

**EB-2012-0121**  
**Erie Thames Powerlines Corp.**  
**Proposed Settlement Agreement**  
**November 2, 2012**

This proposed settlement agreement (the “**Settlement Agreement**”) is for the consideration of the Ontario Energy Board (the “**Board**”) in its determination of the rate application by Erie Thames Powerlines Corporation (“**ETPL**”) for 2012 electricity distribution rates (EB-2012-0121), (the “**Application**”).

ETPL's Application was received by the Board on June 26th, 2012. Further to Procedural Order #2, dated September 27, 2012, a technical conference was held on October 10th, 2012 and a settlement conference was scheduled for October 24 and then rescheduled to October 25 by Procedural Order #3. The Settlement Conference was duly convened and concluded on October 25 with Mr. Chris Haussmann as facilitator.

ETPL and the following intervenors (the “**Intervenors**” and collectively including ETPL, (the “**Parties**”) participated in the Settlement Conference:

Energy Probe Research Foundation (“EP”)

School Energy Coalition (“SEC”)

Vulnerable Energy Consumers Coalition (“VECC”)

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

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

This Agreement represents a complete settlement of all issues. It is acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's Rules of Practice and Procedure.

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

Erie Thames was amalgamated with West Perth Power Inc. ("**WPPI**") and Clinton Power Corporation ("**CPC**") effective June 1, 2011. EARTH Corporation, ETPL's shareholder, EARTH Corp. had acquired WPPI and CPC following an application to the Board in EB-2009-0156 and EB-2009-0157. The proposed amalgamation was approved by the Board in EB-2010-0386 in a decision and order dated March 24, 2011. Following the amalgamation, each of the rate orders that had been in effect in each of CPC, WPPI and ETPL continued to be applied in their respective geographic service territories.

ETPL's last cost of service rebasing was in 2008 and the last cost of service rebasing for CPC and WPPI was 2010. This was the first cost of service rebasing proceeding for the newly amalgamated entity. As part of this Application, ETPL sought to harmonize rates across the entire service territory and to simplify its rate classifications and to have the same rate classifications for its entire service territory.

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

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Settlement Agreement provide further evidentiary support. The Parties agree that this Settlement Agreement and the Appendices form part of the record in EB-2012-0121. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement.

A draft issues list was provided at Exhibit 1, Tab 1 Schedule 1. There was no Board approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, and without prejudice to the positions of the Parties as to the issues that might otherwise be considered in this proceeding should a hearing be required, the Parties have followed the issues list set out at Appendix “A” to this Settlement Agreement. The issues list follows the organization of the Application.

The appendices attached to this Settlement Agreement are:

“A”- Issues List

“B” - ETPL 2012 Tariff of Rates and Charges

“C” – Bill Impact Summaries

“D” – Bill Impact Comparison (Application vs. Settlement)

“E” – ETPL 2012 Revenue Deficiency

“F” – ETPL 2012 Revenue Requirement Work Form

“G” – ETPL 2012 Schedule of Cost of Capital

“H” – ETPL 2012 Summary of Rate Base

“I” – ETPL 2012 Appendix 2-N – Depreciation

“J” – ETPL 2012 PILs and CCA Mappings

“K” – ETPL 2012 OM&A Expenses

“L” – Low Voltage and Retail Transmission

“M” – Smart Meters

“N” – Cost Allocation

“O” – LRAM and SSM

“P” – Deferral and Variance

### **Summary**

The 2012 cost of service rate application is the first such application following the amalgamation of ETPL, WPPI and CPC. Since the last ETPL cost of service rate proceeding, ETPL has restructured from being a virtual utility of 2 employees with reliance upon affiliates to provide distribution service to now having 45 employees and much less reliance upon affiliates. The O&M costs agreed in this Settlement Agreement reflect the savings identified in the application that resulted in the approved amalgamation of the ETPL, WPPI and CPC.

As part of this Application, ETPL has reduced the number of customer rate classifications and harmonized the classifications of ETPL, CPC and WPPI. This Application will also result in rates being harmonized across the service territories of ETPL, CPC and WPPI.

Through extending the length of period over which the deferral and variance accounts are recovered, the bill impacts have been accepted as appropriate.

Through extending the length of period over which the deferral and variance accounts are to be recovered, there is no longer a need for bill mitigation measures originally proposed in the Application:

### **Summary Comparison (Application vs. Settlement)**

#### **Key Ratemaking Components**

<i>Rate Base (Exhibit 2)</i>	<b><u>Application</u></b>	<b><u>Settlement</u></b>
Rate Base	\$30,940,024	\$31,467,480
Working Capital Allowance	\$6,402,308	\$5,037,929
Capital Expenditures	\$2,840,000	\$2,840,000
<i>Revenue and Deficiency (Exhibits 3, 6)</i>		
Other Revenue	\$933,058	\$885,992
Distribution Revenue Requirement	\$8,920,714	\$9,087,41
Service Revenue Requirement	\$9,853,772	\$9,973,033
Revenue Deficiency	\$416,031	\$1,690,075
Transformer Allowance	\$220,181	\$220,181
<i>Operating Costs (Exhibit 4)</i>		
OM&A	\$5,730,237	\$5,660,594
Amortization/Depreciation	\$1,759,025	\$2,030,082
Grossed-up PILs	\$445,981	\$331,121

<u>Cost of Capital and ROR (Exhibit 5)</u>		
Short Term Debt Rate	4.41%	4.41%
Long Term Debt Rate	2.08%	2.08%
Return on Equity	9.12%	9.12%
Cost of Capital	6.20%	6.20%
Capital Structure	Long Term Debt 56% Short Term Debt 4% Equity 40%	Long Term Debt 56% Short Term Debt 4% Equity 40%

### **Cost Allocation (Exhibit 7)**

Cost Allocation was performed in accordance with the Board's guidelines. An updated summary of the cost allocation model has been included in Appendix N. The allocation of costs has been a significant driver of changes to the rates for the various rate classes. Revenue to Cost ratios are all within the Board set ranges.

### **Rate Design (Exhibit 8)**

This Application results in harmonized rates across the service territories of the amalgamated utilities. ETPL reduced the rate classifications by combining two GS classes (GS>1,000kW to 2,999 kW and GS>3,000kW to 4,999kW) into the single GS>1,000 kW to 4,999kW.

#### **Loss Adjustment Factors**

<u>Total Utility Loss Adjustment Factor</u>	<u>LAF</u>
<b>Supply Facility Loss Factor</b>	1.006
<b>Distribution Loss Factors</b>	
<b>Secondary Metered Customer</b>	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0389
Total Loss Factor - Secondary Metered Customer > 5,000kW	1.0100
<b>Primary Metered Customer</b>	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0285
Total Loss Factor - Primary Metered Customer > 5,000kW	1.0000
<b>Total Loss Factor</b>	
<b>Secondary Metered Customer</b>	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0451

Total Loss Factor - Secondary Metered Customer > 5,000kW 1.0161

**Primary Metered Customer**

Total Loss Factor - Primary Metered Customer < 5,000kW 1.0347

Total Loss Factor - Primary Metered Customer > 5,000kW 1.006

**Bill Impacts**

The impacts on the customer are a combination of an increase in distribution rates, changes in retail transmission rates and the disposition of deferral and variances accounts. Also included in these impacts are the addition of a Stranded Meter Rate Rider and Smart Meter Disposition Rider. The changes from the initial application and the settlement are significantly impacted by changes in the cost allocation methodology as agreed to in the settlement and adhering to OEB guidelines.

**Residential – 800kWh (average customer)**

	GEOGRAPHIC AREA	APPLICATION	SETTLEMENT
Distribution Charges Impact	ETPL	5.31%	14.12%
	WPPI	22.36%	33.41%
	CPC	43.22%	32.52%
Total Bill Impact	ETPL	-2.65%	0.07%
	WPPI	5.68%	8.81%
	CPC	15.18%	12.02%

**GS < 50 kW – 2000 kWh (average customer)**

	GEOGRAPHIC AREA	APPLICATION	SETTLEMENT
Distribution Charges Impact	ETPL	28.30%	20.52%
	WPPI	23.97%	17.17%
	CPC	37.81%	10.15%
Total Bill Impact	ETPL	1.37%	0.01%
	WPPI	5.82%	4.57%
	CPC	12.36%	4.72%

**GS>50 kW - 1000 kW (average customer)**

	GEOGRAPHIC AREA	APPLICATION	SETTLEMENT
Distribution Charges	ETPL	69.29%	49.83%

Impact			
	WPPI	35.27%	19.38%
	CPC	13.81%	-5.01%
Total Bill Impact	ETPL	-10.78%	-15.54%
	WPPI	2.40%	7.35%
	CPC	29.58%	6.97%

**GS>1,000kW to 4,999kW**

	GEOGRAPHIC AREA	APPLICATION	SETTLEMENT
Distribution Charges Impact	ETPL	1.93%	20.70%
	WPPI	NA	NA
	CPC	NA	NA
Total Bill Impact	ETPL	-16.60%	-9.72%
	WPPI	NA	NA
	CPC	NA	NA

**Large Use**

	GEOGRAPHIC AREA	APPLICATION	SETTLEMENT
Distribution Charges Impact	ETPL	1.72%	6.00%
	WPPI	NA	NA
	CPC	NA	NA
Total Bill Impact	ETPL	-18.72%	-16.82%
	WPPI	NA	NA
	CPC	NA	NA

**Variance and Deferral Accounts (Exhibit 9)**

- ❖ No Changes in Methodology. Deferral and variance account balances as of December 31, 2010 plus interest are disposed of through this proceeding.
- ❖ The Smart Meter accounts are disposed of in accordance with the Board's Guidelines. This settlement is a change from the initial Application which had not included Smart meters in Rate Base and had not removed stranded meters from rate base. The disposition of smart meter costs has been updated to reflect these changes.
- ❖ To reduce the total bill impact on CPC customers, the credit is over a 12 month period and the collection over 48 months.

Account	ETPL	Period	WPPI	Period	CPC	Period
	Disposition		Disposition		Disposition	
1550	\$ (324,979.76)	1 Year	\$ 125,204.01	1 Year	\$ 478,080.22	4 Years
1580	\$ (517,339.77)	1 Year	\$ 35,724.63	1 Year	\$ (5,045.13)	4 Years
1584	\$ 3,762.74	1 Year	\$ (47,167.37)	1 Year	\$ (43,052.40)	4 Years
1586	\$ (522,146.70)	1 Year	\$ (1,117,800.59)	1 Year	\$ (696,642.01)	4 Years
1588	\$ 669,392.73	1 Year	\$ 774,314.76	1 Year	\$ 1,018,523.74	4 Years
1588	\$ 965,208.15	1 Year	\$ (354,254.53)	1 Year	\$ (376,251.38)	1 Year
1590	\$ 289,395.16	1 Year	\$ (14,603.26)	1 Year	\$ 44,815.88	4 Years
1592	\$ 33,247.04	1 Year				
SubTotal	\$ 596,539.59		\$ (598,582.35)		\$ 420,428.92	
1508			\$ 105,974.15	1 Year	\$ 76,987.06	4 Years
1582	\$ 58,580.11	1 Year	\$ 7,705.86	1 Year	\$ 1,557.82	4 Years
1521	\$ 985.97	1 Year	\$ 150.79	1 Year	\$ 90.76	4 Years
SubTotal	\$ 59,566.08		\$ 113,830.80		\$ 78,635.64	
Grand total	\$ 656,105.67		\$ (484,751.55)		\$ 499,064.56	

### **Other**

In addition, the Parties agree to the following as part of this Settlement Agreement:

- The revenue requirement and rate adjustments arising from this Settlement Agreement will allow ETPL to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2012.
- While ETPL has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and OM&A, are ones that must be made by the utility during the course of the year, subject to the Board's normal review in subsequent proceedings.
- The PILs Disposition has been settled on the basis of severing it from this proceeding. The information necessary to complete the submission for WPPI and CPC is not in ETPL's possession as it pertains to years that preceded the amalgamation by several years. The information required to complete the calculation of the PILs Disposition for the former WPPI and CPC has been requested from Canada Revenue Agency but has not been provided to ETPL. The



Parties are in agreement that the PILs Disposition is appropriately dealt with for all of the former ETPL, WPPI and CPC together as it will be more efficient and reduce the potential for customer confusion. Further, the Parties are in agreement this issue should not hold up the implementation of rates as agreed to herein. The Parties would recommend the PILs Disposition for all of ETPL, WPPI and CPC be dealt with as part of the 2013 IRM proceeding or a separate proceeding as deemed appropriate by the Board.

**Settlement Terms by Issue**

**1. Administration (Exhibit 1)**

**1 a. Has ETPL responded appropriately to all relevant Board directions from previous proceedings?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept the evidence of ETPL that there are no outstanding Board directions from previous proceedings.

**Evidence:** Exhibit 1, Tab 1, Schedule 16.

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**1. b. Are ETPL's planning assumptions (asset condition, economic, business, etc.) appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept that ETPL's assumptions on asset condition, economic and business planning assumptions for 2012 are an appropriate and reasonable foundation for the settlement herein.

**Evidence:** Exhibit 2, Tab 1, Schedules 1,2,3  
Exhibit 2, Tab 2, Schedule 1, 2, 3  
Exhibit 2, Tab 3, Schedule 1  
Exhibit 2, Tab 5, Schedule 1, 2  
Response to Interrogatories  
EP # 9, 10, 11, 12, 13 and 14  
SEC# 3, 4, 5 and 6

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**1 c. Is service quality, based on the Board specified performance assumptions for 2013, appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept ETPL's evidence with respect to the acceptability of its service quality, based on the Board-specified indicators.

**Evidence:** Exhibit 1, Tab 2, Schedule 5  
Interrogatories  
Board Staff #7  
VECC# 2, 3 and 4

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**1 d. What is the appropriate effective and implementation date?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties agree that rates should be effective no later than January 1, 2013. In the event that the Board issues a decision accepting this Settlement Agreement such that rates may be implemented and effective December 1, 2012, the Parties support a December 1, 2012 implementation and effective date.

**Evidence:** None

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

## **2. Rate Base (Exhibit 2)**

### **2 a. Are the amounts proposed for the Rate Base appropriate?**

**Complete Settlement:** ETPL originally applied for a rate base of \$30,940,025. The amount of the initial application included the stranded meters and excluded Smart Meters. The revised rate base includes Smart Meters and excludes stranded meters and incorporates the changes to the Working Capital Allowance. Working Capital Allowance changed as a result of the changes in cost of power, the agreed to changes in costs and the change from 15% to 13%. The Parties are relying upon the accuracy of ETPL's calculation for the changes in rate base provided in Appendix H. For the purpose of obtaining complete settlement of all issues, the Parties accept the revised rate base of \$31,467,386.

**Evidence:** Exhibit 2, Tab 1, Schedule 1, 2 and 3  
Exhibit 2, Tab 2, Schedule 1, 2 and 3  
Exhibit 2, Tab 3, Schedule 1  
Exhibit 2, Tab 4, Schedule 1  
Exhibit 2, Tab 5, Schedule 1 and 2  
Response to Interrogatories  
Board Staff # 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20  
EP # 1, 9, 10, 11, 12, 13, 14, and 15  
SEC#3, 4, 5 and 6  
VECC#5  
Undertakings: JT5, JT7  
Appendix H

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

### **2 b. Has the Working Capital Allowance been determined appropriately?**

**Complete Settlement:** ETPL originally filed for a Working Capital Allowance using the then standard 15% of Cost of Power and controllable distribution expenses –excluding amortization and PILs. ETPL has recalculated the Working Capital Allowance based upon 13% of the Cost of Power and controllable distribution expenses – excluding

amortization and PILs. The Working Capital Allowance originally applied for was \$6,402,308 and this has been recalculated at \$5,037,836 incorporating all changes agreed to as part of this Settlement Agreement. The changes to Working Capital Allowance from the original filing result from the changes in controllable distribution expenses and cost of power and the change from 15% to 13%.

**Evidence:** Exhibit 2, Tab 4, Schedule 1.  
Response to Interrogatories  
EP #13 and 14  
VECC#18 and 19  
Undertakings: JT4  
Appendix: F

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**2 c. Are the amounts proposed for Capital Expenditures appropriate?**

**Complete Settlement:** For the purposes of obtaining complete settlement of all issues, the Parties accept that the capital expenditure budget for the Test Year is appropriate.

**Evidence:** Exhibit 2, Tab 3, Schedule 1  
Response to Interrogatories  
Board Staff #8, 14, 15, 16, 17, 18, 19 and 20  
EP #9, 10, 11, 12 and 15  
SEC #6  
VECC#6 thru 17.

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**2 d. Are the amounts proposed for Depreciation appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept the revised depreciation of \$2,030,082. The change in depreciation

**Evidence:** Exhibit 2, Tab 5, Schedule 2  
Response to Interrogatories  
Board Staff #17, 18, 19 and 20  
EP #15  
VECC#20  
Undertakings: JT6

**Supporting parties:** ETPL, EP SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**3. Loads Forecast and Operating Revenue, Customers – Throughput Revenue (Exhibit 3)**

**3a. Are the customer and load forecasts (including methodology and weather normalization) appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept the customer and load forecasts, including methodology and weather normalization. In response to undertakings ETPL had provided actual year to date information for customers and load. During the 2012 Test Year 3 schools closed and each municipality within the service territory switched streetlights to LED.

Rate Class	Customers	Billing Load	CDM Target (20%)	
Residential	16,461	147,767,075	N/A	1,457,817kWh
GS<50kW	1,857	50,306,768	N/A	497,827kWh
GS>50kW to 999kW	175	227,921	265kW	438,559kWh
GS>1000 to 4,999kW	8	96,900	384kW	1,012,174kWh
Large Use	1	160,146	296kW	958,416kWh
Streetlighting	4,283	6,754	25kW	49,128kWh
Sentinel	301	772	1kW	2,810kWh
Embedded Distributor	121	23,768	73kW	171,169kWh
Unmetered Scattered Load	3	618,341	N/A	6,100kWh
MicroFit Generators	46	N/A	N/A	N/A

**Evidence:** Exhibit 3, Tabs 2, Schedules 1, 2, 3, 4 and 5  
Response to Interrogatories  
Board Staff #21, 22, 23, 24, 25, 26, 27 and 28  
EP #16, 17, 18, 19, 20, 21 and 22  
SEC # 7  
VECC#21 thru 34  
Undertakings: JT2  
Appendix

**Supporting parties:** ETPL, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None



**3 b. Is the impact of CDM initiatives suitably reflected in the load forecast?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties agree that CDM impacts have been suitably reflected in the load forecast. The amount of CDM incorporated into this Settlement Agreement is the 20% standard amount used by the Board.

**Evidence:** Exhibit 4, Tab 2, Schedule 2  
Exhibit 2, Tab 5, Schedule 1, 2  
Response to Interrogatories  
EP #19  
VECC#32  
Undertaking: JT2  
Appendix O

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**3 c. Are the proposed Loss Factors suitably reflected in the load forecast?**

**Complete Settlement:** ETPL had applied for a DLF of 1.0421 based upon the average of the previous 5 years. For the purpose of obtaining complete settlement of all issues, the Parties agree to use a Loss Factor based upon the average of the loss factors for the previous 4 years. The agreed to DLF is 1.0389 and the Parties accept the evidence of ETPL that the proposed Loss Factors have been suitably reflected in the load forecast.

**Evidence:** Exhibit 4, Tab 2, Schedule 6  
Response to Interrogatories  
EP #29

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**3 d. Is the proposed amount for Other Revenue appropriate?**

**Complete Settlement:** ETPL applied for Other Distribution Revenue of \$933,058. As a result of the responses to the interrogatories ETPL acknowledged reductions of \$47,066 in other revenue. The reduction was a result of the year to date being smaller than originally forecast with such agreed to amount being the prorated amount reflective of the actual year to date revenue. The Parties agree for the purposes of settlement that Other Distribution Revenue of \$885,922 is appropriate.

**Evidence:** Exhibit 3, Tab 3, Schedules 1, 2  
Interrogatories:  
VECC#33, 34  
Undertaking: JT 3

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**3 e. Are the Specific Service Charges appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept that the proposed Specific Service Charges which are unchanged from ETPL's 2011 Rates and Tariff charges approved by the Board in EB-2010-0080. The Parties agree that revenue from Specific Service Charges of \$183,856 is appropriate for the purposes of settlement.

