost Assessments	1508	\$ 190,168	\$ 21,803	\$ 2,150	\$ 344	\$ 214,465
Other Regulatory Assets - Pension Contributions	1508	\$ 561,924	\$ 76,967	\$ 6,336	\$ 1,013	\$ 646,241
Retail Cost Variance Account - Retail	1518	\$ (50,137)	\$ 136	\$ (523)	\$ (84)	\$ (50,608)
Retail Cost Variance Account - STR	1548	\$ (6,741)	\$ (513)	\$ (76)	\$ (12)	\$ (7,342)
Misc. Deferred Debits	1525	\$ 11,413	\$ 1,607	\$ 132	\$ 21	\$ 13,174
Smart Meters Revenue and Capital	1555			\$ -	\$ -	\$ -
Smart Meter Expenses	1556			\$ -	\$ -	\$ -
Low Voltage	1550	\$ (195,556)	\$ (2,088)	\$ (1,981)	\$ (317)	\$ (199,941)
CDM	1565	\$ 7,771	\$ 200	\$ -	\$ -	\$ 7,971
CDM Contra	1566	\$ (7,771)	\$ (200)	\$ -	\$ -	\$ (7,971)
Other Deferred Credits	2425			\$ -	\$ -	\$ -
Recovery of Regulatory Asset Balances	1590	\$ (2,215,017)	\$ 1,630,603	\$ (25,045)	\$ (4,005)	\$ (613,465)
Sub-Totals		\$ (1,703,945)	\$ 1,728,515	\$ (19,006)	\$ (3,039)	\$ 2,525
Totals per column		\$ (7,028,728)	\$ 2,424,238	\$ (61,357)	\$ (8,782)	\$ (4,674,629)

Annual interest rate:

3.35%

Enter the appropriate 2010 data in the cells below.

Once the data in the yellow fields on Sheet 1 has been entered, the relevant allocations will appear on Sheet 2.

Go to Sheets 3 and 4 and enter the appropriate data in the yellow cells.

2010 Data By Class	kW	kWhs	Non-RPP kWhs	Cust. Num's	2006 EDR Recovery Allocation	Cust #'s w/ Rebate Cheques	Dx Revenue
RESIDENTIAL CLASS		555,923,716	49,643,988	58,643	3,002,897	43,544	\$ 17,671,854
GENERAL SERVICE <50 KW CLASS		183,112,615	30,433,317	5,028	888,254	4,139	\$ 3,993,344
GENERAL SERVICE >50 KW NON TIME OF USE	2,448,411	950,876,174	797,594,935	1,030	4,786,601	201	\$ 7,285,256
GENERAL SERVICE >50 KW TIME OF USE							
STANDBY							
LARGE USER CLASS							
UNMETERED & SCATTERED LOADS		3,918,008	25,075	602	23,869	0	\$ 143,375
SENTINEL LIGHTS							
STREET LIGHTING	26,120	9,421,002	9,349,402	14,673	20,515	2	\$ 134,448
Totals	2,474,532	1,703,251,515	887,046,717	79,977	8,722,136	47,886	\$ 29,228,277

[illegible]

Sheet 2 - Rate Riders Calculation

NAME OF UTILITY
NAME OF CONTACT
E-mail Address
VERSION NUMBER
Date

Burlington Hydro Inc.

NO RSVA - Power (Global Adjustment)
15-Mar-10

LICENCE NUMBER
DOCID NUMBER
PHONE NUMBER
(extension)

	Amount	ALLOCATOR	Residential	GS < 50 KW	GS > 50 Non TOU	Small Scattered Load	Street Lighting	Total
Deferral and Variance Accounts:								
WMSC - Account 1580	\$ (3,999,762)	kWh	\$ (1,305,481)	\$ (430,006)	\$ (2,232,952)	\$ (9,201)	\$ (22,123)	\$ (3,999,762)
One-Time WMSC - Account 1582	\$ 290,500	kWh	\$ 94,816	\$ 31,231	\$ 162,178	\$ 668	\$ 1,607	\$ 290,500
Network - Account 1584	\$ (931,864)	kWh	\$ (304,151)	\$ (100,183)	\$ (520,233)	\$ (2,144)	\$ (5,154)	\$ (931,864)
Connection - Account 1586	\$ (232,984)	kWh	\$ (76,043)	\$ (25,048)	\$ (130,068)	\$ (536)	\$ (1,289)	\$ (232,984)
Power (excluding Global Adj) - Account 1588	\$ 196,956	kWh	\$ 64,284	\$ 21,174	\$ 109,955	\$ 453	\$ 1,089	\$ 196,956
Power (Global Adjustment) - Account 1588	\$ -	kWh non-RPP customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - RSVA	\$ (4,677,154)		\$ (1,526,575)	\$ (502,830)	\$ (2,611,120)	\$ (10,759)	\$ (25,870)	\$ (4,677,154)
Other Regulatory Assets - Account 1508	\$ 214,465	Dx Revenue	\$ 129,669	\$ 29,301	\$ 53,456	\$ 1,052	\$ 987	\$ 214,465
Other Regulatory Assets - Account 1508	\$ 646,241	Dx Revenue	\$ 390,727	\$ 88,293	\$ 161,078	\$ 3,170	\$ 2,973	\$ 646,241
Retail Cost Variance Account - Acct 1518	\$ (50,608)	# of Customers	\$ (37,108)	\$ (3,182)	\$ (652)	\$ (381)	\$ (9,285)	\$ (50,608)
Retail Cost Variance Account (STR) Acct 1548	\$ (7,342)	# of Customers	\$ (5,383)	\$ (462)	\$ (95)	\$ (55)	\$ (1,347)	\$ (7,342)
Misc. Deferred Debits - Account 1525	\$ 13,174	# cust w/ rebate Cheq	\$ 11,979	\$ 1,139	\$ 55	\$ -	\$ 1	\$ 13,174
Low Voltage - Account 1550	\$ (199,941)	kWh	\$ (65,259)	\$ (21,495)	\$ (111,621)	\$ (460)	\$ (1,106)	\$ (199,941)
CDM	\$ 7,971	kWh	\$ 2,602	\$ 857	\$ 4,450	\$ 18	\$ 44	\$ 7,971
CDM/Contra	\$ (7,971)	kWh	\$ (2,602)	\$ (857)	\$ (4,450)	\$ (18)	\$ (44)	\$ (7,971)
Recovery of Regulatory Asset Balances	\$ (613,465)	2006 EDR Allocation	\$ (211,206)	\$ (62,475)	\$ (336,662)	\$ (1,679)	\$ (1,443)	\$ (613,465)
Subtotal - Non RSVA Variable	\$ 2,525		\$ 213,418	\$ 31,120	\$ (234,440)	\$ 1,647	\$ (9,221)	\$ 2,525
Smart Meters Revenue and Capital, 1555 (Fixed)	\$ -	# of Metered Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Expenses, 1556 (Fixed)	\$ -	# of Metered Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Non RSVA Fixed	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total to be Recovered	\$ (4,674,629)		\$ (1,313,157)	\$ (471,710)	\$ (2,845,560)	\$ (9,112)	\$ (35,091)	\$ (4,674,629)

