

**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 Newmarket-Tay Power Distribution Ltd. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2012.

**Supplementary Evidence Of  
Newmarket-Tay Power Distribution Ltd.**

**October 26, 2012**

In Procedural Order No. 1 in the above matter, the Ontario Energy Board (the “Board”) ordered as follows:

*Newmarket-Tay Power shall file additional evidence on the appropriate amount of interest that should be recorded in Account 1562 Deferred PILs by October 26, 2012. The evidence shall also address a proposed disposition period for Account 1562 and responses to Board staff interrogatory # 19.*

The additional evidence of Newmarket – Tay Power Distribution Ltd. (“Newmarket-Tay”) (the “Supplementary Evidence”) is set out below.

**1) Background Information:**

The background information set out below is provided to place Newmarket-Tay’s predecessor, Newmarket Hydro Ltd.’s (“Newmarket”) PILs Account 1562 balance in context.

**2001 Rate Adjustment**

The rates approved for Newmarket on June 13, 2001, effective March 31, 2001, did not include a provision for PILs since legislation had not yet been enacted to require distributors to pay PILs.

**2002 Rate Adjustment**

Distributors became subject to PILs effective October 1, 2001 and accordingly, the 2002 rate adjustment included a provision for PILs. Board staff had provided

a model (the 2002 SIMPIL model) that calculated the PILs amounts that each distributor was entitled to recover in rates.

The 2002 SIMPIL model calculated two amounts for PILs:

- the PILs proxy expense for 2001, prorated for the final three months of the year given that distributors became subject to PILs on October 1, 2001 (the “2001 PILs Proxy”); and
- the PILs proxy expense for 2002 (the “2002 PILs Proxy”).

Newmarket incorporated these two PILs proxies into the main rate adjustment model which generated the final distribution rates. The Board's 2002 Decision and Order (RP-2002-0080/EB-2002-0089) (the “2002 Decision”) approving rates for Newmarket on February 26, 2002, effective March 1, 2002, reduced the \$512,987 2001 PILs Proxy amount by \$6,456 to \$506,531 and the \$1,763,900 2002 PILs Proxy amount by \$347,920 to \$1,415,980. However, the rates specified in the rate schedule attached as Appendix “A” to the 2002 Decision did not incorporate these adjustments. The 2002 Decision is attached at Appendix “I” to this Supplementary Evidence.

Newmarket did not detect this error and, as required by the 2002 Decision, implemented the rates attached at Appendix “A” to the 2002 Decision.

### **2003 Rate Adjustment**

In November 2002, the *Electricity Pricing, Conservation and Supply Act* (“Bill 210”) was passed. The Board's authority to change electricity rates was restricted by section 79 of the Act. This meant that the incorrect 2001 and 2002 PILs Proxy was collected by Newmarket not only for the 2002 rate year, but also for 2003 and part of 2004.

### **2004 Rate Adjustment**

For the 2004 rate year the Minister of Energy permitted distribution rates to be adjusted for recovery of the first installment of regulatory assets. In order to mitigate the rate impact of permitting partial recovery of regulatory assets, the Minister requested that the Board identify opportunities for any reduction to distribution rates and charges which could be implemented coincident with the recovery of regulatory assets. Consequently, the 2001 PILs Proxy was removed from rates for purposes of calculating the 2004 rate adjustment. No new PILs proxies for 2004 were instituted by the Board. Therefore the 2002 annual PILs expense remained in rates for the 2004 rate year (April 1, 2004 to April 1, 2005).

In its 2004 application, Newmarket removed the 2001 PILs Proxy amount and left the 2002 PILs Proxy unchanged. The rates attached to the Board's Decision and

Order (RP-2004-0071/EB-2004-0057) approving rates for Newmarket on March 12, 2004, effective April 1, 2004, and attached as Appendix "II" to this Supplementary Evidence, reflected the removal of the 2001 PILs Proxy, but left the incorrect 2002 PILs Proxy unchanged, which was once again implemented by Newmarket without identifying the original error created with the Board's 2002 Decision.

### **2005 Rate Adjustment**

On January 1, 2005 most of the Bill 210 provisions restricting the Board's authority in electricity rate-making were repealed. On December 20, 2004 the Board issued filing instructions to adjust rates, effective April 1, 2005. Rates could be adjusted for three items:

1. Final installment of MARR;
2. Second installment of regulatory asset recovery; and,
3. 2005 PILs expense.

The 2005 PILs proxy expense was to replace the 2004 PILs expense.

The rates approved for Newmarket on March 30, 2005, effective April 1, 2005, contained a 2005 PILs proxy of \$1,569,774. Therefore, the error from the 2002 Decision did not continue past April 1, 2005.