**Evidence:** Exhibit 1, Tab 1, Schedule 17  
Exhibit 3, Tab 3, Schedule 1

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**3 f. Is the calculation of the proposed Service and Distribution Revenue Requirements appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept ETPL's calculation of the proposed Service and Distribution Revenue Requirements as set forth in Appendix F to this Agreement.

**Evidence:** Exhibit 3, Tab 1, Schedules 1, 2 and 3  
Appendix F

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**4. Operating Costs (Exhibit 4)**

**4 a. Are the overall levels of OM&A budgets appropriate?**

**Complete Settlement:** ETPL has recalculated the OM&A as provided in Appendix K. For the purpose of obtaining complete settlement of all issues, the Parties accept the revised OM&A of \$5,660,594 as appropriate for the test year. The amount is reflective of a 2% annual compound increase in costs since 2008 Board Approved (ETPL) and 2008 Actual for (CPC and WPPI) and an adjustment for the savings from the amalgamation of CPC, WPPI and ETPL. The Parties agreed to an adjustment for savings attributable to the amalgamation of \$100,000. LEAP funding, \$11,825, was not included in the original Application but has been incorporated into this settlement along with \$18,532 for OM&A related to smart meters.

**Evidence:** Exhibit 4, Tab 1, Schedules 1 and 2  
Exhibit 4, Tab 2, Schedules 1, 2, 3, 4, 5, 6 and 7  
Exhibit 4, Tab 3, Schedules 1, 2 and 3  
Interrogatories:  
Board Staff #29 thru 45  
EP #24 thru 33  
SEC # 8, 9, 10, 11, 12, 13, 14, 15 and 16  
VECC # 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46 and 47  
Undertaking: JT12, JT13, JT14, JT15, JT16, JT17, JT18  
Appendix: K

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**4 b. Are the proposed Shared Services (including methodologies and Service Agreements) appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed shared services are appropriate.

**Evidence:** Exhibit 4, Tab 2, Schedule 4  
Response to Interrogatories  
Board Staff #35 and 36  
SEC# 16

VECC#44 and 45  
**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**4 c. Are the 2012 compensation costs and employee levels appropriate?**

**Complete Settlement:** For the purpose of Settlement of all the issues, and subject to the overall revised 2012 Test Year OM&A discussed above, the Parties accept the 2012 compensation costs and employee levels are appropriate.

**Evidence:** Exhibit 2, Tab 5, Schedule 1, 2  
Response to Interrogatories  
Board Staff # 30, 31, 40 and 42  
SEC# 9, 11, 12 13, 14, 15 and 16  
VECC#  
Undertakings: JT11  
Appendix: K

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**4 d. Is ETPL's capitalization policy and depreciation (policy and expenses) appropriate?**

**Complete Settlement:** ETPL utilizes the Board established rates for depreciation. ETPL has re-calculated in Appendix I the depreciation incorporating the change to the capital expenditures resulting from the inclusion of the Smart meters, the removal of the stranded meters and the adjustments resulting from EP interrogatory #28. For the purpose of obtaining complete settlement of all issues, the Parties accept for the Test Year the revised depreciation amount of \$2,030,082 and the current ETPL capitalization policy are appropriate.

**Evidence:** Exhibit 2, Tab 2, Schedules, 1, 2, 3, 4 and 5,  
Exhibit 4, Tab 2, Schedule 5,  
Interrogatories:  
Board Staff #34 and 42

EP #28  
SEC # 9  
VECC # 46 and 47  
Appendix I

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**4 e. Is the Test Year forecast of property taxes appropriate?**

**Complete Settlement:** ETPL has forecasted an amount of \$0 that will payable in the 2012 Tear Year. ETPL does not own its buildings. Property taxes are the responsibility of the Landlord and are subsumed in the rental payments. For the purpose of obtaining complete settlement of all issues, the Parties accepts ETPL's 2012 Tear Year forecast of property taxes is appropriate.

**Evidence:** Exhibit 4, Tab 2, Schedule 1 and 2  
Interrogatories:  
Board Staff #37  
EP # 24(a)  
Appendix K

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**4 f. Is the Test Year forecast of Payment in Lieu of Taxes ("PILs"), including methodology, appropriate?**

**Complete Settlement:** ETPL applied for a PILs amount of \$445,981 which was revised to \$331,221 to include a \$20,000 reduction in recognition of refunds/credits attributable to apprenticeship programs, changes to the CCA amount to reflect actual 2011 data and the other changes incorporated into this Settlement Agreement. For the purpose of obtaining complete settlement of all issues, the Parties accept ETPL's revised Test Year forecast of PILs as appropriate.

**Evidence:** Exhibit 4, Tab 3, Schedules 1, 2 and 3

Interrogatories

Board Staff #44 and 45.

EP # 30, 31, 32 and 33.

Undertakings: JT4

Appendix F and J

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**5. Cost of Capital and Rate of Return**

**5 a. Is the proposed Capital structure appropriate?**

**Complete Settlement:** ETPL has proposed the use of the Board's deemed capital structure for the purpose of setting rates with 40% equity, 56% long-term debt and 4% short-term debt. For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed capital structure for the test year as appropriate.

**Evidence:** Exhibit 5, Tab 1, Schedule 1, 2 and 3.

**Supporting parties:** ETPL, EP, SEC, and VECC

**Parties taking no position:** None

**Opposing parties:** None

**5 b. Is the Cost of Debt appropriate?**

**Complete Settlement:** ETPL has proposed the use of the Board's deemed cost of debt for both short and long term debt for the purpose of setting rates. ETPL has deemed short term debt to comprise 4% of the capital structure at a rate of 2.08% and long term debt to comprise 56% of the capital structure at a rate of 4.41% as provided in the Board's letter dated March 2, 2012 for a combined cost of debt of 4.255%. For the purpose of obtaining a complete settlement of all issues, the Parties accept the proposed cost of debt as appropriate for the test year.

**Evidence:** Exhibit 5, Tab 1, Schedule 3  
Interrogatories  
Board Staff# 46  
EP # 34  
SEC# 17 and 18  
VECC# 48  
Appendix G

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None



**5 c. Is the proposed Rate of Return on Equity appropriate?**

**Complete Settlement:** ETPL had utilized the adjusted Return on Equity of 9.12% as provided by the Board in its letter dated March 2, 2012 – Cost of Capital Parameter Updates for 2012 Cost of Service Applications in the Application. For the purpose of obtaining complete settlement of all issues, the Parties agree to the settlement of this issue and accept the use of the said ROE for the Test Year rate calculation.

**Evidence:** Exhibit 5, Tab 1, Schedule 2 and 3  
Interrogatories  
EP # 34  
VECC# 48  
Appendix: G

**Supporting parties:** ETPL, EP, SEC, VECC

**Parties taking no position:** None

**Opposing parties:** None

**7. Cost Allocation (Exhibit 7)**

**7 a. Is ETPL's cost allocation appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept the cost allocation as provided in Appendix N as appropriate.

Rate Class	Agreed to RC%	Cost Allocation %
Residential	107%	62.03%
General Service Less Than 50 kW	90%	12.57%
General Service 50 to 999 kW	80%	9.49%
General Service 1,000 to 4,999 kW	120%	5.79%
Large Use	115%	3.38%
Unmetered Scattered Load	80%	0.78%
Sentinel Lighting	84%	0.33%
Street Lighting	74%	3.79%
Embedded Distributor	105%	1.83%

**Evidence:** Exhibit 7, Tab 1, Schedule 2  
Response to Interrogatories  
Board Staff # 47 thru 59  
EP # 36 and 37  
SEC# 20  
VECC# 49, 50 and 51  
Undertakings:  
Appendix N

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**7 b. Are the proposed revenue-to-cost ratios appropriate?**

**Complete Settlement:** ETPL proposed revenue to cost ratios that are within the Board approved ranges. For the purpose of obtaining complete settlement of all issues, the Parties accept that the revenue-to-cost ratios as provided in Appendix N, which are based on the agreed-upon 2012 Test Year Revenue Requirement, are appropriate.

**Evidence:** Exhibit 7, Tab 3, Schedule 1  
Response to Interrogatories  
Board Staff #47 thru 59  
EP # 37  
SEC# 20  
VECC# 50 and 51  
Undertakings:  
Appendix: N

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**8. Rate Design (Exhibit 8)**

**8 a. Are the customer charges and the fixed-variable splits for each class appropriate?**

**Complete Settlement:** For the purposes of obtaining complete settlement of all issues, the Parties accept the customer charges and the fixed-variable splits for each class as detailed in the attached Appendices. The fixed charge for the GS>50 to 999 kW class was lowered to the ceiling charge resulting from the agreed to Cost Allocation model.

**Evidence:** Exhibit 8, Tab 1, Schedules 1 thru 11

Interrogatories:

Board Staff # 60 and 61

EP # 38 and 39

VECC #52, 53, 54 and 56

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**8 b. Are the proposed Retail Transmission Service and Low Voltage rates appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept the proposed Retail Transmission and Low Voltage rates as set out in Appendix L.

**Evidence:** Exhibit 8, Tab 1, Schedules 10 and 11

Interrogatories:

VECC #55

Appendix: L

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

## **9. Deferral and Variance Accounts (Exhibit 9)**

### **9 a. Is the proposal for the amounts, disposition and continuance of ETPL's Deferral and Variance accounts appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties agree to the disposition of the deferral and variance account balances below (December 31, 2010 plus interest) and as detailed in Appendix P. This does not include Smart meters which are considered separately as described in 9(b) below. The collection time for CPC customers has been extended to 4 years and the repayment of amounts has been set at 1 year.

Account	ETPL	Period	WPPI	Period	CPC	Period
	Disposition		Disposition		Disposition	
1550	\$ (324,979.76)	1 Year	\$ 125,204.01	1 Year	\$ 478,080.22	4 Years
1580	\$ (517,339.77)	1 Year	\$ 35,724.63	1 Year	\$ (5,045.13)	4 Years
1584	\$ 3,762.74	1 Year	\$ (47,167.37)	1 Year	\$ (43,052.40)	4 Years
1586	\$ (522,146.70)	1 Year	\$ (1,117,800.59)	1 Year	\$ (696,642.01)	4 Years
1588	\$ 669,392.73	1 Year	\$ 774,314.76	1 Year	\$ 1,018,523.74	4 Years
1588	\$ 965,208.15	1 Year	\$ (354,254.53)	1 Year	\$ (376,251.38)	1 Year
1590	\$ 289,395.16	1 Year	\$ (14,603.26)	1 Year	\$ 44,815.88	4 Years
1592	\$ 33,247.04	1 Year				
<b>SubTotal</b>	<b>\$ 596,539.59</b>		<b>\$ (598,582.35)</b>		<b>\$ 420,428.92</b>	
1508			\$ 105,974.15	1 Year	\$ 76,987.06	4 Years
1582	\$ 58,580.11	1 Year	\$ 7,705.86	1 Year	\$ 1,557.82	4 Years
1521	\$ 985.97	1 Year	\$ 150.79	1 Year	\$ 90.76	4 Years
<b>SubTotal</b>	<b>\$ 59,566.08</b>		<b>\$ 113,830.80</b>		<b>\$ 78,635.64</b>	
<b>Grand total</b>	<b>\$ 656,105.67</b>		<b>\$ (484,751.55)</b>		<b>\$ 499,064.56</b>	

**Evidence:** Exhibit 9, Tabs 1, Schedule 1, 2, 3 and 4  
Interrogatories:  
Board Staff # 62, 63, 64 and 65  
VECC # 57  
Appendix P

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None.

**Opposing parties:** None

**Opposing parties:** None

**9 b. Is the Smart Meter disposition rider appropriate?**

**Complete Settlement:** The initial ETPL application did not incorporate the Smart meters into rate base nor remove the stranded meters from rate base. ETPL has updated its evidence and the Parties are relying upon ETPL to have accurately reflected in Appendix M the disposition of certain costs related to Smart Meters including for the rate rider for the stranded meters as set out below which is to be recovered over 2 years. For the purpose of settlement of all issues, the Parties accept as appropriate the disposition of Smart meter costs as provided in Appendix M.

Rate Class	Rider (\$/month)	Recovery Period
Residential	\$0.23	2 years
GS<50kW	\$0.66	2 years
GS>50kw to 999kW	\$0.66	2 years

NBV of Stranded Meters	\$813,649.89					
	Customers	2008 17.1 Cost	Percentages	Allocation \$	Cost Per Customer	2 Year Recovery
Residential	16,461	603,750	66%	\$535,646.19	\$ 32.54	\$ 1.36
GS<50 kW	1,860	85,650	9%	\$ 75,988.56	\$ 40.85	\$ 1.70
GS>50 to 999 kW	175	227,700	25%	\$202,015.13	\$ 1,154.37	\$ 48.10
	18,496	917,100	1	\$813,649.89		

**Evidence:** Exhibit 9, Tabs 1, Schedule 1, 2, 3 and 4  
Interrogatories  
Board Staff # 66 thru 80  
EP # 1  
VECC# 58, 59, 60 and 61  
Undertaking: JT5, JT21 and JT 22  
Appendix: M and P

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**9. c. Is the PILs Disposition Calculation appropriate?**

**Complete Settlement:** The underlying information regarding this issue relates to a time period prior to the purchase of WPPI and CPC by ETPL's shareholder and the amalgamation. The information necessary to complete the submission for WPPI and CPC is not in ETPL's possession as it pertains to years that preceded the amalgamation by several years. ETPL has requested information regarding WPPI and CPC necessary to

complete the calculation of the PILs Disposition from the Canada Revenue Agency but has yet to receive such information. ETPL has requested rate model information from Board Staff regarding WPPI and CPC in order that the PILs Disposition may be calculated.

For the purpose of obtaining complete settlement of all issues, the Parties that the PILs Disposition for each of CPC, WPPI and ETPL should be considered together. The Parties submit that considering all of ETPL, CPC and WPPI together will be more a more efficient use of resources and will avoid unnecessary customer confusion. As such the Parties would recommend the Board defer consideration of this issue to the 2013 IRM proceeding.

**Evidence:** Exhibit 9, Tabs 1, Schedule 6  
Undertaking JT16

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

**10. LRAM and SSM**

**10. Is the proposal for LRAM and SSM appropriate?**

**Complete Settlement:** For the purpose of obtaining complete settlement of all issues, the Parties accept ETPL's LRAM and SSM calculations as appropriate.

**Evidence:** Exhibit 10, Tabs 1, Schedule 1, 2, 3 and 4  
Interrogatories  
Board Staff #81 and 82  
VECC# 62, 63, 64, 65 and 66  
Undertaking: JT2  
Appendix: O

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None



**11. Rate Mitigation**

**11. Is the rate mitigation proposal appropriate?**

**Complete Settlement:** In the application, ETPL had proposed mitigation to certain customers within the CPC service territory. Given the magnitude of the proposed rate changes provided herein, the Parties agree that the rate impacts can be managed through extending the recovery of the deferral and variance accounts and that additional mitigation is not required.

**Evidence:** Exhibit 11, Tabs 1, Schedule 1, 2 and 3  
Interrogatories  
Board Staff #83 and 84  
VECC# 67, 68 and 69  
Undertaking: JT4  
Appendices: B, C and D

**Supporting parties:** ETPL, EP, SEC and VECC

**Parties taking no position:** None

**Opposing parties:** None

## **Appendix A**

### **Issues List**

- 1 a. Has ETPL responded appropriately to all relevant Board directions from previous proceedings?
- 1 b. Are ETPL's planning assumptions (asset condition, economic, business, etc.) appropriate?
- 1 c. Is service quality, based on the Board specified performance assumptions for 2013, appropriate?
- 1 d. What is the appropriate effective and implementation date?
- 2 a. Are the amounts proposed for the Rate Base appropriate?
- 2 b. Has the Working Capital Allowance been determined appropriately?
- 2 c. Are the amounts proposed for Capital Expenditures appropriate?
- 2 d. Are the amounts proposed for Depreciation appropriate?
- 2 e. Is ETPL's Green Energy Plan appropriate?
- 3 a. Are the customer and load forecasts (including methodology and weather normalization) appropriate?
- 3 b. Is the impact of CDM initiatives suitably reflected in the load forecast?
- 3 c. Are the proposed Loss Factors suitably reflected in the load forecast?
- 3 d. Is the proposed amount for Other Revenue appropriate?
- 3 e. Are the Specific Service Charges appropriate?
- 3 f. Is the calculation of the proposed Service and Distribution Revenue Requirements appropriate?
- 4 a. Are the overall levels of OM&A budgets appropriate?
- 4 b. Are the proposed Shared Services (including methodologies and Service Agreements) appropriate?
- 4 c. Are the 2012 compensation costs and employee levels appropriate?

- 4 d. Is ETPL's capitalization policy and depreciation (policy and expenses) appropriate?
- 4 e. Is the Test Year forecast of property taxes appropriate?
- 4 f. Is the Test Year forecast of Payment in Lieu of Taxes ("PILs"), including methodology, appropriate?
- 5 a. Is the proposed Capital structure appropriate?
- 5 b. Is the Cost of Debt appropriate?
- 5 c. Is the proposed Rate of Return on Equity appropriate?
- 7 a. Is ETPL's cost allocation appropriate?
- 7 b. Are the proposed revenue-to-cost ratios appropriate?
- 8 a. Are the customer charges and the fixed-variable splits for each class appropriate?
- 8 b. Are the proposed Retail Transmission Service and Low Voltage rates appropriate?
- 9 a. Is the proposal for the amounts, disposition and continuance of ETPL's Deferral and Variance accounts appropriate?
- 9 b. Is the Smart Meter disposition rider appropriate?
- 9. c. Is the PILs Disposition Calculation appropriate?
- 10. Is the proposal for LRAM and SSM appropriate?
- 11. Is the rate mitigation proposal appropriate?