Balance to be collected or refunded, Variable	\$ (4,674,629)	\$ (1,313,157)	\$ (471,710)	\$ (2,845,560)	\$ (9,112)	\$ (35,091)	\$ (4,674,629)
Balance to be collected or refunded, Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Number of years for Variable	4						
Number of years for Fixed	4						
Balance to be collected or refunded per year, Variable	\$ (1,168,657)	\$ (328,289)	\$ (117,927)	\$ (711,390)	\$ (2,278)	\$ (8,773)	\$ (1,168,657)
Balance to be collected or refunded per year, Fixed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Class
Deferral and Variance Account Rate Riders, Variable
Billing Determinants
Deferral and Variance Account Rate Riders, Fixed (per month)
Billing Determinants

Components of 2010 Riders:
Variable RSVA
Variable Non RSVA
Fixed, per month

Residential	GS < 50 KW	GS > 50 Non TOU	Scattered Load	Street Lighting
\$ (0.0006)	\$ (0.0006)	\$ (0.2906)	\$ (0.0006)	\$ (0.3359)
kWh	kWh	kWh	kWh	kWh
\$ -	\$ -	\$ -	\$ -	\$ -
# metered cust.	# metered cust.	# metered cust.		
\$ (0.0007)	\$ (0.0007)	\$ (0.2666)	\$ (0.0007)	\$ (0.2476)
\$ 0.0001	\$ 0.0000	\$ (0.0239)	\$ 0.0001	\$ (0.0883)
\$ -	\$ -	\$ -	\$ -	\$ -

2010 Test Year - LRAM and SSM Rider Calculation

[illegible]

APPENDIX F

TARIFF OF RATES AND CHARGES

This Appendix includes draft tariff or rates and charges. This tariff reflects all details as described in the other sections of the Draft Rate Order. This tariff also includes the new micoFIT rate classification and reflects the current residential fixed monthly charge.

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2010

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

EB-2009-0259

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2010 for all consumption or deemed consumption services used on or after that date.

SPECIFIC SERVICE CHARGES - May 1, 2010 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – May 1, 2010 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential Customers

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electrical energy to residential customers where such energy is used exclusively in separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex, or quadruplex house, with residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers.

General Service Less Than 50 kW

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electricity to general service customers whose monthly average peak demand during a calendar year is less than, or forecast by BHI to be less than, 50 kW.

General Service 50 to 4,999 kW

This classification applies to general service customers with a monthly average peak demand during a calendar year equal to or greater than, or is forecast by BHI to be equal to or greater than, 50 kW but less than 5,000 kW.

Unmetered Scattered Load

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electricity to general service customers whose monthly average peak demand during a calendar year is less than, or forecast by BHI to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load.

Street Lighting

This classification refers to roadway lighting customers such as the City of Burlington, the Regional Municipality of Halton, Ministry of Transportation and private roadway lighting, controlled by photo cells. The daily consumption for these customers will be based on the calculated connected load times the required night time or lighting times established in the approved OEB street lighting load shape template.

microFIT Generator

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2010

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

EB-2009-0259

SCHEDULE OF PROPOSED RATES AND CHARGES

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	12.15
Distribution Volumetric Rate	\$/kWh	0.0166
LRAM/SSM Rider	\$/kWh	0.0003
Smart Meter Adder	\$	1.00
Regulatory Asset Recovery Rider	\$/kWh	(0.0006)
Regulatory Asset Recovery Rider – Global Adjustment (non-RPP customers)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0054
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	25.24
Distribution Volumetric Rate	\$/kWh	0.0136
LRAM/SSM Rider	\$/kWh	0.0001
Smart Meter Adder	\$	1.00
Regulatory Asset Recovery	\$/kWh	(0.0006)
Regulatory Asset Recovery Rider – Global Adjustment (non-RPP customers)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 4,999 kW

Service Charge	\$	71.66
Distribution Volumetric Rate	\$/kW	2.8286
LRAM/SSM Rider	\$/kW	0.0103
Smart Meter Adder	\$	1.00
Regulatory Asset Recovery	\$/kW	(0.2906)
Regulatory Asset Recovery Rider – Global Adjustment (non-RPP customers)	\$/kW	0.1240
Retail Transmission Rate – Network Service Rate	\$/kW	2.3428
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9574
Retail Transmission Rate – Network Service Rate-Interval Metered	\$/kW	2.3768
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0663
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2010

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

EB-2009-0259

Unmetered Scattered Load

Service Charge (per connection)	\$	10.18
Distribution Volumetric Rate	\$/kWh	0.0176
Regulatory Asset Recovery	\$/kWh	(0.0006)
Regulatory Asset Recovery Rider – Global Adjustment (non-RPP customers)	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	0.36
Distribution Volumetric Rate	\$/kW	2.6146
Regulatory Asset Recovery	\$/kW	(0.3359)
Regulatory Asset Recovery Rider – Global Adjustment (non-RPP customers)	\$/kW	(0.1089)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7370
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4705
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

microFIT Generator

Service Charge (per connection)	\$	5.25
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Specific Service Charges

Customer Administration			
Arrears certificate	\$	15.00	
Credit reference/credit check (plus credit agency costs)	\$	15.00	
Statement of Account	\$	15.00	
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$		30.00
Returned cheque charge (plus bank charges)	\$	15.00	
Non-Payment of Account			
Late Payment - per month	%	1.50	
Late Payment - per annum	%	19.56	
Collection of Account charge – no disconnection	\$	30.00	
Disconnect/Reconnect at Meter – during regular hours	\$	65.00	
Disconnect/Reconnect at Meter – after regular hours	\$	185.00	
Temporary service install & remove – overhead – no transformer	\$	500.00	
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35	
Allowances			
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)	
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)	

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2010

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

EB-2009-0259

Retail Service Charges (if applicable)

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

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

Loss Factor

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0405
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0301
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Tab 1, Schedule 2, Manager's Summary,
Appendix C: Reference Documents

Attachment 2



EB-2011-0155

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

AND IN THE MATTER OF an application by Burlington
Hydro Inc. for an order or orders approving or fixing just
and reasonable distribution rates and other charges, to
be effective May 1, 2012.

BEFORE: Karen Taylor
Presiding Member

Paula Conboy
Member

DECISION AND ORDER

Introduction

Burlington Hydro Inc. ("Burlington"), a licensed distributor of electricity, filed an application with the Ontario Energy Board (the "Board") on September 16, 2011 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Burlington charges for electricity distribution, to be effective May 1, 2012.