As shown later in this Supplementary Evidence, the net result is an over collection of PILs by Newmarket over the 37 month period March 1, 2002 to March 30, 2005 in the principal amount of \$1,145,272.32. Pursuant to the Board's PILs methodology, the interest on this principal amount to be recorded in Account 1562 from 2002 to 2012 is \$411,981.65

### **2) Proposed Treatment of the Account 1562 Balance**

While Newmarket-Tay would not expect to retain revenues that were over-collected in error from its customers, it does believe that the circumstances warrant further consideration of the appropriate amount of interest that should be paid on the over-collected amount.

In making its finding in this matter, the Board is asked to consider the following circumstances:

- a) the Schedule of Rates and Charges at Appendix "A" to the Decision and Order for Newmarket for both 2002 and 2004 were authored by the Board itself;
- b) until receiving Board staff interrogatory #16(b) in this proceeding, Newmarket-Tay was unaware of the error in the Board's 2002 and 2004 Orders; and

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- c) since 2002, Newmarket and its successor Newmarket-Tay has been operating and investing in its business unaware that its financial position was inflated by the over-collected PILs.

Newmarket-Tay proposes that the following two adjustments be made to its Account 1562 balance in the interest of fairness to avoid prejudice to Newmarket-Tay:

- i) *Interest Adjustment (\$166,374.90)*: Based on the Board's PILs methodology, Newmarket would be deemed to have recorded \$411,981.65 in interest from 2002 to 2012 in its Account 1562. However, the actual interest it earned on the over-collection would have been \$245,606.75 based on interest rates offered by Newmarket's banking institution. A continuity table for Newmarket's Account 1562 with the proposed carrying charges is at Appendix "III" to this Supplementary Evidence. The rate of interest is the monthly rate received from Newmarket's banking institution.

Newmarket-Tay should not be prejudiced by the deemed vs. actual interest rates, since had it been aware of the error in the 2002 Decision, it would have remedied the error to avoid recording higher than actual interest amounts. As such, Newmarket-Tay proposes to reduce its interest payable by \$166,374.90, being the difference between the deemed and actual interest earned on the principal balance.

Newmarket-Tay submits that the principle of fairness that should be applied here is that first and foremost the over-collection was accidental and unintentional, with responsibility shared between Newmarket and the Board. Secondly, while Newmarket-Tay should not benefit from the over-collection by earning interest on the over-collected amount, neither should it be penalized unfairly by being charged an interest rate that is greater than the rate upon which interest was earned.

This effectively repays the Newmarket customers the interest rate they would have earned had the over-collected amount been in their financial institution instead of Newmarket's

- ii) *Tax Rate Adjustment (\$113,038.38)*: Newmarket-Tay is also prejudiced by the difference between the corporate tax rates at the time the error existed and the present rates which have declined. Newmarket paid corporate taxes on the principal amounts at the time they were taxed, but Newmarket-Tay will only receive relief at current rates. The difference is illustrated in the table below.

### Corporate Tax Paid

Tax Year		Tax Rate	PIL's Over Collection	(Taxable Loss) Taxable Income	Tax Losses Applied	Taxable Income	Cumulative Losses Carried Forward	PIL's Error Applied	Tax Paid On Error
2001		40.62%	6,455.99	(205,926.00)	0.00				
2001	Revised Loss	40.62%		(388,564.00)	0.00		(594,490.00)		
2001/2002	Revised Loss			(844,686.00)			(1,439,176.00)		
2002		38.62%	347,920.00	129,143.00	(129,143.00)		(1,310,033.00)		
2003		36.12%	354,381.00	1,062,574.00	(465,347.00)	597,227.00	(844,686.00)	597,227.00	215,718.39
2004		36.12%	349,537.00	1,784,597.00	(694,686.00)	1,089,911.00	(150,000.00)	548,044.99	197,953.85
2005		36.12%	86,978.00	3,254,029.00	(150,000.00)	3,104,029.00	0.00		
Total			1,145,271.99					1,145,271.99	413,672.36

### Corporate Tax Relief

Year	Taxable Amount	Tax Rate	Tax Relief
2012	\$1,145,272.32	0.2625	\$300,633.98
Difference From Tax Paid			\$113,038.38

With both the interest adjustment and tax rate adjustment on Newmarket's Account 1562, the resulting balance would be \$1,277,840.69. With the addition of \$12,989.87 of PILs over-collection in Newmarket-Tay's original filing, the total PILs amount that Newmarket-Tay proposes to return to ratepayers is \$1,290,830.56.