**APPENDIX B**

**ETPL 2012 Tariff of Rates and Charges**

**Erie Thames Powerlines Corporation**  
**Tariff of Rates and Charges**  
**Effective May 1, 2012**  
**Implementation December 1st 2012**

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

<b>Residential</b>	<b>UOM</b>	<b>Rate</b>
Service Charge	\$	\$15.21
Smart Meter Charge Disposition Charge	\$	\$0.23
Stranded Meter Recovery Charge	\$	\$1.36
Distribution Volumetric Rate	\$/kWh	\$0.0178
Low Voltage Service Rate	\$/kWh	\$0.0021
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0004
CPC Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0006
WPPI Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0005
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kWh	\$0.0038
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	-\$0.0008
CPC Rate Rider for Global Adjustment Sub-Account effective One years from Implementation	\$/kWh	-\$0.0145
CPC Rate Rider for Deferral/Variance Account Disposition effective Four Years from Implementation	\$/kWh	\$0.0073
WPPI Rate Rider for Global Adjustment Sub-Account effective One Year from Implementaton	\$/kWh	-\$0.0066
WPPI Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	-\$0.0013
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0059
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0040
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
<b>GS&lt;50 kW</b>		
Service Charge	\$	\$20.95
Smart Meter Charge Disposition Charge	\$	\$0.6594
Stranded Meter Recovery Charge	\$	\$1.7023
Distribution Volumetric Rate	\$/kWh	\$0.0136
Low Voltage Service Rate	\$/kWh	\$0.0020
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0005
CPC Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0004
WPPI Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0003
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kWh	\$0.0038
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	-\$0.0008
CPC Rate Rider for Global Adjustment Sub-Account effective Four years from Implementation	\$/kWh	-\$0.0145
CPC Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	\$0.0073
WPPI Rate Rider for Global Adjustment Sub-Account effective One Year from Implementaton	\$/kWh	-\$0.0066
WPPI Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	-\$0.0010
Rate Rider for Tax Change effective until April 30 2012	\$/kWh	-\$0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0036
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**GS>50 to 999 kW**

Service Charge	\$	\$120.23
Smart Meter Charge Disposition Charge	\$	\$0.6594
Stranded Meter Recovery Charge	\$	\$48.0988
Distribution Volumetric Rate	\$/kW	\$2.9168
Low Voltage Service Rate	\$/kW	\$0.7099
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.2647
CPC Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.3475
WPPI Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.0501
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kW	\$2.6824
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.5957
CPC Rate Rider for Global Adjustment Sub-Account effective One year from Implementation	\$/kW	-\$4.8781
CPC Rate Rider for Deferral/Variance Account Disposition effective Four Years from Implementation	\$/kW	\$2.4601
WPPI Rate Rider for Global Adjustment Sub-Account effective One Year from Implementaton	\$/kW	-\$2.9573
WPPI Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.5957
Retail Transmission Rate – Network Service Rate	\$/kW	\$2.4575
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.2953
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**GS>1000 to 4999 kW**

Service Charge	\$	\$2,385.05
Distribution Volumetric Rate	\$/kW	\$3.9632
Low Voltage Service Rate	\$/kW	\$0.7635
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.2449
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kW	\$2.1192
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.4706
Retail Transmission Rate – Network Service Rate	\$/kW	\$2.6692
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.3929
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**Large Use**

Service Charge	\$	\$9,741.16
Distribution Volumetric Rate	\$/kW	\$1.7905
Low Voltage Service Rate	\$/kW	\$0.0733
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.1790
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kW	\$2.1775
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.4835
Retail Transmission Rate – Network Service Rate	\$/kW	\$2.9591
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.5800
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**Street Lighting**

Service Charge	\$	\$3.80
Distribution Volumetric Rate	\$/kW	\$22.0950
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.3222
CPC Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.2428
WPPI Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.3688
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kW	\$2.7504
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.5787
CPC Rate Rider for Global Adjustment Sub-Account effective One year from Implementation	\$/kW	-\$5.3587
CPC Rate Rider for Deferral/Variance Account Disposition effective Four Years from Implementation	\$/kW	\$2.6990
WPPI Rate Rider for Global Adjustment Sub-Account effective One Year from Implementaton	\$/kW	-\$2.4322
WPPI Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.8059
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.8979
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.6533
Wholesale Market Service Rate	\$/kW	\$0.0052
Rural Rate Protection Charge	\$/kW	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**Sentinel Lighting**

Service Charge	\$	\$5.25
Distribution Volumetric Rate	\$/kW	\$14.7326
Low Voltage Service Rate	\$/kW	\$0.5482
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.1392
CPC Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.1160
WPPI Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.3933
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kW	\$0.0000
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.3088
CPC Rate Rider for Global Adjustment Sub-Account effective One year from Implementation	\$/kW	-\$5.3518
CPC Rate Rider for Deferral/Variance Account Disposition effective Four Years from Implementation	\$/kW	\$2.7025
WPPI Rate Rider for Global Adjustment Sub-Account effective One Year from Implementaton	\$/kW	-\$1.8221
WPPI Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.6037
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.8979
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.0003
Wholesale Market Service Rate	\$/kW	\$0.0052
Rural Rate Protection Charge	\$/kW	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**Embedded Distributor**

Service Charge	\$	\$2,219.86
Distribution Volumetric Rate	\$	\$3.8186
Low Voltage Service Rate	\$/kW	\$0.5482
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kW	\$0.2153
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kW	\$2.7806
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kW	-\$0.6175
Retail Transmission Rate – Network Service Rate	\$/kW	\$3.5709
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.8369
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**Unmetered Scattered Load**

Service Charge	\$	\$3.00
Distribution Volumetric Rate	\$/kWh	\$0.1074
Low Voltage Service Rate	\$/kWh	\$0.0020
ETPL Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0003
CPC Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0005
WPPI Rate Rider LRAM and SSM Effective Two Years from Implementation	\$/kWh	\$0.0003
ETPL Rate Rider for Global Adjustment Sub-Account effective One Year from Implementation	\$/kWh	\$0.0038
ETPL Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	-\$0.0008
CPC Rate Rider for Global Adjustment Sub-Account effective One year from Implementation	\$/kWh	-\$0.0145
CPC Rate Rider for Deferral/Variance Account Disposition effective Four Years from Implementation	\$/kWh	\$0.0073
WPPI Rate Rider for Global Adjustment Sub-Account effective One Year from Implementaton	\$/kWh	-\$0.0066
WPPI Rate Rider for Deferral/Variance Account Disposition effective One Year from Implementation	\$/kWh	-\$0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0036
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

**microFIT Genertator Service Classification**

Service Charge	\$	\$5.2500
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Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank Charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special Meter Reads	\$	30.00
Meter dispute charge plus Measurement Canada Fees (if meter found correct)	\$	30.00

Late Payment - Per month	%	1.50
Late Payment - Per annum	%	19.56
Collection of account charge-no disconnection	\$	30.00
Collection of account charge-no disconnection after regular hours	\$	165.00
Disconnect/Reconnect at meter-during regular hours	\$	65.00
Disconnect/Reconnect at meter-after regular hours	\$	185.00
Disconnect/Reconnect at pole-during regular hours	\$	185.00

Temporary Service Install & Remove - overhead - no transformer	\$	500.00
Temporary Service Install & Remove - underground - no transformer	\$	300.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

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



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)
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
Total Loss Factor -- Secondary Metered Customer < 5,000 kW		1.0451
Total Loss Factor -- Secondary Metered Customer > 5,000 kW		1.0161
Total Loss Factor -- Primary Metered Customer < 5,000 kW		1.0347
Total Loss Factor -- Primary Metered Customer >5,000 kW		1.0060

## **APPENDIX C**

### **Bill Impact Summaries**

Class Erie Thames	Consumption kWh	Consumption kW	May 2011 Bill	May 2012 Bill	Difference \$	Bill Impact %	Max	Min
Residential	100		\$ 27.10	\$ 27.49	\$ 0.39	1.44%	1.4%	-0.2%
	250		\$ 42.75	\$ 43.06	\$ 0.31	0.73%		
	500		\$ 68.83	\$ 69.04	\$ 0.21	0.31%		
Average Customer	750		\$ 100.13	\$ 100.20	\$ 0.07	0.07%		
	1,000		\$ 121.00	\$ 120.97	\$ (0.03)	-0.02%		
	1,500		\$ 173.17	\$ 172.91	\$ (0.26)	-0.15%		
	2,000		\$ 225.33	\$ 224.84	\$ (0.49)	-0.22%		
General Service Less Than 50 kW	1,000		\$ 120.68	\$ 122.08	\$ 1.40	1.2%	1.2%	-0.6%
	1,500		\$ 220.46	\$ 220.48	\$ 0.02	0.0%		
Average Customer	5,000		\$ 518.27	\$ 516.32	\$ (1.95)	-0.4%		
	10,000		\$ 1,015.25	\$ 1,009.12	\$ (6.13)	-0.6%		
GS>50 to 999 kW	50,000	60	\$ 3,689.92	\$ 3,574.21	\$ (115.71)	-3.1%	-2.1%	-15.7%
	50,000	100	\$ 4,026.72	\$ 3,942.04	\$ (84.68)	-2.1%		
Average Customer	50,000	500	\$ 4,455.13	\$ 3,757.36	\$ (697.77)	-15.7%		
	50,000	1,000	\$ 8,694.71	\$ 7,343.28	\$ (1,351.43)	-15.5%		
GS>1000 to 4999 kW	75,000	1,000	\$ 18,017.52	\$ 17,866.41	\$ (151.11)	-0.8%	-0.8%	-9.7%
	75,000	1,250	\$ 21,885.63	\$ 20,121.82	\$ (1,763.81)	-8.1%		
Average Customer	75,000	2,500	\$ 31,858.45	\$ 28,943.11	\$ (2,915.34)	-9.2%		
	75,000	3,500	\$ 41,831.27	\$ 37,764.40	\$ (4,066.87)	-9.7%		
Large Use	100,000	6,000	\$ 78,463.85	\$ 66,552.38	\$ (11,911.47)	-15.2%	-15.2%	-15.2%
Unmetered Scattered Load - Avg Customer	100		\$ 12.32	\$ 22.71	\$ 10.39	84.3%		
Street Lighting - Avg Customer	25	1	\$ 22.73	\$ 29.29	\$ 6.56	28.9%		
Sentinel	50	1	\$ 19.97	\$ 18.58	\$ (1.39)	-7.0%		
Embedded Distributor	280,000	2,000	\$ 39,615.70	\$ 44,249.22	\$ 4,633.52	11.7%		

Class West Perth	Consumption kWh	Consumption kW	May 2011 Bill	May 2012 Bill	Difference \$	Bill Impact %	Max	Min
Residential	100		\$ 24.89	\$ 27.66	\$ 2.77	11.13%	11.1%	8.3%
	250		\$ 39.24	\$ 43.15	\$ 3.91	9.96%		
	500		\$ 63.14	\$ 68.95	\$ 5.81	9.20%		
Average Customer	800		\$ 91.83	\$ 99.92	\$ 8.09	8.81%		
	1,000		\$ 110.95	\$ 120.57	\$ 9.62	8.67%		
	1,500		\$ 158.76	\$ 172.19	\$ 13.43	8.46%		
	2,000		\$ 206.57	\$ 223.80	\$ 17.23	8.34%		
General Service Less Than 50 kW	1,000		\$ 112.28	\$ 122.09	\$ 9.81	8.7%	8.7%	0.8%
	2,000		\$ 210.59	\$ 220.22	\$ 9.63	4.6%		
Average Customer	5,000		\$ 505.52	\$ 514.61	\$ 9.09	1.8%		
	10,000		\$ 997.06	\$ 1,005.26	\$ 8.20	0.8%	7.3%	1.1%
GS>50 to 999 kW	50,000	60	\$ 3,913.45	\$ 3,954.91	\$ 41.46	1.1%		
	50,000	250	\$ 4,061.37	\$ 4,244.75	\$ 183.38	4.5%		
Average Customer	50,000	500	\$ 6,776.29	\$ 7,143.17	\$ 366.88	5.4%		
	50,000	1,000	\$ 10,029.52	\$ 10,766.20	\$ 736.68	7.3%		
Unmetered Scattered Load - Avg Customer	600		\$ 65.26	\$ 119.72	\$ 54.46	83.5%		
Street Lighting - Avg Customer	25	1	\$ 19.44	\$ 24.89	\$ 5.45	28.0%		
Sentinel	50	1	\$ 10.15	\$ 20.83	\$ 10.68	105.2%		

Class Clinton Power	Consumption kWh	Consumption kW	May 2011 Bill	May 2012 Bill	Difference \$	Bill Impact %	Max	Min
Residential	100		\$ 24.16	\$ 28.57	\$ 4.41	18.25%	18.3%	10.8%
Average Customer	250		\$ 39.50	\$ 45.43	\$ 5.93	15.01%		
	500		\$ 65.05	\$ 73.52	\$ 8.47	13.02%		
	800		\$ 95.72	\$ 107.23	\$ 11.51	12.02%		
	1,000		\$ 116.17	\$ 129.71	\$ 13.54	11.66%		
	1,500		\$ 167.29	\$ 185.89	\$ 18.60	11.12%		
	2,000		\$ 218.41	\$ 242.08	\$ 23.67	10.84%		
General Service Less Than 50 kW	1,000		\$ 126.58	\$ 130.81	\$ 4.23	3.3%	6.1%	3.3%
Average Customer	2,000		\$ 226.94	\$ 237.66	\$ 10.72	4.7%		
	5,000		\$ 528.04	\$ 558.22	\$ 30.18	5.7%		
		10,000		\$ 1,029.87	\$ 1,092.46	\$ 62.59	6.1%	
GS>50 to 999 kW	50,000	60	\$ 4,013.65	\$ 4,152.53	\$ 138.88	3.5%	7.0%	3.5%
Average Customer	50,000	100	\$ 4,402.14	\$ 4,574.11	\$ 171.97	3.9%		
	50,000	500	\$ 8,287.10	\$ 8,789.66	\$ 502.56	6.1%		
	50,000	1,000	\$ 13,143.29	\$ 14,059.80	\$ 916.51	7.0%		
	600		\$ 74.24	\$ 124.65	\$ 50.41	67.9%		
Unmetered Scattered Load - Avg Customer	25	1	\$ 22.46	\$ 27.67	\$ 5.21	23.2%		
Street Lighting - Avg Customer	25	1	\$ 22.46	\$ 27.67	\$ 5.21	23.2%		
Sentinel	50	1	\$ 6.15	\$ 23.40	\$ 17.25	280.5%		

## **APPENDIX D**

### **Bill Impact Comparison (Application vs Settlement)**

			Application	Application	Settlement	Settlement	Change	Change
	Consumption	Consumption	Difference	Bill Impact	Difference	Bill Impact	Difference	Bill Impact
	kWh	kW	\$	%	\$	%	\$	%
Residential	100		\$ 0.45	1.65%	\$ 0.39	1.44%	\$ (0.06)	-0.2%
	250		\$ (0.27)	-0.63%	\$ 0.31	0.73%	\$ 0.58	1.4%
	500		\$ (1.42)	-2.04%	\$ 0.21	0.31%	\$ 1.63	2.4%
Average Customer	750		\$ (2.82)	-2.79%	\$ 0.07	0.07%	\$ 2.89	2.9%
	1,000		\$ (3.75)	-3.07%	\$ (0.03)	-0.02%	\$ 3.72	3.0%
	1,500		\$ (6.08)	-3.47%	\$ (0.26)	-0.15%	\$ 5.82	3.3%
	2,000		\$ (8.40)	-3.69%	\$ (0.49)	-0.22%	\$ 7.91	3.5%
General Service Less Than 50 kW	1,000		\$ 2.60	2.1%	\$ 1.40	1.2%	\$ (1.20)	-1.0%
	1,500		\$ 2.71	1.2%	\$ 0.02	0.0%	\$ (2.69)	-1.2%
Average Customer	5,000		\$ 4.56	0.9%	\$ (1.95)	-0.4%	\$ (6.51)	-1.2%
	10,000		\$ 6.99	0.7%	\$ (6.13)	-0.6%	\$ (13.12)	-1.3%
GS>50 to 999 kW	50,000	60	\$ 96.62	2.6%	\$ (115.71)	-3.1%	\$ (212.33)	-5.7%
	50,000	100	\$ 150.85	3.7%	\$ (84.68)	-2.1%	\$ (235.53)	-5.8%
Average Customer	50,000	500	\$ 693.01	9.1%	\$ (697.77)	-15.7%	\$ (1,390.78)	-24.8%
	50,000	1,000	\$ 1,370.71	11.4%	\$ (1,351.43)	-15.5%	\$ (2,722.14)	-26.9%
GS>1000 to 4999 kW	75,000	1,000	\$ (990.02)	-5.5%	\$ (151.11)	-0.8%	\$ 838.91	4.7%
	75,000	1,250	\$ (2,725.68)	-12.5%	\$ (1,763.81)	-8.1%	\$ 961.87	4.4%
Average Customer	75,000	2,500	\$ (4,834.32)	-15.2%	\$ (2,915.34)	-9.2%	\$ 1,918.98	6.0%
	75,000	3,500	\$ (6,942.97)	-16.6%	\$ (4,066.87)	-9.7%	\$ 2,876.10	6.9%
Large Use	100,000	6,000	\$ (12,404.86)	-15.3%	\$ (11,911.47)	-15.2%	\$ 493.39	0.1%
Unmetered Scattered Load - Avg Customer	100		\$ 12.96	104.0%	\$ 10.39	84.3%	\$ (2.57)	-19.7%
Street Lighting - Avg Customer	25	1	\$ 0.22	0.9%	\$ 6.56	28.9%	\$ 6.34	27.9%
Sentinel	50	1	\$ (0.68)	-3.4%	\$ (1.39)	-7.0%	\$ (0.71)	-3.6%
Embedded Distributor	280,000	2,000	\$ 2,522.17	8.7%	\$ 4,633.52	11.7%	\$ 2,111.35	3.0%

**APPENDIX E**

**ETPL 2012 Revenue Deficiency**





Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$416,031		\$1,690,075		\$1,690,075
2	Distribution Revenue	\$8,403,654	\$8,504,682	\$7,442,790	\$7,396,966	\$7,442,790	\$7,396,966
3	Other Operating Revenue	\$933,058	\$933,058	\$885,992	\$885,992	\$885,992	\$885,992
	Offsets - net						
4	<b>Total Revenue</b>	<b>\$9,336,712</b>	<b>\$9,853,772</b>	<b>\$8,328,782</b>	<b>\$9,973,033</b>	<b>\$8,328,782</b>	<b>\$9,973,033</b>
5	Operating Expenses	\$7,489,262	\$7,489,262	\$7,690,676	\$7,690,676	\$7,690,676	\$7,690,676
6	Deemed Interest Expense	\$789,837	\$789,837	\$803,302	\$803,302	\$803,302	\$803,302
	<b>Total Cost and Expenses</b>	<b>\$8,279,099</b>	<b>\$8,279,099</b>	<b>\$8,493,978</b>	<b>\$8,493,978</b>	<b>\$8,493,978</b>	<b>\$8,493,978</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$1,057,613</b>	<b>\$1,574,673</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>
8	Tax Adjustments to Accounting Income per 2009 PILs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Taxable Income</b>	<b>\$1,057,613</b>	<b>\$1,574,673</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>
10	Income Tax Rate	23.41%	23.41%	23.41%	23.41%	23.41%	23.41%
11	<b>Income Tax on Taxable Income</b>	<b>\$247,567</b>	<b>\$368,601</b>	<b>(\$38,669)</b>	<b>\$346,219</b>	<b>(\$38,669)</b>	<b>\$346,219</b>
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
13	<b>Utility Net Income</b>	<b>\$810,046</b>	<b>\$1,128,692</b>	<b>(\$146,527)</b>	<b>\$1,147,934</b>	<b>(\$146,527)</b>	<b>\$1,147,934</b>
14	<b>Utility Rate Base</b>	<b>\$30,940,024</b>	<b>\$30,940,024</b>	<b>\$31,467,480</b>	<b>\$31,467,480</b>	<b>\$31,467,480</b>	<b>\$31,467,480</b>
	Deemed Equity Portion of Rate Base	\$12,376,010	\$12,376,010	\$12,586,992	\$12,586,992	\$12,586,992	\$12,586,992
15	Income/(Equity Portion of Rate Base)	6.55%	9.12%	-1.16%	9.12%	-1.16%	9.12%
16	Target Return - Equity on Rate Base	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%
17	Deficiency/Sufficiency in Return on Equity	-2.57%	0.00%	-10.28%	0.00%	-10.28%	0.00%
18	Indicated Rate of Return	5.17%	6.20%	2.09%	6.20%	2.09%	6.20%
19	Requested Rate of Return on Rate Base	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
20	Deficiency/Sufficiency in Rate of Return	-1.03%	0.00%	-4.11%	0.00%	-4.11%	0.00%
21	Target Return on Equity	\$1,128,692	\$1,128,692	\$1,147,934	\$1,147,934	\$1,147,934	\$1,147,934
22	Revenue Deficiency/(Sufficiency)	\$318,646	\$0	\$1,294,460	\$0	\$1,294,460	\$0
23	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$416,031 (1)</b>		<b>\$1,690,075 (1)</b>		<b>\$1,690,075 (1)</b>	

**Notes:**

(1)

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

**APPENDIX F**

**ETPL 2012 Revenue Requirement Work Form**



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

Choose Your Utility:

Erie Thames Powerlines Corporation  
Espanola Regional Hydro Distribution Corporation  
Essex Powerlines Corporation

File Number:

EB-2012-0121

Rate Year:

2012

### Application Contact Information

Name:

Graig Pettit

Title:

Manager of Finance and Regulatory Affairs

Phone Number:

519-485-1820

Email Address:

gpettit@eriethamespower.com

### Copyright

*This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of your application, any subsequent updates and 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.*



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[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

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[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

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

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

**Notes:**

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

**REVENUE REQUIREMENT  
WORK FORM**

Version 2.20

**Erie Thames Powerlines Corporation  
Data Input <sup>(1)</sup>**

	Initial Application	Adjustments	Settlement Agreement	(6)	Adjustments	Per Board Decision
<b>1</b>						
<b>Rate Base</b>						
Gross Fixed Assets (average)	\$39,225,360	\$2,037,722	\$ 41,263,081			\$41,263,081
Accumulated Depreciation (average)	(\$14,687,643)	(\$145,886)	(\$14,833,530)			(\$14,833,530)
<b>Allowance for Working Capital:</b>						
Controllable Expenses	\$5,730,237	(\$69,643)	\$ 5,660,594			\$5,660,594
Cost of Power	\$36,951,817	(\$3,859,110)	\$ 33,092,706			\$33,092,706
Working Capital Rate (%)	15.00%		13.00%			13.00%
<b>2</b>						
<b>Utility Income</b>						
Operating Revenues:						
Distribution Revenue at Current Rates	\$8,403,654	(\$960,864)	\$7,442,790			
Distribution Revenue at Proposed Rates	\$8,920,714	\$166,327	\$9,087,041			
<b>Other Revenue:</b>						
Specific Service Charges	\$595,805	(\$411,949)	\$183,856			
Late Payment Charges	\$143,440	\$0	\$143,440			
Other Distribution Revenue	\$156,609	\$308,344	\$464,953			
Other Income and Deductions	\$37,204	\$56,539	\$93,743			
Total Revenue Offsets	\$933,058	(\$47,066)	\$885,992			
<b>Operating Expenses:</b>						
OM+A Expenses	\$5,730,237	(\$69,643)	\$ 5,660,594			\$5,660,594
Depreciation/Amortization	\$1,759,025	\$271,057	\$ 2,030,082			\$2,030,082
Property taxes						
Other expenses						
<b>3</b>						
<b>Taxes/PILs</b>						
Taxable Income:	\$ -	(3)				
Adjustments required to arrive at taxable income						
<b>Utility Income Taxes and Rates:</b>						
Income taxes (not grossed up)	\$341,585		\$253,612			
<b>Income taxes (grossed up)</b>	\$445,981		\$331,121			
Federal tax (%)	15.00%		15.00%			
Provincial tax (%)	8.41%		8.41%			
Income Tax Credits	\$ -		\$20,000			
<b>4</b>						
<b>Capitalization/Cost of Capital</b>						
<b>Capital Structure:</b>						
Long-term debt Capitalization Ratio (%)	56.0%		56.0%			
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0%	(2)		(2)
Common Equity Capitalization Ratio (%)	40.0%		40.0%			
Preferred Shares Capitalization Ratio (%)						
	100.0%		100.0%			
<b>Cost of Capital</b>						
Long-term debt Cost Rate (%)	4.41%		4.41%			
Short-term debt Cost Rate (%)	2.08%		2.08%			
Common Equity Cost Rate (%)	9.12%		9.12%			
Preferred Shares Cost Rate (%)						

**Notes:**

**General** Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

(1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)

(2) 4.0% unless an Applicant has proposed or been approved for another amount.