Burlington is one of 77 electricity distributors in Ontario regulated by the Board. The *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* (the "IR Report"), issued on July 14, 2008, establishes a three year plan term for 3rd generation incentive regulation ("IR") (i.e., rebasing plus three years). In its October 27, 2010 letter regarding the development of a Renewed Regulatory Framework for Electricity ("RRFE"), the Board announced that it was extending the 3rd generation IR plan until such time as the RRFE policy initiatives have been substantially

completed. As part of the plan, Burlington is one of the electricity distributors that will have its rates adjusted for 2012 on the basis of the IRM process, which provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

To streamline the process for the approval of distribution rates and charges for distributors, the Board issued its *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on July 14, 2008, its *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on September 17, 2008, and its *Addendum to the Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors* on January 28, 2009 (collectively the "Reports"). Among other things, the Reports contain the relevant guidelines for 2012 rate adjustments for distributors applying for distribution rate adjustments pursuant to the IRM process. On June 22, 2011 the Board issued an update to Chapter 3 of the Board's *Filing Requirements for Transmission and Distribution Applications* (the "Filing Requirements"), which outlines the Filing Requirements for IRM applications based on the policies in the Reports.

Notice of Burlington's rate application was given through newspaper publication in Burlington's service area advising interested parties where the rate application could be viewed and advising how they could intervene in the proceeding or comment on the application. No letters of comment were received. The Notice of Application indicated that intervenors would be eligible for cost awards with respect to Burlington's request for lost revenue adjustment mechanism ("LRAM") recoveries and the disposition of Account 1562 (Deferred Payments in Lieu of Taxes). The Vulnerable Energy Consumers Coalition ("VECC") applied and was granted intervenor status in this proceeding. The Board also granted VECC eligibility for cost awards in regards to Burlington's request for LRAM recovery. Board staff also participated in the proceeding. The Board proceeded by way of a written hearing.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Price Cap Index Adjustment;
- Rural or Remote Electricity Rate Protection;
- Retail Transmission Service Rates;

- Shared Tax Savings;
- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Review and Disposition of Account 1521: Special Purpose Charge;
- Review and Disposition of Lost Revenue Adjustment Mechanism; and
- Review and Disposition of Account 1562: Deferred Payments-in-lieu of Taxes ("PILs").

Price Cap Index Adjustment

As outlined in the Reports, distribution rates under the 3rd Generation IRM are to be adjusted by a price escalator, less a productivity factor (X-factor) of 0.72% and a stretch factor.

On March 13, 2012, the Board announced a price escalator of 2.0 % for those distributors under IRM that have a rate year commencing May 1, 2012.

The stretch factors are assigned to distributors based on the results of two benchmarking evaluations to divide the Ontario industry into three efficiency cohorts. In its letter to Licensed Electricity Distributors dated December 1, 2011, the Board assigned to Burlington efficiency cohort 2 and a cohort specific stretch factor of 0.4%.

On that basis, the resulting price cap index adjustment is 0.88%. The price cap index adjustment applies to distribution rates (fixed and variable charges) uniformly across customer classes that are not eligible for Rural or Remote Electricity Rate Protection.

The price cap index adjustment will not apply to the following components of delivery rates:

- Rate Riders;
- Rate Adders;
- Low Voltage Service Charges;
- Retail Transmission Service Rates;
- Wholesale Market Service Rate;
- Rural or Remote Rate Protection Charge;
- Standard Supply service – Administrative Charge;
- Transformation and Primary Metering Allowances;
- Loss Factors;

- Specific Service Charges;
- MicroFIT Service Charges; and
- Retail Service Charges.

Rural or Remote Electricity Rate Protection

On December 21, 2011, the Board issued a Decision with Reasons and Rate Order (EB-2011-0405) establishing the Rural or Remote Electricity Rate Protection (“RRRP”) benefit and charge for 2012. The Board amended the RRRP charge to be collected by the Independent Electricity System Operator from the current \$0.0013 per kWh to \$0.0011 per kWh effective May 1, 2012. The final Tariff of Rates and Charges flowing from this IRM Decision will reflect the new RRRP charge.

Retail Transmission Service Rates

Electricity distributors are charged the Ontario Uniform Transmission Rates (“UTRs”) at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates (“RTSRs”). Variance accounts are used to capture timing differences and differences in the rate that a distributor pays for wholesale transmission service compared to the retail rate that the distributor is authorized to charge when billing its customers (i.e. variance accounts 1584 and 1586).

On June 22, 2011 the Board issued revision 3.0 of the *Guideline G-2008-0001 - Electricity Distribution Retail Transmission Service Rates* (the “RTSR Guideline”). The RTSR Guideline outlines the information that the Board requires electricity distributors to file to adjust their RTSRs for 2012. The RTSR Guideline requires electricity distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for the new UTR levels and the revenues generated under existing RTSRs. The objective of resetting the rates is to minimize the prospective balances in accounts 1584 and 1586. In order to assist electricity distributors in the calculation of the distributors’ specific RTSRs, Board staff provided a filing module.

On December 20, 2011 the Board issued its Rate Order for Hydro One Transmission (EB-2011-0268) which adjusted the UTRs effective January 1, 2012, as shown in the following table.

Table 1

Uniform Transmission Rates	Jan 1, 2012
Network Service Rate	\$3.57
<u>Connection Service Rates</u>	
Line Connection Service Rate	\$0.80
Transformation Connection Service Rate	\$1.86

Burlington used in the filing module a loss factor of 1.0413 derived by using a weighted average of the loss factors applicable during 2010.

Board staff submitted that the most recent Board approved loss factor should be used since it should be a better predictor of the wholesale costs and therefore a better proxy to re-calibrate RTSRs.

In its reply submission, Burlington disagreed with Board staff stating that its method results in the most accurate estimate of the loss adjusted load since it multiplies the 2010 metered load by the weighted average of the loss factors applicable during 2010.

The Board finds that the 2012 UTRs in Table 1 above are to be incorporated into the filing module. With respect to the loss factor, the Board will approve the use of Burlington's last approved loss factor, i.e. 1.0405. This approach is consistent with the methodology approved for other electricity distributors.

Shared Tax Savings

In its Supplemental Report, the Board determined that a 50/50 sharing of the impact of currently known legislated tax changes, as applied to the tax level reflected in the Board-approved base rates for a distributor, is appropriate.

The calculated annual tax reduction over the IRM plan term will be allocated to customer rate classes on the basis of the Board-approved base-year distribution revenue. These amounts will be refunded to customers each year of the plan term, over a 12-month period, through a volumetric rate rider using annualized consumption by customer class underlying the Board-approved base rates.

Burlington's application identified a total tax savings of \$548,504 resulting in a shared amount of \$274,252 to be refunded to ratepayers. Burlington proposed to refund these

tax savings to customers through one year rate riders.