Newmarket-Tay proposes a disposition period of four years for the Newmarket Account 1562 – Deferred PILs balance. This represents approximately the same period over which the error occurred and would reduce the financial impact on the company.

### **3) Response to Board Staff Interrogatory No. 19:**

The Board directed that Newmarket-Tay respond to Board Staff Interrogatory No.19, which appeared under the header Foregoing Net Increases. Below is the response to Interrogatory No.19.

#### **Board Staff Interrogatory No. 19**

1. Ref: Addendum to the Manager's Summary dated December 14, 2011

*Newmarket-Tay Power has calculated a net amount of revenue to be collected from customer of \$37,330. This is based upon Newmarket-Tay Power's calculation of a Price Cap Index Adjustment of \$142,592; less the shared tax*

savings amount of \$77,219; less the amount in Account 1562 – Deferred PILs of \$17,642.58; less the over collection of Account 1521 – Special Purpose Charge of \$10,399.99 and deferring the recovery of its LRAM claim of \$45,504 to its next cost of service application.

- a) Please recalculate Newmarket-Tay Power's net revenue with, if applicable, any updated tax sharing amount, PILs amount, and Special Purpose Charge residual amount associated with responses to Board staff interrogatories. If the net amount of revenue is larger than \$37,330, does that affect Newmarket-Tay's proposal to forgo this debit amount? What is the maximum amount that Newmarket-Tay is prepared to forgo?

**Response:**

The recalculation of Newmarket – Tay's net revenue including Account 1562 Deferred PILs with the proposed carrying charges and adjustment for corporate tax calculated to December 31, 2012 is shown in the table below. With the changes to Newmarket's Account 1562 – Deferred PILs, there is no net revenue to be foregone.

Net Revenue	
Price Cap Index Adjustment	\$142,592.00
Less shared tax savings	(\$77,219.00)
Less Account 1562 – Deferred PILs - Newmarket <sup>1</sup>	(1,290,830.56)
Less Account 1562 – Deferred PILs - Tay	(\$42,204.69)
Less Account 1521 – Special Purpose Charge	(\$10,399.99)
Total	(\$1,278,062.00)

- b) In addition to part a) of this interrogatory, please re-calculate the net amount of revenues assuming that the Board approves an effective date of November 1, 2012. If the net amount is a credit to ratepayers, does Newmarket-Tay agree that the new rates and riders would be calculated using the rate generator and other supporting models? If the net amount results in a credit to ratepayers, would that change Newmarket-Tay's position with respect to the deferral of its LRAM claim?

**Response:**

Newmarket-Tay understands Board staff's reason for using a November 1, 2012 date in this interrogatory. Given the dates set out in the Board's

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<sup>1</sup> Includes Newmarket's \$12,989.87 PILs over-collection contained in the original filing.

Procedural Order No. 1 in this matter, Newmarket-Tay has recalculated the net amount of revenues to December 31, 2012.

Newmarket – Tay would seek to dispose of the Account 1562 - Deferred PILs separately to each of the Newmarket and Tay ratepayers as the balances occurred prior to the merger of Newmarket Hydro and Tay Hydro and recover its LRAM claim. The net revenue from each of the Newmarket and Tay service areas would be as shown in the tables below:

Newmarket Service Area	
Account 1562 – Deferred PILs - Newmarket	(1,290,830.56)
Total	(1,290,830.56)

Tay Service Area	
Account 1562 – Deferred PILs - Tay	(\$42,204.69)
Total	(\$42,204.69)

Newmarket – Tay Service Area	
Price Cap Index Adjustment	\$142,592.00
Less shared tax savings	(\$77,219.00)
Less Account 1521 – Special Purpose Charge	(\$10,399.99)
Plus LRAM	\$45,504.00
Total	\$100,477.01

With the exception of the Newmarket Account 1562 – Deferred PILs, Newmarket – Tay agrees that the new rates and riders would be calculated using the rate generator and other supporting models.

As noted previously, Newmarket – Tay proposes that the Newmarket Account 1562 balance be disposed of over a four year period. It also proposes a fixed charge rate rider to give greater certainty with respect to the duration of the disposal.

**EB-2011-0184**

**Supplementary Evidence Of  
Newmarket-Tay Power Distribution Ltd.**

**APPENDIX I**

**2002 Board Decision and Order**



Ontario Energy  
Board  
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2300 Yonge Street  
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Telephone: 416- 481-1967  
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Commission de l'Énergie  
de l'Ontario  
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26e étage  
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Téléphone: 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



BY PRIORITY POST

February 26, 2002

Mr. Paul Ferguson  
General Manager & Secretary  
Newmarket Hydro Ltd.  
590 Steven Court  
Newmarket, ON  
L3Y 6Z2

Dear Mr. Ferguson:

**Re: Newmarket Hydro Ltd.  
March 2002 LDC Rate Adjustments.  
Board File No. RP-2002-0080/EB-2002-0089**

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,



Peter H. O'Dell  
Assistant Board Secretary

Encl.



