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November 5, 2012

BY RESS & COURIER

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

**Re: EB-2012-0124
Festival Hydro Inc. Response to Board Staff Interrogatories
2013 IRM3 Electricity Distribution Rates**

Dear Ms. Walli:

Enclosed are Festival Hydro's responses to Board Staff interrogatories dated October 22, 2012. A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary. The original has been couriered to the Board's offices.

Should you require any further information or clarification please contact me.

Respectfully submitted,
Original Signed by

W.G. Zehr, President

Cc All Intervenors

**Festival Hydro Inc.
2013 IRM Rate Application
Response to Board Staff Interrogatories**

1. Ref: 2013 IRM3 Tax Savings Work Form, Sheet #5

Ref: Festival Hydro's Response to comments on Draft Rate Order (DRO) (EB-2009-0263, April 28, 2010)

Board Staff notes that the taxable capital amount entered on Sheet #5 of the 2013 IRM3 Tax Savings Work Form is \$42,140,000. This is inconsistent with the amount approved by the Board in Festival Hydro's 2010 Cost of Service case (EB-2009-0263) of \$40,127,578.

Below is a copy of sheet #4 of Festival Hydro's updated revenue requirement workform submitted as part of appendix A in its Response to comments on its DRO on April 28, 2010.

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	56.00%	\$22,166,845	7.40%	\$1,639,514
2	Short-term Debt	4.00%	\$1,583,346	1.33%	\$21,059
3	Total Debt	60.00%	\$23,750,191	6.99%	\$1,660,572
Equity					
4	Common Equity	40.00%	\$15,833,460	8.01%	\$1,268,260
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$15,833,460	8.01%	\$1,268,260
7	Total	100%	\$39,583,651	7.40%	\$2,928,832
Per Board Decision					
Debt					
8	Long-term Debt	56.00%	\$22,471,444	5.68%	\$1,276,862
9	Short-term Debt	4.00%	\$1,605,103	2.07%	\$33,226
10	Total Debt	60.00%	\$24,076,547	5.44%	\$1,310,088
Equity					
11	Common Equity	40.0%	\$16,051,031	9.85%	\$1,581,027
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$16,051,031	9.85%	\$1,581,027
14	Total	100%	\$40,127,578	7.20%	\$2,891,114

a) Please confirm the correct 2010 taxable capital amount.

b) If this amount differs from the 2010 Board approved amount, please provide an explanation reconciling the difference.

Note: If needed, Board staff will update the tax savings work form.

RESPONSE:

a) The amount of \$42,140,000 represents the approved taxable cost of paid up capital from our 2010 COS application resulting in the approved capital tax amount of \$20,188 as per tab three of the approved RRWF.

b) The approved capital tax amount from our 2010 COS application of \$20,188 agrees to the capital tax figure used in the tax savings word form for this application.

2. Ref: 2013 IRM3 RTSR Work form, Sheet #4

Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by Festival Hydro’s Board-approved loss factor.

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	137,110,454		1.0307		141,319,745	-
Residential - Hensall	kWh	3,814,545		1.0307		3,931,652	-
General Service Less Than 50 kW	kWh	63,567,429		1.0307		65,518,949	-
General Service 50 to 4,999 kW	kW	47,345,637	132,852		48.85%	47,345,637	132,852
General Service 50 to 4,999 kW – Interval Metered	kW	295,051,789	760,654		53.17%	295,051,789	760,654
Large Use	kW	30,589,560	59,443		70.53%	30,589,560	59,443
Unmetered Scattered Load	kWh	666,441		1.0307		686,901	-
Sentinel Lighting	kW	200,336	556		49.39%	200,336	556
Street Lighting	kW	4,206,123	11,209		51.43%	4,206,123	11,209

RESPONSE:

Confirmed. The amounts entered into the Columns “Non-Loss Adjusted Metered kWh” and Non-Loss Adjusted Metered kW” have not been adjusted by Festival’s Board approved loss factors. These amounts agree with the December 31, 2011 RRR filing under 2.1.5 Performance Based Regulation Reporting.

3. Ref: OEB RRR 2.1.5 Filing

As per Festival Hydro's last board-approved cost of service application (EB-2009-0263) Festival Hydro's approved return on equity was 9.85%. Based on Festival Hydro filed information for year-end December 31, 2011, Festival Hydro's regulated rate of return on deemed equity exceeded the Board-approved ROE (but not in excess of 300 basis points).

- a) Please explain why Festival Hydro requires advance funding during the IRM period given that they earned in excess of the regulated return in 2011 (the first year of the current IRM cycle).
- b) Please provide an earnings calculation for the 2012 calendar year based on six months actuals and six months forecast consistent with the calculation in 2.1.5.

RESPONSE:

- a) Festival requires advanced funding during the IRM period for cash flow purposes. The construction of the Transformer Station represents a significant financial expenditure for Festival Hydro. As at December 31, 2011, Festival had \$33,608,438 in net fixed assets. The projected cost of the Transformer Station is \$15,863,114, which represents a 47% increase in our net asset base.

To complete the financing for this expenditure, Festival Hydro has negotiated a 25 year lending agreement with a Canadian financial institution in the amount of \$14 million. The remaining \$1,863,114 of the project is being funded internally by Festival Hydro, of which \$1,192,182 has already been funded internally in 2010 and 2011, with the remaining \$670,932 being funded in 2012 and early 2013. As such, Festival has already invested a significant sum of its earnings from 2010 to 2012 directly into this project. Festival Hydro also had the smart meter project running concurrently from 2010 to 2012, which was also partially funded through Festival's earnings.

The cash position for Festival Hydro at the end of December 31, 2011 was a Bank indebtedness position of \$241,193. This indebtedness was primarily due to the internal funding of \$1,192,182 for the TS which occurred in 2010 and 2011. Festival expects to fund \$703,932 of the remaining build in 2012 and 2013 from its own cash. In terms of post construction cash flow commitments, Festival will repay \$217,000 in principal and \$273,135 in interest during the one year period from June 1, 2013 to May 31, 2014. If the ICM rate rider is not approved, the payment of the interest and principal amounts, for the most part, will have to be funded through bank overdraft. This extra interest expense, as a result of not having the ICM rate adder, would eventually be sought to be recovered from customers.

Note that interest will be capitalized to the project based on the prevailing OEB prescribed CWIP rates.

b) Festival Hydro's projected adjusted regulatory net income for the 2012 calendar year, based on the nine months actual and three months forecast, and using the calculation as set out in 2.1.5, totals \$1,748,976. Below is the detailed calculation. This includes the impact of the Transformer Station CWIP forecasted spending to December 31, 2012.

Festival Hydro Inc		OEB E 2.1.5 IRM		
Calculation of ROE on a Deemed Basis				31-Dec-12
Projected for the year ended Dec 31, 2012				Forecast
				(with TS spending)
Regulated Net Income, as per OB Trial Balance				1,950,889
Adjustment to interest expense- for deemed debt				(201,913)
Adjusted regulated net income				1,748,976
Rate Base:				
Cost of Power				54,215,844
Operating Expenses				6,731,708
Total				60,947,552
Working Capital Allowance 15%				15%
				9,142,133
Fixed Assets:				
Opening Balance			33,608,438	
Closing Balance			44,790,144	
Average			39,199,291	39,199,291
Total Rate Base				48,341,424
Regulated Deemed Equity (40%) - 2010 COS				19,336,570
Regulated Deemed Debt (60%) - 2010 COS				29,004,854
Regulated Rate of Return on Deemed Equity				48,341,424
Regulated Rate of Return on Deemed Equity				9.04%
ROE% from most recent COS Application -2010				9.850%
Difference - maximum deadband 3%				-0.81%
Interest adjustment on deemed debt:				
Regulated Deemed Debt - as above				29,004,854
Weighted Average Interest Rate				5.44%
				1,577,870
Interest Expense per OEB Trial Balance				1,305,015
				272,855
Utility Tax Rate				26.00%
Tax effect on interest expense				(70,942.32)
				201,912.75

4. Ref: Manager's Summary, Page 14 Ref: Incremental Capital Module

- a) Given that Festival Hydro is scheduled to file for rebasing next year (for 2014 rates) please explain the rationale for seeking to fund the new transmission station through the ICM proposed in this IRM application.
- b) What would be the impact of delaying the recovery of costs for the proposed capital projects until Festival Hydro's next rebasing application in 2014?

RESPONSE:

- a) There are four factors which support Festival's rationale for seeking approval of an ICM rate rider in this IRM application, as follows:

- 1. This is the purpose of the ICM model. *Chapter 3 of the Ontario Energy Board Filing Requirements For Electricity Transmission and Distribution Assets dated June 28, 2012* states "the incremental capital module ("ICM") is intended to address the treatment of new capital investment needs that arise during the IRM plan term which are incremental to the materiality threshold". The three eligibility criteria to recover amounts which are incremental to capital investment needs are based on Materiality, Need and Prudence.

Festival's ICM application meets all three criteria as follows:

Materiality - As determined by the Incremental Capital Rate Adder model, the amount of the Transformer station expenditure more than exceeds the normal capital spend, and it clearly influences the overall operations of the distributor within the City of Stratford.

Need - It is a non-discretionary cost and is outside of Festival's approved 2010 rate base.

Prudence - As explained in the Manager's Summary on Page 20, Festival has strived to undertake the most cost effective solution on behalf of its ratepayers. In addition, Festival has secured very attractive long term financing at a rate of 3.35%, with the objective of keeping the long term cost to the rate payer as favourable as possible.

- 2. There are significant cash flow reasons for Festival's requesting immediate funding as part of the IRM period. The cash position for Festival Hydro at the end of December 31, 2011 was a Bank indebtedness position of \$241,193. This indebtedness was primarily due to the internal funding of \$1,192,182 for the TS which occurred in 2010 and 2011. Festival expects to fund \$703,932 of the remaining build in 2012 and 2013 from its own cash. In terms of post construction cash flow commitments, Festival will repay \$217,000 in principal and \$273,135 in interest during the one year period from June 1, 2013 to May 31, 2014. If the ICM rate rider is not approved, the payment of the interest and principal amounts, for

the most part, will have to be funded through bank overdraft. This extra interest expense, as a result of not having the ICM rate adder, would eventually be sought to be recovered from customers.

3. Festival believes it is a reasonable objective to match the costs of new assets to the period in which customers receive benefits. Since customers will receive immediate benefit upon energizing the new transformer station, it supports matching the recovery to commence during the same period.
4. By approving the ICM rate rider for 2013, it will smooth rates for customers and create less of an impact as part of the 2014 COS rate approval.

Festival believes the ICM mechanism, as established by the Board, is an important element in providing stability and predictability in cash flows when an LDC enters a period of step function growth, as is the case with the construction of the new transformer station. Having cash flows available through the ICM is an important feature to ensuring ongoing favourable long term borrowing costs is available to LDCs.

- b) As explained in 3 a), delaying the recovery of costs until Festival's next rebasing application in 2014 would cause further carrying costs to Festival Hydro in terms of additional interest expense. Festival also has certain borrowing covenants which have to be met. If Festival does not receive the stream of ICM rate rider payments to offset the principal and interest payments, Festival is at risk of being in contravention of covenants in its lending agreements.

Also to be considered is the rate impact to the customer. Introducing the ICM rate rider in 2013 will smooth the overall rate impacts and create less of an impact as part of the 2014 COS application.