The Board approves the disposition of the shared tax savings of \$274,252 over a one year period (i.e. May 1, 2012 to April 30, 2013) and the associated rate riders for all customer rate classes.

Review and Disposition of Group 1 Deferral and Variance Accounts

The *Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report* (the "EDDVAR Report") provides that, during the IRM plan term, the distributor's Group 1 account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Burlington's 2010 actual year-end total balance for Group 1 Accounts including interest projected to April 30, 2012 is a credit of \$2,842,111. This amount results in a total claim of \$0.00167 per kWh, which exceeds the preset disposition threshold. Burlington proposed to dispose of this credit amount over a four year period citing as reasons the need to stabilize rates, simplify the resulting tariff sheet and hence facilitate customers' understanding and acceptance of the applicable rates and charges.

In its submission, Board staff noted that the principal amounts to be disposed as of December 31, 2010 reconcile with the amounts reported as part of the *Reporting and Record-keeping Requirements* ("RRR"). Board staff submitted that the amounts should be disposed on a final basis.

With respect to the disposition period, Board staff submitted that the application is not consistent with the guidelines outlined in the EDDVAR Report with respect to the default disposition period (one year) for Group 1 accounts. Board staff also noted that while some volatility in electricity bills may result from adopting a shorter disposition period, using a disposition period as long as four years would contribute to intergenerational inequity. Further, Board staff expressed the view that the Board should strike a balance between reducing intergenerational inequity and mitigating rate volatility. Board staff recommended that a two-year disposition period be adopted for Burlington's Group 1 account balances.

In its reply submission, Burlington argued that while it acknowledges the desire to generally reduce intergenerational inequity, it strongly believes that a four-year disposition period is in its customers' best interests since it will help mitigate constant tariff changes and provide some degree of rate stabilization.

The Board approves, on a final basis, the disposition of a credit balance of \$2,842,111 as of December 31, 2010, including interest as of April 30, 2012. With respect to the disposition period, the Board agrees with Board staff that a two year disposition period represents a better balance between reducing intergenerational inequity and mitigating rate volatility than the four year disposition period sought by Burlington.

The table below identifies the principal and interest amounts approved for disposition for Group 1 Accounts.

Table 2

Account Name	Account Number	Principal Balance A	Interest Balance B	Total Claim C = A + B
LV Variance Account	1550	-257,968	-5,004	-262,972
RSVA - Wholesale Market Service Charge	1580	-2,174,130	-42,357	-2,216,487
RSVA - Retail Transmission Network Charge	1584	335,480	6,448	341,928
RSVA - Retail Transmission Connection Charge	1586	-377,496	-7,381	-384,877
RSVA - Power (excluding Global Adjustment)	1588	-1,856,189	-37,947	-1,894,136
RSVA - Power – Global Adjustment Sub-Account	1588	1,544,100	30,332	1,574,432
Recovery of Regulatory Asset Balances	1590	1		1
Disposition and Recovery of Regulatory Balances (2008)	1595			
Disposition and Recovery of Regulatory Balances (2009)	1595			
Group 1 Total				-2,842,111

For accounting and reporting purposes, the respective balance of each Group 1 account approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 by June 30, 2012 pursuant to the

requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances are effective in rates, which generally is the start of the rate year (e.g. May 1), and this entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (Quarter 3) RRR data reported.

Review and Disposition of Account 1521: Special Purpose Charge

The Board authorized Account 1521, Special Purpose Charge Assessment ("SPC") Variance Account in accordance with Section 8 of *Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs)* (the "SPC Regulation"). Accordingly, any difference between (a) the amount remitted to the Minister of Finance for the distributor's SPC assessment and (b) the amounts recovered from customers on account of the assessment were to be recorded in "Sub-account 2010 SPC Assessment Variance" of Account 1521.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance. The Filing Requirements states the Board's expectation that requests for disposition of this account balance would be heard as part of the proceedings to set rates for the 2012 year.

Burlington originally requested the disposition of a residual debit balance of \$176,756 as at December 31, 2010, and carrying costs until April 30, 2012 over a four year period. In response to Board staff interrogatory #5, Burlington provided a detailed reconciliation of the balance in Account 1521 and updated their request for disposition to a credit balance of \$49,704 comprising principal as of December 31, 2010, plus collections in 2011 and interest to April 30, 2012.

Board staff submitted that despite the usual practice, the Board should authorize the disposition of Account 1521 as of December 31, 2010, plus the amounts recovered from customers in 2011, including interest, because the account balance does not require a prudence review, and electricity distributors are required by regulation to apply for disposition of this account.

The Board will approve the disposition of a credit balance of \$49,704 in Account 1521 on a final basis, representing principal balance at December 31, 2010 plus amounts recovered from customers in 2011 plus carrying costs until April 30, 2012. The Board approves a two year disposition period. The Board directs Burlington to close Account 1521 effective May 1, 2012.

For accounting and reporting purposes, the balance of Account 1521 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 by June 30, 2012 pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors*. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances are effective in rates, which generally is the start of the rate year (e.g. May 1), and this entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (Quarter 3) RRR data reported.

Review and Disposition of Lost Revenue Adjustment Mechanism

The Board's *Guidelines for Electricity Distributor Conservation and Demand Management* (the "CDM Guidelines") issued on March 28, 2008 outline the information that is required when filing an application for LRAM or SSM.

Burlington originally sought to recover a total LRAM claim of \$367,885 over a two-year period. The lost revenues include the effect of new 2010 programs as well as persistence for 2009 and 2010 programs from January 1, 2011 to April 30, 2012. Burlington Hydro's original claim used 2009 program results as a best estimate for 2010, 2011 and 2012 program results. Burlington Hydro subsequently updated its LRAM claim to \$273,165 based on the OPA's 2010 final program results.

In its submission, Board staff stated that it does not support the recovery of the requested persisting lost revenues from 2009 CDM programs in 2010, the lost revenues from 2010 CDM programs, or the lost revenues from 2009 and 2010 CDM programs from January 1, 2011 to April 30, 2012 as these amounts should have been built into Burlington's last approved load forecast, nullifying the need for LRAM.

Board staff further noted that it recognizes that in the past LRAM applications may have been approved for persistence of programs after a new load forecast has been

approved in a cost of service application, and the Board may want to consider the issue of consistency in its decision. Board staff also noted that in cases in which it was clear in the application or settlement agreement that an adjustment for CDM was not being incorporated into the load forecast specifically because of an expectation that an LRAM application would address the issue, and if this approach was accepted by the Board, then Board staff would agree that an LRAM application is appropriate. Board staff invited Burlington in its reply submission to highlight whether the issue of an LRAM application was addressed in their cost of service application.