RP-2002-0080  
EB-2002-0089

**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  
Newmarket Hydro Ltd. for an order or orders  
approving or fixing just and reasonable rates.

**BEFORE:** Paul Vlahos  
Vice Chair and Presiding Member

George Dominy  
Vice Chair and Member

### **DECISION AND ORDER**

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Newmarket Hydro Ltd. ("Newmarket Hydro" or "the Applicant") filed an Application ("the Application"), dated January 24, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or

comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

Newmarket Hydro applied to adjust its distribution rates for the following :

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.

- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$1,267,010.
- the 2001 deferred Payments in Lieu of Taxes (PILs), \$512,987.
- the 2002 Payments in Lieu of Taxes (PILs), \$1,763,900.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

### **Board Findings**

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that “the rates are not just and reasonable” and that they “would like the opportunity to present to the Board on this matter”.

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario’s electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board’s jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario’s electricity system in the future. These are not relevant to the Board’s duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Board adjusts the Applicant’s proposals for the following reasons. The Applicant’s variable charge/fixed charge split for the general service customer class of higher than 50 kW was adjusted by the Board from 0.4/0.6 to 0.648/0.352.

The Applicant's 2001 deferred PILs calculation of the "Interest Expense Deemed/Incurred" was adjusted from \$179,747 to \$176,520. The Applicant's 2002 proxy PILs calculation of the "Interest Expense Deemed/Incurred" was adjusted from \$718,990 to \$1,242,322. For both 2001 and 2002, the Applicant did not adjust the income tax gross-up for the 1.12% LCT tax rate. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$6,456.
- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$347,920.

Subject to these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

**THE BOARD ORDERS THAT:**

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, February 26, 2002.

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0080  
EB-2002-0089

February 26, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read "P. O'Dell", is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Newmarket Hydro Ltd.**  
**Schedule of Rates and Charges**  
Effective March 1, 2002

RP-2002-0080  
EB-2002-0089

**Time Periods for Time of Use (Eastern Standard Time)**

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays  
including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto)  
Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

**Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.**

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$14.51
Distribution Volumetric Rate	(per kWh)	\$0.0106
Cost of Power Rate	(per kWh)	\$0.0744

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$21.98
Distribution Volumetric Rate	(per kWh)	\$0.0155
Cost of Power Rate	(per kWh)	\$0.0733

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$400.63
Distribution Volumetric Rate	(per kW)	\$2.8615
Cost of Power Demand Rate	(per kW)	\$4.9150
Cost of Power Energy Rate	(per kWh)	\$0.0580

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$1.89
Distribution Volumetric Rate	(per kW)	\$1.5738
Cost of Power Demand Rate	(per kW)	\$26.3896

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per connection)	\$0.33
Distribution Volumetric Rate	(per kW)	\$1.4559
Cost of Power - Winter	(per kW)	\$31.3759
Cost of Power - Summer	(per kW)	\$12.8579

**UN-METERED SCATTERED LOADS**

Monthly Service Charge	(per connection)	\$21.98
Distribution Volumetric Rate	(per kWh)	\$0.0155
Cost of Power Rate	(per kWh)	\$0.0733



**Newmarket Hydro Ltd.**  
**Schedule of Rates and Charges - Page 2**  
Effective March 1, 2002

RP-2002-0080

EB-2002-0089

**TRANSFORMER LOSSES**

Adjustments shall be made in accordance with Section IV,  
clause 7 of the Standard Application of Rates.

Allowance for Ownership in \$ per kW demand (for service at less than 50 kV) \$0.50

**SPECIFIC SERVICE CHARGES**

New Account Setup	\$ 12.50
Change of Occupancy	\$ 12.50
Account History	
Administration Fee	\$ 2.50
Current Year Data	\$ 2.50
Each Additional Year Data	\$ 2.50
Arrear's Certificate	\$ 8.50
Late Payment	per month 1.5%
	per annum 19.56%
Returned Cheque	\$ 16.50
Collection of Account Charge	\$ 18.00
Bill Copy	\$ 3.25
Statement of Account	\$ 8.50
Reference Letter	\$ 8.50
Easement Letter	\$ 8.50
Disconnect/Reconnect Charges (non payment of account)	
At Meter - During Regular Hours	\$ 50.00
At Meter - After Hours	\$ 120.00
At Pole - During Regular Hours	\$ 160.00
At Pole - After Hours	\$ 315.00
Temporary Pole Service	\$
Dispute Meter Test	
Self Contained	\$ 25.00
Transformer Rated	\$ 70.00

**EB-2011-0184**

**Supplementary Evidence Of  
Newmarket-Tay Power Distribution Ltd.**

**APPENDIX II**

**2004 Board Decision and Order**

Ontario Energy  
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Facsimile: (416) 440-7656

Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
2300, rue Yonge  
26e étage  
Toronto ON M4P 1E4  
Téléphone: (416) 481-1967  
Télécopieur: (416) 440-7656



March 12, 2004

Gaye-Donna Young  
Chief Operating Officer  
Newmarket Hydro Limited  
590 Steven Court  
Newmarket ON  
L3Y 6Z2

Dear Mr. Young:

**Re: Distribution Rate Application  
Board Decision and Order and Interim Rate Schedule**

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

Peter H. O'Dell  
Assistant Secretary

cc. Intervenors of record



RP-2004-0071  
EB-2004-0057

**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 Newmarket  
Hydro Limited for an order or orders approving or fixing just  
and reasonable rates.

**BEFORE:** Bob Betts  
Presiding Member

Paul Vlahos  
Member

### **DECISION AND ORDER**

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 12, 2004

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read "P. O'Dell", written over a horizontal line.

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Peter H. O'Dell  
Assistant Secretary

**Interim Rates**  
**Newmarket Hydro Ltd.**  
**Schedule of Changed Distribution Rates and Charges**  
Effective Date: March 1, 2004  
Implementation Date: April 1, 2004

RP-2004-0071  
EB-2004-0057

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$14.51
Distribution Volumetric Rate	(per kWh)	\$0.0105

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$21.98
Distribution Volumetric Rate	(per kWh)	\$0.0158

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$400.63
Distribution Volumetric Rate	(per kW)	\$3.1392

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$1.89
Distribution Volumetric Rate	(per kW)	\$3.0080

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per connection)	\$0.33
Distribution Volumetric Rate	(per kW)	\$1.6130

**UNMETERED SCATTERED LOADS**

Monthly Service Charge	(per connection)	\$21.98
Distribution Volumetric Rate	(per kWh)	\$0.0158

**EB-2011-0184**

**Supplementary Evidence Of  
Newmarket-Tay Power Distribution Ltd.**

**APPENDIX III**

**Newmarket Account 1562 – Deferred PILS  
Continuity Table**

**With Proposed Carrying Charges**

# Newmarket Hydro Ltd - 1562 Deferred PILS Continuity Schedule

## Newmarket - Tay Working Copy Using Financial Institution Carrying Charges

**Year: Q4 2001**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	
October	\$ 2,152.33	\$ -		\$ 2,152.33	\$ 2,152.33	2.75%	\$ -	\$ -	\$ 2,152.33
November	\$ 2,152.33	\$ -		\$ 2,152.33	\$ 4,304.66	2.25%	\$ 4.04	\$ 4.04	\$ 4,308.70
December	\$ 2,151.33	\$ -		\$ 2,151.33	\$ 6,455.99	2.25%	\$ 8.07	\$ 12.11	\$ 6,468.10
Total	\$ 6,455.99	\$ -	\$ -	\$ 6,455.99			\$ 12.11		

**Year: 2002**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	
January	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 35,449.66	2.00%	\$ 10.76	\$ 22.87	\$ 35,472.53
February	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 64,443.33	2.00%	\$ 59.08	\$ 81.95	\$ 64,525.28
March	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 93,437.00	2.00%	\$ 107.41	\$ 189.36	\$ 93,626.36
April	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 122,430.67	2.25%	\$ 175.19	\$ 364.55	\$ 122,795.22
May	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 151,424.34	2.25%	\$ 229.56	\$ 594.11	\$ 152,018.45
June	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 180,418.01	2.50%	\$ 315.47	\$ 909.57	\$ 181,327.58
July	\$ 28,993.67	\$ -	\$ -	\$ 28,993.67	\$ 209,411.68	2.75%	\$ 413.46	\$ 1,323.03	\$ 210,734.71
August	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 238,405.35	2.75%	\$ 479.90	\$ 1,802.93	\$ 240,208.28
September	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 267,399.02	2.75%	\$ 546.35	\$ 2,349.28	\$ 269,748.30
October	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 296,392.69	2.75%	\$ 612.79	\$ 2,962.07	\$ 299,354.76
November	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 325,386.36	2.75%	\$ 679.23	\$ 3,641.30	\$ 329,027.66
December	\$ 28,989.67	\$ -		\$ 28,989.67	\$ 354,376.03	2.75%	\$ 745.68	\$ 4,386.98	\$ 358,763.01
Total	\$ 347,920.04	\$ -	\$ -	\$ 347,920.04			\$ 4,374.87		



**Year: 2003**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue		Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 383,907.78	2.75%	\$ 812.11	\$ 5,199.09	\$ 389,106.87
February	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 413,439.53	2.75%	\$ 879.79	\$ 6,078.88	\$ 419,518.41
March	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 442,971.28	3.00%	\$ 1,033.60	\$ 7,112.48	\$ 450,083.76
April	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 472,503.03	3.25%	\$ 1,199.71	\$ 8,312.19	\$ 480,815.22
May	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 502,034.78	3.25%	\$ 1,279.70	\$ 9,591.89	\$ 511,626.67
June	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 531,566.53	3.25%	\$ 1,359.68	\$ 10,951.57	\$ 542,518.10
July	\$ 29,531.75	\$ -	\$ -	\$ 29,531.75	\$ 561,098.28	3.00%	\$ 1,328.92	\$ 12,280.48	\$ 573,378.76
August	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 590,630.03	3.00%	\$ 1,402.75	\$ 13,683.23	\$ 604,313.26
September	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 620,161.78	2.75%	\$ 1,353.53	\$ 15,036.75	\$ 635,198.53
October	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 649,693.53	2.75%	\$ 1,421.20	\$ 16,457.96	\$ 666,151.49
November	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 679,225.28	2.75%	\$ 1,488.88	\$ 17,946.84	\$ 697,172.12
December	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 708,757.03	2.75%	\$ 1,556.56	\$ 19,503.40	\$ 728,260.43
Total	\$ 354,381.00	\$ -	\$ -	\$ 354,381.00			\$ 15,116.42		

**Year: 2004**

	Approved PILS		SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue		Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 738,288.78	2.50%	\$ 1,476.58	\$ 20,979.98	\$ 759,268.76
February	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 767,820.53	2.50%	\$ 1,538.10	\$ 22,518.08	\$ 790,338.61
March	\$ 29,531.75	\$ -		\$ 29,531.75	\$ 797,352.28	2.25%	\$ 1,439.66	\$ 23,957.74	\$ 821,310.02
April	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 826,345.95	2.00%	\$ 1,328.92	\$ 25,286.66	\$ 851,632.61
May	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 855,339.62	2.00%	\$ 1,377.24	\$ 26,663.90	\$ 882,003.52
June	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 884,333.29	2.00%	\$ 1,425.57	\$ 28,089.47	\$ 912,422.76
July	\$ 28,993.67	\$ -	\$ -	\$ 28,993.67	\$ 913,326.96	2.00%	\$ 1,473.89	\$ 29,563.36	\$ 942,890.32
August	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 942,320.63	2.00%	\$ 1,522.21	\$ 31,085.57	\$ 973,406.20
September	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 971,314.30	2.25%	\$ 1,766.85	\$ 32,852.42	\$ 1,004,166.72
October	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 1,000,307.97	2.50%	\$ 2,023.57	\$ 34,875.99	\$ 1,035,183.96
November	\$ 28,993.67	\$ -		\$ 28,993.67	\$ 1,029,301.64	2.50%	\$ 2,083.97	\$ 36,959.97	\$ 1,066,261.61
December	\$ 28,992.67	\$ -		\$ 28,992.67	\$ 1,058,294.31	2.50%	\$ 2,144.38	\$ 39,104.35	\$ 1,097,398.66
Total	\$ 349,537.28	\$ -	\$ -	\$ 349,537.28			\$ 19,600.95		

**Year: 2005**

	Approved PILS		SIMPILS True-Up		Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue	Adjustments	(neg = CR)	Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January	\$ 28,992.67	\$ -			\$ 28,992.67	\$ 1,087,286.98	2.50%	\$ 2,204.78	\$ 41,309.13	\$ 1,128,596.11
February	\$ 28,992.67	\$ -			\$ 28,992.67	\$ 1,116,279.65	2.50%	\$ 2,265.18	\$ 43,574.31	\$ 1,159,853.96
March	\$ 28,992.67	\$ -			\$ 28,992.67	\$ 1,145,272.32	2.50%	\$ 2,325.58	\$ 45,899.89	\$ 1,191,172.21
April	\$ -	\$ -			\$ -	\$ 1,145,272.32	2.50%	\$ 2,385.98	\$ 48,285.87	\$ 1,193,558.19
May	\$ -	\$ -			\$ -	\$ 1,145,272.32	2.50%	\$ 2,385.98	\$ 50,671.86	\$ 1,195,944.18
June	\$ -	\$ -			\$ -	\$ 1,145,272.32	2.50%	\$ 2,385.98	\$ 53,057.84	\$ 1,198,330.16
July	\$ -	\$ -	\$ -		\$ -	\$ 1,145,272.32	2.50%	\$ 2,385.98	\$ 55,443.83	\$ 1,200,716.15
August	\$ -	\$ -			\$ -	\$ 1,145,272.32	2.50%	\$ 2,385.98	\$ 57,829.81	\$ 1,203,102.13
September	\$ -	\$ -			\$ -	\$ 1,145,272.32	2.75%	\$ 2,624.58	\$ 60,454.39	\$ 1,205,726.71
October	\$ -	\$ -			\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 63,317.57	\$ 1,208,589.89
November	\$ -	\$ -			\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 66,180.75	\$ 1,211,453.07
December	\$ -	\$ -			\$ -	\$ 1,145,272.32	3.25%	\$ 3,101.78	\$ 69,282.53	\$ 1,214,554.85
Total	\$ 86,978.01	\$ -	\$ -		\$ 86,978.01			\$ 30,178.19		

**Year: 2006**

	Approved PILS		SIMPILS True-Up		Variance (neg. = payable)		Interest Improvement (neg = payable)			
	Entitlement	PILS Revenue	Adjustments	(neg = CR)	Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January	\$ -	\$ -			\$ -	\$ 1,145,272.32	3.50%	\$ 3,340.38	\$ 72,622.91	\$ 1,217,895.23
February	\$ -	\$ -			\$ -	\$ 1,145,272.32	3.50%	\$ 3,340.38	\$ 75,963.29	\$ 1,221,235.61
March	\$ -	\$ -			\$ -	\$ 1,145,272.32	3.75%	\$ 3,578.98	\$ 79,542.26	\$ 1,224,814.58
April	\$ -	\$ -			\$ -	\$ 1,145,272.32	4.00%	\$ 3,817.57	\$ 83,359.84	\$ 1,228,632.16
May		\$ -			\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 87,416.01	\$ 1,232,688.33
June					\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 91,472.18	\$ 1,236,744.50
July			\$ -		\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 95,528.36	\$ 1,240,800.68
August					\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 99,584.53	\$ 1,244,856.85
September					\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 103,640.70	\$ 1,248,913.02
October					\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 107,696.88	\$ 1,252,969.20
November					\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 111,753.05	\$ 1,257,025.37
December					\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 115,809.22	\$ 1,261,081.54
Total	\$ -	\$ -	\$ -		\$ -			\$ 46,526.69		

**Year: 2007**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
				Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 119,865.39	\$ 1,265,137.71
February				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 123,921.57	\$ 1,269,193.89
March				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 127,977.74	\$ 1,273,250.06
April				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 132,033.91	\$ 1,277,306.23
May				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 136,090.09	\$ 1,281,362.41
June				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 140,146.26	\$ 1,285,418.58
July				\$ -	\$ 1,145,272.32	4.50%	\$ 4,294.77	\$ 144,441.03	\$ 1,289,713.35
August				\$ -	\$ 1,145,272.32	4.50%	\$ 4,294.77	\$ 148,735.80	\$ 1,294,008.12
September				\$ -	\$ 1,145,272.32	4.50%	\$ 4,294.77	\$ 153,030.57	\$ 1,298,302.89
October				\$ -	\$ 1,145,272.32	4.50%	\$ 4,294.77	\$ 157,325.34	\$ 1,302,597.66
November				\$ -	\$ 1,145,272.32	4.50%	\$ 4,294.77	\$ 161,620.11	\$ 1,306,892.43
December				\$ -	\$ 1,145,272.32	4.25%	\$ 4,056.17	\$ 165,676.29	\$ 1,310,948.61
Total	\$ -	\$ -	\$ -	\$ -				\$ 49,867.07	

**Year: 2008**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
				Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January				\$ -	\$ 1,145,272.32	4.00%	\$ 3,817.57	\$ 169,493.86	\$ 1,314,766.18
February				\$ -	\$ 1,145,272.32	4.00%	\$ 3,817.57	\$ 173,311.44	\$ 1,318,583.76
March				\$ -	\$ 1,145,272.32	3.50%	\$ 3,340.38	\$ 176,651.81	\$ 1,321,924.13
April				\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 179,514.99	\$ 1,324,787.31
May				\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 182,378.17	\$ 1,327,650.49
June				\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 185,241.36	\$ 1,330,513.68
July				\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 188,104.54	\$ 1,333,376.86
August				\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 190,967.72	\$ 1,336,240.04
September				\$ -	\$ 1,145,272.32	3.00%	\$ 2,863.18	\$ 193,830.90	\$ 1,339,103.22
October				\$ -	\$ 1,145,272.32	2.25%	\$ 2,147.39	\$ 195,978.28	\$ 1,341,250.60
November				\$ -	\$ 1,145,272.32	2.25%	\$ 2,147.39	\$ 198,125.67	\$ 1,343,397.99
December				\$ -	\$ 1,145,272.32	1.75%	\$ 1,670.19	\$ 199,795.86	\$ 1,345,068.18
Total	\$ -	\$ -	\$ -	\$ -				\$ 34,119.57	

**Year: 2009**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
				Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 200,988.85	\$ 1,346,261.17
February			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 202,181.84	\$ 1,347,454.16
March			\$	-	\$ 1,145,272.32	0.75%	\$ 715.80	\$ 202,897.64	\$ 1,348,169.96
April			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 203,374.83	\$ 1,348,647.15
May			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 203,852.03	\$ 1,349,124.35
June			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 204,329.23	\$ 1,349,601.55
July			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 204,806.42	\$ 1,350,078.74
August			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 205,283.62	\$ 1,350,555.94
September			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 205,760.82	\$ 1,351,033.14
October			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 206,238.01	\$ 1,351,510.33
November			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 206,715.21	\$ 1,351,987.53
December			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 207,192.41	\$ 1,352,464.73
Total	\$ -	\$ -	\$ -	\$ -			\$ 7,396.55		

**Year: 2010**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			
				Monthly	Cumulative	Newmarket Bank Rate	Monthly	Cumulative	Total Variance
January			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 207,669.61	\$ 1,352,941.93
February			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 208,146.80	\$ 1,353,419.12
March			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 208,624.00	\$ 1,353,896.32
April			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 209,101.20	\$ 1,354,373.52
May			\$	-	\$ 1,145,272.32	0.50%	\$ 477.20	\$ 209,578.39	\$ 1,354,850.71
June			\$	-	\$ 1,145,272.32	0.75%	\$ 715.80	\$ 210,294.19	\$ 1,355,566.51
July			\$	-	\$ 1,145,272.32	1.00%	\$ 954.39	\$ 211,248.58	\$ 1,356,520.90
August			\$	-	\$ 1,145,272.32	1.00%	\$ 954.39	\$ 212,202.97	\$ 1,357,475.29
September			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 213,395.97	\$ 1,358,668.29
October			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 214,588.96	\$ 1,359,861.28
November			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 215,781.95	\$ 1,361,054.27
December			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 216,974.94	\$ 1,362,247.26
Total	\$ -	\$ -	\$ -	\$ -			\$ 9,782.53		

**Year: 2011**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 218,167.93	\$ 1,363,440.25
February			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 219,360.93	\$ 1,364,633.25
March			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 220,553.92	\$ 1,365,826.24
April			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 221,746.91	\$ 1,367,019.23
May			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 222,939.90	\$ 1,368,212.22
June			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 224,132.89	\$ 1,369,405.21
July			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 225,325.89	\$ 1,370,598.21
August			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 226,518.88	\$ 1,371,791.20
September			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 227,711.87	\$ 1,372,984.19
October			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 228,904.86	\$ 1,374,177.18
November			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 230,097.85	\$ 1,375,370.17
December			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 231,290.85	\$ 1,376,563.17
Total	\$ -	\$ -	\$ -	\$ -			\$ 14,315.90		

**Year: 2012**

	Approved PILS Entitlement	PILS Revenue	SIMPILS True-Up Adjustments (neg = CR)	Variance (neg. = payable)		Interest Improvement (neg = payable)			Total Variance
				Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	
January			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 232,483.84	\$ 1,377,756.16
February			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 233,676.83	\$ 1,378,949.15
March			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 234,869.82	\$ 1,380,142.14
April			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 236,062.81	\$ 1,381,335.13
May			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 237,255.81	\$ 1,382,528.13
June			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 238,448.80	\$ 1,383,721.12
July			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 239,641.79	\$ 1,384,914.11
August			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 240,834.78	\$ 1,386,107.10
September			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 242,027.77	\$ 1,387,300.09
October			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 243,220.77	\$ 1,388,493.09
November			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 244,413.76	\$ 1,389,686.08
December			\$	-	\$ 1,145,272.32	1.25%	\$ 1,192.99	\$ 245,606.75	\$ 1,390,879.07