(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.

(7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Rate Base and Working Capital

#### Rate Base

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$39,225,360	\$2,037,722	\$41,263,081	\$ -	\$41,263,081
2	Accumulated Depreciation (average)	(3)	(\$14,687,643)	(\$145,886)	(\$14,833,530)	\$ -	(\$14,833,530)
3	Net Fixed Assets (average)	(3)	\$24,537,716	\$1,891,835	\$26,429,551	\$ -	\$26,429,551
4	Allowance for Working Capital	(1)	\$6,402,308	(\$1,364,379)	\$5,037,929	\$ -	\$5,037,929
5	<b>Total Rate Base</b>		<b>\$30,940,024</b>	<b>\$527,456</b>	<b>\$31,467,480</b>	<b>\$ -</b>	<b>\$31,467,480</b>

#### Allowance for Working Capital - Derivation

(1)

6	Controllable Expenses		\$5,730,237	(\$69,643)	\$5,660,594	\$ -	\$5,660,594
7	Cost of Power		\$36,951,817	(\$3,859,110)	\$33,092,706	\$ -	\$33,092,706
8	Working Capital Base		\$42,682,054	(\$3,928,753)	\$38,753,300	\$ -	\$38,753,300
9	Working Capital Rate %	(2)	15.00%	-2.00%	13.00%	0.00%	13.00%
10	Working Capital Allowance		\$6,402,308	(\$1,364,379)	\$5,037,929	\$ -	\$5,037,929

#### Notes

(2)

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

(3)

Average of opening and closing balances for the year.



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Utility Income

Line No.	Particulars	Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
<b>Operating Revenues:</b>						
1	Distribution Revenue (at Proposed Rates)	\$8,920,714	\$166,327	\$9,087,041	\$ -	\$9,087,041
2	Other Revenue (1)	\$933,058	(\$47,066)	\$885,992	\$ -	\$885,992
3	Total Operating Revenues	\$9,853,772	\$119,261	\$9,973,033	\$ -	\$9,973,033
<b>Operating Expenses:</b>						
4	OM+A Expenses	\$5,730,237	(\$69,643)	\$5,660,594	\$ -	\$5,660,594
5	Depreciation/Amortization	\$1,759,025	\$271,057	\$2,030,082	\$ -	\$2,030,082
6	Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$7,489,262	\$201,414	\$7,690,676	\$ -	\$7,690,676
10	Deemed Interest Expense	\$789,837	\$13,465	\$803,302	\$ -	\$803,302
11	Total Expenses (lines 9 to 10)	\$8,279,099	\$214,879	\$8,493,978	\$ -	\$8,493,978
12	Utility income before income taxes	\$1,574,673	(\$95,618)	\$1,479,055	\$ -	\$1,479,055
13	Income taxes (grossed-up)	\$445,981	(\$114,859)	\$331,121	\$ -	\$331,121
14	Utility net income	\$1,128,692	\$19,242	\$1,147,934	\$ -	\$1,147,934
<b>Other Revenues / Revenue Offsets</b>						
<b>Notes</b>						
(1)	Specific Service Charges	\$595,805	(\$411,949)	\$183,856		\$183,856
	Late Payment Charges	\$143,440	\$0	\$143,440		\$143,440
	Other Distribution Revenue	\$156,609	\$308,344	\$464,953		\$464,953
	Other Income and Deductions	\$37,204	\$56,539	\$93,743		\$93,743
	Total Revenue Offsets	\$933,058	(\$47,066)	\$885,992	\$ -	\$885,992





Ontario Energy Board

**REVENUE REQUIREMENT  
WORK FORM**

Version 2.20

Erie Thames Powerlines Corporation  
Taxes/PILs

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
<b><u>Determination of Taxable Income</u></b>				
1	Utility net income before taxes	\$1,128,692	\$1,147,934	\$1,147,934
2	Adjustments required to arrive at taxable utility income	\$ -	\$ -	\$ -
3	Taxable income	<u>\$1,128,692</u>	<u>\$1,147,934</u>	<u>\$1,147,934</u>
<b><u>Calculation of Utility income Taxes</u></b>				
4	Income taxes	\$341,585	\$253,612	\$253,612
6	Total taxes	<u>\$341,585</u>	<u>\$253,612</u>	<u>\$253,612</u>
7	Gross-up of Income Taxes	<u>\$104,396</u>	<u>\$77,509</u>	<u>\$77,509</u>
8	Grossed-up Income Taxes	<u>\$445,981</u>	<u>\$331,121</u>	<u>\$331,121</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$445,981</u>	<u>\$331,121</u>	<u>\$331,121</u>
10	Other tax Credits	\$ -	\$20,000	\$20,000
<b><u>Tax Rates</u></b>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	8.41%	8.41%	8.41%
13	Total tax rate (%)	<u>23.41%</u>	<u>23.41%</u>	<u>23.41%</u>

**Notes**





# Ontario Energy Board REVENUE REQUIREMENT WORK FORM

Version 2.20

## Erie Thames Powerlines Corporation Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$17,326,414	4.41%	\$764,095
2	Short-term Debt	4.00%	\$1,237,601	2.08%	\$25,742
3	Total Debt	60.00%	\$18,564,014	4.25%	\$789,837
	Equity				
4	Common Equity	40.00%	\$12,376,010	9.12%	\$1,128,692
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$12,376,010	9.12%	\$1,128,692
7	Total	100.00%	\$30,940,024	6.20%	\$1,918,529
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$17,621,789	4.41%	\$777,121
2	Short-term Debt	4.00%	\$1,258,699	2.08%	\$26,181
3	Total Debt	60.00%	\$18,880,488	4.25%	\$803,302
	Equity				
4	Common Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
7	Total	100.00%	\$31,467,480	6.20%	\$1,951,236
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$17,621,789	4.41%	\$777,121
9	Short-term Debt	4.00%	\$1,258,699	2.08%	\$26,181
10	Total Debt	60.00%	\$18,880,488	4.25%	\$803,302
	Equity				
11	Common Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
14	Total	100.00%	\$31,467,480	6.20%	\$1,951,236

### Notes (1)

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



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$416,031		\$1,690,075		\$1,690,075
2	Distribution Revenue	\$8,403,654	\$8,504,682	\$7,442,790	\$7,396,966	\$7,442,790	\$7,396,966
3	Other Operating Revenue	\$933,058	\$933,058	\$885,992	\$885,992	\$885,992	\$885,992
	Offsets - net						
4	<b>Total Revenue</b>	<b>\$9,336,712</b>	<b>\$9,853,772</b>	<b>\$8,328,782</b>	<b>\$9,973,033</b>	<b>\$8,328,782</b>	<b>\$9,973,033</b>
5	Operating Expenses	\$7,489,262	\$7,489,262	\$7,690,676	\$7,690,676	\$7,690,676	\$7,690,676
6	Deemed Interest Expense	\$789,837	\$789,837	\$803,302	\$803,302	\$803,302	\$803,302
	<b>Total Cost and Expenses</b>	<b>\$8,279,099</b>	<b>\$8,279,099</b>	<b>\$8,493,978</b>	<b>\$8,493,978</b>	<b>\$8,493,978</b>	<b>\$8,493,978</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$1,057,613</b>	<b>\$1,574,673</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>
8	Tax Adjustments to Accounting Income per 2009 PILs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Taxable Income</b>	<b>\$1,057,613</b>	<b>\$1,574,673</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>	<b>(\$165,196)</b>	<b>\$1,479,055</b>
10	Income Tax Rate	23.41%	23.41%	23.41%	23.41%	23.41%	23.41%
11	<b>Income Tax on Taxable Income</b>	<b>\$247,567</b>	<b>\$368,601</b>	<b>(\$38,669)</b>	<b>\$346,219</b>	<b>(\$38,669)</b>	<b>\$346,219</b>
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
13	<b>Utility Net Income</b>	<b>\$810,046</b>	<b>\$1,128,692</b>	<b>(\$146,527)</b>	<b>\$1,147,934</b>	<b>(\$146,527)</b>	<b>\$1,147,934</b>
14	<b>Utility Rate Base</b>	<b>\$30,940,024</b>	<b>\$30,940,024</b>	<b>\$31,467,480</b>	<b>\$31,467,480</b>	<b>\$31,467,480</b>	<b>\$31,467,480</b>
	Deemed Equity Portion of Rate Base	\$12,376,010	\$12,376,010	\$12,586,992	\$12,586,992	\$12,586,992	\$12,586,992
15	Income/(Equity Portion of Rate Base)	6.55%	9.12%	-1.16%	9.12%	-1.16%	9.12%
16	Target Return - Equity on Rate Base	9.12%	9.12%	9.12%	9.12%	9.12%	9.12%
17	Deficiency/Sufficiency in Return on Equity	-2.57%	0.00%	-10.28%	0.00%	-10.28%	0.00%
18	Indicated Rate of Return	5.17%	6.20%	2.09%	6.20%	2.09%	6.20%
19	Requested Rate of Return on Rate Base	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
20	Deficiency/Sufficiency in Rate of Return	-1.03%	0.00%	-4.11%	0.00%	-4.11%	0.00%
21	Target Return on Equity	\$1,128,692	\$1,128,692	\$1,147,934	\$1,147,934	\$1,147,934	\$1,147,934
22	Revenue Deficiency/(Sufficiency)	\$318,646	\$0	\$1,294,460	\$0	\$1,294,460	\$0
23	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$416,031 (1)</b>		<b>\$1,690,075 (1)</b>		<b>\$1,690,075 (1)</b>	

**Notes:**

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



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Revenue Requirement

Line No.	Particulars	Application	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$5,730,237	\$5,660,594	\$5,660,594
2	Amortization/Depreciation	\$1,759,025	\$2,030,082	\$2,030,082
3	Property Taxes	\$ -		
5	Income Taxes (Grossed up)	\$445,981	\$331,121	\$331,121
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$789,837	\$803,302	\$803,302
	Return on Deemed Equity	\$1,128,692	\$1,147,934	\$1,147,934
8	<b>Service Revenue Requirement (before Revenues)</b>	<u>\$9,853,772</u>	<u>\$9,973,033</u>	<u>\$9,973,033</u>
9	Revenue Offsets	\$933,058	\$885,992	\$ -
10	<b>Base Revenue Requirement</b>	<u>\$8,920,714</u>	<u>\$9,087,041</u>	<u>\$9,973,033</u>
11	Distribution revenue	\$8,920,714	\$9,087,041	\$9,087,041
12	Other revenue	\$933,058	\$885,992	\$885,992
13	<b>Total revenue</b>	<u>\$9,853,772</u>	<u>\$9,973,033</u>	<u>\$9,973,033</u>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$0 (1)</u>	<u>\$0 (1)</u>	<u>\$0 (1)</u>

#### Notes (1)

Line 11 - Line 8



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Bill Impacts - Residential

☒ Application of New Loss Factor to all applicable items   ☐ Application of new Loss Factor to Delivery Items Only

Consumption  kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1	Monthly Service Charge		1	\$ -		1	\$ -	\$ -	
2	Smart Meter Rate Adder		1	\$ -		1	\$ -	\$ -	
3	Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate		800	\$ -		800	\$ -	\$ -	
6	Low Voltage Rate Adder		800	\$ -		800	\$ -	\$ -	
7	Volumetric Rate Adder(s)		800	\$ -		800	\$ -	\$ -	
8	Volumetric Rate Rider(s)		800	\$ -		800	\$ -	\$ -	
9	Smart Meter Disposition Rider		800	\$ -		800	\$ -	\$ -	
10	LRAM & SSM Rate Rider		800	\$ -		800	\$ -	\$ -	
11	Deferral/Variance Account Disposition Rate Rider		800	\$ -		800	\$ -	\$ -	
12				\$ -			\$ -	\$ -	
13				\$ -			\$ -	\$ -	
14				\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16	<b>Sub-Total A - Distribution</b>			\$ -			\$ -	\$ -	
17	RTSR - Network		800	\$ -		800	\$ -	\$ -	
18	RTSR - Line and Transformation Connection		800	\$ -		800	\$ -	\$ -	
19	<b>Sub-Total B - Delivery (including Sub-Total A)</b>			\$ -			\$ -	\$ -	
20	Wholesale Market Service Charge (WMSC)		800	\$ -		800	\$ -	\$ -	
21	Rural and Remote Rate Protection (RRRP)		800	\$ -		800	\$ -	\$ -	
22	Special Purpose Charge		800	\$ -		800	\$ -	\$ -	
23	Standard Supply Service Charge		1	\$ -		1	\$ -	\$ -	
24	Debt Retirement Charge (DRC)		800	\$ -		800	\$ -	\$ -	
25	Energy		800	\$ -		800	\$ -	\$ -	
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28	<b>Total Bill (before Taxes)</b>			\$ -			\$ -	\$ -	
29	HST	13%		\$ -	13%		\$ -	\$ -	
30	<b>Total Bill (including Sub-total B)</b>			\$ -			\$ -	\$ -	
31	Ontario Clean Energy Benefit (OCEB)	-10%		\$ -	-10%		\$ -	\$ -	
32	<b>Total Bill (including OCEB)</b>			\$ -			\$ -	\$ -	
33	Loss Factor (%)	Note 1	<input type="text" value=""/>		<input type="text" value=""/>				

#### Notes:

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



Ontario Energy Board

## REVENUE REQUIREMENT WORK FORM

Version 2.20

### Erie Thames Powerlines Corporation Bill Impacts - General Service < 50 kW

☒ Application of New Loss Factor to all applicable items    ☐ Application of new Loss Factor to Delivery Items Only

Consumption  kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1 Monthly Service Charge			1	\$ -		1	\$ -	\$ -	
2 Smart Meter Rate Adder			1	\$ -		1	\$ -	\$ -	
3 Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4 Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5 Distribution Volumetric Rate			2000	\$ -		2000	\$ -	\$ -	
6 Low Voltage Rate Adder			2000	\$ -		2000	\$ -	\$ -	
7 Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8 Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9 Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10 LRAM & SSM Rider			2000	\$ -		2000	\$ -	\$ -	
11 Deferral/Variance Account Disposition Rate Rider			2000	\$ -		2000	\$ -	\$ -	
12				\$ -			\$ -	\$ -	
13				\$ -			\$ -	\$ -	
14				\$ -			\$ -	\$ -	
15				\$ -			\$ -	\$ -	
16 Sub-Total A - Distribution				\$ -			\$ -	\$ -	
17 RTSR - Network			2000	\$ -		2000	\$ -	\$ -	
18 RTSR - Line and Transformation Connection			2000	\$ -		2000	\$ -	\$ -	
19 Sub-Total B - Delivery (including Sub-Total A)				\$ -			\$ -	\$ -	
20 Wholesale Market Service Charge (WMSC)			2000	\$ -		2000	\$ -	\$ -	
21 Rural and Remote Rate Protection (RRRP)			2000	\$ -		2000	\$ -	\$ -	
22 Special Purpose Charge			2000	\$ -		2000	\$ -	\$ -	
23 Standard Supply Service Charge			1	\$ -		1	\$ -	\$ -	
24 Debt Retirement Charge (DRC)			2000	\$ -		2000	\$ -	\$ -	
25 Energy			2000	\$ -		2000	\$ -	\$ -	
26				\$ -			\$ -	\$ -	
27				\$ -			\$ -	\$ -	
28 Total Bill (before Taxes)				\$ -			\$ -	\$ -	
29 HST		13%		\$ -	13%		\$ -	\$ -	
30 Total Bill (including Sub-total B)				\$ -			\$ -	\$ -	
31 Ontario Clean Energy Benefit (OCEB)		-10%		\$ -	-10%		\$ -	\$ -	
32 Total Bill (including OCEB)				\$ -			\$ -	\$ -	
33 Loss Factor	(1)		0.00%			0.00%			

**Notes:**

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

**APPENDIX G**

**ETPL 2012 Schedule of Cost of Capital**



# Ontario Energy Board REVENUE REQUIREMENT WORK FORM

Version 2.20

## Erie Thames Powerlines Corporation Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$17,326,414	4.41%	\$764,095
2	Short-term Debt	4.00%	\$1,237,601	2.08%	\$25,742
3	Total Debt	60.00%	\$18,564,014	4.25%	\$789,837
	Equity				
4	Common Equity	40.00%	\$12,376,010	9.12%	\$1,128,692
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$12,376,010	9.12%	\$1,128,692
7	Total	100.00%	\$30,940,024	6.20%	\$1,918,529
Settlement Agreement					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$17,621,789	4.41%	\$777,121
2	Short-term Debt	4.00%	\$1,258,699	2.08%	\$26,181
3	Total Debt	60.00%	\$18,880,488	4.25%	\$803,302
	Equity				
4	Common Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
7	Total	100.00%	\$31,467,480	6.20%	\$1,951,236
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	56.00%	\$17,621,789	4.41%	\$777,121
9	Short-term Debt	4.00%	\$1,258,699	2.08%	\$26,181
10	Total Debt	60.00%	\$18,880,488	4.25%	\$803,302
	Equity				
11	Common Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$12,586,992	9.12%	\$1,147,934
14	Total	100.00%	\$31,467,480	6.20%	\$1,951,236

### Notes

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

## **APPENDIX H**

### **ETPL 2012 Summary of Rate Base**



	Gross Fixed Assets (Average)	Accumulated Depreciation (Average)	Net Fixed Assets	Allowance for Working Capital	Total Rate Base
Initial Application	\$ 39,225,360	\$ (14,687,643)	\$ 24,537,717	\$ 6,402,308	\$ 30,940,025
Agreement on Costs			\$ -	\$ (10,554)	\$ (10,554)
Change in Cost of Power			\$ -	\$ (578,867)	\$ (578,867)
Change to 13% WCA			\$ -	\$ (775,052)	\$ (775,052)
Addition of Smart meters	\$ 2,851,371		\$ 2,851,371		\$ 2,851,371
Disposal of Stranded meters	\$ (813,650)		\$ (813,650)		
Remove of Stranded meters Beginning of Year		\$ 32,546	\$ 32,546		
Addition of Smart meters Beginning of Year		\$ (178,434)	\$ (178,434)		\$ (178,434)
<b>Settlement Agreement</b>	<b>\$ 41,263,081</b>	<b>\$ (14,833,531)</b>	<b>\$ 26,429,550</b>	<b>\$ 5,037,836</b>	<b>\$ 31,467,386</b>