In its submission, VECC noted that a LRAM claim comprises retrospective adjustment when CDM load reductions are not factored into the load forecast underpinning rates. VECC further noted that Burlington has calculated persisting savings into 2011 and 2012 using 2010 input assumptions, which is not appropriate or in accordance with CDM Guidelines. VECC submitted that it only supports recovery of 2010 LRAM amounts in 2010, for a total of \$73,568.

In its reply submission, Burlington noted that its LRAM claim is built on the same premise of persistency as accepted by the Board in early decisions. Burlington further noted that the LRAM mechanism was established as a retroactive adjustment related to a period in which rates were declared final. Burlington also noted that disallowing LRAM for un-forecasted CDM would act as a major disincentive to participation in CDM initiatives. Additionally, Burlington noted that persisting savings for 2011 and 2012 are based on OPA program specific evaluations for 2009 and 2010 that the OPA identified as final. Burlington submitted that they consider their LRAM claim is appropriate and fully consistent with previous Board decisions and request approval of the full LRAM amount, for a total of \$273,165.

The Board is of the view that the approved load forecast is final and agrees with Board staff that there is no exception otherwise, in the CDM Guidelines or in the Board's decision relating to Burlington's 2010 cost-of-service ("COS") rate application (EB-2009-0259). The Board notes that, contrary to VECC's submission, there are no references made in either Burlington's 2010 COS decision (EB-2009-0259) or in the 2011 IRM decision (EB-2010-0067) that would substantiate the explicit exclusion of CDM effects from Burlington's load forecast.

As such, Burlington is not entitled to an LRAM recovery as the lost revenues it has requested should have been factored into its 2010 load forecast as outlined in the CDM Guidelines.

Review and Disposition of Account 1562: Deferred Payments-in-lieu of Taxes

Burlington requested to refund a credit balance in Account 1562 of \$1,189,099 over four years. Burlington filed several updates to its evidence during the proceeding, and most recently as part of its reply submission. Except for issues related to interest expense to be included in the interest claw-back calculations in the SIMPIL¹ models, Burlington has followed the Board's guidance and decisions in completing its evidence.

In answer to interrogatories, Burlington agreed that capitalized interest should be added to the amount of interest to be included in the true-up calculations.² In its reply submission, Burlington provided a table of interest expense components that included interest on a promissory note, a line of credit, "others" and retailer deposits.³

The Board finds that the components which will comprise interest expense for the purposes of the true-up calculations based on Burlington's evidence in this case are: interest on the promissory note, the line of credit interest stand-by charges and capitalized interest. The Board is not persuaded that interest income should be netted against interest expense as this is not consistent with the treatment of interest income in cost of service applications. Interest expense related to customer (retailer) deposits is also not recovered in interest in cost of service applications and therefore should also be excluded in the SIMPIL calculations.

Interest Expense Components for SIMPIL Model Interest True-up Calculations					
	2001	2002	2003	2004	2005
Promissory Note	292,046	2,998,985	3,471,199	3,480,709	3,471,199
Line of credit		110,610	99,877	78,316	78,164
Capitalized interest		274,971			
	292,046	3,384,566	3,571,076	3,559,025	3,549,363

After making the changes in Burlington's SIMPIL models and to the continuity schedule⁴ to reflect these findings, the Board has determined that the amended credit balance in Account 1562 is a refund of \$1,307,917. This balance consists of a credit principal amount of \$1,189,647 and credit interest carrying charges of \$118,270. The Board also approves a two year disposition period.

¹ Spreadsheet implementation model for payments-in-lieu of taxes.

² Burlington Hydro's Responses to Board Staff Interrogatories, November 3, 2011, #9.

³ Reply Submission, December 9, 2011, pg.8-9.

⁴ Burlington - Elenchus PILs Recovery Crosschecking model/ filed on October 27, 2011/ Decision continuity schedule.

For accounting and reporting purposes, the balance of Account 1562 shall be transferred to the applicable principal and interest carrying charge sub-accounts of Account 1595 pursuant to the requirements specified in Article 220, Account Descriptions, of the Accounting Procedures Handbook for Electricity Distributors. The date of the journal entry to transfer the approved account balances to the sub-accounts of Account 1595 is the date on which disposition of the balances are effective in rates, which generally is the start of the rate year (e.g. May 1), and this entry should be completed on a timely basis to ensure that these adjustments are included in the June 30, 2012 (Quarter 3) RRR data reported.

Rate Model

With this Decision, the Board is providing Burlington with a rate model (spreadsheet) and applicable supporting models and a draft Tariff of Rates and Charges (Appendix A) that reflects the elements of this Decision. The Board also reviewed the entries in the rate model to ensure that they were in accordance with the 2011 Board approved Tariff of Rates and Charges and the rate model was adjusted, where applicable, to correct any discrepancies.

THE BOARD ORDERS THAT:

1. Burlington's new distribution rates shall be effective May 1, 2012.
2. Burlington shall review the draft Tariff of Rates and Charges set out in Appendix A. Burlington shall file with the Board a written confirmation assessing the completeness and accuracy of the draft Tariff of Rates and Charges, or provide a detailed explanation of any inaccuracies or missing information within **7 days** of the date of issuance of this Decision and Order.
3. If the Board does not receive a submission from Burlington to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the draft Tariff of Rates and Charges set out in Appendix A of this order will become final effective May 1, 2012, and will apply to electricity consumed or estimated to have been consumed on and after May 1, 2012. Burlington shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

4. If the Board receives a submission from Burlington to the effect that inaccuracies were found or information was missing pursuant to item 2 of this Decision and Order, the Board will consider the submission of Burlington and will issue a final Tariff of Rates and Charges.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit their cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Burlington shall file with the Board and forward to VECC any objections to the claimed costs within **21 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Burlington any responses to any objections for cost claims within **28 days** from the date of issuance of the final Rate Order.
4. Burlington shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2011-0155**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

DATED at Toronto, March 22, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2011-0155

DATED: March 22, 2012

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electrical energy to residential customers where such energy is used exclusively in separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex, or quadruplex house, with residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	12.23
Distribution Volumetric Rate	\$/kWh	0.0166
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0009
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2014	\$/kWh	(0.0006)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0019)
Rate Rider for Lost Revenue Adjustment Mechanism/Shared Savings Mechanism Recovery – effective until April 30, 2014	\$/kWh	0.0004
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0072
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0057

MONTHLY RATES AND CHARGES – Regulatory Component

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

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electricity to general service customers whose monthly average peak demand during a calendar year is less than, or forecast by BHI to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	25.41
Distribution Volumetric Rate	\$/kWh	0.0136
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kWh	0.0009
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2014	\$/kWh	(0.0006)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0017)
Rate Rider for Lost Revenue Adjustment Mechanism/Shared Savings Mechanism Recovery – effective until April 30, 2014	\$/kWh	0.0004
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES – Regulatory Component