5. Ref: Incremental Capital Workform, Sheet D1.1 – Current Revenue from Rates

Board staff notes that Sheet D1.1 contains a macro error causing columns G, H and I to be pre-filled with Festival Hydro's 2010 Board-approved rates. Board staff has attached a corrected version of Festival Hydro's ICM workform (in excel format).

Please enter Festival Hydro's current rates in Sheet D1.1 and update the IRM rate generator as necessary.

RESPONSE:

Festival has updated sheet D.1.1 in the corrected version of the ICM work form provided by the Board and updated the Rate Generator workform accordingly. An excel version of both workforms are attached to this filing. The updated models are enclosed under Appendix A and B, respectively.

6. Ref: Manager's Summary, Pages 12-15, 19

Page 12 of the above-noted reference indicates that the proposed expenditure (for the new transformer station) will provide benefit to Hydro One Networks Inc. Page 19 states that "Hydro One did not foresee any significant load growth within their service territory supplied by the Stratford Transformer Station, and therefore advised that they had no interest in sharing the new transformer station".

The first paragraph on Page 14 of the reference provides some dollar values related to spending on the new transformer station followed by a Table also showing values related to capital spending.

Page 15 of the reference states that "(t)he Construction of the new transformer station started in April 2012 and is expected to be in service by the end of April 2013. This assumes that Hydro One will be able to complete the 230 kV connections and associated work prior to this date." A table showing the actual and forecast cash flows from 2009-2013 is also shown.

- a) Please clarify/explain the contents of the Table on page 14 of the reference as it relates to the capital spending mentioned in the paragraph above it and in the models.
- b) Please provide an update on the status and schedule of the new transformer station including the associated work being completed by Hydro One.
- c) Please update the table in Reference (a) to reflect the latest schedule, estimates and any other information available at this time.
- d) Please provide the 2012 spending to date on the new transformer station.
- e) Do the estimates provided in the table in the above-noted reference include the cost of the work being carried out by Hydro One Networks Inc.? If not, please provide an estimate of the cost of that work and your understanding of the cost responsibility and recoverability through distribution or transmission rates.
- f) Please confirm whether Hydro One Networks Inc. is sharing any of the cost for the proposed new transformer station. If not, please explain why there is no cost-sharing in light of Festival Hydro's statement that the station will provide benefit to Hydro One Networks Inc.
- g) Please provide details of any cost-sharing arrangement Festival Hydro has with any other organization for any of the proposed capital spending in 2012-2013.

RESPONSE:

a) The table below provides a further breakdown of budgeted amounts and actual amounts between regular capital and TS capital which will provide an explanation of the numbers in the paragraph referenced in this question. The \$19,352,113 figure referenced in that paragraph is the results of adding the regular projected capital spend for 2013 of \$3,489,000 plus the entire projected TS spend of \$15,863,113.

The table ties to the model in that tab E3.1 of the incremental capital work form, includes in cell F24 a calculation of the total projected TS spend of \$15,863,113 divided by two (to reflect the ½ year rule as per the guidelines), plus regular 2013 projected capital of \$3,489,000 less the amount calculated on tab E2.1 of that model in the threshold test of \$3,642,654. The result in that cell of \$7,777,903 represents FHI's incremental capital non-discretionary project costs being claimed.

Year	Regular Capital Forecast	TS Forecast	Total Forecast	Actual Capital	Actual TS	Actual Total
2009	3,352,000	-	3,352,000	3,996,565	-	3,996,565
2010	3,507,000	879,452	4,386,452	3,181,352	879,452	4,060,804
2011	3,403,000	312,730	3,715,730	3,308,553	312,730	3,621,283
2012	3,370,800	10,619,451	13,990,251	NA	NA	NA
2013	3,489,000	4,051,480	7,540,480	NA	NA	NA
Total		15,863,113				

b) The new Transformer Station is currently under construction with approximately 40% of the work complete as of September 30, 2012. This includes site grading, control building foundation and basement, underground duct work, and foundations for high voltage equipment. Progress payments for the power transformers and switchgear have also been made, with the power transformers to be delivered before the 2012 year end, and the switchgear arriving in January 2013. Work is on schedule to meet the April 30, 2013 in-service date.

Hydro One has identified the work it requires to be completed in a CCRA, which includes short taps from the dual 230 kV circuit (which is immediately adjacent to the new Transformer Station so no line extensions are required), and protection upgrades at the existing Stratford Transformer Station. The in-service date on the Hydro One work included in the CCRA is April 2013.

c) The table on page 14 has been updated with the latest forecast for spending in 2012 and 2013. There have been some changes in the timing of expenditures due to delays in the delivery of equipment but the overall budget and completion date have not been impacted.

d) The year to date spending is slightly behind schedule but the spending in Q4 for 2012 will be significant as work at the station ramps up and much of the material is delivered.

	2010 Actual	2011 Actual	2012 YTD Actual	Total
Engineering, Design, Legal		\$ 300,730	\$ 738,431	\$ 1,039,161
Power Transformers			\$ 302,700	\$ 302,700
Switchgear			\$ 260,300	\$ 260,300
Substation Equipment			\$ -	\$ -
Civil Including Building, Foundations, Ductbanks			\$ 2,285,123	\$ 2,285,123
Electrical Work				\$ -
Land	\$ 879,452			\$ 879,452
Capital Contribution		\$ 12,000		\$ 12,000
Sub-Total	\$ 879,452	\$ 312,730	\$ 3,586,554	\$ 4,778,736
CWIP Interest Expense			\$ -	\$ -
Total		\$ 312,730	\$ 3,586,554	\$ 4,778,736

- e) The estimates provided include the cost of work being carried out by Hydro One. The cost included for the Hydro One work is the capital contribution amount as identified in the CCRA. The capital contribution amount along with the rest of the costs for the transformer station are expected to be recovered through Festival's distribution rates.

The total amount of work to be performed by Hydro One is \$1,671,863 with \$1,136,233 for the Line Connection Work (engineering and construction) which will be recovered through transmission rates, while the remaining \$535,630 is for protection and control upgrades at the existing Stratford Transformer Station to accommodate the new TS, and is therefore to be fully paid by Festival Hydro.

- f) Hydro One Networks is not sharing any of the cost for the new Transformer Station. The new Transformer Station will provide benefit to Hydro One in the following manner:
- During planned and unplanned maintenance work at the existing TS, it is frequently necessary for Hydro One and Festival Hydro to share a breaker. When the breaker is shared, customers of both LDCs are at a higher risk of outages as the area supplied by that breaker supplies customers in both service territories.
 - During some periods of high load, it is not possible for the breaker to be shared and planned maintenance work needs to be deferred to lower load periods such as weekends and holidays, which increases the cost to Hydro One for this maintenance work.
 - With the new TS, Festival Hydro will be able to transfer load from the existing TS to the new TS, without increasing the outage risk to Hydro One customers and without the need to defer planned work to weekends and holidays. Since these benefits are an indirect consequence of the new TS, Hydro One did not offer to share any of the cost of the new TS.

- g) There are no cost-sharing arrangements with any of the proposed capital spending in 2012-2013 other than the normal Capital Contributions associated with system expansions required for servicing new residential subdivisions.

7. Ref: Manager’s Summary, Pages 18

The above-noted reference states that Hydro One provided illustrative examples of costs to build a new transformer station according to four most likely configurations.

- a) Please provide a Table showing the comparison of the four illustrative examples of costs to build a new transformer station provided by Hydro One with the current Festival Hydro proposal to build a new transformer station. The Table should include: number of high voltage supply circuits and nominal voltage; number and size (MVA) of transformers; number of feeders and nominal voltage; total cost; and details of any required transmission line extension/modification and associated cost.

RESPONSE:

	Hydro One Option #1	Hydro One Option #2	Hydro One Option #3	Hydro One Option #4	Festival Hydro
Number of 230 kV Supply Circuits	1	1	2	2	2
Number and Size (MVA) of Transformers	1 @ 25/41	1 @ 50/83	2 @ 25/41	2 @ 50/83	2 @ 25/41
Number of 27.6 kV Feeders	4	8	4	8	4 plus 2 spares
Total Cost	\$14M	\$16M	\$19M	\$21M	\$16M
Details of Required Transmission Line Extension / Modification and Cost	No line extension required. Minor modifications needed for 230 kV tap(s). Cost included in Total.	No line extension required. Minor modifications needed for 230 kV tap(s). Cost included in Total.	No line extension required. Minor modifications needed for 230 kV tap(s). Cost included in Total.	No line extension required. Minor modifications needed for 230 kV tap(s). Cost included in Total.	No line extension required. Minor modifications needed for 230 kV tap(s). Cost included in Total.

As the above Table illustrates, the Festival Hydro solution provided better redundancy and capacity value than the alternative.

8. Ref: Manager's Summary, Pages 18-20

The above-noted reference states that "...in 2008, Festival Hydro received notice of a planned development that would add at least 10 MVA of load to the system by 2014. At that time, with only 4 MVA of available capacity this new customer and other expected load growth would cause an overload at the Stratford Transformer Station by 2011...." Following that, is a description of three options considered in a 2009 study to alleviate the impending overload condition.

- a) Please provide an update on the status of the planned development including current schedule and expected load levels involved.
- b) With respect to the 2009 study to alleviate the impending overload condition, please provide:
 - (i) The source, age, accuracy and assumptions for the load forecast used;
 - (ii) A table that shows the capacity of the existing Stratford TS and the expected loading on the station from 2012-2015. Please separate the portion of the station load that is Festival Hydro load and Hydro One load.
 - (iii) Assumptions and accuracy for the cost estimates used for the various options
- c) Please provide any updates to the load forecast used in the 2009 study.
- d) Please provide a table similar to that in (ii) using the latest available load forecast.
- e) Please comment on the impact that using the latest available load forecast would have on the need for remedial action and the comparison of options considered.

RESPONSE:

- a) The planned development referred to on page 18 is on schedule. It was connected to our distribution in 2011. Their present load is 2.8 MW and their most recent load forecast is to have 9.6 MW by the end of 2015, and 15.3 MW by the end of 2022.
- b)
 - i) The 2009 load forecast was based on information obtained from the following:
 - existing commercial and industrial customers (direct contact to discuss future load increases, decreases, conservation opportunities).
 - Based upon these discussions and historical information Festival Hydro forecasted one new commercial unit at 250 kW to be added each year, and an average increase in the industrial load of 570 kW was used (this average is a combination of existing customers increasing load or returning to historic loads and new customers building new facilities or moving into closed factories – it was also assumed that growth would be greater in the first five

years then gradually decreasing for the remaining 20 years of the forecast period)

- existing and proposed residential developments (direct contact with developers regarding timing and scope of new developments)
 - Forecasts from established residential developers were considered reasonable as the Stratford housing market has been quite stable in the past 25 years.
 - The major assumptions used for the load forecast were that each residential unit would add 2 kW to the system peak and an average of 150 to 200 units are added each year.

- internal staff discussions (estimates of conservation activities, distributed generation expectations, inquiries from potential developments, historical trends)

- City of Stratford Economic Development discussions (potential developments including potential land annexation to increase amount of property available for development).

The information was obtained in 2008 and 2009.

Festival Hydro assessed the information provided from the various sources to arrive at a reasonable forecast. The accuracy of the forecasts obtained from each individual source is not quantifiable. The majority of information was based on interviews with various people involved in various ways with development within the City of Stratford. Any individual's forecast may have been optimistic or pessimistic and in the end Festival Hydro used its judgement in the aggregation of the information from these sources. An example of an adjustment occurred in respect of the forecast for the industrial load (including the major development) which Festival Hydro felt was overly optimistic and so discounted the information provided by 50%.

b)

- ii) The following table shows the capacity of the existing Stratford Transformer Station – allocated to Festival Hydro, the Festival Hydro portion of the LTR, and the Expected Loading for Festival Hydro, for the years 2012 to 2015, using the 2009 load forecast.