	Initial Application				Settlement Agreement				
	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	Difference
<b>Debt</b>									
Long-term Debt	56.00%	\$17,326,414	4.41%	\$764,095	56.00%	\$17,621,736	4.41%	\$777,119	\$13,024
Short-term Debt	4.00%	\$1,237,601	2.08%	\$25,742	4.00%	\$1,258,695	2.08%	\$26,181	\$439
<b>Total Debt</b>	<b>60.00%</b>	<b>\$18,564,015</b>	<b>4.25%</b>	<b>\$789,837</b>	<b>60.00%</b>	<b>\$18,880,431</b>	<b>4.25%</b>	<b>\$803,299</b>	<b>\$13,462</b>
<b>Equity</b>									
Common Equity	40.00%	\$12,376,010	9.12%	\$1,128,692	40.00%	\$12,586,954	9.12%	\$1,147,930	\$19,238
Preferred Shares	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -
<b>Total Equity</b>	<b>40.00%</b>	<b>\$12,376,010</b>	<b>9.12%</b>	<b>\$1,128,692</b>	<b>40.00%</b>	<b>\$12,586,954</b>	<b>9.12%</b>	<b>\$1,147,930</b>	<b>\$19,238</b>
									\$ -
<b>Total</b>	<b>100.00%</b>	<b>\$30,940,025</b>	<b>6.20%</b>	<b>\$1,918,529</b>	<b>100.00%</b>	<b>\$31,467,386</b>	<b>6.20%</b>	<b>\$1,951,230</b>	<b>\$32,701</b>

**APPENDIX I**

**ETPL 2012 Appendix 2-N – Depreciation**

## Appendix 2-B

2012

CCA Class	OEB	Description	Depreciation Rate			Opening Balance		Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land		\$	158,944	\$	158,944	\$	-	\$	158,944	\$	-	\$	158,944
47	1808	Buildings	4.00%	\$	174,882	\$	174,882	\$	-	\$	174,882	\$	56,178	\$	111,708
13	1810	Leasehold Improvements	10.00%	\$	7,040	\$	7,040	\$	-	\$	7,040	\$	5,632	\$	704
47	1815	Transformer Station Equipment >50 kV		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
47	1820	Distribution Station Equipment <50 kV	4.00%	\$	499,229	\$	499,229	\$	-	\$	499,229	\$	243,037	\$	236,222
47	1825	Storage Battery Equipment	4.00%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
47	1830	Poles, Towers & Fixtures	4.00%	\$	5,418,373	\$	5,418,373	\$	-	\$	6,151,373	\$	2,127,464	\$	3,792,514
47	1835	Overhead Conductors & Devices	4.00%	\$	10,490,470	\$	10,490,470	\$	-	\$	10,995,470	\$	3,244,017	\$	7,321,734
47	1840	Underground Conduit	4.00%	\$	2,333,048	\$	2,333,048	\$	-	\$	2,614,048	\$	1,113,098	\$	1,402,008
47	1845	Underground Conductors & Devices	4.00%	\$	5,167,890	\$	5,167,890	\$	-	\$	5,347,890	\$	1,494,075	\$	3,643,499
47	1850	Line Transformers	4.00%	\$	7,146,590	\$	7,146,590	\$	-	\$	7,628,590	\$	2,523,725	\$	4,809,361
47	1855	Services (Overhead & Underground)	4.00%	\$	3,304,910	\$	3,304,910	\$	-	\$	3,678,910	\$	895,305	\$	2,643,929
47	1860	Meters	4.00%	\$	2,089,907	\$	2,089,907	\$	-	\$	2,159,907	\$	1,053,901	\$	1,021,009
47	1860	Meters (Smart Meters)		\$	2,851,371	\$	2,851,371	\$	-	\$	2,851,371	\$	-	\$	2,737,316
N/A	1905	Land		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CEC	1906	Land Rights		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
47	1908	Buildings & Fixtures		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
13	1910	Leasehold Improvements	10.00%	\$	154,461	\$	154,461	\$	-	\$	214,461	\$	-	\$	214,461
8	1915	Office Furniture & Equipment (10 years)	10.00%	\$	69,792	\$	69,792	\$	-	\$	69,792	\$	70,119	\$	7,307
8	1915	Office Furniture & Equipment (5 years)	20.00%	\$	5,594	\$	5,594	\$	-	\$	5,594	\$	3,916	\$	559
10	1920	Computer Equipment - Hardware	20.00%	\$	94,005	\$	94,005	\$	25,000	\$	119,005	\$	131,729	\$	34,025
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
12	1925	Computer Software	20.00%	\$	691,691	\$	691,691	\$	-	\$	691,691	\$	781,932	\$	228,579
10	1930	Transportation Equipment	12.50%	\$	2,692,447	\$	2,692,447	\$	-	\$	3,072,447	\$	488,257	\$	2,223,884
8	1935	Stores Equipment	20.00%	\$	1,254	\$	1,254	\$	-	\$	1,254	\$	448	\$	681
8	1940	Tools, Shop & Garage Equipment	20.00%	\$	153,865	\$	153,865	\$	-	\$	188,865	\$	115,039	\$	56,990
8	1945	Measurement & Testing Equipment	20.00%	\$	14,462	\$	14,462	\$	-	\$	14,462	\$	5,338	\$	7,678
8	1950	Power Operated Equipment	20.00%	\$	64,091	\$	64,091	\$	-	\$	64,091	\$	26,104	\$	31,578
8	1955	Communications Equipment		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
8	1955	Communication Equipment (Smart Meters)		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
8	1960	Miscellaneous Equipment		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
47	1975	Load Management Controls Utility Premises		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
47	1980	System Supervisor Equipment	4.00%	\$	-	\$	-	\$	-	\$	200,000	\$	-	\$	196,000
47	1985	Miscellaneous Fixed Assets		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
47	1995	Contributions & Grants	4.00%	\$	(3,741,235)	\$	3,741,235	\$	-	\$	4,226,235	\$	560,827	\$	3,506,059
	etc.									\$	-	\$	-	\$	-
		Total				\$	39,843,081	\$	-	\$	2,840,000	\$	-	\$	42,683,081
										\$	13,818,489	\$	2,030,082	\$	-
										\$	15,848,571	\$	-	\$	26,834,509

10	Transportation
8	Stores Equipment

2011 +2012	\$ 82,526,161.03
Average of above	\$ 41,263,080.52

Less: Fully Allocated Depreciation		
Transportation	\$ 29,667,060	2011 + 2012
Stores Equipment	\$ (14,833,530.23)	Average of above
Net Depreciation	\$ -	

<sup>1</sup> Provide a Fixed Asset Continuity Schedule for 5 historic Years, Bridge Year and Test Year

**Notes:**

- 1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- 2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- 3 The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.

**APPENDIX J**

**ETPL 2012 PILs and CCA Mappings**



### Choose Your Utility:

Enersource Hydro Mississauga Inc.  
ENWIN Utilities Ltd.  
Erie Thames Powerlines Corporation  
Espanola Regional Hydro Distribution Corporation

### Application Contact Information

Name:

Graig Pettit

Title:

Manager of Finance and Regulatory Affairs

Phone Number:

519-485-1820

Email Address:

gp Pettit@eriethamespower.com

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*While this model has been provided in Excel format and is required to be filed with the applicant to ensure the accuracy of the data and the results.*



Ontario Energy Board

## PILS / INCOME TAXES WORK FORM

### 2012 REBASING YEAR

*solely for the purpose of preparing or  
pose, and provide a copy of this  
ated above, any copying,  
ering or other use or dissemination of  
bited. If you provide a copy of this  
aft rate order, you must ensure that*

*he applications, the onus remains on*



[1. Info](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

[C. Sch 8 Hist](#)

[D. Schedule 10 CEC Hist](#)

[E. Sch 13 Tax Reserves Hist](#)

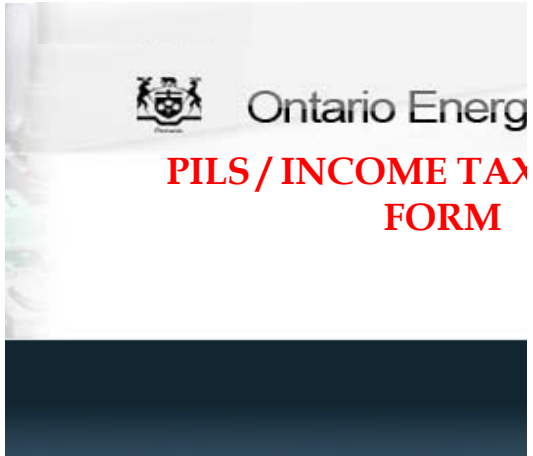
[F. Sch 7-1 Loss Cfwd Hist](#)

[G. Adj. Taxable Income Historic](#)

[H. PILs,Tax Provision Historic](#)

[I. Schedule 8 CCA Bridge Year](#)

[J. Schedule 10 CEC Bridge Year](#)



[K. Sch 13 Tax Reserves Bridge](#)  
[L. Sch 7-1 Loss Cfwd Bridge](#)  
[M. Adj. Taxable Income Bridge](#)  
[N. PILs,Tax Provision Bridge](#)  
[O. Schedule 8 CCA Test Year](#)  
[P. Schedule 10 CEC Test Year](#)  
[Q Sch 13 Tax Reserve Test Year](#)  
[R. Sch 7-1 Loss Cfwd](#)  
[S. Taxable Income Test Year](#)  
[T. PILs,Tax Provision](#)





Ontario Energy Board

**PILS / INCOME TAXES  
WORK FORM**

**2012 REBASING YEAR**

**Erie Thames Powerlines Corporation  
Data Input Sheet - Applicant's Rate Base**

**Rate Base**

**\$ 30,940,024**

**Return on Rate Base**

Deemed ShortTerm Debt %  
Deemed Long Term Debt %  
Deemed Equity %

4.00%  
56.00%  
40.00%

T \$ 1,237,601  
U \$ 17,326,413  
V \$ 12,376,010

$W = S * T$   
 $X = S * U$   
 $Y = S * V$

Short Term Interest Rate  
Long Term Interest

2.08%  
4.41%

Z \$ 25,742  
AA \$ 764,095

$AC = W * Z$   
 $AD = X * AA$

**Return on Equity (Regulatory Income)**

9.12%

AB \$ **1,128,692**

$AE = Y * AB$

**Return on Rate Base**

**\$ 1,918,529**

$AF = AC + AD + AE$

**Questions that must be answered**

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?  
*If Yes, please describe what was the tax treatment in the manager's summary.*
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historic

Bridge

Test Year

No	No	No
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No
Yes	Yes	Yes
No	No	No
No	No	No



**Tax Rates  
Federal & Provincial  
As of March 22, 2011**

**Federal income tax**  
General corporate rate  
Federal tax abatement  
Adjusted federal rate

Rate reduction

**Ontario income tax**

**Combined federal and Ontario**

**Federal & Ontario Small Business**

Federal small business threshold  
Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

**Effective  
January-01-11      Effective  
January-01-12      Effective  
January-01-13      Effective  
January-01-14**

38.00%	38.00%	38.00%	38.00%
-10.00%	-10.00%	-10.00%	-10.00%
28.00%	28.00%	28.00%	28.00%
-11.50%	-13.00%	-13.00%	-13.00%
16.50%	15.00%	15.00%	15.00%
11.75%	11.25%	10.50%	10.00%
28.25%	26.25%	25.50%	25.00%
500,000	500,000	500,000	500,000
500,000	500,000	500,000	500,000
11.00%	11.00%	11.00%	11.00%
4.50%	4.50%	4.50%	4.50%

(refer to Note 1)

**NOTES:**

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.



## 2012 REBASING YEAR

## Schedule 8 - Historical Year

<b>Class</b>	<b>Class Description</b>	<b>UCC End of Year Historic per tax returns</b>	<b>Less: Non- Distribution Portion</b>	<b>UCC Regulated Historic Year</b>
<b>1</b>	Distribution System - post 1987	12,191,937		12,191,937
<b>1 Enhanced</b>	Non-residential Buildings Reg. 1100(1)(a.1) election			0
<b>2</b>	Distribution System - pre 1988			0
<b>8</b>	General Office/Stores Equip	1,301,768		1,301,768
<b>10</b>	Computer Hardware/ Vehicles	541		541
<b>10.1</b>	Certain Automobiles	57,762		57,762
<b>12</b>	Computer Software			0
<b>13<sub>1</sub></b>	Lease # 1			0
<b>13<sub>2</sub></b>	Lease #2			0
<b>13<sub>3</sub></b>	Lease # 3			0
<b>13<sub>4</sub></b>	Lease # 4			0
<b>14</b>	Franchise			0
<b>17</b>	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs			0
<b>42</b>	Fibre Optic Cable			0
<b>43.1</b>	Certain Energy-Efficient Electrical Generating Equipment			0
<b>43.2</b>	Certain Clean Energy Generation Equipment			0
<b>45</b>	Computers & Systems Software acq'd post Mar 22/04	110		110
<b>46</b>	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
<b>47</b>	Distribution System - post February 2005	5,370,841		5,370,841
<b>50</b>	Data Network Infrastructure Equipment - post Mar 2007	1,745		1,745
<b>52</b>	Computer Hardware and system software			0
<b>95</b>	CWIP			0
<b>94</b>		209,033		209,033
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	19,133,737	0	19,133,737



Ontario Energy Board

## PILS / INCOME TAXES WORK FORM

### Erie Thames Powerlines Corporation Schedule 10 CEC - Historical Year

#### Cumulative Eligible Capital

0

##### Additions

Cost of Eligible Capital Property Acquired during Test Year

438,049

Other Adjustments

0

Subtotal

438,049

x 3/4 = 328,537

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 20, 2002

0

x 1/2 = 0

328,537

328,537

Amount transferred on amalgamation or wind-up of subsidiary

0

0

**Subtotal**

**328,537**

##### Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

0

**Subtotal**

0

x 3/4 =

0

**Cumulative Eligible Capital Balance**

**328,537**

**Current Year Deduction**

**328,537**

x 7% =

**22,998**

**Cumulative Eligible Capital - Closing Balance**

**305,539**



Ontario Energy

**PILS / INCOME  
WORK FOI**

## Erie Thames Powerlines Corporation Schedule 13 Tax Reserves - Historical

### Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
<b>Tax Reserves Not Deducted for accounting purposes</b>			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
- Short & Long-term Disability			0
- Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>



Ontario Energy Board

**PILS / INCOME TAXES  
WORK FORM**

Erie Thames Powerlines Corporation

Schedule 7-1 Loss Carry Forward - Historic Year

**Corporation Loss Continuity and Application**

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual Historic			0

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
Actual Historic			0





Ontario Energy Board

## PILS / INCOME TAXES WORK FORM

**2012 REBASING YEAR**

Erie Thames Powerlines Corporation

Adjusted Taxable Income - Historic Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
<b>Income before PILs/Taxes</b>	<b>A</b>	<b>527,119</b>		<b>527,119</b>
<b>Additions:</b>				
Interest and penalties on taxes	103	700		700
Amortization of tangible assets	104	1,750,927		1,750,927
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	2,901		2,901
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123	2,838		2,838
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
<b>Other Additions</b>				
Interest Expensed on Capital Leases	290	33,828		33,828
Realized Income from Deferred Credit Accounts	291	263,629		263,629
Pensions	292	167,415		167,415
Non-deductible penalties	293			0
	294			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Provision for Income taxes current		187,000		187,000

				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total Additions</b>		<b>2,409,238</b>	<b>0</b>	<b>2,409,238</b>
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	1,181,378		1,181,378
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	22,998		22,998
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390	255,227		255,227
Capital Lease Payments	391	44,364		44,364
Non-taxable imputed interest income on deferral and variance accounts	392	17,731		17,731
	393	51,909		51,909
	394	203,024		203,024
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
<b>Total Deductions</b>		<b>1,776,631</b>	<b>0</b>	<b>1,776,631</b>
<b>Net Income for Tax Purposes</b>		<b>1,159,726</b>	<b>0</b>	<b>1,159,726</b>
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
<b>TAXABLE INCOME</b>		<b>1,159,726</b>	<b>0</b>	<b>1,159,726</b>





Ontario Energy Board

**PILS / INCOME TAXES WORK  
FORM**

**2012 REBASING YEAR**

Erie Thames Powerlines Corporation

PILs Tax Provision - Historic Year

**Note: Input the actual information from the tax returns for the historic year.**

**Wires Only**

**Regulatory Taxable Income**

\$ 1,159,726 **A**

**Ontario Income Taxes**

*Income tax payable*

**Ontario Income Tax**

13.00% **B**

\$ 91,582 **C = A \* B**

*Small business credit*

Ontario Small Business Threshold  
Rate reduction (negative)

\$ 500,000 **D**

-8.00% **E**

\$ - **F = D \* E**

*Ontario Income tax*

\$ 91,582 **J = C + F**

**Combined Tax Rate and PILs**

Effective Ontario Tax Rate  
Federal tax rate  
Combined tax rate

7.90%

**K = J / A**

18.00%

**L**

25.90% **M = L + L**

**Total Income Taxes**

\$ 300,333 **N = A \* M**

Investment Tax Credits

**O**

Miscellaneous Tax Credits

**P**

**Total Tax Credits**

\$ - **Q = O + P**

**Corporate PILs/Income Tax Provision for Bridge Year**

\$ 300,333 **R = N - Q**



## 2012 REBASING YEAR

## Schedule 8 CCA - Bridge Year

<b>Class</b>	<b>Class Description</b>	<b>UCC Regulated Historic Year</b>	<b>Additions</b>	<b>Disposals (Negative)</b>	<b>UCC Before 1/2 Yr Adjustment</b>	<b>1/2 Year Rule {1/2 Additions Less Disposals}</b>
<b>1</b>	Distribution System - post 1987	\$ 12,191,937	\$ 4,183,169		\$ 16,375,106	\$ 2,091,585
<b>1 Enhanced</b>	Non-residential Buildings Reg. 1100(1)(a.1) election				\$ -	\$ -
<b>2</b>	Distribution System - pre 1988				\$ -	\$ -
<b>8</b>	General Office/Stores Equip	\$ 1,301,768	\$ 1,021,550		\$ 2,323,318	\$ 510,775
<b>10</b>	Computer Hardware/ Vehicles	\$ 541	\$ 726,298		\$ 726,839	\$ 363,149
<b>10.1</b>	Certain Automobiles	\$ 57,762	-\$ 57,762		\$ -	\$ -
<b>12</b>	Computer Software		\$ 598,962		\$ 598,962	\$ 299,481
<b>13 1</b>	Lease # 1		\$ 152,362		\$ 152,362	\$ 76,181
<b>13 2</b>	Lease #2				\$ -	\$ -
<b>13 3</b>	Lease # 3				\$ -	\$ -
<b>13 4</b>	Lease # 4				\$ -	\$ -
<b>14</b>	Franchise				\$ -	\$ -
<b>17</b>	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs				\$ -	\$ -
<b>42</b>	Fibre Optic Cable				\$ -	\$ -
<b>43.1</b>	Certain Energy-Efficient Electrical Generating Equipment				\$ -	\$ -
<b>43.2</b>	Certain Clean Energy Generation Equipment				\$ -	\$ -
<b>45</b>	Computers & Systems Software acq'd post Mar 22/04	\$ 110	\$ 4,481		\$ 4,591	\$ 2,241
<b>46</b>	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$ -	\$ -
<b>47</b>	Distribution System - post February 2005	\$ 5,370,841	\$ 1,844,233		\$ 7,215,074	\$ 922,117
<b>50</b>	Data Network Infrastructure Equipment - post Mar 2007	\$ 1,745	\$ 29,151		\$ 30,896	\$ 14,576
<b>52</b>	Computer Hardware and system software				\$ -	\$ -
<b>95</b>	CWIP				\$ -	\$ -
<b>94</b>		\$ 209,033	\$ 224,428		\$ 433,461	\$ 112,214
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
	TOTAL	\$ 19,133,737	\$ 8,726,872	\$ -	\$ 27,860,609	\$ 4,392,317

Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
\$ 14,283,522	2%	\$ 285,670	\$ 16,089,436
\$ -	6%	\$ -	\$ -
\$ -	6%	\$ -	\$ -
\$ 1,812,543	12%	\$ 217,505	\$ 2,105,813
\$ 363,690	18%	\$ 65,464	\$ 661,375
\$ -	30%	\$ -	\$ -
\$ 299,481	59%	\$ 176,694	\$ 422,268
\$ 76,181		\$ -	\$ 152,362
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -	8%	\$ -	\$ -
\$ -	12%	\$ -	\$ -
\$ -	30%	\$ -	\$ -
\$ -	50%	\$ -	\$ -
\$ 2,351	26%	\$ 611	\$ 3,980
\$ -	30%	\$ -	\$ -
\$ 6,292,958	5%	\$ 314,648	\$ 6,900,426
\$ 16,321	32%	\$ 5,223	\$ 25,673
\$ -	100%	\$ -	\$ -
\$ -		\$ -	\$ -
\$ 321,247		\$ -	\$ 433,461
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ 23,468,292		\$ 1,065,815	\$ 26,794,794



Ontario Energy Board

**PILS / INCOME TAXES  
WORK FORM**

**Erie Thames Powerlines Corporation  
Schedule 10 CEC - Bridge Year**

**Cumulative Eligible Capital**

**305,539**

**Additions**

Cost of Eligible Capital Property Acquired during Test Year	8,726,872		
Other Adjustments	0		
Subtotal	8,726,872	$\times 3/4 =$	6,545,154
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 20, 2002	0	$\times 1/2 =$	0
			<u>6,545,154</u>
			<b>6,545,154</b>
Amount transferred on amalgamation or wind-up of subsidiary	0		0
<b>Subtotal</b>			<u><b>6,850,693</b></u>

**Deductions**

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year			
Other Adjustments	0		
<b>Subtotal</b>	0	$\times 3/4 =$	0

**Cumulative Eligible Capital Balance**

**6,850,693**

**Current Year Deduction** **6,850,693**  $\times 7\% =$  **479,549**

**Cumulative Eligible Capital - Closing Balance** **6,371,145**





Ontario Energy

**PILS / INCOME TAX  
FORM**

## Erie Thames Powerlines Corporation

### Schedule 7-1 Loss Carry Forward - Bridge Year

#### Corporation Loss Continuity and Application

<b>Non-Capital Loss Carry Forward Deduction</b>	<b>Total</b>
Actual Historic	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
<b>Amount to be used in Bridge Year</b>	
Balance available for use post Bridge Year	0

<b>Net Capital Loss Carry Forward Deduction</b>	<b>Total</b>
Actual Historic	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
<b>Amount to be used in Bridge Year</b>	
Balance available for use post Bridge Year	0



Ontario Energy Board

## PILS / INCOME TAXES WORK FORM

Erie Thames Powerlines Corporation

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
<b>Income before PILs/Taxes</b>	<b>A</b>	<b>1,128,692</b>
<b>Additions:</b>		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	1,750,927
Amortization of intangible assets	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	





Ontario Energy Board

**PILS / INCOME TAXES  
WORK FORM**

**Erie Thames Powerlines Corporation**

**Adjusted Taxable Income - Bridge Year**

<b>Other Additions</b>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
<b>Total Additions</b>		<b>1,750,927</b>
<b>Deductions:</b>		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	1,065,815
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	479,549
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		





Ontario Energy Board

**PILS / INCOME TAXES  
WORK FORM**

**Erie Thames Powerlines Corporation**

**Adjusted Taxable Income - Bridge Year**

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
<b>Total Deductions</b>		<b>1,545,364</b>
<b>Net Income for Tax Purposes</b>		<b>1,334,256</b>
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
<b>TAXABLE INCOME</b>		<b>1,334,256</b>



Ontario Energy Board

## PILS / INCOME TAXES WORK FORM

2012 REBASING YEAR

Erie Thames Powerlines Corporation

PILs Tax Provision - Bridge Year

Wires Only

Regulatory Taxable Income

\$ 1,334,256 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.75% B

\$

156,775 C = A \* B

Small business credit

Ontario Small Business Threshold  
Rate reduction

\$ 500,000 D

-7.25% E

-\$

36,250 F = D \* E

Ontario Income tax

\$ 120,525 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate

9.03%

K = J / A

Federal tax rate

16.50%

L

Combined tax rate

25.53% M = L + L

Total Income Taxes

\$ 340,677 N = A \* M

Investment Tax Credits

O

Miscellaneous Tax Credits

P

Total Tax Credits

\$ - Q = O + P

Corporate PILs/Income Tax Provision for Bridge Year

\$ 340,677 R = N - Q

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.



# PILS / INCOME TAXES WORK FORM

# Erie Thames Powerlines Corporation

## Schedule 8 CCA - Test Year

<b>Class</b>	<b>Class Description</b>	<b>UCC Test Year Opening Balance</b>	<b>Additions</b>	<b>Disposals (Negative)</b>	<b>UCC Before 1/2 Yr Adjustment</b>	<b>1/2 Year Rule {1/2 Additions Less Disposals}</b>
<b>1</b>	Distribution System - post 1987	\$ 16,089,436			\$ 16,089,436	-
<b>1 Enhanced</b>	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	-
<b>2</b>	Distribution System - pre 1988	\$ -			\$ -	-
<b>8</b>	General Office/Stores Equip	\$ 2,105,813	35,000		\$ 2,140,813	\$ 17,500
<b>10</b>	Computer Hardware/ Vehicles	\$ 661,375	605,000		\$ 1,266,375	\$ 302,500
<b>10.1</b>	Certain Automobiles	\$ -			\$ -	\$ -
<b>12</b>	Computer Software	\$ 422,268			\$ 422,268	\$ -
<b>13 1</b>	Lease # 1	\$ 152,362			\$ 152,362	\$ -
<b>13 2</b>	Lease #2	\$ -			\$ -	\$ -
<b>13 3</b>	Lease # 3	\$ -			\$ -	\$ -
<b>13 4</b>	Lease # 4	\$ -			\$ -	\$ -
<b>14</b>	Franchise	\$ -			\$ -	\$ -
<b>17</b>	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B	\$ -			\$ -	\$ -
<b>42</b>	Fibre Optic Cable	\$ -			\$ -	\$ -
<b>43.1</b>	Certain Energy-Efficient Electrical Generating Equipment	\$ -			\$ -	\$ -
<b>43.2</b>	Certain Clean Energy Generation Equipment	\$ -			\$ -	\$ -
<b>45</b>	Computers & Systems Software acq'd post Mar 22/04	\$ 3,980			\$ 3,980	\$ -
<b>46</b>	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -
<b>47</b>	Distribution System - post February 2005	\$ 6,900,426	2,625,000		\$ 9,525,426	\$ 1,312,500
<b>50</b>	Data Network Infrastructure Equipment - post Mar 2007	\$ 25,673			\$ 25,673	\$ -
<b>52</b>	Computer Hardware and system software	\$ -			\$ -	\$ -
<b>95</b>	CWIP	\$ -			\$ -	\$ -
<b>94</b>		\$ 209,033	60,000		\$ 269,033	\$ 30,000
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
					\$ -	\$ -
	TOTAL	\$ 26,570,366	\$ 3,325,000	\$ -	\$ 29,895,366	\$ 1,662,500

Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
\$ 16,089,436	2%	\$ 321,789	\$ 15,767,647
\$ -	6%	\$ -	\$ -
\$ -	6%	\$ -	\$ -
\$ 2,123,313	12%	\$ 254,798	\$ 1,886,015
\$ 963,875	18%	\$ 173,497	\$ 1,092,877
\$ -	30%	\$ -	\$ -
\$ 422,268	59%	\$ 249,138	\$ 173,130
\$ 152,362		\$ -	\$ 152,362
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -		\$ -	\$ -
\$ -	8%	\$ -	\$ -
\$ -	12%	\$ -	\$ -
\$ -	30%	\$ -	\$ -
\$ -	50%	\$ -	\$ -
\$ 3,980	26%	\$ 1,035	\$ 2,945
\$ -	30%	\$ -	\$ -
\$ 8,212,926	5%	\$ 410,646	\$ 9,114,780
\$ 25,673	32%	\$ 8,216	\$ 17,458
\$ -	100%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ 239,033	0%	\$ -	\$ 269,033
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ -	0%	\$ -	\$ -
\$ 28,232,866		\$ 1,419,119	\$ 28,476,247



Ontario Energy Board

# **PILS / INCOME TAXES WORK FORM**

**2012 REBASING YEAR**

**Erie Thames Powerlines Corporation**

**Schedule 10 CEC - Test Year**

## **Cumulative Eligible Capital**

**6,371,145**

### **Additions**

Cost of Eligible Capital Property Acquired during Test Year

2,840,000

Other Adjustments

0

**Subtotal**

2,840,000

**x 3/4 = 2,130,000**

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 20, 2002

0

**x 1/2 = 0**

2,130,000

**2,130,000**

Amount transferred on amalgamation or wind-up of subsidiary

0

**0**

**Subtotal**

**8,501,145**

### **Deductions**

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

**Subtotal**

0

**x 3/4 =**

**0**

**Cumulative Eligible Capital Balance**

**8,501,145**

**Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")**

**8,501,145**

**x 7% =**

**595,080**

**Cumulative Eligible Capital - Closing Balance**

**7,906,065**



## 2012 REBASING YEAR

### Schedule 13 Tax Reserves - Test Year

## Continuity of Reserves

[illegible]



Ontario Energy Board

**PILS / INCOME TAXES  
WORK FORM**

**2012 REBASING YEAR**

Erie Thames Powerlines Corporation

Schedule 7-1 Loss Carry Forward - Test Year

**Corporation Loss Continuity and Application**

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
<b>Amount to be used in Test Year</b>			0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
Actual/Estimated Bridge Year			0
Application of Loss Carry Forward to reduce taxable income in 2005			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
<b>Amount to be used in Test Year</b>			0
Balance available for use post Test Year	0	0	0





Ontario Energy Board

# PILS / INCOME TAXES WORK FORM

2012 REBASING YEAR

Erie Thames Powerlines Corporation

Taxable Income - Test Year

		<b>Test Year Taxable Income</b>
<b>Net Income Before Taxes</b>		1,128,692

	<b>T2 S1 line #</b>	
<b>Additions:</b>		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	2,030,082
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	



Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
Apprenticeship Tax Credit	294	20,000
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
<b>Total Additions</b>		<b>2,050,082</b>
<b>Deductions:</b>		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	1,419,119
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	595,080
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
<b>Total Deductions</b>		<b>2,014,199</b>
<b>NET INCOME FOR TAX PURPOSES</b>		<b>1,164,575</b>
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
<b>REGULATORY TAXABLE INCOME</b>		<b>1,164,575</b>



Ontario Energy Board

## PILS / INCOME TAXES WORK FORM

2012 REBASING YEAR

Erie Thames Powerlines Corporation

PILs Tax Provision - Test Year

Wires Only

Regulatory Taxable Income

\$ 1,164,575 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.25% B

\$

131,015 C = A \* B

Small business credit

Ontario Small Business Threshold  
Rate reduction

\$ 500,000 D

-6.75% E

-\$

33,750 F = D \* E

Ontario Income tax

\$ 97,265 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate  
Federal tax rate  
Combined tax rate

8.35%

K = J / A

15.00%

L

23.35% M = L + L

Total Income Taxes

\$ 271,951 N = A \* M

Investment Tax Credits

O

Miscellaneous Tax Credits

P

Total Tax Credits

\$ - Q = O + P

Corporate PILs/Income Tax Provision for Test Year

\$ 271,951 R = N - Q

Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>

76.65%

S = 1 - M

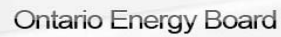
\$ 82,854 T = R / S - N

Income Tax (grossed-up)

\$ 354,805 U = R + T

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.



## 2012 REBASING YEAR

### PILs Tax Provision - Test Year

**Note:**

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

**APPENDIX K**

**ETPL 2012 OM&A Expenses**

***OM&A  
Expenses***

<b><i>Initial Application</i></b>	\$ 5,730,237
Addition of Leap	\$ 11,825
Addition of Smart Meter O&M	\$ 18,532
Reduction from Settlement	\$ (100,000)
<b><i>Settlement Agreement</i></b>	<b>\$ 5,660,594</b>

## **APPENDIX L**

### **Low Voltage and Retail Transmission**

## Retail Transmission Rates

Rate Class	Billing Determinant	Proposed Network	Proposed Connection
Residential	kWh	\$ 0.0059	\$ 0.0040
General Service Less Than 50 kW	kWh	\$ 0.0054	\$ 0.0036
General Service 50 to 999 kW	kW	\$ 2.4575	\$ 1.2953
General Service 1,000 to 4,999 kW	kW	\$ 2.8143	\$ 1.4865
Large Use	kW	\$ 2.9591	\$ 1.5800
Unmetered Scattered Load	kWh	\$ 0.0054	\$ 0.0036
Sentinel Lighting	<b>kW</b>	\$ 1.8979	\$ 1.0003
Street Lighting	<b>kW</b>	\$ 1.8979	\$ 1.6533
Embedded Distributor	<b>kW</b>	\$ 3.5709	\$ 1.8369

## Low Voltage Rates

Rate Class	Billing Determinant	Proposed LV Rate
Residential	kWh	\$ 0.0021
General Service Less Than 50 kW	kWh	\$ 0.0020
General Service 50 to 999 kW	kW	\$ 0.7099
General Service 1,000 to 4,999 kW	kW	\$ 0.7635
Large Use	kW	\$ 0.0733
Unmetered Scattered Load	kWh	\$ 0.0020
Sentinel Lighting	<b>kW</b>	\$ 0.5482
Street Lighting	<b>kW</b>	\$ -
Embedded Distributor	<b>kW</b>	\$ 0.5482



## **APPENDIX M**

### **Smart Meters**

# SMDR

Deferred Revenue Requirement (2006 to 2011)	\$ 1,033,830.25	Sheet 9, Cells C30 to Q30)	Utilized C30 to S30
Interest on OM&A and Depreciation Expense	\$ 4,719.28	Sheet 9, Cells C32 to S32)	Utilized C32 to S32
Deferred SMIRR Revenues (May 1 to Aug. 31/2012)	\$ -	SMIRR X No. of customers X No. of months	
Less:			
SMFA Revenues (2006 to April 30, 2012)	\$ 890,007.41	Sheet 9, Cells G40 to S40	
Interest on SMFA Revenues	\$ 25,350.31	Sheet 9, Cells G42 to S42	
Net Deferred Revenue Requirement to be recovered	<u>\$ 123,191.81</u>		
Period of be recovered over. (Years) (September 1, 2012 to April 30, 2014)	1.666666667	(recovery is over 20 months now rather than 24)	
Number of customers	17861		
Revised Annual SMDR	\$ 4.14		
SMDR Monthly Rate	\$ 0.34		

Customers		2012 I7.1 Cost	Percentage	Allocation \$	Cost Per Customer	2 Year Recovery
Residential	16,461	2,765,448	74%	\$ 90,986.86	\$ 5.53	\$ 0.23
GS<50 kW	1,860	894,660	24%	\$ 29,435.49	\$ 15.83	\$ 0.66
GS>50 to 999 kW	175	84,175	2%	\$ 2,769.47	\$ 15.83	\$ 0.66
	<b>18,496.00</b>	<b>\$ 3,744,283.00</b>	<b>\$ 1.00</b>	<b>\$ 123,191.81</b>		

NBV of Stranded Meters     \$ 813,649.89

	Customers	2008 I7.1 Cost	Percentages	Allocation \$	Cost Per Customer	2 Year Recovery
Residential	16,461	603,750	66%	\$ 535,646.19	\$ 32.54	\$ 1.36
GS<50 kW	1,860	85,650	9%	\$ 75,988.56	\$ 40.85	\$ 1.70
GS>50 to 999 kW	175	227,700	25%	\$ 202,015.13	\$ 1,154.37	\$ 48.10
	<b>18,496</b>	<b>917,100</b>	<b>1</b>	<b>\$ 813,649.89</b>		

## **APPENDIX N**

### **Cost Allocation**



## 20XX COST ALLOCATION

0  
0

Saturday, January 00, 1900

Sheet I6.1 Revenue Worksheet - Edit description in Sheet I2, cell C17

Total kWhs from Load Forecast	462,657,415
-------------------------------	-------------

Total kW from Load Forecast	558,475
-----------------------------	---------

Deficiency from RRWF	- 1,644,251
----------------------	-------------

Miscellaneous Revenue	885,992
-----------------------	---------

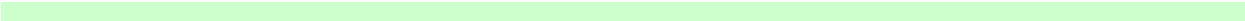
			1	2	3	4	5	6	7	8	9
	ID	Total	Residential	GS <50	GS>50-Regular	GS 1-5MW	Large Use >5 MW	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
<b>Billing Data</b>											
Forecast kWh	CEN	462,657,415	147,767,075	50,306,768	77,849,023	69,200,000	97,146,783	2,144,934	274,492	618,341	17,350,000
Forecast kW	CDEM	558,475			227,921	123,604	160,146	6,763	757		39,284
Forecast kW, included in CDEM, of customers receiving line transformer allowance		366,968		10,977	91,168	96,900	160,145				7,778
Optional - Forecast kWh, included in CEN, from customers that receive a line transformation allowance on a kWh basis. In most cases this will not be applicable and will be left blank.		-									
KWh excluding KWh from Wholesale Market Participants	CEN EWMP	462,657,415	147,767,075	50,306,768	77,849,023	69,200,000	97,146,783	2,144,934	274,492	618,341	17,350,000
kWh - 30 year weather normalized amount		-	-	-	-	-	-	-	-	-	-
Existing Monthly Charge			\$13.96	\$18.65	\$189.98	\$2,385.05	\$9,741.16	\$2.65	\$4.37	\$3.50	\$2,219.42
Existing Distribution kWh Rate			\$0.0124	\$0.0103	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0031	\$0.0000
Existing Distribution kW Rate			\$0.0000	\$0.0000	\$1.6113	\$2.4559	\$1.9884	\$13.8083	\$11.8512	\$0.0000	\$1.6717
Existing TFOA Rate			\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Additional Charges			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution Revenue from Rates		\$7,662,971	\$4,585,990	\$936,141	\$766,207	\$532,524	\$435,327	\$229,426	\$24,766	\$7,019	\$145,570
Transformer Ownership Allowance		\$220,181	\$0	\$6,586	\$54,701	\$58,140	\$96,087	\$0	\$0	\$0	\$4,667
Net Class Revenue	CREV	\$7,442,790	\$4,585,990	\$929,555	\$711,506	\$474,384	\$339,240	\$229,426	\$24,766	\$7,019	\$140,903
<b>Data Mismatch Analysis</b>											
Revenue with 30 year weather normalized kWh		-	-	-	-	-	-	-	-	-	-

### Weather Normalized Data from Hydro One

kWh - 30 year weather normalized amount

Total	Residential	GS <50	GS>50-Regular	GS 1-5MW	Large Use >5 MW	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
465,656,406	147,767,075	50,460,667	77,849,023	59,000,000	10,200,000	97,146,783	4,979,730	284,787	618,341

Loss Factor





## 20XX COST ALLOCATION

Saturday, January 00, 1900

### Sheet 16.2 Customer Data Worksheet - Edit description in Sheet 12, cell C17

			1	2	3	4	5	6	7	8	9
	ID	Total	Residential	GS <50	GS>50-Regular	GS 1-5MW	Large Use >5 MW	Street Light	Sentinel	Unmetered Scattered Load	Embedded Distributor
	Billing Data										
Bad Debt 3 Year Historical Average	BDHA	\$28,289	\$25,164	\$2,853	\$272	\$0	\$0	\$0	\$0	\$0	\$0
Late Payment 3 Year Historical Average	LPHA	\$112,232	\$99,832	\$11,319	\$1,081						
Number of Bills	CNB	227,268	197,532	22,320	2,100	96	12	108	3,612	1,452	36
Number of Devices											
Number of Connections (Unmetered)	CCON	4,705						4,283	301	121	
Total Number of Customers	CCA	18,927	16,461	1,857	175	8	1		301	121	3
Bulk Customer Base	CCB	-									
Primary Customer Base	CCP	18,927	16,461	1,857	175	8	1		301	121	3
Line Transformer Customer Base	CCLT	18,925	16,461	1,857	175	7			301	121	3
Secondary Customer Base	CCS	18,925	16,461	1,857	175	7			301	121	3
Weighted - Services	CWCS	26,703	16,461	3,714	1,750	70	-	4,283	301	121	3
Weighted Meter -Capital	CWMC	3,769,483	2,765,448	894,660	84,175	16,800	2,100	-	-	-	6,300
Weighted Meter Reading	CWMR	25,400	16,821	5,718	2,273	392	49	-	-	-	147
Weighted Bills	CWNB	265,489	197,532	44,640	14,700	672	180	108	361	7,260	36

#### Bad Debt Data

Historic Year: 2009	27,450	24,418	2,768	264							
Historic Year: 2010	28,280	25,156	2,852	272							
Historic Year: 2011	29,136	25,917	2,938	281							
Three-year average	28,289	25,164	2,853	272	-	-	-	-	-	-	-



## 20XX COST ALLOCATION

Saturday, January 00, 1900

### Sheet 18 Demand Data Worksheet - Edit description in Sheet 12, cell C17

This is an input sheet for demand allocators.

CP TEST RESULTS	12 CP
NCP TEST RESULTS	4 NCP

Co-incident Peak	Indicator
1 CP	CP 1
4 CP	CP 4
12 CP	CP 12

Non-co-incident Peak	Indicator
1 NCP	NCP 1
4 NCP	NCP 4
12 NCP	NCP 12

Customer Classes		Total	1 Residential	2 GS <50	3 GS>50-Regular	4 GS 1-5MW	5 Large Use >5 MW	6 Street Light	7 Sentinel	8 Unmetered Scattered Load	9 Embedded Distributor
CO-INCIDENT PEAK											
1 CP											
Transformation CP	TCP1	90,426	35,979	11,946	13,918	11,624	13,202	566	63	134	2,994
Bulk Delivery CP	BCP1	-									-
Total Sytem CP	DCP1	90,426	35,979	11,946	13,918	11,624	13,202	566	63	134	2,994
4 CP											
Transformation CP	TCP4	346,292	128,414	42,822	66,599	41,915	53,816	2,256	258	544	9,668
Bulk Delivery CP	BCP4	-									
Total Sytem CP	DCP4	346,292	128,414	42,822	66,599	41,915	53,816	2,256	258	544	9,668
12 CP											
Transformation CP	TCP12	906,233	329,412	110,673	174,557	104,346	152,139	2,537	290	1,694	30,585
Bulk Delivery CP	BCP12	-									
Total Sytem CP	DCP12	906,233	329,412	110,673	174,557	104,346	152,139	2,537	290	1,694	30,585
NON CO INCIDENT PEAK											
1 NCP											
Classification NCP from Load Data Provider	DNCP1	101,376	36,069	11,981	22,194	11,945	14,228	566	65	187	4,141
Primary NCP	PNCP1	101,376	36,069	11,981	22,194	11,945	14,228	566	65	187	4,141
Line Transformer NCP	LTNCP1	84,688	36,069	11,981	22,194	9,485		566	65	187	4,141
Secondary NCP	SNCP1	84,688	36,069	11,981	22,194	9,485		566	65	187	4,141
4 NCP											
Classification NCP from Load Data Provider	DNCP4	378,104	131,376	43,934	82,064	46,278	56,198	2,256	258	609	15,131
Primary NCP	PNCP4	378,104	131,376	43,934	82,064	46,278	56,198	2,256	258	609	15,131
Line Transformer NCP	LTNCP4	312,432	131,376	43,934	82,064	36,804		2,256	258	609	15,131
Secondary NCP	SNCP4	312,432	131,376	43,934	82,064	36,804		2,256	258	609	15,131
12 NCP											
Classification NCP from Load Data Provider	DNCP12	1,020,826	344,769	115,882	227,921	123,604	160,146	6,754	772	1,694	39,284
Primary NCP	PNCP12	1,020,826	344,769	115,882	227,921	123,604	160,146	6,754	772	1,694	39,284
Line Transformer NCP	LTNCP12	737,076	344,769	115,882	227,921			6,754	772	1,694	39,284
Secondary NCP	SNCP12	737,076	344,769	115,882	227,921			6,754	772	1,694	39,284



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

**Class Revenue, Cost Analysis, and Return on Rate Base**

Rate Base		Total	1 Residential	2 GS <50	3 GS>50-Regular	4 GS 1-5MW	5 Large Use >5 MW	6 Street Light	7 Sentinel	8 Unmetered Scattered Load	9 Embedded Distributor
<b>Assets</b> <b>crev</b> <b>mi</b>	Distribution Revenue at Existing Rates	\$7,442,790	\$4,585,990	\$929,555	\$711,506	\$474,384	\$339,240	\$229,426	\$24,766	\$7,019	\$140,903
	Miscellaneous Revenue (mi)	\$885,992	\$598,973	\$119,006	\$77,982	\$27,896	\$13,694	\$38,008	\$3,057	\$9,214	\$10,164
	<b>Total Revenue at Existing Rates</b>	<b>\$8,328,782</b>	<b>\$5,172,963</b>	<b>\$1,048,561</b>	<b>\$789,488</b>	<b>\$502,280</b>	<b>\$352,934</b>	<b>\$267,433</b>	<b>\$27,823</b>	<b>\$16,233</b>	<b>\$151,067</b>
	Factor required to recover deficiency (1 + D)	1.2209									
	Distribution Revenue at Status Quo Rates	\$9,087,041	\$5,999,120	\$1,134,911	\$868,691	\$579,185	\$414,185	\$280,110	\$30,238	\$8,570	\$172,031
<b>Expenses</b> <b>di</b> <b>cu</b> <b>ad</b> <b>dep</b> <b>INPUT</b> <b>INT</b>	Miscellaneous Revenue (mi)	\$885,992	\$586,973	\$119,006	\$77,982	\$27,896	\$13,694	\$38,008	\$3,057	\$9,214	\$10,164
	<b>Total Revenue at Status Quo Rates</b>	<b>\$9,973,033</b>	<b>\$6,186,093</b>	<b>\$1,253,917</b>	<b>\$946,673</b>	<b>\$607,080</b>	<b>\$427,879</b>	<b>\$318,118</b>	<b>\$33,294</b>	<b>\$17,784</b>	<b>\$182,195</b>
	<b>Expenses</b>										
	Distribution Costs (di)	\$899,951	\$444,725	\$107,249	\$139,706	\$65,244	\$41,578	\$70,198	\$4,946	\$2,713	\$23,591
	Customer Related Costs (cu)	\$1,220,101	\$897,735	\$214,412	\$70,365	\$4,684	\$971	\$471	\$1,451	\$29,122	\$890
<b>NI</b>	General and Administration (ad)	\$3,540,542	\$2,241,943	\$537,182	\$350,823	\$116,782	\$71,058	\$118,019	\$10,684	\$53,165	\$40,885
	Depreciation and Amortization (dep)	\$2,030,082	\$1,046,508	\$253,603	\$293,483	\$139,930	\$84,346	\$145,074	\$10,200	\$5,515	\$51,424
	PILs (INPUT)	\$331,122	\$170,174	\$40,563	\$47,488	\$22,437	\$13,863	\$25,667	\$1,806	\$952	\$6,173
	Interest	\$803,302	\$412,843	\$98,406	\$115,205	\$54,431	\$33,632	\$62,268	\$4,380	\$2,309	\$18,827
	<b>Total Expenses</b>	<b>\$8,825,099</b>	<b>\$5,213,929</b>	<b>\$1,251,414</b>	<b>\$1,017,070</b>	<b>\$403,508</b>	<b>\$245,448</b>	<b>\$421,698</b>	<b>\$33,466</b>	<b>\$93,777</b>	<b>\$144,790</b>
<b>Rate Base Calculation</b>  <b>dp</b> <b>gp</b> <b>accum dep</b> <b>co</b>	<b>Direct Allocation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	Allocated Net Income (NI)	\$1,147,934	\$589,961	\$140,623	\$164,630	\$77,783	\$48,061	\$88,983	\$6,259	\$3,300	\$28,334
	<b>Revenue Requirement (includes NI)</b>	<b>\$9,973,033</b>	<b>\$5,803,889</b>	<b>\$1,392,038</b>	<b>\$1,181,700</b>	<b>\$481,291</b>	<b>\$293,509</b>	<b>\$510,681</b>	<b>\$39,726</b>	<b>\$97,077</b>	<b>\$173,123</b>
	<b>Revenue Requirement Input equals Output</b>										
	<b>Rate Base Calculation</b>										
<b>COP</b>	<b>Net Assets</b>										
	Distribution Plant - Gross	\$40,955,154	\$21,014,619	\$5,026,650	\$5,983,173	\$2,837,981	\$1,647,547	\$3,070,169	\$215,940	\$115,593	\$1,043,482
	General Plant - Gross	\$4,291,662	\$2,194,204	\$520,814	\$632,027	\$298,390	\$170,516	\$330,250	\$23,228	\$12,371	\$109,862
	Accumulated Depreciation	(\$14,833,530)	(\$7,659,379)	(\$1,856,665)	(\$2,136,279)	(\$1,021,804)	(\$609,682)	(\$1,060,071)	(\$74,562)	(\$40,294)	(\$374,794)
	Capital Contribution	(\$3,983,735)	(\$1,977,857)	(\$456,065)	(\$672,005)	(\$316,124)	(\$111,013)	(\$294,071)	(\$20,667)	(\$11,660)	(\$122,273)
<b>COP</b>	<b>Total Net Plant</b>	<b>\$26,429,551</b>	<b>\$13,571,588</b>	<b>\$3,232,734</b>	<b>\$3,806,916</b>	<b>\$1,798,443</b>	<b>\$1,097,368</b>	<b>\$2,046,276</b>	<b>\$143,939</b>	<b>\$76,010</b>	<b>\$656,277</b>
	<b>Directly Allocated Net Fixed Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	Cost of Power (COP)	\$33,092,706	\$10,569,402	\$3,598,315	\$5,568,342	\$4,949,700	\$6,948,662	\$153,422	\$19,634	\$44,228	\$1,241,001
	OM&A Expenses	\$5,660,594	\$3,584,403	\$858,843	\$560,894	\$186,710	\$113,607	\$188,689	\$17,081	\$85,001	\$65,366
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>COP</b>	<b>Subtotal</b>	<b>\$38,753,300</b>	<b>\$14,153,806</b>	<b>\$4,457,158</b>	<b>\$6,129,236</b>	<b>\$5,136,410</b>	<b>\$7,062,269</b>	<b>\$342,110</b>	<b>\$36,715</b>	<b>\$129,229</b>	<b>\$1,306,367</b>
	<b>Working Capital</b>	<b>\$5,037,929</b>	<b>\$1,839,995</b>	<b>\$579,431</b>	<b>\$796,801</b>	<b>\$667,733</b>	<b>\$918,095</b>	<b>\$44,474</b>	<b>\$4,773</b>	<b>\$16,800</b>	<b>\$169,828</b>
	<b>Total Rate Base</b>	<b>\$31,467,480</b>	<b>\$15,411,582</b>	<b>\$3,812,165</b>	<b>\$4,603,717</b>	<b>\$2,466,176</b>	<b>\$2,015,463</b>	<b>\$2,090,751</b>	<b>\$148,712</b>	<b>\$92,810</b>	<b>\$826,104</b>
	<b>Rate Base Input equals Output</b>										
	Equity Component of Rate Base	\$12,586,992	\$6,164,633	\$1,524,866	\$1,841,487	\$986,470	\$806,185	\$836,300	\$59,485	\$37,124	\$330,442
<b>RATIOS ANALYSIS</b>	<b>Net Income on Allocated Assets</b>	<b>\$1,147,934</b>	<b>\$972,165</b>	<b>\$2,503</b>	<b>(\$70,397)</b>	<b>\$203,572</b>	<b>\$182,431</b>	<b>(\$103,580)</b>	<b>(\$172)</b>	<b>(\$75,993)</b>	<b>\$37,405</b>
	<b>Net Income on Direct Allocation Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income</b>	<b>\$1,147,934</b>	<b>\$972,165</b>	<b>\$2,503</b>	<b>(\$70,397)</b>	<b>\$203,572</b>	<b>\$182,431</b>	<b>(\$103,580)</b>	<b>(\$172)</b>	<b>(\$75,993)</b>	<b>\$37,405</b>
	<b>REVENUE TO EXPENSES STATUS QUO%</b>	<b>100.00%</b>	<b>106.59%</b>	<b>90.08%</b>	<b>80.11%</b>	<b>126.14%</b>	<b>145.78%</b>	<b>62.29%</b>	<b>83.81%</b>	<b>18.32%</b>	<b>105.24%</b>
	<b>EXISTING REVENUE MINUS ALLOCATED COSTS</b>	<b>(\$1,644,250.62)</b>	<b>(\$630,926)</b>	<b>(\$343,476)</b>	<b>(\$392,212)</b>	<b>\$20,988</b>	<b>\$59,425</b>	<b>(\$243,247)</b>	<b>(\$11,903)</b>	<b>(\$80,843)</b>	<b>(\$22,057)</b>
<b>RATIOS ANALYSIS</b>	<b>Deficiency Input equals Output</b>										
	<b>STATUS QUO REVENUE MINUS ALLOCATED COSTS</b>	<b>(\$0)</b>	<b>\$382,204</b>	<b>(\$138,120)</b>	<b>(\$235,027)</b>	<b>\$125,789</b>	<b>\$134,370</b>	<b>(\$192,563)</b>	<b>(\$6,431)</b>	<b>(\$79,293)</b>	<b>\$9,071</b>
	<b>RETURN ON EQUITY COMPONENT OF RATE BASE</b>	<b>9.12%</b>	<b>15.77%</b>	<b>0.16%</b>	<b>-3.82%</b>	<b>20.64%</b>	<b>22.63%</b>	<b>-12.39%</b>	<b>-0.29%</b>	<b>-204.70%</b>	<b>11.32%</b>

**Erie Thames Powerlines**  
**Rate Design - Revenue to Cost Ratios Updated Classes**  
**Friday, November 02, 2012**  
**Version 1**

	Residential	GS < 50	GS>50 to 999 kW	GS>1000 to 4999 kW	Large Use	Sentinel Lighting	Street Light	Embedded	Unmetered	
2012 CA Revenue to Cost %	106.59%	90.08%	80.11%	126.14%	145.78%	83.81%	62.29%	105.24%	18.32%	
Board Staff Min RC%	85.00%	80.00%	80.00%	80.00%	80.00%	70.00%	70.00%	80.00%	80.00%	
Board Staff Max RC%	115.00%	120.00%	120.00%	120.00%	115.00%	120.00%	120.00%	120.00%	120.00%	
2012 DRR Current Rates	5,599,120	1,134,911	868,691	579,185	414,185	30,238	280,110	172,031	8,570	9,087,041
2012 Misc. Revenue	586,973	119,006	77,982	27,896	13,694	3,057	38,008	10,164	9,214	885,992
2012 Total Revenue Current Rates	6,186,093	1,253,917	946,673	607,080	427,879	33,294	318,118	182,195	17,784	9,973,033
										100.00%
<b>Minimum Adjustment</b>										
Current RC%	106.59%	90.08%	80.11%	126.14%	145.78%	83.81%	62.29%	105.24%	18.32%	
Min RC%	85.00%	80.00%	80.00%	80.00%	80.00%	70.00%	70.00%	80.00%	80.00%	
Max RC%	115.00%	120.00%	120.00%	120.00%	115.00%	120.00%	120.00%	120.00%	120.00%	
Agreed to RC%	106.59%	90.08%	80.11%	120.00%	115.00%	83.81%	74.04%	105.24%	80.00%	
2012 Total Revenue	6,186,093	1,253,917	946,673	607,080	427,879	33,294	318,118	182,195	17,784	9,973,033
Min Adjustment	-	-		(29,530)	(90,344)		39,359		59,877	(20,638)
2012 Min Adjusted Total Revenue	6,186,093	1,253,917	946,673	577,550	337,535	33,294	357,476	182,195	77,661	9,952,395
Allocation of Balance							20,638			20,638
2012 Adjusted Total Revenue	6,186,093	1,253,917	946,673	577,550	337,535	33,294	378,115	182,195	77,661	9,973,033
2012 Total Revenue %	62.03%	12.57%	9.49%	5.79%	3.38%	0.33%	3.79%	1.83%	0.78%	
2012 Total Revenue	6,186,093	1,253,917	946,673	577,550	337,535	33,294	378,115	182,195	77,661	9,973,033
less: 2009 Misc. Rev. Projection	549,565	111,396	84,101	51,309	29,986	2,958	33,591	16,186	6,899	885,992
2012 Min Adjustment BRR	5,636,528	1,142,521	862,571	526,241	307,549	30,337	344,524	166,009	70,762	9,087,041
<b>New BRR%</b>	<b>62.03%</b>	<b>12.57%</b>	<b>9.49%</b>	<b>5.79%</b>	<b>3.38%</b>	<b>0.33%</b>	<b>3.79%</b>	<b>1.83%</b>	<b>0.78%</b>	

**APPENDIX O**  
**LRAM and SSM**

## Erie Thames Powerlines Proposed LRAM Rates

	Units	Rate Rider
Residential	kWh	\$ 0.0004
GS<50 kW	kWh	\$ 0.0004
GS>50 - 999 kW	kW	\$ 0.3308
GS>1000 - 4999 kW	kW	\$ 0.2449
Large Use	kW	\$ 0.1790
Street Lights	kW	\$ 0.3222
Sentinel Lights	kW	\$ 0.1392
Unmetered Scattered Load	kWh	\$ 0.0003
Embedded	kW	\$ 0.2153

<b>Erie Thames Powerlines</b>		<i>Principal Amount Dec. 2010</i>
LRAM claim	\$	252,222.00
SSM Claim	\$	22,525.00
<b>SubTotal</b>	<b>\$</b>	<b>-</b>

**Grand total \$ 274,747.00**

<b>Erie Thames Powerlines</b>		
<b>Request for Disposition</b>	<b>\$ 274,747.00</b>	Excluding 1588 GA

	<i>LRAM Recovery</i>	<i>Determinant</i>	<i>Two Year Rate Rider</i>
Residential	31.73%	\$ 87,185.64 119,707,075 kWh	\$ 0.0004
GS < 50 kW	10.84%	\$ 29,772.85 36,883,801 kWh	\$ 0.0004
GS>50 to 999 kW	9.55%	\$ 26,228.29 39,648 kW	\$ 0.3308
GS>1000 kW to 4999 kW	22.03%	\$ 60,533.69 123,604 kW	\$ 0.2449
Large Use	20.86%	\$ 57,318.66 160,146 kW	\$ 0.1790
Sentinel Lighting	0.06%	\$ 168.05 603 kW	\$ 0.1392
Street Lights	1.07%	\$ 2,938.13 4,559 kW	\$ 0.3222
Embedded	3.73%	\$ 10,236.87 23,768 kW	\$ 0.2153
Unmetered	0.13%	\$ 364.81 545,982 kWh	\$ 0.0003
<b>Total</b>	<b>100.00%</b>	<b>\$ 274,747.00</b>	

	<b>Billed KWh</b>	<b>Class Allocation</b>
Residential	1,457,817	31.73%
GS < 50 kW	497,827	10.84%
GS>50 to 999 kW	438,559	9.55%
GS>1000 kW to 4999 kW	1,012,174	22.03%
Large Use	958,416	20.86%
Sentinel Lighting	2,810	0.06%
Street Lights	49,128	1.07%
Embedded	171,169	3.73%
Unmetered	6,100	0.13%
	<b>4,594,000</b>	<b>100%</b>

## Clinton Power LRAM Proposed Rates

	Units		Rate Rider
Residential	kWh	\$	0.0006
GS<50 kW	kWh	\$	0.0005
GS>50 - 999 kW	kW	\$	0.3475
Street Lights	kW	\$	0.2428
Sentinel Lights	kW	\$	0.1160
Unmetered Scattered Load	kWh	\$	0.0005

		<i>Principal Amount Dec. 2010</i>
<b>Clinton Power</b>		
LRAM claim	\$	40,299.00
SSM Claim	\$	5,476.00
<b>SubTotal</b>	<b>\$</b>	<b>-</b>
 <b>Grand Total</b>	 <b>\$</b>	 <b>45,775.00</b>
<b>Clinton Power</b>		
<b>Request for Disposition</b>	<b>\$</b>	<b>45,775.00</b>

		<i>Reg Asset Amnt</i>	<i>Determinant</i>	<i>Two Year Rate Rider</i>
Residential	31.73%	\$ 14,525.81	11,660,000 kWh	\$ 0.0006
GS < 50 kW	10.84%	\$ 4,960.39	5,422,967 kWh	\$ 0.0005
GS>50 to 999 kW	56.17%	\$ 25,710.50	36,991 kW	\$ 0.3475
Sentinel Lighting	0.06%	\$ 28.00	121 kW	\$ 0.1160
Street Lights	1.07%	\$ 489.52	1,008 kW	\$ 0.2428
Unmetered	0.13%	\$ 60.78	56,040 kWh	\$ 0.0005
<b>Total</b>	<b>100.00%</b>	<b>\$ 45,775.00</b>		