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

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to general service customers with a monthly average peak demand during a calendar year equal to or greater than, or is forecast by BHI to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	72.42
Distribution Volumetric Rate	\$/kW	2.8586
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kW	0.1240
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014		
Applicable only for Non-RPP Customers	\$/kW	0.3447
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2014	\$/kW	(0.2906)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.5728)
Rate Rider for Lost Revenue Adjustment Mechanism/Shared Savings Mechanism Recovery – effective until April 30, 2014	\$/kW	0.0142
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kW	(0.0293)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7743
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0851
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.8145
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.2011

MONTHLY RATES AND CHARGES – Regulatory Component

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

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to low voltage connection assets that operate at 750 volts or less and supply electricity to general service customers whose monthly average peak demand during a calendar year is less than, or forecast by BHI to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	10.29
Distribution Volumetric Rate	\$/kWh	0.0178
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kWh	0.0009
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2014	\$/kWh	(0.0006)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kWh	(0.0020)
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES – Regulatory Component

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

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting customers such as the City of Burlington, the Regional Municipality of Halton, Ministry of Transportation and private roadway lighting, controlled by photo cells. The daily consumption for these customers will be based on the calculated connected load times the required night time or lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.61
Distribution Volumetric Rate	\$/kW	4.4088
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.1089
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2014 Applicable only for Non-RPP Customers	\$/kW	0.3201
Rate Rider for Deferral/Variance Account Disposition – effective until April 30, 2014	\$/kW	(0.3359)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2014	\$/kW	(0.6403)
Rate Rider for Tax Adjustments – effective until April 30, 2013	\$/kW	(0.0772)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0568
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5664

MONTHLY RATES AND CHARGES – Regulatory Component

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

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration		
Arrears certificate	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Statement of account	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular hours	\$	65.00
Disconnect/Reconnect Charge - At Meter After Hours	\$	185.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Specific charge for Access to the Power Poles – per pole/year	\$	22.35

Burlington Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2012

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

EB-2011-0155

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0405
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0301
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Tab 1, Schedule 2, Manager's Summary,
Appendix C: Reference Documents

Attachment 3



EB-2012-0081

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

AND IN THE MATTER OF an application by Burlington
Hydro Inc. for an order or orders approving or fixing just
and reasonable distribution rates related to Smart Meter
deployment, to be effective May 1, 2012.

BEFORE: Ken Quesnelle
Presiding Member

Marika Hare
Member

DECISION AND ORDER

June 21, 2012

Introduction

Burlington Hydro Inc. ("Burlington Hydro") a licensed distributor of electricity, filed an application (the "Application") with the Ontario Energy Board (the "Board") on February 29, 2012 under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Burlington Hydro charges for electricity distribution, to be effective May 1, 2012.

Burlington Hydro sought Board approval for the disposition and recovery of costs related to smart meter deployment, offset by Smart Meter Funding Adder ("SMFA") revenues collected from May 1, 2006 to April 30, 2012. Burlington Hydro requested approval of proposed Smart Meter Disposition Riders ("SMDRs") and Smart Meter Incremental Revenue Requirement Rate Riders ("SMIRRs") effective May 1, 2012.

The Application was based on the Board's policy and practice with respect to recovery of smart meter costs.

The Board issued its Letter of Direction and Notice of Application and Hearing (the "Notice") on March 19, 2012. The Vulnerable Energy Consumers' Coalition ("VECC") requested intervenor status and cost award eligibility. One letter of comment was received. The Board grants VECC intervenor status and eligibility for cost awards. Board staff also participated in the proceeding. The Notice established that the Board would consider the Application by way of a written hearing and established timelines for discovery and submissions.

While the Board has considered the entire record in this proceeding, it has made reference only to such evidence as is necessary to provide context to its findings. The following issues are addressed in this Decision and Order:

- Costs Incurred with Respect to Smart Meter Deployment and Operation;
- Cost Allocation;
- Other Matters; and
- Implementation.

Costs Incurred with Respect to Smart Meter Deployment and Operation

In the Application, Burlington Hydro sought the following approvals:

- a. SMDR – A cost recovery rate rider of (\$0.05) per metered customer per month for the two-year period May 1, 2012 to April 30, 2014 for the Residential, General Service < 50kW and General Service > 50kW rate classes. This rate rider will refund the difference between the May 1, 2006 to December 31, 2011 revenue requirement related to smart meters deployed as of December 31, 2011, plus interest on operations, maintenance and administration and depreciation expenses, and the SMFA revenues collected from May 1, 2006 to April 30, 2012 and corresponding interest on the principal balance of SMFA revenues.
- b. SMIRR – A forecasted cost recovery rate rider of \$3.10 per metered customer per month for the period May 1, 2012 to April 30, 2014 for the Residential, General Service < 50kW and General Service > 50kW rate

classes. This rate rider will collect the incremental revenue requirement related to smart meter cost from January 1, 2012 to December 31, 2013.

- c. SMFA– Termination of Burlington Hydro’s current SMFA of \$2.50 per metered customer per month effective April 30, 2012 to reflect the smart meter costs approved for recovery through the SMDR and SMIRR rate riders above.

With respect to the last item, Board staff noted in its submission that the termination of the SMFA as of April 30, 2012 was determined by the Board in its decision with respect to Burlington Hydro’s 2011 IRM application (EB-2010-0067), and has been taken into account in Burlington Hydro’s 2012 IRM application (EB-2011-0155). The Board will not address this further in this Decision.

In response to Board staff interrogatories, Burlington Hydro made corrections in the Smart Meter Model regarding tax rates, cost of capital parameters and prescribed interest rates for deferral and variance accounts, and revised the recovery period for the SMDR from two years to one year. Burlington Hydro revised its proposed rate riders for smart meter cost recovery to reflect these changes.

Burlington Hydro’s Application had been prepared on the basis of 2010 audited actual costs, 2011 actual costs and forecast 2012 costs. In the original Application, Burlington Hydro stated that 89% of the smart meter costs had been audited, and that audited financial statements for 2011 smart meter costs would be filed when finalized, to meet the 90% threshold of audited costs. In response to Board staff interrogatory #2, Burlington provided a copy of the 2011 audited Financial Statements. Board staff did not take issue with Burlington Hydro’s audited costs. VECC submitted that the application conformed to the Board’s Guideline regarding audited costs¹.

Burlington Hydro’s total costs in aggregate and on a per meter basis are summarized in Table 1 below, which was prepared from the updated model submitted in response to interrogatories:

¹ G-2011-0001 Guideline *Smart Meter Funding and Cost Recovery – Final Disposition*

Table 1

	2007	2008	2009	2010	2011	2012	Total	
Capital	\$448,502	\$260,195	\$3,566,618	\$4,956,320	\$517,023	\$100,000	\$9,848,658	
OM&A	\$882	\$559	\$97,955	\$109,548	\$813,585	\$1,079,303	\$2,101,832	
Number of Smart Meters	232	640	29791	33194	9	0	63866	
							Total	Average per meter
						Total (capex + opex)	\$11,950,490	\$187.12
						Capex only	\$9,848,658	\$154.21

In Appendix A of its response to VECC Interrogatory #1, Burlington Hydro provided a calculation of the average invoiced cost per meter per year on the basis of capital costs, as well as by capital and operating costs for each of the Residential, GS < 50 kW and GS > 50 kW classes. These exclude costs that are beyond minimum functionality. The average total cost per meter for all classes was \$138 (based on capital and OM&A costs) or \$122 (based on capital costs only).