Festival Hydro does not have Hydro One load information and does not believe it is relevant to the overall decision to build a second transformer station. The capacity issue of the existing transformer station was only one issue that needed to be addressed. A second issue is supplying load growth in the south-west portion of Stratford. This load growth required at least one new feeder, and there were no Hydro One feeders at 27.6 kV anywhere near the load growth area that could have been used to alleviate the feeder loading problem.

	Capacity of Existing Stratford Festival Allocation	Existing TS – Hydro	LTR of Stratford Festival Portion	Existing TS – Hydro	Expected Loading – Festival Hydro Based on 2009 Forecast
2012	77.7 MW		85 MW		91.34 MW
2013	77.7 MW		85 MW		93.95 MW
2014	77.7 MW		85 MW		95.43 MW
2015	77.7 MW		85 MW		96.69 MW

b)

iii) Assumptions and accuracy for the cost estimates provided by Hydro One are noted in the notes of the meeting of June 4, 2008 with Hydro One (included in the Appendix of the Application). These estimates were based on typical costs that Hydro One had experienced with similar projects, without taking into account anything specific to the Stratford location.

The estimate of \$16M for the Festival Hydro option noted above in response to question 7a is based on detailed engineered designs, firm pricing from vendors for 90% of the project components, and actual costs as of September 30, 2012.

c) The Load Forecast used in the 2009 Study was updated in 2011 and included in the Appendix of the Application. The 2011 Load Forecast takes into account the unexpected closing of an industrial customer with a peak load of around 2 MW that occurred in 2011 that was not factored into the 2009 forecast.

d) The following table shows the capacity as allocated to Festival Hydro, the Festival Hydro Portion of the LTR, and the Expected Loading – Festival Hydro load for the Existing Transformer Station, for the years 2012 to 2015, using the 2011 load forecast. As is evident, Festival Hydro load was exceeding the allocated capacity in 2012 and LTR in 2015.

	Capacity of Existing Stratford Festival Allocation	Existing TS – Hydro	LTR of Stratford Festival Portion	Existing TS – Hydro	Expected Loading – Festival Hydro Based on 2011 Forecast
2012	77.7 MW		85 MW		80.2 MW
2013	77.7 MW		85 MW		81.7 MW
2014	77.7 MW		85 MW		84.3 MW
2015	77.7 MW		85 MW		87 MW

e) Using the latest available load forecast, the decision to construct a new transformer station would remain the same (ie it is still be best solution to address all the issues identified and summarized in the table on page 20 of the application). The 2011 forecast showed that the FHI Load would exceed the Allocated Capacity in 2012, and LTR in 2015. The comparison of options would not change either as the location of the load growth has not changed, and all issues associated with the load growth remain the same. The only change would have been that, in regards to the closure of one factory in Stratford which reduced the peak load by 2 MW. That additional knowledge, assuming no other factors change may but not necessarily would resulted in a delay the in-service date to 2014 instead of 2013. However, at the time the decision was made to target an in-service date of 2013, there were no indications of any pending factory closures in Stratford. In fact, there were signs that some existing industrial customers were planning to return to their historical peaks which could add significant load to the system fairly quickly. Once that decision to proceed had been made, deferring the project based upon new forecasts would have resulted in significant additional costs.

9. Ref: Manager's Summary, Pages 14

The above-noted reference states that all proposed Capital work is considered non-discretionary spending and cannot be deferred.

a) Please explain why the proposed capital work for 2013 is in the category of non-discretionary work as defined in the Board's *Filing Requirements for Electricity Transmission and Distribution Applications*.

RESPONSE

The work identified in Festival Hydro's 2013 capital budget is non-discretionary in nature because it is being undertaken to meet/maintain minimum requirements for Safety, Reliability, Efficiency and Growth. Failure to carry out the work identified in the 2013 capital budget will have negative system impacts and as such Festival Hydro has no choice but to carry out the projects identified as part of the capital budget.




3RD Generation Incentive Regulation Model for 2013 Filers


Version 2.3

Utility Name	Festival Hydro Inc.
Service Territory	(if applicable)
Assigned EB Number	EB-2011-0167
Name of Contact and Title	Debbie Reece, CFO
Phone Number	519-271-4703 x.268
Email Address	dreece@festivalhydro.com
We are applying for rates effective	May-01-13

Notes

 Pale green cells represent input cells.

 Pale blue cells represent drop-down lists. The applicant should select the appropriate item from the drop-down list.

 White cells contain fixed values, automatically generated values or formulae.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your IRM application. 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 the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

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



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

1. Information Sheet
2. Table of Contents
3. Rate Class Selection
4. Current Tariff Schedule
5. 2013 Continuity Schedule
6. Billing Det. for Def-Var
7. Cost Allocation for Def-Var
8. Calculation of Def-Var RR
9. Rev2Cost_GDPIPI
10. Other Charges & LF
11. Proposed Rates
12. Summary Sheet
13. Final Tariff Schedule
14. Bill Impacts



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

Select the appropriate rate classes as they appear on your most recent Board-Approved Tariff of Rates and Charges, including the MicroFit Class.

How many classes are listed on your most recent Board-Approved Tariff of Rates and Charges?

9

Select Your Rate Classes from the **Blue Cells** below. Please ensure that a rate class is assigned to **each shaded cell**.

	Rate Class Classification
1	Residential
2	Residential - Hensall
3	General Service Less Than 50 kW
4	General Service 50 to 4,999 kW
5	Large Use
6	Unmetered Scattered Load
7	Sentinel Lighting
8	Street Lighting
9	MicroFit



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

For each class, Applicants are required to copy and paste the class descriptions (located directly under the class name) and the description of the applicability of those rates (description is found under the class name and directly under the word "APPLICATION"). By using the drop-down lists located under the column labeled "Rate Description", please select the descriptions of the rates and charges that **BEST MATCHES** the descriptions on your most recent Board-Approved Tariff of Rates and Charges. If the description is not found in the drop-down list, please enter the description in the green cells under the correct class exactly as it appears on the tariff. Please do not enter more than one "Service Charge" for each class for which a base monthly fixed charge applies. ****Note:** If the current RRRP consists of only one line on the current tariff schedule, enter the same rate for "Rural Rate Protection Charge - effective until April 30, 2012" and "Rural Rate Protection Charge - effective on and after May 1, 2012".

Festival Hydro Inc. TARIFF OF RATES AND CHARGES

Residential Service Classification

A customer is classed as residential when all the following conditions are met:

- (a) the property is zoned strictly residential by the local municipality,
- (b) the account is created and maintained in the customer's name,
- (c) the building is used for dwelling purposes.

Exceptions may be made for properties zoned for farming use, under the following conditions:

- (a) the principal use of the service is for the residence,

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component (If applicable, Effective Date MUST be included in rate description)

Service Charge	\$	14.92
Distribution Volumetric Rate	\$/kWh	0.0166
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0011

Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kWh	0.0006
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.2500

Residential - Hensall Service Classification

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APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component (If applicable, Effective Date MUST be included in rate description)

Service Charge	\$	13.82
Distribution Volumetric Rate	\$/kWh	0.0149
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0007
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kWh	0.0006
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW Service Classification

This classification refers to a non residential account whose peak demand is less than 50 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Customers who are classed as General Service but consider themselves eligible to be classed as Residential must provide Festival Hydro with a copy of their tax assessment, which clearly demonstrates the zoning is for residential use only. Further servicing details are available in Festival Hydro’s Conditions of Service.

APPLICATION

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

board, and amendments thereto as approved by the board, which may be applicable to the administration of this schedule.

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component (If applicable, Effective Date MUST be included in rate description)

Service Charge	\$	28.88
Distribution Volumetric Rate	\$/kWh	0.0146
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0007
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kWh	0.0001
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load Service Classification

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, pedestrian Cross-Walk signals/beacons, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component **(If applicable, Effective Date MUST be included in rate description)**

Service Charge (per connection)	\$	12.79
Distribution Volumetric Rate	\$/kWh	0.0126
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0008)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0014
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0006)

Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting Service Classification

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor’s Conditions of Service.

APPLICATION

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

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

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3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your GL for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2005								2006									
		Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments ²	Board-Approved Disposition during 2005	Adjustments during 2005 - other ¹	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec-31-05	Board-Approved Disposition during 2005	Adjustments during 2005 - other ²	Closing Interest Amounts as of Dec-31-05	Opening Principal Amounts as of Jan-1-06	Transactions Debit / (Credit) during 2006 excluding interest and adjustments ²	Board-Approved Disposition during 2006	Adjustments during 2006 - other ¹	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 ¹
Group 1 Accounts																			
LV Variance Account	1560					0					0					0	0		
RSVA - Wholesale Market Service Charge	1580					0					0					0	0		
RSVA - Retail Transmission Network Charge	1584					0					0					0	0		
RSVA - Retail Transmission Connection Charge	1586					0					0					0	0		
RSVA - Power (excluding Global Adjustment)	1588					0					0					0	0		
RSVA - Power - Sub-account - Global Adjustment	1588					0					0					0	0		
Recovery of Regulatory Asset Balances	1590		(210,414)			(210,414)		(318,926)			(318,926)	(210,414)	24,345	(135,569)	(50,500)	(318,926)	(16,356)	(279,486)	
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595					0					0					0	0		
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595					0					0					0	0		
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595					0					0					0	0		
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		0	(210,414)	0	0	(210,414)	0	(318,926)	0	0	(318,926)	(210,414)	24,345	(135,569)	0	(50,500)	(318,926)	(16,356)	(279,486)
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		0	(210,414)	0	0	(210,414)	0	(318,926)	0	0	(318,926)	(210,414)	24,345	(135,569)	0	(50,500)	(318,926)	(16,356)	(279,486)
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562	286,454	(160,425)			126,029	119,618	6,699			126,316	126,029			126,029	126,316	3,762		
Total of Group 1 and Account 1562		286,454	(370,839)	0	0	(84,385)	119,618	(312,227)	0	0	(192,610)	(84,385)	24,345	(135,569)	0	75,529	(192,610)	(12,594)	(279,486)
Special Purpose Charge Assessment Variance Account⁴	1521																		
LRAM Variance Account	1568																		
Total including Accounts 1562, 1521 and 1568		286,454	(370,839)	0	0	(84,385)	119,618	(312,227)	0	0	(192,610)	(84,385)	24,345	(135,569)	0	75,529	(192,610)	(12,594)	(279,486)

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

¹ Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

² For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

³ If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

⁴ Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 68/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

⁵ Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2007										2008							
		Adjustments during 2006 - other ²	Closing Interest Amounts as of Dec-31-06	Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments ²	Board-Approved Disposition during 2007	Adjustments during 2007 - other ¹	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other ¹	Closing Interest Amounts as of Dec-31-07	Opening Principal Amounts as of Jan-1-08	Transactions Debit / (Credit) during 2008 excluding interest and adjustments ²	Board-Approved Disposition during 2008	Adjustments during 2008 - other ¹	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08
Group 1 Accounts																			
LV Variance Account	1550		0	0			0	0				0	0				0	0	0
RSVA - Wholesale Market Service Charge	1580		0	0			0	0				0	0				0	0	0
RSVA - Retail Transmission Network Charge	1584		0	0			0	0				0	0				0	0	0
RSVA - Retail Transmission Connection Charge	1586		0	0			0	0				0	0				0	0	0
RSVA - Power (excluding Global Adjustment)	1588		0	0			0	0				0	0				0	0	0
RSVA - Power - Sub-account - Global Adjustment	1588		0	0			0	0				0	0				0	0	0
Recovery of Regulatory Asset Balances	1590		(55,796)	(50,500)	108,564		58,064	(55,796)	(104)			(55,900)	58,064	36,759			94,823	(55,900)	
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595		0	0			0	0				0	0				0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595		0	0			0	0				0	0				0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595		0	0			0	0				0	0				0	0	0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		0	(55,796)	(50,500)	108,564	0	58,064	(55,796)	(104)	0	0	(55,900)	58,064	36,759	0	0	94,823	(55,900)	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		0	(55,796)	(50,500)	108,564	0	58,064	(55,796)	(104)	0	0	(55,900)	58,064	36,759	0	0	94,823	(55,900)	
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Payments in Lieu of Taxes	1562		130,078	126,029			126,029	130,078	5,959			136,037	126,029				126,029	136,037	
Total of Group 1 and Account 1562		0	74,282	75,529	108,564	0	184,093	74,282	5,855	0	0	80,137	184,093	36,759	0	0	220,852	80,137	
Special Purpose Charge Assessment Variance Account⁴	1521																		
LRAM Variance Account	1568																		
Total including Accounts 1562, 1521 and 1568		0	74,282	75,529	108,564	0	184,093	74,282	5,855	0	0	80,137	184,093	36,759	0	0	220,852	80,137	

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2009												2010					
		Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other ¹	Closing Interest Amounts as of Dec-31-08	Opening Principal Amounts as of Jan-1-09	Transactions Debit / (Credit) during 2009 excluding interest and adjustments ²	Board-Approved Disposition during 2009	Adjustments during 2009 - other ¹	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other ¹	Closing Interest Amounts as of Dec-31-09	Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments ²	Board-Approved Disposition during 2010	Adjustments during 2010 - other ¹
Group 1 Accounts																			
LV Variance Account	1550				0	0	(42,809)			(42,809)	0	(178)		(178)	(42,809)	(14,640)			
RSVA - Wholesale Market Service Charge	1580				0	0	(114,669)			(114,669)	0	(1,182)		(1,182)	(114,669)	(586,655)			
RSVA - Retail Transmission Network Charge	1584				0	0	(321,110)			(321,110)	0	(1,841)		(1,841)	(321,110)	28,679			
RSVA - Retail Transmission Connection Charge	1586				0	0	67,338			67,338	0	(1,564)		(1,564)	67,338	125,612			
RSVA - Power (excluding Global Adjustment)	1588				0	0	93,856			93,856	0	91		91	93,856	46,846			
RSVA - Power - Sub-account - Global Adjustment	1588				0	0	812,186			812,186	0	874		874	812,186	(95,446)			
Recovery of Regulatory Asset Balances	1590	3,326			(52,574)	94,823			94,823	(52,574)	1,079			(51,495)	94,823				
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595				0	0			0	0	0			0	0				
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595				0	0			0	0	0			0	0				
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595				0	0			0	0	0			0	0	0	0	0	0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		3,326	0	0	(52,574)	94,823	494,792	0	0	589,615	(52,574)	(2,721)	0	0	(55,295)	589,615	(495,604)	0	0
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		3,326	0	0	(52,574)	94,823	(317,394)	0	0	(222,571)	(52,574)	(3,595)	0	0	(56,169)	(222,571)	(400,158)	0	0
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	0	0	0	812,186	0	0	812,186	0	874	0	0	874	812,186	(95,446)	0	0
Deferred Payments in Lieu of Taxes	1562	5,017			141,054	126,029			126,029	141,054	1,434			142,488	126,029	0	0		
Total of Group 1 and Account 1562		8,343	0	0	88,480	220,852	494,792	0	0	715,644	88,480	(1,287)	0	0	87,193	715,644	(495,604)	0	0
Special Purpose Charge Assessment Variance Account⁴	1521																(114,812)	(227,819)	0
LRAM Variance Account	1568																		
Total including Accounts 1562, 1521 and 1568		8,343	0	0	88,480	220,852	494,792	0	0	715,644	88,480	(1,287)	0	0	87,193	715,644	(610,416)	(227,819)	0

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns (for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2010					2011														
		Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other ²	Closing Interest Amounts as of Dec-31-10	Opening Principal Amounts as of Jan-1-11	Transactions Debit / (Credit) during 2011 excluding interest and adjustments ²	Board-Approved Disposition during 2011	Other ¹ Adjustments during Q1 2011	Other ¹ Adjustments during Q2 2011	Other ¹ Adjustments during Q3 2011	Other ¹ Adjustments during Q4 2011	Closing Principal Balance as of Dec-31-11	Opening Interest Amounts as of Jan-1-11	Interest Jan-1 to Dec-31-11	Board-Approved Disposition during 2011	Adjustments during 2011 - other ¹	Closing Interest Amounts as of Dec-31-11	
Group 1 Accounts																					
LV Variance Account	1550	(57,449)	(178)	(943)		439	(682)	(57,449)	43,855					(13,594)	(692)	(776)				(1,459)	
RSVA - Wholesale Market Service Charge	1580	(701,324)	(1,182)	(3,415)		1,759	(2,838)	(701,324)	(592,130)					(1,293,454)	(2,838)	(9,379)				(12,217)	
RSVA - Retail Transmission Network Charge	1584	(292,431)	(1,841)	(2,750)		3,497	(1,094)	(292,431)	233,041					(59,390)	(1,094)	(320)				(1,414)	
RSVA - Retail Transmission Connection Charge	1586	192,950	(1,564)	1,068		4,441	3,945	192,950	133,660					326,610	3,945	2,327				6,272	
RSVA - Power (excluding Global Adjustment)	1588	140,702	91	141			232	140,702	(117,907)					22,795	232	2,262				2,494	
RSVA - Power - Sub-account - Global Adjustment	1588	716,740	874	3,190			4,064	716,740	537,995					1,254,735	4,064	9,587				13,651	
Recovery of Regulatory Asset Balances	1590	94,823	(51,495)	756			(50,739)	94,823	0					94,823	(50,739)	1,394				(49,345)	
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595	0	0	0		0	0	0	0					0	0	0				0	
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595	0	0	0		0	0	0	0					0	0	0				0	
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595	0	0	0		0	0	0	0					0	0	0				0	
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		94,011	(55,295)	(1,953)	0	10,136	(47,112)	94,011	238,514	0	0	0	0	332,525	(47,112)	5,095	0	0	0	(42,017)	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		(622,729)	(56,169)	(5,143)	0	10,136	(51,176)	(622,729)	(299,481)	0	0	0	0	(922,210)	(51,176)	(4,492)	0	0	0	(55,665)	
RSVA - Power - Sub-account - Global Adjustment	1588	716,740	874	3,190	0	0	4,064	716,740	537,995	0	0	0	0	1,254,735	4,064	9,587	0	0	0	13,651	
Deferred Payments in Lieu of Taxes	1562	126,029	142,488	1,005			143,493	126,029						126,029	143,493	1,853			617	145,963	
Total of Group 1 and Account 1562		220,040	87,193	(948)	0	10,136	96,381	220,040	238,514	0	0	0	0	458,554	96,381	6,948	0	617	0	103,946	
Special Purpose Charge Assessment Variance Account ⁴	1521	113,007	0	1,009			1,009	113,007	(107,327)					5,680	1,009	521				1,530	
LRAM Variance Account	1568	0					0	0					0	0	0					0	
Total including Accounts 1562, 1521 and 1568		333,047	87,193	61	0	10,136	97,390	333,047	131,188	0	0	0	0	464,235	97,390	7,469	0	617	0	105,476	

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved disposed balances, please provide amounts for adjustments and include supporting documentations.

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



Please complete the following continuity schedule for the following Deferral / Variance Accounts. Enter information into green cells only.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2013 DVA schedule below will be the balance sheet date as per your G/L for which you received approval. For example, if in the 2012 EDR process (CoS or IRM) you received approval for the December 31, 2010 balances, the starting point for your entries below should be the adjustment column BF for principal and column BK for interest. This will allow for the correct starting point for the 2011 opening balance columns for both principal and interest) without requiring entries dating back to the beginning of the continuity schedule i.e. Jan 1, 2005.

Please refer to the footnotes for further instructions.

Account Descriptions	Account Number	2012		Closing Principal Balances as of Dec 31-11 Adjusted for Dispositions during 2012		Projected Interest on Dec-31-11 Balances		Total Claim	2.1.7 RRR	As of Dec 31-11	Variance RRR vs. 2011 Balance (Principal + Interest)
		Principal Disposition during 2012 - Instructed by Board	Interest Disposition during 2012 - Instructed by Board	Closing Principal Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Closing Interest Balances as of Dec 31-11 Adjusted for Dispositions during 2012	Projected Interest from Jan 1, 2012 to December 31, 2012 on Dec 31 -11 balance adjusted for disposition during 2012 ²	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31 -11 balance adjusted for disposition during 2012 ²				
Group 1 Accounts											
LV Variance Account	1550			(13,594)	(1,458)	(200)	(67)	(15,319)	(15,952)	0	
RSVA - Wholesale Market Service Charge	1580			(1,293,454)	(12,217)	(19,014)	(6,338)	(1,331,023)	(1,305,671)	(0)	
RSVA - Retail Transmission Network Charge	1584			(59,390)	(1,414)	(873)	(291)	(61,968)	(60,803)	0	
RSVA - Retail Transmission Connection Charge	1586			326,610	6,272	4,801	1,600	339,283	332,881	(0)	
RSVA - Power (excluding Global Adjustment)	1588			22,795	2,494	335	112	25,736	25,289	(0)	
RSVA - Power - Sub-account - Global Adjustment	1588			1,254,735	13,651	18,445	6,148	1,292,979	1,268,386	(0)	
Recovery of Regulatory Asset Balances	1590			94,823	(49,345)	1,394	465	47,335	45,478	0	
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁵	1595			0	0	0	0	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁵	1595			0	0	0	0	0	0	0	
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁵	1595			0	0	0	0	0	0	0	
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		0	0	332,525	(42,017)	4,888	1,629	297,026	290,507	(1)	
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		0	0	(922,210)	(55,668)	(13,556)	(4,519)	(995,953)	(977,878)	(1)	
RSVA - Power - Sub-account - Global Adjustment	1588	0	0	1,254,735	13,651	18,445	6,148	1,292,979	1,268,386	(0)	
Deferred Payments in Lieu of Taxes	1562	126,029	145,963	(0)	0	0	0	0	19,350	(252,642)	
Total of Group 1 and Account 1562		126,029	145,963	332,525	(42,017)	4,888	1,629	297,026	309,857	(252,643)	
Special Purpose Charge Assessment Variance Account⁴	1521	5,689	1,527	(9)	3	(0)	0	(6)	7,210	(0)	
LRAM Variance Account	1568			0	0	0	0	0	0	0	
Total including Accounts 1562, 1521 and 1568		131,718	147,490	332,517	(42,014)	4,888	1,629	297,020	317,067	(252,644)	

For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (e.g. debit balances are to have a positive figure and credit balance are to have a negative figure) as per the related Board decision.

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For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.

If the LDC's 2013 rate year begins January 1, 2013, the projected interest is recorded from January 1, 2012 to December 31, 2012 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision. If the LDC's 2013 rate year begins May 1, 2013 the projected interest is recorded from January 1, 2012 to April 30, 2013 on the December 31, 2011 balance adjusted for the disposed balances approved by the Board in the 2012 rate decision.

Applicants that did not have the balance in Account 1521 cleared by the Board in the 2012 rate proceedings are expected to file to dispose of Account 1521 in the 2013 rate proceedings. No Account 1521 balance is to be filed for clearance in the 2013 rate proceedings for those distributors that had account 1521 cleared by the Board in the 2012 rate proceedings.

In accordance with section 8 of the Special Purpose Charge ("SPC") Regulation, Ontario Regulation 66/10, distributors were required to apply to the Board no later than April 15, 2012 for an order authorizing the distributor to clear the balance in Account 1521. As per the Board's April 23, 2010 letter, the Board stated that it expected that requests for disposition of the balance in Account 1521 were to be addressed as part of the proceedings to set rates for the 2012 rate year, except in cases where this approach would result in non-compliance with the timeline set out in section 8 of the SPC Regulation.

Include Account 1595 as part of Group 1 accounts (lines 31, 32 and 33) for review and disposition if the recovery (or refund) period has been completed. If the recovery (or refund) period has not been completed, do not include the respective balance in Account 1595 for disposition at this time.



3RD Generation Incentive Regulation Model for 2013 Filers Festival Hvdro Inc.

In the green shaded cells, enter the most recent Board Approved volumetric forecast. If there is a material difference between the latest Board-approved volumetric forecast and the most recent 12-month actual volumetric data, use the most recent 12-month actual data. Do not enter data for the MicroFit class.

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue ¹	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) ²	1595 Recovery Share Proportion (2009) ²	1595 Recovery Share Proportion (2010) ²	1568 LRAM Variance Account Class Allocation (\$ amounts)
Residential	\$/kWh	141,132,375		27,584,014	0	5,332,660					
Residential - Hensall	\$/kWh	4,143,109		808,731	0	105,503					
General Service Less Than 50 kW	\$/kWh	67,469,308		14,512,693	0	1,662,577					
General Service 50 to 4,999 kW	\$/kW	316,941,804	797,792	301,254,388	758,304	2,070,342					
Large Use	\$/kW	65,544,852	128,687	65,544,852	128,687	307,077					
Unmetered Scattered Load	\$/kWh	629,732			0	31,456					
Sentinel Lighting	\$/kW	234,690	679		0	6,433					
Street Lighting		3,904,130	11,255	2,801,582	8,077	94,229					
MicroFit											
Total		600,000,000	938,413	412,505,260	895,068	9,610,277	0.00%	0.00%	0.00%	0.00%	0
											Balance as per Sheet 5 0
											Variance 0

Threshold Test

Total Claim (including Account 1521, 1562 and 1568)

\$297,020

Total Claim for Threshold Test (All Group 1 Accounts)

\$297,026

Threshold Test (Total claim per kWh) ³

0.0005

Claim does not meet the threshold test. If data has been entered on Sheet 5 for Accounts 1521 and 1562, the model will only dispose of Accounts 1521 and 1562.

¹ For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balances

² Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

³ The Threshold Test does not include the amount in 1521, 1562 nor 1568.



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

No input required. This worksheet allocates the deferral/variance account balances (Group 1, 1521, 1588 GA, 1562 and 1568) to the appropriate classes as per the EDDVAR Report dated July 31, 2009

Allocation of Group 1 Accounts (including Accounts 1521, 1562, 1568)

Rate Class	% of Total kWh	% of Total non-RPP kWh	% of Total Distribution Revenue	1550	1580	1584	1586	1588*	1588 GA	1590	1595 (2008)	1595 (2009)	1595 (2010)	1521	1562	1568
Residential	23.5%	6.7%	55.5%	0	0	0	0	0	0	0	0	0	0	(1)	0	0
Residential - Hensall	0.7%	0.2%	1.1%	0	0	0	0	0	0	0	0	0	0	(0)	0	0
General Service Less Than 50 kW	11.2%	3.5%	17.3%	0	0	0	0	0	0	0	0	0	0	(1)	0	0
General Service 50 to 4,999 kW	52.8%	73.0%	21.5%	0	0	0	0	0	0	0	0	0	0	(3)	0	0
Large Use	10.9%	15.9%	3.2%	0	0	0	0	0	0	0	0	0	0	(1)	0	0
Unmetered Scattered Load	0.1%	0.0%	0.3%	0	0	0	0	0	0	0	0	0	0	(0)	0	0
Sentinel Lighting	0.0%	0.0%	0.1%	0	0	0	0	0	0	0	0	0	0	(0)	0	0
Street Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MicroFit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	99.3%	99.3%	99.0%	0	0	0	0	0	0	0	0	0	0	(6)	0	0

* RSVA - Power (Excluding Global Adjustment)



3RD Generation Incentive Regulation Model for 2013 Filers Festival Hydro Inc.

Input required at cell C15 only. This worksheet calculates rate riders related to the Deferral/Variance Account Disposition (if applicable) and associated rate riders for the global adjustment sub-account. Rate Riders will not be generated for the MicroFit class.

Please indicate the Rate Rider Recovery Period (in years)

1

Rate Class	Unit	Billed kWh	Billed kW	Balance of Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Allocation of Balance in Account 1588 Global	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
Residential	\$/kWh	141,132,375		(1)	0.0000	0	27,584,014	0.0000
Residential - Hensall	\$/kWh	4,143,109		(0)	0.0000	0	808,731	0.0000
General Service Less Than 50 kW	\$/kWh	67,469,308		(1)	0.0000	0	14,512,693	0.0000
General Service 50 to 4,999 kW	\$/kW	316,941,804	797,792	(3)	0.0000	0	758,304	0.0000
Large Use	\$/kW	65,544,852	128,687	(1)	0.0000	0	128,687	0.0000
Unmetered Scattered Load	\$/kWh	629,732		(0)	0.0000	0		0.0000
Sentinel Lighting	\$/kW	234,690	679	(0)	0.0000	0	0	0.0000
Street Lighting		3,904,130	11,255					
MicroFit								
Total		600,000,000	938,413	(6)		0	43,792,429	



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

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

Price Escalator	2.00%	Choose Stretch Factor Group	I
Productivity Factor	0.72%	Associated Stretch Factor Value	0.2%
Price Cap Index	1.08%		

Rate Class	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	DVR Adjustment from R/C Model	Price Cap Index to be Applied to MFC and DVR	Proposed MFC	Proposed Volumetric Charge
Residential	14.92	-0.03	0.0166		1.08%	15.05	0.0168
Residential - Hensall	13.82	1.07	0.0149	0.0012	1.08%	15.05	0.0163
General Service Less Than 50 kW	28.88		0.0146		1.08%	29.19	0.0148
General Service 50 to 4,999 kW	223.24		2.2889		1.08%	225.65	2.3136
Large Use	10676.92		0.9908		1.08%	10792.23	1.0015
Unmetered Scattered Load	12.79		0.0126		1.08%	12.93	0.0127
Sentinel Lighting	2.02		10.6140		1.08%	2.04	10.7286
Street Lighting	1.08		4.9197		1.08%	1.09	4.9728
MicroFit	5.25					5.25	

Energy Benefit and the HST.

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0307
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0176
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0204
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0075



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

Below is a listing of the proposed Monthly Fixed Charges, proposed Distribution Volumetric Rates, proposed Deferral and Variance account Rate Riders and all unexpired volumetric rates that were entered on Sheet 4. In the green cells (column A) below, please enter any additional rates being proposed (eg: LRAM/SSM, Tax Adjustments, etc). Please ensure that the word "Rider" or "Adder" is included in the description (as applicable). Note: All rates with expired effective dates have been removed. As well, the Current RTSR-Network and RTSR-Connection rate descriptions entered on Sheet 4 can be found below. The associated rates have been removed from this sheet, giving the applicant the opportunity to enter updated rates (from Sheet 13 in the Board-Approved RTSR model into the cells in column I.

RESIDENTIAL SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.05
Distribution Volumetric Rate	\$/kWh	0.0168
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0009)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0006
Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0011
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.9900

MONTHLY RATES AND CHARGES - Regulatory Component

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

RESIDENTIAL - HENSALL SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Regulatory Component

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

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	225.65
Distribution Volumetric Rate	\$/kW	2.3136
Low Voltage Service Rate	\$/kW	0.0689
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3508)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kW	0.0389
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0254)
Retail Transmission Rate - Network Service Rate	\$/kW	2.2145
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7422
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.3520
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9099
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.1512
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	14.7500

MONTHLY RATES AND CHARGES - Regulatory Component

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

LARGE USE SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10,792.23
Distribution Volumetric Rate	\$/kW	1.0015

MONTHLY RATES AND CHARGES - Regulatory Component

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

SENTINEL LIGHTING SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.04
Distribution Volumetric Rate	\$/kW	10.7286
Low Voltage Service Rate	\$/kW	0.0504
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3881)
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.1138)
Retail Transmission Rate - Network Service Rate	\$/kW	1.6785
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3751
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.7011
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.1300

MONTHLY RATES AND CHARGES - Regulatory Component

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

STREET LIGHTING SERVICE CLASSIFICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.09
Distribution Volumetric Rate	\$/kW	4.9728
Low Voltage Service Rate	\$/kW	0.0494
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.2751)
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0984)
Retail Transmission Rate - Network Service Rate	\$/kW	1.6701
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3469



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

The following table provides applicants with a class to class comparison of current vs. proposed rates.

Current Rates

Rate Description	Unit	Amount
Residential		
Service Charge	\$	14.92
Distribution Volumetric Rate	\$/kWh	0.0166
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0009)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0011
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kWh	0.0006
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0005)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective until April 30, 2012		
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Residential - Hensall		
Service Charge	\$	13.82
Distribution Volumetric Rate	\$/kWh	0.0149

Proposed Rates

Rate Description	Unit	Amount
Residential		
Service Charge	\$	15.05
Distribution Volumetric Rate	\$/kWh	0.0168
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0009)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0006
Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0011
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.99
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Residential - Hensall		
Service Charge	\$	15.05
Distribution Volumetric Rate	\$/kWh	0.0163

Low Voltage Service Rate	\$/kWh	0.0002	Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0007	Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0006
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kWh	0.0006	Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0003)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0003)	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0067	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0050	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0008
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.75
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
General Service Less Than 50 kW			General Service Less Than 50 kW		
Service Charge	\$	28.88	Service Charge	\$	29.19
Distribution Volumetric Rate	\$/kWh	0.0146	Distribution Volumetric Rate	\$/kWh	0.0148
Low Voltage Service Rate	\$/kWh	0.0002	Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0007	Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0001
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kWh	0.0001	Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0002)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0003)	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0010
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	1.95
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
General Service 50 to 4,999 kW			General Service 50 to 4,999 kW		
Service Charge	\$	223.24	Service Charge	\$	225.65
Distribution Volumetric Rate	\$/kW	2.2889	Distribution Volumetric Rate	\$/kW	2.3136
Low Voltage Service Rate	\$/kW	0.0689	Low Voltage Service Rate	\$/kW	0.0689

Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3508)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3508)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kW	0.0782	Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kW	0.0389
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kW	0.0389	Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0254)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kW	(0.0358)	Retail Transmission Rate - Network Service Rate	\$/kW	2.2145
Retail Transmission Rate - Network Service Rate	\$/kW	2.4342	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7422
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7981	Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.3520
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.5854	Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9099
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9712	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.1518
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	14.81
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Large Use			Large Use		
Service Charge	\$	10,676.92	Service Charge	\$	10,792.23
Distribution Volumetric Rate	\$/kW	0.9908	Distribution Volumetric Rate	\$/kW	1.0015
Low Voltage Service Rate	\$/kW	0.0801	Low Voltage Service Rate	\$/kW	0.0801
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.4507)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.4507)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kW	0.0737	Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kW	0.1910
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	\$/kW	0.1910	Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0250)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kW	(0.0350)	Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.6043
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.8627	Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.1841
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2542	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.0667
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	718.88
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Unmetered Scattered Load			Unmetered Scattered Load		
Service Charge (per connection)	\$	12.79	Service Charge (per connection)	\$	12.93

Distribution Volumetric Rate	\$/kWh	0.0126	Distribution Volumetric Rate	\$/kWh	0.0127
Low Voltage Service Rate	\$/kWh	0.0002	Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0008)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0008)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kWh	0.0014	Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0004)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kWh	(0.0006)	Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0058	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0045	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0008
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.85
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Sentinel Lighting			Sentinel Lighting		
Service Charge (per connection)	\$	2.02	Service Charge (per connection)	\$	2.04
Distribution Volumetric Rate	\$/kW	10.6140	Distribution Volumetric Rate	\$/kW	10.7286
Low Voltage Service Rate	\$/kW	0.0504	Low Voltage Service Rate	\$/kW	0.0504
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3881)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3881)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kW	0.2723	Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.1138)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kW	(0.1362)	Retail Transmission Rate - Network Service Rate	\$/kW	1.6785
Retail Transmission Rate - Network Service Rate	\$/kW	1.8451	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3751
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4192	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.4975
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.10
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
Street Lighting			Street Lighting		
Service Charge (per connection)	\$	1.08	Service Charge (per connection)	\$	1.09
Distribution Volumetric Rate	\$/kW	4.9197	Distribution Volumetric Rate	\$/kW	4.9728
Low Voltage Service Rate	\$/kW	0.0494	Low Voltage Service Rate	\$/kW	0.0494
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.2751)	Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.2751)
Rate Rider for Deferral/Variance Account Disposition (2012) – Effective until April 30, 2013	\$/kW	0.2411	Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0984)
Rate Rider for Tax Change – Effective until April 30, 2013	\$/kW	(0.1191)	Retail Transmission Rate - Network Service Rate	\$/kW	1.6701

Retail Transmission Rate - Network Service Rate	\$/kW	1.8358	Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3469
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3901	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.2344
Wholesale Market Service Rate	\$/kWh	0.0052	Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.05
Rural Rate Protection Charge - effective until April 30, 2012	0	0.0000	Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge - effective on and after May 1, 2012	\$/kWh	0.0011	Rural Rate Protection Charge	\$/kWh	0.0011
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25	Standard Supply Service - Administrative Charge (if applicable)	\$	0.25
MicroFit			MicroFit		
Service Charge	\$	5.25	Service Charge	\$	5.25



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

The following is a complete Tariff Schedule based on the information entered in this model. Please review.
Note: This worksheet is **unlocked** and the print margins, row heights, number formats, etc. can be adjusted.

Festival Hydro Inc. **TARIFF OF RATES AND CHARGES** **Effective and Implementation Date May 01, 2013**

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

EB-2011-0167

RESIDENTIAL SERVICE CLASSIFICATION

A customer is classed as residential when all the following conditions are met:

- (a) the property is zoned strictly residential by the local municipality,
- (b) the account is created and maintained in the customer's name,
- (c) the building is used for dwelling purposes.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.05
Distribution Volumetric Rate	\$/kWh	0.0168
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0009)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0006
Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0011
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.99

MONTHLY RATES AND CHARGES - Regulatory Component

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

RESIDENTIAL - HENSALL SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	15.05
Distribution Volumetric Rate	\$/kWh	0.0163
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0006
Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0003)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0061
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0048
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0008
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.75

MONTHLY RATES AND CHARGES - Regulatory Component

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

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is less than 50 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Customers who are classed as General Service but consider themselves eligible to be classed as Residential must provide Festival Hydro with a copy of their tax assessment, which clearly demonstrates the zoning is for residential use only. Further servicing details are available in Festival Hydro's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	29.19
Distribution Volumetric Rate	\$/kWh	0.0148
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0010)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kWh	0.0001
Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053

Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0010
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	1.95

MONTHLY RATES AND CHARGES - Regulatory Component

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

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification refers to a non residential account whose peak demand is equal to or greater than 50 kW but less than 5,000 kW based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Further servicing details are available in Festival Hydro's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	225.65
Distribution Volumetric Rate	\$/kW	2.3136
Low Voltage Service Rate	\$/kW	0.0689
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3508)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kW	0.0389
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0254)
Retail Transmission Rate - Network Service Rate	\$/kW	2.2145
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.7422
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.3520
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9099
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.1518
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	14.81

MONTHLY RATES AND CHARGES - Regulatory Component

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

LARGE USE SERVICE CLASSIFICATION

This classification refers to non-residential accounts whose monthly peak demand is equal to or greater than 5,000 kW, based on the process for and frequency for reclassification as outlined in Section 2.5 of the Distribution System Code. For a new customer without prior billing history, the kW peak demand will be estimated by Festival Hydro to determine the proper rate classification. Further servicing details are available in Festival Hydro's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	10,792.23
Distribution Volumetric Rate	\$/kW	1.0015
Low Voltage Service Rate	\$/kW	0.0801
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.4507)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective until April 30, 2014	\$/kW	0.1910
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0250)
Retail Transmission Rate - Network Service Rate - Interval Metered	\$/kW	2.6043
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.1841
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.0667
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	718.88

MONTHLY RATES AND CHARGES - Regulatory Component

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

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, pedestrian Cross-Walk signals/beacons, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	12.93
Distribution Volumetric Rate	\$/kWh	0.0127
Low Voltage Service Rate	\$/kWh	0.0002
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kWh	(0.0008)
Rate Rider for Tax Change - effective until April 30, 2014	\$/kWh	(0.0004)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0044
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kWh	0.0008

MONTHLY RATES AND CHARGES - Regulatory Component

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

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.04
Distribution Volumetric Rate	\$/kW	10.7286
Low Voltage Service Rate	\$/kW	0.0504
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.3881)
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.1138)
Retail Transmission Rate - Network Service Rate	\$/kW	1.6785
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3751
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.4975
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.10

MONTHLY RATES AND CHARGES - Regulatory Component

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

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. If connected to the municipal or the Province of Ontario street lighting system, decorative lighting and tree lighting services will be treated as a Street Lighting class of service. Decorative or tree lighting connected to Festival Hydro Inc.'s distribution system will be treated as a General Service Less Than 50 kW class customers. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	1.09
Distribution Volumetric Rate	\$/kW	4.9728
Low Voltage Service Rate	\$/kW	0.0494
Rate Rider for Deferral/Variance Account Disposition (2010) – Effective until April 30, 2014	\$/kW	(0.2751)
Rate Rider for Tax Change - effective until April 30, 2014	\$/kW	(0.0984)
Retail Transmission Rate - Network Service Rate	\$/kW	1.6701
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3469
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$/kW	0.2344
Rate Rider for Recovery of Incremental Capital Costs- effective until April 30, 2014	\$	0.05

MONTHLY RATES AND CHARGES - Regulatory Component

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

MICROFIT SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.25
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity

shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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

Customer Administration

Arrears certificate	\$	15.00
Income Tax 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
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment – per month	%	1.50
Late Payment – per annum	%	19.66
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect Charge – At Meter – After Hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service Call – Customer-owned Equipment – During Regular Hours	\$	30.00
Service call – after regular hours	\$	165.00
Temporary Service – Install & remove – overhead – no transformer	\$	500.00
Temporary Service – Install & remove – underground – no transformer	\$	300.00
Temporary Service Install & Remove – Overhead – With Transformer	\$	1,000.00
Specific Charge for Access to the Power Poles - \$/pole/year	\$	22.35

RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0307
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0176
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0204
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0075



3RD Generation Incentive Regulation Model for 2013 Filers

Festival Hydro Inc.

Choose a Rate Class from the drop-down menu below and click UPDATE.

For Street Lighting and USL classes, please ensure that the number of customers is manually entered into cells B30 and B31.
Click the UPDATE button to refresh the sheet.

Residential

Consumption 800 kWh
 RPP Tier One 600 kWh
 Load Factor
 Loss Factor 1.0307

	CURRENT ESTIMATED BILL			PROPOSED ESTIMATED BILL			Change (\$)	Change (%)	% of Total RPP Bill	% of Total TOU Bill
	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)				
Energy First Tier (kWh)	600.00	0.0750	45.00	600.00	0.0750	45.00	0.00	0.00%	38.53%	
Energy Second Tier (kWh)	224.56	0.0880	19.76	224.56	0.0880	19.76	0.00	0.00%	16.92%	
TOU - Off Peak	527.72	0.0650	34.30	527.72	0.0650	34.30	0.00	0.00%		28.93%
TOU - Mid Peak	148.42	0.1000	14.84	148.42	0.1000	14.84	0.00	0.00%		12.52%
TOU - On Peak	148.42	0.1170	17.37	148.42	0.1170	17.37	0.00	0.00%		14.65%
Service Charge	1	14.92	14.92	1	15.05	15.05	0.13	0.87%	12.89%	12.69%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.99	0.99	0.99	0.00%	0.85%	0.84%
Distribution Volumetric Rate	800	0.0166	13.28	800	0.0168	13.44	0.16	1.20%	11.51%	11.34%
Low Voltage Volumetric Rate	800	0.0002	0.16	800	0.0002	0.16	0.00	0.00%	0.14%	0.13%
Distribution Volumetric Rate Rider(s)	800	0.0003	0.24	800	0.0005	0.40	0.16	65.33%	0.34%	0.33%
Total: Distribution			28.60			30.04	1.44	5.03%	25.72%	25.34%
Retail Transmission Rate - Network Service Rate	824.56	0.0067	5.52	824.56	0.0061	5.03	(0.49)	-8.88%	4.31%	4.24%
Retail Transmission Rate - Line and Transformation Connection Service Rate	824.56	0.005	4.12	824.56	0.0048	3.96	(0.16)	-3.88%	3.39%	3.34%
Total: Retail Transmission			9.64			8.99	(0.65)	(6.74%)	7.70%	7.58%
Sub-Total: Delivery (Distribution and Retail Transmission)			38.24			39.03	0.79	2.07%	33.42%	32.92%
Wholesale Market Service Rate	824.56	0.0052	4.29	824.56	0.0052	4.29	0.00	0.00%	3.67%	3.62%
Rural Rate Protection Charge	824.56	0.0011	0.91	824.56	0.0011	0.91	0.00	0.00%	0.78%	0.77%
Standard Supply Service - Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.21%	0.21%
Sub-Total: Regulatory			5.44			5.44	0.00	0.00%	4.66%	4.59%
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800.00	0.0070	5.60	0.00	0.00%	4.79%	4.72%
Total Bill on RPP (before taxes)			114.05			114.84	0.79	0.69%		98.33%
HST		13%	14.83		13%	14.93	0.10	0.69%	12.78%	
Total Bill (including HST)			128.88			129.77	0.89	0.69%	111.11%	
Ontario Clean Energy Benefit (OCEB)		(10%)	(12.89)		(10%)	(12.98)	(0.09)	0.69%	-11.11%	
Total Bill on RPP (including OCEB)			115.99			116.79	0.80	0.69%	100.00%	
Total Bill on TOU (before taxes)			115.79			116.58	0.79	0.68%		98.33%
HST		13%	15.05		13%	15.16	0.10	0.68%	12.78%	
Total Bill (including HST)			130.84			131.74	0.89	0.68%		111.11%
Ontario Clean Energy Benefit (OCEB)		(10%)	(13.08)		(10%)	(13.17)	(0.09)	0.68%	-11.11%	
Total Bill on TOU (including OCEB)			117.76			118.56	0.80	0.68%		100.00%



Incremental Capital Workform for 2013 Filers

VERSION 1.0

Applicant Name	Festival Hydro Inc.
Application Type	IRM3
LDC Licence Number	ED-2002-0513
Applied for Effective Date	May 1, 2013
Stretch Factor Group	I
Stretch Factor Value	0.2%
Last COS Re-based Year	2010
Last COS OEB Application Number	EB-2009-0263
ICM Billing Determinants for Growth - Numerator	2010 Re-based Forecast
ICM Billing Determinants for Growth - Denominator	2011 Actual



Incremental Capital Workform for 2013 Filers

Table of Contents

Sheet Name	Purpose of Sheet
A1.1 LDC Information	Enter LDC Data
A2.1 Table of Contents	Table of Contents
B1.1 Re-Based Bill Det & Rates	Set Up Rate Classes and enter Re-Based Billing Determinants and Tariff Rates
B1.2 Removal of Rate Adders	Removal of Rate Adders
B1.3 Re-Based Rev From Rates	Calculated Re-Based Revenue From Rates
B1.4 Re-Based Rev Req	Detailed Re-Based Revenue From Rates
C1.1 Ld Act-Mst Rcent Yr	Enter Billing Determinants for most recent actual year
D1.1 Current Revenue from Rates	Enter Current Rates to calculate current rate allocation
E1.1 Threshold Parameters	Shows calculation of Price Cap and Growth used for incremental capital threshold calculation
E2.1 Threshold Test	Input sheet to calculate Threshold and Incremental Capital
E3.1 Summary of I C Projects	Summary of Incremental Capital Projects
E4.1 IncrementalCapitalAdjust	Shows Calculation of Incremental Capital Revenue Requirement
F1.1 Incr Cap RRider Opt A FV	Option A - Calculation of Incremental Capital Rate Rider - Fixed & Variable Split
F1.2 Incr Cap RRider Opt B Var	Option B - Calculation of Incremental Capital Rate Rider - Variable Allocation
Z1.0 OEB Control Sheet	Not Shown



Incremental Capital Workform for 2013 Filers

Rate Class and Re-Based Billing Determinants & Rates

Select the appropriate Rate Groups and Rate Classes from the drop-down menus in Columns C and D respectively. Following your selection, all appropriate input cells will be shaded green.

Last COS Re-based Year				2010					
Last COS OEB Application Number				EB-2009-0263					
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Re-based Tariff Service Charge D	Re-based Tariff Distribution Volumetric Rate kWh E	Re-based Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	17,115	141,132,375		14.75	0.0163	
RES	Residential - Hensall	Customer	kWh	413	4,143,109		11.21	0.0120	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,968	67,469,308		29.05	0.0145	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	221	316,941,804	797,792	220.21		2.2579
LU	Large Use	Customer	kW	2	65,544,852	128,687	10,692.01		0.9922
USL	Unmetered Scattered Load	Connection	kWh	156	629,732		12.60	0.0125	
Sen	Sentinel Lighting	Connection	kW	83	234,690	679	1.41		7.3991
SL	Street Lighting	Connection	kW	5,915	3,904,130	11,255	0.77		3.4865
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						



Incremental Capital Workform for 2013 Filers

Removal of Rate Adders

Last COS Re-based Year

2010

Last COS OEB Application Number

EB-2009-0263

Rate Class	Re-based Tariff	Re-based Tariff Distribution	Re-based Tariff Distribution	Service Charge	Distribution Volumetric	Distribution Volumetric
	Service Charge A	Volumetric Rate kWh B	Volumetric Rate kW C	Rate Adders D	kWh Rate Adders E	kW Rate Adders F
Residential	14.75	0.0163	0.0000	0.00	0.0000	0.0000
Residential - Hensall	11.21	0.0120	0.0000	0.00	0.0000	0.0000
General Service Less Than 50 kW	29.05	0.0145	0.0000	0.00	0.0000	0.0000
General Service 50 to 4,999 kW	220.21	0.0000	2.2579	0.00	0.0000	0.0000
Large Use	10,692.01	0.0000	0.9922	0.00	0.0000	0.0000
Unmetered Scattered Load	12.60	0.0125	0.0000	0.00	0.0000	0.0000
Sentinel Lighting	1.41	0.0000	7.3991	0.00	0.0000	0.0000
Street Lighting	0.77	0.0000	3.4865	0.00	0.0000	0.0000



Incremental Capital Workform for 2013 Filers

Calculated Re-Based Revenue From Rates

Last COS Re-based Year 2010

Last COS OEB Application Number EB-2009-0263

Rate Class	Re-based Billed	Re-based Billed	Re-based Billed	Re-based Base	Re-based Base	Re-based Base	Distribution	Distribution	Service Charge	Distribution	Distribution	Revenue
	Customers or Connections A	kWh B	kW C	Service Charge D	Volumetric Rate kWh E	Volumetric Rate kW F	Volumetric Rate kWh E	Volumetric Rate kW F	Revenue G = A * D * 12	Rate Revenue kWh H = B * E	Rate Revenue kW I = C * F	Requirement from Rates J = G + H + I
Residential	17,115	141,132,375	0	14.75	0.0163	0.0000			3,029,355	2,300,458	0	5,329,813
Residential - Hensall	413	4,143,109	0	11.21	0.0120	0.0000			55,557	49,717	0	105,274
General Service Less Than 50 kW	1,968	67,469,308	0	29.05	0.0145	0.0000			686,045	978,305	0	1,664,350
General Service 50 to 4,999 kW	221	316,941,804	797,792	220.21	0.0000	2.2579			583,997	0	1,801,335	2,385,331
Large Use	2	65,544,852	128,687	10,692.01	0.0000	0.9922			256,608	0	127,683	384,291
Unmetered Scattered Load	156	629,732	0	12.60	0.0125	0.0000			23,587	7,872	0	31,459
Sentinel Lighting	83	234,690	679	1.41	0.0000	7.3991			1,404	0	5,024	6,428
Street Lighting	5,915	3,904,130	11,255	0.77	0.0000	3.4865			54,655	0	39,241	93,895
									4,691,208	3,336,352	1,973,282	10,000,842



Incremental Capital Workform for 2013 Filers

Detailed Re-Based Revenue From Rates

Last COS Re-based Year 2010

Last COS OEB Application Number EB-2009-0263

Applicants Rate Base

Average Net Fixed Assets

		Last Rate Re-based Amount	
Gross Fixed Assets - Re-based Opening	\$ 73,469,244	A	
Add: CWIP Re-based Opening	\$ 3,357,000	B	
Re-based Capital Additions		C	
Re-based Capital Disposals		D	
Re-based Capital Retirements		E	
Deduct: CWIP Re-based Closing		F	
Gross Fixed Assets - Re-based Closing	\$ 76,826,244	G	
Average Gross Fixed Assets			\$ 75,147,744 H = (A + G) / 2

Accumulated Depreciation - Re-based Opening	\$ 41,462,401	I	
Re-based Depreciation Expense	\$ 2,787,375	J	
Re-based Disposals		K	
Re-based Retirements		L	
Accumulated Depreciation - Re-based Closing	\$ 44,249,776	M	
Average Accumulated Depreciation			\$ 42,856,089 N = (I + M) / 2

Average Net Fixed Assets **\$ 32,291,656** O = H - N

Working Capital Allowance

Working Capital Allowance Base	\$ 52,239,484	P	
Working Capital Allowance Rate	15.0%	Q	
Working Capital Allowance			\$ 7,835,923 R = P * Q

Rate Base **\$ 40,127,578** S = O + R

Return on Rate Base

Deemed Short Term Debt %	4.00%	T	\$ 1,605,103	W = S * T
Deemed Long Term Debt %	56.00%	U	\$ 22,471,444	X = S * U
Deemed Equity %	40.00%	V	\$ 16,051,031	Y = S * V
Short Term Interest	2.07%	Z	\$ 33,226	AC = W * Z
Long Term Interest	5.68%	AA	\$ 1,276,862	AD = X * AA
Return on Equity	9.85%	AB	\$ 1,581,027	AE = Y * AB
Return on Rate Base			\$ 2,891,114	AF = AC + AD + AE

Distribution Expenses

OM&A Expenses	\$ 3,930,487	AG	
Amortization	\$ 2,568,039	AH	
Ontario Capital Tax (F1.1 Z-Factor Tax Changes)	\$ 20,188	AI	
Grossed Up PILS (F1.1 Z-Factor Tax Changes)	\$ 848,366	AJ	
Low Voltage		AK	
Transformer Allowance	\$ 390,940	AL	
Property Tax	\$ 30,000	AM	
		AN	
		AO	
			\$ 7,788,020 AP = SUM (AG : AO)

Revenue Offsets

Specific Service Charges	-\$ 178,810	AQ	
Late Payment Charges	-\$ 133,335	AR	
Other Distribution Income	-\$ 204,175	AS	
Other Income and Deductions	-\$ 161,596	AT	-\$ 677,916 AU = SUM (AQ : AT)

Revenue Requirement from Distribution Rates **\$ 10,001,218** AV = AF + AP + AU

Rate Classes Revenue

Rate Classes Revenue - Total (B1.1 Re-based Revenue - Gen) \$ 10,000,842 AW



Incremental Capital Workform for 2013 Filers

Load Actual - Most Recent Year

Rate Class	Fixed Metric	Vol Metric	Billed			Base Service Charge	Base Distribution	Base Distribution	Service Charge Revenue	Distribution Volumetric	Distribution Volumetric	Total Revenue by Rate Class
			Customers or Connections	Billed kWh	Billed kW		Volumetric Rate kWh	Volumetric Rate kW		Rate Revenue kWh	Rate Revenue kW	
			A	B	C	D	E	F	G = A * D * 12	H = B * E	I = C * F	J = G + H + I
Residential	Customer	kWh	17,243	137,110,454	0	\$14.75	\$0.0163	\$0.0000	\$3,052,011	\$2,234,900	\$0	\$5,286,911
Residential - Hensall	Customer	kWh	410	3,814,545	0	\$11.21	\$0.0120	\$0.0000	\$55,153	\$45,775	\$0	\$100,928
General Service Less Than 50 kW	Customer	kWh	2,000	63,567,429	0	\$29.05	\$0.0145	\$0.0000	\$697,200	\$921,728	\$0	\$1,618,928
General Service 50 to 4,999 kW	Customer	kW	231	342,397,426	893,506	\$220.21	\$0.0000	\$2.2579	\$610,422	\$0	\$2,017,447	\$2,627,869
Large Use	Customer	kW	1	30,589,560	59,443	\$10,692.01	\$0.0000	\$0.9922	\$128,304	\$0	\$58,979	\$187,283
Unmetered Scattered Load	Connection	kWh	233	666,441	0	\$12.60	\$0.0125	\$0.0000	\$35,230	\$8,331	\$0	\$43,560
Sentinel Lighting	Connection	kW	64	200,336	556	\$1.41	\$0.0000	\$7.3991	\$1,083	\$0	\$4,114	\$5,197
Street Lighting	Connection	kW	6,240	4,206,123	11,209	\$0.77	\$0.0000	\$3.4865	\$57,658	\$0	\$39,080	\$96,738
									\$4,637,061	\$3,210,733	\$2,119,621	\$9,967,414



Incremental Capital Workform for 2013 Filers

This sheet is used to determine the applicants most current allocation of revenues (after the most recent revenue to cost ratio adjustment, if applicable) to be used to calculate the incremental capital rate riders.

Current Revenue from Rates

Rate Class	Fixed Metric	Vol Metric	Current Base Service Charge A	Current Base Distribution Volumetric Rate kWh B	Current Base Distribution Volumetric Rate kW C	Re-based Billed Customers or Connections D	Re-based Billed kWh E	Re-based Billed kW F	Current Base Service Charge Revenue G = A * D * 12	Current Base Distribution Volumetric Rate kWh Revenue H = B * E	Current Base Distribution Volumetric Rate kW Revenue I = C * F	Total Current Base Revenue J = G + H + I	Service Charge % Total Revenue L = G / \$K	Distribution Volumetric Rate % Total Revenue M = H / \$K	Distribution Volumetric Rate % Total Revenue N = I / \$K	Total % Revenue O = J / \$K
Residential	Customer	kWh	14.92	0.0166		17,115	141,132,375	0	3,064,270	2,342,797	0	5,407,067	30.1%	23.0%	0.0%	53.1%
Residential - Hensall	Customer	kWh	13.82	0.0149		413	4,143,109	0	68,492	61,732	0	130,224	0.7%	0.6%	0.0%	1.3%
General Service Less Than 50 kW	Customer	kWh	28.88	0.0146		1,968	67,469,308	0	682,030	985,052	0	1,667,082	6.7%	9.7%	0.0%	16.4%
General Service 50 to 4,999 kW	Customer	kW	223.24		2.2889	221	316,941,804	797,792	592,032	0	1,826,066	2,418,099	5.8%	0.0%	17.9%	23.8%
Large Use	Customer	kW	10,676.92		0.9908	2	65,544,852	128,687	256,246	0	127,503	383,749	2.5%	0.0%	1.3%	3.8%
Unmetered Scattered Load	Connection	kWh	12.79	0.0126		156	629,732	0	23,943	7,935	0	31,878	0.2%	0.1%	0.0%	0.3%
Sentinel Lighting	Connection	kW	2.02		10.6140	83	234,690	679	2,012	0	7,207	9,219	0.0%	0.0%	0.1%	0.1%
Street Lighting	Connection	kW	1.08		4.9197	5,915	3,904,130	11,255	76,658	0	55,371	132,030	0.8%	0.0%	0.5%	1.3%
									4,765,683	3,397,516	2,016,147	10,179,347 K	46.8%	33.4%	19.8%	100.0%



Incremental Capital Workform for 2013 Filers

Threshold Parameters

Price Cap Index

Price Escalator (GDP-IPI)	2.00%
Less Productivity Factor	-0.72%
Less Stretch Factor	-0.20%

Price Cap Index **1.08%**

Growth

ICM Billing Determinants for Growth - Numerator : 2010 Re-based Forecast	<u>\$ 9,967,414</u>	A
ICM Billing Determinants for Growth - Denominator : 2011 Actual	<u>\$10,000,842</u>	B

Growth **-0.33%** C = A / B



Incremental Capital Workform for 2013 Filers

Threshold Test

Year	2010	
Price Cap Index	1.08%	A
Growth	-0.33%	B
Dead Band	20%	C
Average Net Fixed Assets		
Gross Fixed Assets Opening	\$73,469,244	
Add: CWIP Opening	\$ 3,357,000	
Capital Additions	\$ -	
Capital Disposals	\$ -	
Capital Retirements	\$ -	
Deduct: CWIP Closing	\$ -	
Gross Fixed Assets - Closing	\$76,826,244	
Average Gross Fixed Assets	<u>\$75,147,744</u>	
Accumulated Depreciation - Opening	\$41,462,401	
Depreciation Expense	\$ 2,787,375	D
Disposals	\$ -	
Retirements	\$ -	
Accumulated Depreciation - Closing	\$44,249,776	
Average Accumulated Depreciation	<u>\$42,856,089</u>	
Average Net Fixed Assets	<u>\$32,291,656</u>	E
Working Capital Allowance		
Working Capital Allowance Base	\$52,239,484	
Working Capital Allowance Rate	15%	
Working Capital Allowance	<u>\$ 7,835,923</u>	F
Rate Base	<u>\$40,127,578</u>	G = E + F
Depreciation	D \$ 2,787,375	H
Threshold Test	130.68%	I = 1 + (G / H) * (B + A * (1 + B)) + C
Threshold CAPEX	\$ 3,642,654	J = H * I



Incremental Capital Workform for 2013 Filers

Summary of Incremental Capital Projects (ICPs)

Number of ICPs

1

Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense	CCA
ICP 1	Construction of 62 MVA Transformation Station	7,777,903	188,104	660,552
		<u>7,777,903</u>	<u>188,104</u>	<u>660,552</u>



Incremental Capital Workform for 2013 Filers

Incremental Capital Adjustment

Current Revenue Requirement

Current Revenue Requirement - Total	\$10,001,218	A
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Return on Rate Base

Incremental Capital CAPEX		\$ 7,777,903	B
Depreciation Expense		\$ 188,104	C
Incremental Capital CAPEX to be included in Rate Base		\$ 7,589,799	D = B - C
Deemed ShortTerm Debt %	4.0%	E \$ 303,592	G = D * E
Deemed Long Term Debt %	56.0%	F \$ 4,250,287	H = D * F
Short Term Interest	2.07%	I \$ 6,284	K = G * I
Long Term Interest	5.68%	J \$ 241,508	L = H * J
Return on Rate Base - Interest		\$ 247,792	M = K + L
Deemed Equity %	40.0%	N \$ 3,035,919	P = D * N
Return on Rate Base -Equity	9.85%	O \$ 299,038	Q = P * O
Return on Rate Base - Total		\$ 546,830	R = M + Q

Amortization Expense

Amortization Expense - Incremental	C \$ 188,104	S
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Grossed up PIL's

Regulatory Taxable Income	O \$ 299,038	T
Add Back Amortization Expense	S \$ 188,104	U
Deduct CCA	\$ 660,552	V
Incremental Taxable Income	-\$ 173,410	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	26.5% X	
PIL's Before Gross Up	-\$ 45,954	Y = W * X
Incremental Grossed Up PIL's	-\$ 62,522	Z = Y / (1 - X)

Ontario Capital Tax

Incremental Capital CAPEX	\$ 7,777,903	AA
Less : Available Capital Exemption (if any)	\$ -	AB
Incremental Capital CAPEX subject to OCT	\$ 7,777,903	AC = AA - AB
Ontario Capital Tax Rate (F1.1 Z-Factor Tax Changes)	0.000% AD	
Incremental Ontario Capital Tax	\$ -	AE = AC * AD

Incremental Revenue Requirement

Return on Rate Base - Total	Q \$ 546,830	AF
Amortization Expense - Total	S \$ 188,104	AG
Incremental Grossed Up PIL's	Z -\$ 62,522	AH
Incremental Ontario Capital Tax	AE \$ -	AI
Incremental Revenue Requirement	\$ 672,412	AJ = AF + AG + AH + AI



Incremental Capital Workform for 2013 Filers

Calculation of Incremental Capital Rate Rider - Option A Fixed and Variable

Rate Class	Service Charge % Revenue A	Distribution Volumetric Rate % Revenue kWh B	Distribution Volumetric Rate % Revenue kW C	Service Charge Revenue D = \$N * A	Distribution Volumetric Rate Revenue kWh E = \$N * B	Distribution Volumetric Rate Revenue kW F = \$N * C	Total Revenue by Rate Class G = D + E + F	Billed Customers or Connections H	Billed kWh I	Billed kW J	Service Charge Rate Rider K = D / H / 12	Distribution Volumetric Rate kWh Rate Rider L = E / I	Distribution Volumetric Rate kW Rate Rider M = F / J
Residential	30.1%	23.0%	0.0%	##### \$	154,757.05 \$	- \$	357,172.03	17,115	141,132,375	0	\$0.985563	\$0.001097	
Residential - Hensall	0.7%	0.6%	0.0%	\$ 4,524.34	4,077.82 \$	- \$	8,602.16	413	4,143,109	0	\$0.912901	\$0.000984	
General Service Less Than 50 kW	6.7%	9.7%	0.0%	\$ 45,052.53	65,069.10 \$	- \$	110,121.63	1,968	67,489,308	0	\$1.907712	\$0.000964	
General Service 50 to 4,999 kW	5.8%	0.0%	17.9%	\$ 39,107.61	- \$	120,623.57	159,731.18	221	316,941,804	797,792	\$14.746458	\$0.000000	\$0.151197
Large Use	2.5%	0.0%	1.3%	\$ 16,926.72	- \$	8,422.41	25,349.13	2	65,544,852	128,687	\$705.280185	\$0.000000	\$0.065449
Unmetered Scattered Load	0.2%	0.1%	0.0%	\$ 1,581.58	524.13 \$	- \$	2,105.72	156	629,732	0	\$0.844863	\$0.000832	
Sentinel Lighting	0.0%	0.0%	0.1%	\$ 132.90	- \$	476.06	608.96	83	234,690	679	\$0.133434	\$0.000000	\$0.701124
Street Lighting	0.8%	0.0%	0.5%	\$ 5,063.79	- \$	3,657.63	8,721.42	5,915	3,904,130	11,255	\$0.071341	\$0.000000	\$0.324978
				##### \$	224,428.10 \$	133,179.68 \$	672,412.24						

Enter the above rate riders onto "Sheet
11. Proposed Rates" in the 2013 OEB IRM3 Rate Generator as a
"Rate Rider for Incremental Capital"



Incremental Capital Workform for 2013 Filers

Calculation of Incremental Capital Rate Rider - Option B Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Incremental Capital \$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distributio n Volumetri c Rate kWh Rate Rider F = C / D	Distributio n Volumetri c Rate kW Rate Rider G = C / E
Residential	\$5,407,067	53.12%	\$357,172	141,132,375	0	\$0.0025	
Residential - Hensall	\$130,224	1.28%	\$8,602	4,143,109	0	\$0.0021	
General Service Less Than 50 kW	\$1,667,082	16.38%	\$110,122	67,469,308	0	\$0.0016	
General Service 50 to 4,999 kW	\$2,418,099	23.75%	\$159,731	316,941,804	797,792		\$0.2002
Large Use	\$383,749	3.77%	\$25,349	65,544,852	128,687		\$0.1970
Unmetered Scattered Load	\$31,878	0.31%	\$2,106	629,732	0	\$0.0033	
Sentinel Lighting	\$9,219	0.09%	\$609	234,690	679		\$0.8969
Street Lighting	\$132,030	1.30%	\$8,721	3,904,130	11,255		\$0.7749
	\$10,179,347	100.00%	\$672,412				
	H		I				

Enter the above rate riders onto "Sheet 11. Proposed Rates" in the 2013 OEB IRM3 Rate Generator as a "Rate Rider for Incremental Capital"