	<b>Billed KWh</b>	<b>Class Allocation</b>
Residential	1,457,817	59.45%
GS < 50 kW	497,827	20.30%
GS>50 to 999 kW	438,559	17.88%
Sentinel Lighting	2,810	0.11%
Street Lights	49,128	2.00%
Unmetered	6,100	0.25%
	<b>2,452,241</b>	<b>100%</b>

## West Perth Power LRAM Proposed Rates

	Units		Rate Rider
Residential	kWh	\$	0.0005
GS<50 kW	kWh	\$	0.0003
GS>50 - 999 kW	kW	\$	0.0501
Street Lights	kW	\$	0.3688
Sentinel Lights	kW	\$	0.3933
Unmetered Scattered Load	kWh	\$	0.0003

### Principal Amount Dec. 2010

#### West Perth Power

LRAM claim	\$	40,993.00
SSM Claim	\$	3,034.00
<b>Grand Total</b>	<b>\$</b>	<b>44,027.00</b>

#### West Perth Powe

Request for Disposition	\$	44,027.00
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		Reg Asset Amnt	Determinant		Two Year Rate Rider
Residential	59.45%	\$ 26,173.33	27,963,560 kWh	\$	0.0005
GS < 50 kW	20.30%	\$ 8,937.88	16,297,712 kWh	\$	0.0003
GS>50 to 999 kW	17.88%	\$ 7,873.79	78,630 kW	\$	0.0501
Sentinel Lighting	0.11%	\$ 50.45	64 kW	\$	0.3933
Street Lights	2.00%	\$ 882.03	1,196 kW	\$	0.3688
Unmetered	0.25%	\$ 109.52	166,487 kWh	\$	0.0003
<b>Total</b>	<b>100.00%</b>	<b>\$ 44,027.00</b>			

	Billed KWh	Class Allocation
Residential	1,457,817	59.45%
GS < 50 kW	497,827	20.30%
GS>50 to 999 kW	438,559	17.88%
Sentinel Lighting	2,810	0.11%
Street Lights	49,128	2.00%
Unmetered	6,100	0.25%
	<b>2,452,241</b>	<b>100%</b>

**APPENDIX P**  
**DEFERRAL AND VARIANCE**

## Erie Thames Powerlines Proposed Rates

	Units	Rate Rider	Rate Rider GA	Impact	Impact GA
Residential	kWh	\$ (0.0008)	\$ 0.0038	-4.68%	-0.55%
GS<50 kW	kWh	\$ (0.0008)	\$ 0.0038	-12.47%	1.08%
GS>50 - 999 kW	kW	\$ (0.5957)	\$ 2.6824	-0.18%	0.49%
GS>1000 - 4999 kW	kW	\$ (0.4706)	\$ 2.1192	-1.60%	1.70%
Large Use	kW	\$ (0.4835)	\$ 2.1775	-9.75%	11.45%
Street Lights	kW	\$ (0.5787)	\$ 2.7504	-0.11%	0.45%
Sentinel Lights	kW	\$ (0.3088)	\$ -	-1.06%	0.00%
Unmetered Scattered Load	kWh	\$ (0.0008)	\$ 0.0038	-1.42%	0.33%
Embedded	kW	\$ (0.6175)	\$ 2.7806	-2.93%	7.71%

Erie Thames Powerlines	Principal Amount Dec. 2010	Interest Amount to Dec. 2010	Interest for 2011	Interest Jan 2012 to April 2012	Total Claim for 2010 Balances
1550 \$	(318,209.36)	\$ (923.30)	\$ (4,287.87)	\$ (1,559.23)	\$ (324,979.76)
1580 \$	(433,995.96)	\$ (74,837.48)	\$ (6,379.75)	\$ (2,126.58)	\$ (517,339.77)
1584 \$	14,755.90	\$ (11,282.37)	\$ 216.91	\$ 72.30	\$ 3,762.74
1586 \$	(473,329.15)	\$ (39,540.30)	\$ (6,957.94)	\$ (2,319.31)	\$ (522,146.70)
1588 \$	837,496.36	\$ (184,518.56)	\$ 12,311.20	\$ 4,103.73	\$ 669,392.73
1588 \$	934,081.26	\$ 12,818.90	\$ 13,730.99	\$ 4,577.00	\$ 965,208.15
1590 \$	405,734.25	\$ (124,291.48)	\$ 5,964.29	\$ 1,988.10	\$ 289,395.16
1592 \$	33,247.04				\$ 33,247.04
<b>SubTotal \$</b>	<b>999,780.34</b>	<b>\$ (422,574.59)</b>	<b>\$ 14,597.83</b>	<b>\$ 4,736.01</b>	<b>\$ 596,539.59</b>
1582 \$	49,454.07	\$ 8,156.75	\$ 726.97	\$ 242.32	\$ 58,580.11
1521			\$ 739.48	\$ 246.49	\$ 985.97
<b>SubTotal \$</b>	<b>49,454.07</b>	<b>\$ 8,156.75</b>	<b>\$ 1,466.45</b>	<b>\$ 488.81</b>	<b>\$ 59,566.08</b>
<b>Grand total \$</b>	<b>1,049,234.41</b>	<b>\$ (414,417.84)</b>	<b>\$ 16,064.28</b>	<b>\$ 5,224.82</b>	<b>\$ 656,105.67</b>
<b>Erie Thames Powerlines</b>					
<b>Request for Disposition \$</b>	<b>(309,102.48)</b>	Excluding 1588 GA			

	Reg Asset Amnt	Determinant	One Year Rate Rider
Residential	32.59%	\$ (100,734.91)	119,707,075 \$ (0.0008) kWh
GS < 50 kW	10.09%	\$ (31,202.43)	36,883,801 \$ (0.0008) kWh
GS>50 to 999 kW	7.64%	\$ (23,616.29)	39,648 \$ (0.5957) kW
GS>1000 kW to 4999 kW	18.82%	\$ (58,166.58)	123,604 \$ (0.4706) kW
Large Use	25.05%	\$ (77,435.18)	160,146 \$ (0.4835) kW
Sentinel Lighting	0.06%	\$ (186.39)	603 \$ (0.3088) kW
Street Lights	0.85%	\$ (2,638.46)	4,559 \$ (0.5787) kW
Embedded	4.75%	\$ (14,675.61)	23,768 \$ (0.6175) kW
Unmetered	0.14%	\$ (446.62)	545,982 \$ (0.0008) kWh
<b>Total</b>	<b>100.00%</b>	<b>\$ (309,102.48)</b>	

## Global Adjustment Disposition

	Reg Asset Amnt	Determinant	Rate Rider
Residential	12.36%	\$ 119,275.91	31,616,674 \$ 0.0038 kWh
GS < 50 kW	5.18%	\$ 49,999.05	13,253,336 \$ 0.0038 kWh
GS>50 to 999 kW	11.02%	\$ 106,351.73	39,648 \$ 2.6824 kW
GS>1000 kW to 4999 kW	27.14%	\$ 261,942.74	123,604 \$ 2.1192 kW
Large Use	36.13%	\$ 348,715.38	160,146 \$ 2.1775 kW
Sentinel Lighting	0.00%	\$ -	\$ - kW
Street Lights	1.30%	\$ 12,539.11	4,559.00 \$ 2.7504 kW
Embedded	6.85%	\$ 66,088.99	23,768 \$ 2.7806 kW
Unmetered	0.03%	\$ 295.24	78,260 \$ 0.0038 kWh
<b>Total</b>	<b>100.00%</b>	<b>\$ 965,208.15</b>	

	Non RPP kWh	Class Allocation	Billed KWh	Class Allocation	Non RPP % of Total	Non RPP Billing Determinant
Residential	31,616,674	12.36%	120,247,549	32.59%		
GS < 50 kW	13,253,336	5.18%	37,246,433	10.09%		
GS>50 to 999 kW	28,190,839	11.02%	28,190,839	7.64%	100%	39,647.65
GS>1000 kW to 4999 kW	69,433,617	27.14%	69,433,617	18.82%	100%	123,604.00
Large Use	92,434,594	36.13%	92,434,594	25.05%	100%	160,145.59
Sentinel Lighting	-	0.00%	222,490	0.06%	0%	-
Street Lights	3,323,762	1.30%	3,149,541	0.85%	100%	4,559.00
Embedded	17,518,323	6.85%	17,518,323	4.75%	100%	23,768.00
Unmetered	78,260	0.03%	533,136	0.14%		
<b>Total</b>	<b>255,849,406</b>	<b>100%</b>	<b>368,976,522</b>	<b>100%</b>		



## Clinton Power DVAD Proposed Rates

		Four Year				
	Units	Rate Rider	Rate Rider GA	Impact	Impact GA	
Residential	kWh	\$ 0.0073	\$ (0.0145)	8.47%	-9.77%	
GS<50 kW	kWh	\$ 0.0073	\$ (0.0145)	41.78%	-65.24%	
GS>50 - 999 kW	kW	\$ 2.4601	\$ (4.8781)	236.00%	-1.85%	
Street Lights	kW	\$ 2.6990	\$ (5.3587)	22.83%	-36.94%	
Sentinel Lights	kW	\$ 2.7025	\$ (5.3518)	3.90%	-9.65%	
Unmetered Scattered Load	kWh	\$ 0.0073	\$ (0.0145)	8.07%	-13.05%	

Clinton Power	Principal Amount Dec. 2010		Interest Amount to Dec. 2010		Interest Jan 2012 to April 2012		Total Claim for 2010 Balances
1550	\$	444,684.47	\$	24,679.94	\$	2,178.95	\$ 478,080.22
1580	\$	2,157.33	\$	(7,244.75)	\$	10.57	\$ (5,045.13)
1584	\$	(41,762.65)	\$	(471.20)	\$	(204.64)	\$ (43,052.40)
1586	\$	(638,687.99)	\$	(45,435.74)	\$	(3,129.57)	\$ (696,642.01)
1588	\$	951,946.44	\$	47,919.15	\$	4,664.54	\$ 1,018,523.74
1588	\$	(364,833.41)	\$	(4,267.24)	\$	(1,787.68)	\$ (376,251.38)
1590	\$	36,198.59	\$	8,617.29	\$	-	\$ 44,815.88
<b>SubTotal</b>	<b>\$</b>	<b>389,702.78</b>	<b>\$</b>	<b>23,797.45</b>	<b>\$</b>	<b>1,732.17</b>	<b>\$ 420,428.92</b>
1508	\$	74,846.00	\$	582.39	\$	366.75	\$ 76,987.06
1582	\$	1,338.00	\$	193.59	\$	6.56	\$ 1,557.82
1521	\$		\$	-	\$	22.69	\$ 90.76
<b>SubTotal</b>	<b>\$</b>	<b>76,184.00</b>	<b>\$</b>	<b>775.98</b>	<b>\$</b>	<b>396.00</b>	<b>\$ 78,635.64</b>
<b>Grand Total</b>	<b>\$</b>	<b>465,886.78</b>	<b>\$</b>	<b>24,573.43</b>	<b>\$</b>	<b>2,128.17</b>	<b>\$ 499,064.56</b>
<b>Clinton Power</b>							
Request for Disposition	\$	875,315.94	Excluding 1588 GA				

		Reg Asset Amnt	Determinant	One Year Rate Rider	Four Year Rate Rider
Residential	38.79%	\$ 339,550.26	11,660,000	\$ 0.0291 kWh	\$ 0.0073
GS < 50 kW	18.04%	\$ 157,921.93	5,422,967	\$ 0.0291 kWh	\$ 0.0073
GS>50 to 999 kW	41.59%	\$ 364,003.26	36,991	\$ 9.8404 kW	\$ 2.4601
Sentinel Lighting	0.15%	\$ 1,303.06	121	\$ 10.7960 kW	\$ 2.6990
Street Lights	1.24%	\$ 10,896.38	1,008	\$ 10.8099 kW	\$ 2.7025
Unmetered	0.19%	\$ 1,641.06	56,040	\$ 0.0293 kWh	\$ 0.0073
Total	100.00%	\$ 875,315.94			

Global Adjustment Disposition		Reg Asset Amnt	Determinant	Rate Rider	Rate Rider
Residential	35.22%	\$ (132,497.49)	9,127,297	\$ (0.0145) kWh	\$ (0.0145)
GS < 50 kW	16.51%	\$ (62,104.17)	4,278,143	\$ (0.0145) kWh	\$ (0.0145)
GS>50 to 999 kW	47.02%	\$ (176,900.35)	36,264	\$ (4.8781) kW	\$ (4.8781)
Sentinel Lighting	0.11%	\$ (426.96)	80	\$ (5.3518) kW	\$ (5.3518)
Street Lights	0.97%	\$ (3,631.30)	678	\$ (5.3587) kW	\$ (5.3587)
Unmetered	0.18%	\$ (691.12)	47,609	\$ (0.0145) kWh	\$ (0.0145)
Total	100.00%	\$ (376,251.38)			

	Non RPP kWh	Class Allocation	Billed KWh	Class Allocation	Non RPP % of Total	Non RPP Billing Determinant
Residential	9,127,296.99	35.22%	11,595,218	38.79%		
GS < 50 kW	4,278,142.83	16.51%	5,392,837	18.04%		
GS>50 to 999 kW	12,186,057.79	47.02%	12,430,258	41.59%	98%	36,264.05
Sentinel Lighting	29,411.97	0.11%	44,498	0.15%	66%	79.78
Street Lights	250,147.52	0.97%	372,098	1.24%	67%	677.64
Unmetered	47,608.91	0.18%	56,040	0.19%		
<b>Total</b>	<b>25,918,666.01</b>	<b>100%</b>	<b>29,890,948</b>	<b>100%</b>		

## West Perth Power DVAD Proposed Rates

	Units	Rate Rider	Rate Rider GA	Impact	Impact GA
Residential	kWh	\$ (0.0013)	\$ (0.0066)	-3.57%	-8.11%
GS<50 kW	kWh	\$ (0.0010)	\$ (0.0066)	-7.84%	-17.60%
GS>50 - 999 kW	kW	\$ (0.9799)	\$ (2.9573)	-0.38%	-0.57%
Street Lights	kW	\$ (0.8059)	\$ (2.4322)	-0.89%	-2.70%
Sentinel Lights	kW	\$ (0.6037)	\$ (1.8221)	-2.41%	-7.26%
Unmetered Scattered Load	kWh	\$ (0.0002)	\$ (0.0066)	-0.08%	-0.23%

		Principal Amount Dec. 2010	Interest Amount to Dec. 2010	Interest for 2011	Interest Jan 2012 to April 2012	Total Claim for 2010 Balances
<b>West Perth Power</b>						
1550	\$	114,430.72	\$ 8,530.45	\$ 1,682.13	\$ 560.71	\$ 125,204.01
1580	\$	8,245.42	\$ 27,317.60	\$ 121.21	\$ 40.40	\$ 35,724.63
1584	\$	(47,698.07)	\$ 1,465.58	\$ (701.16)	\$ (233.72)	\$ (47,167.37)
1586	\$	(1,056,006.59)	\$ (41,096.27)	\$ (15,523.30)	\$ (5,174.43)	\$ (1,117,800.59)
1588	\$	713,716.35	\$ 46,609.57	\$ 10,491.63	\$ 3,497.21	\$ 774,314.76
1588	\$	(352,361.60)	\$ 5,013.36	\$ (5,179.72)	\$ (1,726.57)	\$ (354,254.53)
1590	\$	(10,704.34)	\$ (3,689.12)	\$ (157.35)	\$ (52.45)	\$ (14,603.26)
<b>SubTotal</b>	<b>\$</b>	<b>(630,378.11)</b>	<b>\$ 44,151.17</b>	<b>\$ (9,266.56)</b>	<b>\$ (3,088.85)</b>	<b>\$ (598,582.35)</b>
1508	\$	80,000.00	\$ -	\$ 1,176.00	\$ 392.00	\$ 81,568.00
1508	\$	20,801.15	\$ 3,197.29	\$ 305.78	\$ 101.93	\$ 24,406.15
1582	\$	6,527.33	\$ 1,050.60	\$ 95.95	\$ 31.98	\$ 7,705.86
1521	\$	-	\$ -	\$ 113.09	\$ 37.70	\$ 150.79
<b>SubTotal</b>	<b>\$</b>	<b>107,328.48</b>	<b>\$ 4,247.89</b>	<b>\$ 1,690.82</b>	<b>\$ 563.61</b>	<b>\$ 113,830.80</b>

<b>Grand Total</b>	<b>\$</b>	<b>(523,049.63)</b>	<b>\$ 48,399.06</b>	<b>\$ (7,575.74)</b>	<b>\$ (2,525.24)</b>	<b>\$ (484,751.55)</b>
<b>West Perth Power</b>						
Request for Disposition	\$	(130,497.02)	Excluding 1588 GA			

	Reg Asset Amnt	Determinant	One Year Rate Rider
Residential	27.13%	\$ (35,402.58)	27,963,560 \$ (0.0013) kWh
GS < 50 kW	13.03%	\$ (17,007.10)	16,297,712 \$ (0.0010) kWh
GS>50 to 999 kW	59.04%	\$ (77,049.31)	78,630 \$ (0.9799) kW
Sentinel Lighting	0.03%	\$ (38.73)	64 \$ (0.6037) kW
Street Lights	0.74%	\$ (963.79)	1,196 \$ (0.8059) kW
Unmetered	0.03%	\$ (35.51)	166,487 \$ (0.0002) kWh
Total	100.00%	\$ (130,497.02)	

Global Adjustment Disposition	Reg Asset Amnt	Determinant	Rate Rider
Residential	22.72%	\$ (80,487.46)	12,257,685 \$ (0.0066) kWh
GS < 50 kW	10.78%	\$ (38,180.16)	5,814,575 \$ (0.0066) kWh
GS>50 to 999 kW	65.64%	\$ (232,532.80)	78,630 \$ (2.9573) kW
Sentinel Lighting	0.02%	\$ (70.50)	39 \$ (1.8221) kW
Street Lights	0.82%	\$ (2,908.69)	1,196 \$ (2.4322) kW
Unmetered	0.02%	\$ (74.91)	11,408 \$ (0.0066) kWh
Total	100.00%	\$ (354,254.53)	

	Non RPP kWh	Class Allocation	Billed KWh	Class Allocation	Non RPP % of Total	Non RPP Billing Determinant
Residential	12,257,684.66	22.72%	16,271,614	27.13%		
GS < 50 kW	5,814,575.35	10.78%	7,816,746	13.03%		
GS>50 to 999 kW	35,413,140.45	65.64%	35,413,140	59.04%	100%	78,629.88
Sentinel Lighting	10,737.25	0.02%	17,799	0.03%	60%	38.69
Street Lights	442,973.41	0.82%	442,973	0.74%	100%	1,195.92
Unmetered	11,408.30	0.02%	16,319	0.03%		
	<b>53,950,519.42</b>	<b>100%</b>	<b>59,978,592</b>	<b>100%</b>		

Account	ETPL	Period	WPPI	Period	CPC	Period
	Disposition		Disposition		Disposition	
1550	\$ (324,979.76)	1 Year	\$ 125,204.01	1 Year	\$ 478,080.22	4 Years
1580	\$ (517,339.77)	1 Year	\$ 35,724.63	1 Year	\$ (5,045.13)	4 Years
1584	\$ 3,762.74	1 Year	\$ (47,167.37)	1 Year	\$ (43,052.40)	4 Years
1586	\$ (522,146.70)	1 Year	\$ (1,117,800.59)	1 Year	\$ (696,642.01)	4 Years
1588	\$ 669,392.73	1 Year	\$ 774,314.76	1 Year	\$ 1,018,523.74	4 Years
1588	\$ 965,208.15	1 Year	\$ (354,254.53)	1 Year	\$ (376,251.38)	1 Year
1590	\$ 289,395.16	1 Year	\$ (14,603.26)	1 Year	\$ 44,815.88	4 Years
1592	\$ 33,247.04	1 Year				
<b>SubTotal</b>	<b>\$ 596,539.59</b>		<b>\$ (598,582.35)</b>		<b>\$ 420,428.92</b>	
1508			\$ 105,974.15	1 Year	\$ 76,987.06	4 Years
1582	\$ 58,580.11	1 Year	\$ 7,705.86	1 Year	\$ 1,557.82	4 Years
1521	\$ 985.97	1 Year	\$ 150.79	1 Year	\$ 90.76	4 Years
<b>SubTotal</b>	<b>\$ 59,566.08</b>		<b>\$ 113,830.80</b>		<b>\$ 78,635.64</b>	
<b>Grand total</b>	<b>\$ 656,105.67</b>		<b>\$ (484,751.55)</b>		<b>\$ 499,064.56</b>	