Both Board staff and VECC noted that Burlington Hydro's costs per meter on a combined capital and operating basis are within the range of \$123.59 to \$189.96 (excluding Hydro One Networks Inc.), as documented in Appendix A of the Board's Decision with Reasons EB-2007-0063. Both parties also noted that these averages were below the industry average of \$226.92 reported by distributors in the Monitoring Report of Smart Meter Investment as at September 30, 2010.

Both Board staff and VECC noted that authorization to procure and deploy smart meters had been done in accordance with Government regulations, including successful participation in the London Hydro RFP process, overseen by the Fairness Commissioner, to select vendor(s) for the procurement and/or installation of smart meters and related systems. VECC submitted that it was reasonable to presume that Burlington Hydro realized some benefits and efficiencies through this process.

The Board agrees that distributors, including Burlington Hydro, are subject to a significant degree of regulation in smart meter procurement and deployment. The Board also agrees that Burlington Hydro's average cost per meter is within the range

established for minimum functionality in EB-2007-0063 and is below the industry average based on applications with respect to smart meter cost recovery that the Board has considered to date.

Burlington Hydro did not document any costs beyond minimum functionality in its smart meter model, stating that the costs incurred for TOU implementation, CIS system changes, web presentment and integration with MDM/R were minimal costs necessary to implement the smart meter program and a functioning TOU system. Board staff noted in its submission that these cost items are beyond minimum functionality, as defined by O.Reg. 425/06 and the Functional Specification for an Advanced Metering Infrastructure, Version 2, August 2007, and as confirmed by the Board in its Decision with Reasons EB-2007-0063 and also documented in Guideline G-2011-0001. However, these costs may be recoverable in accordance with Guideline G-2011-0001, which requires that these costs should be clearly identified and supported.

In its reply submission, Burlington Hydro provided a breakdown of these costs as follows:

- MDM/R Support: \$535,425
- Project Support: \$35,088
- Program Admin: \$75,427
- Data Collection Fee: \$11,119

Burlington Hydro reiterated that these were the minimal costs necessary to meet the Government's smart meter mandate and that the costs were strictly incremental.

Burlington Hydro also noted that the installation of smart meters for GS > 50 kW was beyond minimum functionality. It installed 571 meters at a total installed cost of \$259,549. Burlington Hydro submitted that providing smart meters for this customer class was a prudent course of action, due to efficiencies to be gained in meter reading, the potential for significant numbers of GS > 50 kW customers to be reclassified as GS < 50 kW, and allowing these customers the opportunity to take advantage of peak and energy saving opportunities. Neither Board staff nor VECC took issue with the installation of smart meters for GS > 50 kW.

The Board notes that the total costs on an average per meter basis as shown in Table 1 above, which include the costs beyond minimum functionality, are \$154 and \$187 for capital costs and for capital and operating costs, respectively. These average costs

including costs beyond minimum functionality are below the industry average of \$226.92 discussed above.

Due to the relatively small expense and the potential for benefits the Board will allow Burlington's costs for the installation of the smart meters for the GS > 50 kW class to be recovered. The Board notes however that Burlington Hydro supplied no cost benefit analysis for any of the three factors it offered in justifying the expense. Two of the three supporting factors cited were the avoidance of manual meter reading and the avoidance of future installations due to customers dropping below the 50 kW class delineation threshold. Both of these factors lend themselves to easily decipherable costs and benefits. In future filings to the Board, Burlington Hydro should be mindful of the Board's expectations that investments are to be justified, where possible, by financial analysis.

The Board finds that Burlington Hydro's documented costs, as revised in response to interrogatories, related to smart meter procurement, installation and operation, and including costs related to TOU rate implementation, are reasonable. As such, the Board approves the recovery of the costs for smart meter deployment and operation. The Board notes that certain stranded meter costs appear to have been incurred prior to authorization. These are discussed later in this Decision.

Cost Allocation

Burlington Hydro's Application proposed uniform SMDRs and SMIRRs for its Residential, GS < 50 kW and GS > 50 kW customers. These uniform rate riders were updated to reflect the corrections arising from its responses to Board staff interrogatories, as well to reduce the recovery period of the SMDR to one year from two years.

In response to Board staff Interrogatory #10, Burlington Hydro calculated class-specific SMDRs and SMIRRs based on the cost allocation methodology used by PowerStream in its smart meter application:

- Return and Amortization allocated based on the capital cost of the meters installed for each class;
- OM&A allocated based on the number of meters installed for each class;
- PILs allocated based on the revenue requirement allocated to each class before PILs; and

- Smart Meter Funding Adder collected, including carrying costs, allocated based on the revenue requirement allocated to each class before PILs.

Burlington Hydro provided the following calculations in response to Board staff's interrogatories:

Table 2

Rate Rider	Uniform Rate Riders	Class-Specific Rate Riders		
		Residential	GS<50kW	GS>50kW
SMDR	\$(0.01)	\$(0.57)	\$6.19	\$1.49
SMIRR	\$3.21	\$2.90	\$6.63	\$4.18
Forecast Revenue		\$1,648,633	\$788,430	\$61,848
	\$2,495,923		\$2,498,911	

In its interrogatory response, Burlington Hydro noted the inequalities in the rates between the two commercial classes, although the costs per meter are essentially the same. Burlington Hydro stated that these inequalities arise as a result of the unequal proportions of customers with smart meters within the two classes. The GS > 50 kW class has a much higher proportion of interval-metered customers who would be required to pay for smart meters, but had not received them. Burlington Hydro suggested that combining the GS < 50 kW and GS > 50 kW into one commercial class would eliminate the discrepancy in rates. To illustrate, Burlington Hydro calculated the rate riders for a combined commercial class as follows:

Table 3

Rate Rider	Separate Commercial Classes		Combined Commercial Classes
	GS<50kW	GS>50kW	
SMDR	\$6.19	\$1.49	\$5.48
SMIRR	\$6.63	\$4.18	\$6.26
Forecast Revenue	\$788,430	\$61,848	
	\$850,278		\$850,070

Board staff submitted that combining the GS < 50 kW and GS > 50 kW rate classes for the purposes of calculating the SMDR and SMIRR produces a more logical result if the cost per meter is the same or similar for both classes, but expressed concern for the impact on GS < 50 kW customers with smaller consumption profiles for whom the same meter type as the residential class would be used. In its reply submission, Burlington Hydro clarified that the rate riders for GS < 50 kW customers would decrease under a combined commercial class.

VECC submitted that the current cost allocation methodology reflects the capital costs and types of meters for each class and takes into consideration the higher proportion of interval meters in the GS > 50 kW class. VECC stated that it supported the individual class rate riders based on Board staff's interrogatory #10 and that combining the GS < 50 kW and GS > 50 kW classes for the purposes of calculating the SMDR and SMIRR is contrary to the current cost allocation methodology based on cost causality applied to distinct customer classes underpinning existing rates and thus should be avoided.

In its reply submission, Burlington Hydro clarified that, while it had calculated separate rate riders by rate classes and a combined commercial class, it continued to request uniform rate riders for all three rate classes, as this methodology involves the least amount of arbitrary cost allocation.

The Board notes that the Guideline G-2011-0001 recognized that class-specific revenue requirement may not be appropriate or feasible for all distributors as the necessary data may not be available. Guideline G-2011-0001 further states that, where practical and where the data is available, class-specific SMDRs should be calculated based on full cost causality.

The Board considers that the cost allocation methodology resulting in class-specific SMDRs and SMIRRs based on cost causality within the existing identified classes is most appropriate. The SMIRR is intended to be a proxy for that portion of the future revenue requirement that is associated with Smart Meters. Burlington's class specific revenue requirements will be established in its next cost of service application based on its existing classes that are currently differentiated by level of electrical demand. Not all customers within the existing classes utilize the same types or value of system assets in obtaining service. The existence of specific inequities due to customers within a class having disparate system needs is an accepted ratemaking principle that balances the desirability of charging for all identifiable cost drivers with the need to maintain a workable number of separate classes. Burlington's proposal for uniform SMDR and SMIRR values is based on asset usage of one particular asset that is used by multiple classes. The Board does not consider it appropriate to treat this particular asset differently than all other assets that are used by the various classes in the determination class specific revenue requirements.

The Board notes that the allocation of revenues from the SMFA on the basis of the revenue requirement allocated to each class is not consistent with Guideline G-2011-0001 and recent Board Decisions that have approved a direct allocation of SMFA revenues.

Consistent with the Board decision in the case of Orangeville Hydro (EB-2012-0039), the Board will approve an allocation methodology for the SMFA revenues based on a direct allocation of SMFA revenues as billed for the Residential, GS < 50 kW and GS > 50 kW customer classes. Where this information is not available, the Board will accept an allocation of average SMFA revenue collected at the rate class level (average number of customers in each class per year, multiplied by 12 months, further multiplied by the applicable SMFA for each year in the period), similar to its approach in the cases of PowerStream (EB-2011-0128) and Guelph Hydro (EB-2011-0123).

Other Matters

In its Application, Burlington Hydro proposed not to dispose of stranded meters by way of stranded meter rate riders at this time, but to deal with disposition in its next rebasing application, scheduled for 2014 rates. Neither VECC nor Board staff took issue with Burlington Hydro's proposal. Board staff submitted that Burlington Hydro's proposal to defer recovery of stranded meter costs is compliant with Guideline G-2011-0001. The Board agrees.

Board staff also noted that Burlington Hydro's stranded meter account appears to contain \$413,533 for 4,738 Elster Rex 1 Smart Meters. These were installed outside its initial approved Smart Meter Pilot program beginning in 2006 and prior to Burlington Hydro becoming authorized for smart meter activities, in accordance with O. Reg. 427/06, as amended by O. Reg. 235/08 on June 25, 2008, and that these meters were subsequently replaced following the selection of Elster Rex 2 meters through the London Hydro AMI RFP process. Board staff submitted that Burlington Hydro should be prepared to address the appropriateness of recovering these costs at the time that it requests recovery of stranded meter costs. In its reply submission, Burlington Hydro confirmed its intention to do so.

Board staff also submitted that Burlington Hydro should be prepared to address and quantify any further smart meter-related operational efficiencies and cost savings in the utility's next cost of service application, beyond the \$216,000 cost savings in meter

reading already incorporated into the smart meter model. Burlington Hydro stated that it would continue to seek out additional cost savings as experience with smart meters is gained, and would address this issue in its next rebasing application.

The Board directs Burlington Hydro to address these matters in its next rebasing application.

Implementation

The Board expects Burlington Hydro to file detailed supporting material, including all relevant calculations showing the impact of this Decision and Order on its class-specific smart meter revenue requirements and the determination of the updated SMDRs and SMIRRs.

Burlington Hydro requested an implementation date of May 1, 2012 for the new rate riders. Given the filing date and the time required to process an application of this nature, the Board has determined that an implementation date of July 1, 2012 is appropriate. In developing its draft Rate Order, Burlington Hydro is directed to establish the SMDRs based on a 10-month recovery period to April 30, 2013 and to accommodate within the SMDR the applicable revenue requirement amounts to be recovered through the SMIRRs related to the period from May 1 to June 30, 2012.

The SMIRRs shall be effective and implemented on July 1, 2012. The Board notes that these rate riders are based on an annual revenue requirement and will be in effect until the effective date of Burlington Hydro's next cost of service rate order.

Burlington Hydro is authorized to continue to use the established sub-account Stranded Meter Costs of Account 1555 to record and track remaining costs of the stranded conventional meters replaced by smart meters. The balance of this sub-account should be brought forward for disposition in Burlington Hydro's next cost of service application.

THE BOARD ORDERS THAT:

1. Burlington Hydro shall file with the Board, and shall also forward to VECC, a draft Rate Order attaching a proposed Tariff of Rates and Charges reflecting the Board's findings in this Decision and Order, within **7 days** of the date of this Decision and Order. The draft Rate Order shall also include customer rate impacts and detailed

supporting information showing the calculation of the final rates.

2. VECC and Board staff shall file any comments on the draft Rate Order with the Board and forward to Burlington Hydro within **5 days** of the date of filing of the draft Rate Order.
3. Burlington Hydro shall file with the Board and forward to VECC responses to any comments on its draft Rate Order within **5 days** of the date of receipt of the submission.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. VECC shall submit its cost claims no later than **7 days** from the date of issuance of the final Rate Order.
2. Burlington Hydro shall file with the Board and forward to VECC any objections to the claimed costs within **14 days** from the date of issuance of the final Rate Order.
3. VECC shall file with the Board and forward to Burlington Hydro any responses to any objections for cost claims within **21 days** from the date of issuance of the final Rate Order.
4. Burlington Hydro shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote file number **EB-2012-0081**, be made through the Board's web portal at, www.errr.ontarioenergyboard.ca and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available parties may email their document to BoardSec@ontarioenergyboard.ca.

Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 2 paper copies.

DATED at Toronto, June 21, 2012

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary