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# RATE BASE OVERVIEW

## 1.0 Introduction

This Exhibit provides Goderich Hydro' distribution rate base forecast for the 2013 Test Year and a discussion of the variances between 2009 Board Approved, 2009 to 2011 Actual and 2012/2013 forecast or budget rate bases. In accordance with the Board's Update to Chapter 2 of the *Filing Requirements for Transmission and Distribution Applications,* issued June 26th, 2012, the rate base used to determine the revenue requirement for the Test Year includes a forecast of net fixed assets, calculated on a mid-year average basis, plus a working capital requirement. Net fixed assets are gross assets in service minus accumulated amortization and contributed capital. Table 1 shows the calculation of the 2013 rate base. WCA has been developed using the Board default approach of 13% of the cost of power and controllable expenses. Goderich Hydro is requesting approval for the 2013 Test Year WCA of $1,252,301.

### Approach

The *Ontario Energy Board Act, 1998* and the *Electricity Act, 1998* establish certain purposes and objectives for the Ontario Energy Board in its decision-making and thereby provide goals and objectives for distributors and other industry participants. In order to pursue these objectives, Goderich Hydro is committed to building sustainable and reliable infrastructure assets to service the needs of its community, and to comply with regulatory obligations and license conditions. Goderich Hydro is also committed to improving the customer experience in dealing with the utility and has and continues to implement processes, system reviews and enhancements for service improvements and to gain further productivity and efficiencies in its work place. As such, Goderich Hydro has taken steps to ensure infrastructure investment decisions achieve the optimal balance between reliability and quality of service, and reasonable and fair cost of electricity delivery to its customers.

Due to the Tornado, Goderich Hydro's Long Term Asset Management Plan will have to be completely re-written. The current focus is to re-establish the required infrastructure for both the Town of Goderich and Goderich Hydro. There was the initial damage caused by the Tornado, which was extensive, followed up by the ongoing requirements to not only meet the immediate requirements, reliable and safe distribution but to provide the framework which will be key to Goderich Hydro's Asset Management plan as we move forward. The estimated capital expenditures for the 2012 Bridge Year and 2013 Test Year are influenced by a number of factors including the rebuilding from the F3 Tornado, purchasing a new Operations and Administration center (the previously one was demolished by the tornado), upgrading our downtown core infrastructure to accommodate those businesses that have had to rebuild; now having to meet new Legislation which required large service upgrades for things like elevators for the *Disability Act* and meeting current electrical standards, growth in the residential customer base, the conversion of aging infrastructure, ensuring power quality and Goderich Hydro's capacity to finance capital projects. Project cost estimates are provided for the project and broken down over the various applicable accounts.

The specific priority of identified projects is influenced by a number of factors, compliance, safety, obligations to third parties such as municipal reconstruction projects and subdivisions. Capital Contributions have been shown in total as a separate line item. In addition, Goderich Hydro has ongoing capital programs such as pole replacement that necessitate annual spending. All proposed capital projects for the 2012 Bridge year and the 2013 Test Year are expected to be completed and in service in the year forecasted. Certain projects (the tornado rebuilds) are multi-phase projects with each phase being completed in its respective year; this rebuild will continue through the IRM periods.

By necessity Goderich Hydro has had to focus more on capital spending which in the longer term will reduce future O&M costs. The accelerated capital spend due to the Tornado has upgraded a

significant portion of our assets thus we expect that over the long term this should assist Goderich Hydro in improving its O&M efficiency rating.

**West Coast Huron Energy**
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# Rate Base Summary Table:

| RATE BASE SUMMARY | 2009 Board Approved | 2009 Actual | Variance from 2009 Board Approved | 2009 Actual | 2010 Actual | Variance from 2009 Actual | 2010 Actual | 2011 Actual | Variance from 2010 Actual |
|---|---|---|---|---|---|---|---|---|---|
| Gross Asset | | | | | | | | | |
| Asset values at cost | $ 5,911,952 | $ 6,189,704 | $ 277,752 | $ 6,189,704 | $ 6,292,349 | $ 102,645 | $ 6,292,349 | $ 7,292,808 | $ 1,000,459 |
| Accumulated Depreciation balance | - 2,039,531 | - 2,053,443 | - 13,912 | - 2,053,443 | - 2,227,122 | - 173,679 | - 2,227,122 | - 2,111,117 | 116,005 |
| Net Fixed Assets | 3,872,421 | 4,136,261 | 263,840 | 4,136,261 | 4,065,227 | - 71,034 | 4,065,227 | 5,181,691 | 1,116,464 |
| Allowance for Working Capital | 1,225,478 | 1,232,710 | 7,232 | 1,232,710 | 1,283,728 | 51,018 | 1,283,728 | 1,348,430 | 64,702 |
| Utility Rate Base | $ 5,097,899 | $ 5,368,971 | $ 271,072 | $ 5,368,971 | $ 5,348,955 | -$ 20,016 | $ 5,348,955 | $ 6,530,121 | $ 1,181,166 |

| RATE BASE SUMMARY | 2011 Actual | 2012 Actual (CGAAP) | Variance from 2011 Actual | 2012 Bridge (CGAAP) | 2012 Bridge (MIFRS) | Variance from 2012 (CGAAP) | 2012 Bridge (MIFRS) | 2013 Test (MIFRS) | Variance from 2012 Bridge |
|---|---|---|---|---|---|---|---|---|---|
| Gross Asset | | | | | | | | | |
| Asset values at cost | $ 7,292,808 | $ 10,873,585 | $ 3,580,777 | $ 10,873,585 | $ 10,873,585 | $ - | $ 10,873,585 | $ 12,721,085 | $ 1,847,500 |
| Accumulated Depreciation balance | - 2,111,117 | - 2,697,337 | - 586,220 | - 2,697,337 | - 2,489,604 | 207,733 | - 2,489,604 | - 2,868,270 | - 378,666 |
| Net Fixed Assets | 5,181,691 | 8,176,248 | 2,994,557 | 8,176,248 | 8,383,981 | 207,733 | 8,383,981 | 9,852,815 | 1,468,834 |
| Allowance for Working Capital | 1,348,530 | 1,484,660 | 136,130 | 1,484,660 | 1,484,660 | - | 1,484,660 | 1,252,301 | - 232,359 |
| Utility Rate Base | $ 6,530,221 | $ 9,660,908 | $ 3,130,687 | $ 9,660,908 | $ 9,868,641 | $ 207,733 | $ 9,868,641 | $ 11,105,116 | $ 1,236,475 |

# Variance Analysis on Rate Base:

The following paragraphs provide a narrative on the changes that have driven the rate base changes/variances since the 2009 COS for Goderich Hydro.

**2009 Board Approved compared to 2009 Actual:**

Goderich Hydro increased The Allowance for Working Capital by $7,232 between the 2009 Board Approved and 2009's Actual. The increase was in the Net Fixed Assets which increases by $271,072 over the approved average.

**2009 Actual Compared to 2010 Actual:**

Working Capital decreased by a total of -$20,016, while the Allowance for Working capital increased by $51,018 in comparison to the 2009 actuals.

**2010 Actual Compared to 2011 Actual:**

Net fixed assets increased by $1,045,430 from 2009 to 2011. This change was predominantly due to the tornado. 2011 produced a variance of $1,116,464 year over year when compared to 2010. This only produced an increase in Allowance for Working Capital of $64,702.

**2011 Actual Compared to 2012 Bridge:**

The projected change in net fixed assets between 2011 to 2012 bridge of $2,550,394 can be directly attributed to the Tornado. The rebuilt from the Tornado, of both the infrastructure and the replacement of the Operations Center have contributed to this dramatic increase compared to our normal capital spend program. The process during the initial response was to utilize our prior purchasing agreements with suppliers ensuring that the pricing was consistent with our contract. Labor rates from other LDC's were in line with normal business practices and their collective agreements. Each and every project was scrutinized by both management and the Board of Directors prior to approvals being given. This produced an increase in Allowance for Working Capital of $1,136,230.

**2012 Bridge Compared to 2013 Test:**

The increase in net fixed assets between the bridge and test year is $1,468,834. Goderich Hydro will also have a decrease in Working Capital of $232,359 from 2012 due to the decline in OM&A and the Boards reduction in the working capital allowance rate. Again the majority of this relates to the unusual circumstances that Goderich Hydro finds itself in due to repercussions from the tornado.

## 2.0 Gross Assets – Property Plant and Equipment and Accumulated Depreciation

The following section details the impact of the application on Goderich Hydro asset base including historical Continuity statements, back to 2009, along with bridge and test year projections. Similarly this section also reviews the change in gross asset base and an explanation of those changes and an analysis of Accumulated amortization and the associated annual amortization expense. One cannot look at this section without giving consideration to the Tornado and the expansion of the Goderich "TS" which enabled Goderich Hydro to acquire an additional Breaker Position. The expansion of the "TS" was needed, as was the Line upgrade, to meet the system requirements of our Large User. In addition, there are the change in assets due to both Stranded and Smart Meters.

# Appendix 2-B
## Fixed Asset Continuity Schedule

Year **2009 CGAAP**

| | | | | Cost | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CCA Class | OEB | Description | Depreciation Rate | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | Net Book Value |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | | | | $ - | | | | $ - | $ - |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | | | $ 21,747 | | | | $ - | $ 21,747 |
| 47 | 1808 | Buildings | | $ 71,126 | | | $ 71,126 | -$ 22,093 | -$ 2,846 | | -$ 24,939 | $ 46,187 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | | | $ 152,252 | -$ 48,664 | -$ 6,090 | | -$ 54,754 | $ 97,498 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 164,339 | $ 82,445 | | $ 246,784 | -$ 10,413 | -$ 9,872 | | -$ 20,285 | $ 226,499 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 2,210,936 | $ 133,405 | | $ 2,344,341 | -$ 652,979 | -$ 93,775 | | -$ 746,754 | $ 1,597,587 |
| 47 | 1840 | Underground Conduit | | $ 23,426 | $ 17,569 | | $ 40,995 | -$ 1,219 | -$ 1,641 | | -$ 2,860 | $ 38,135 |
| 47 | 1845 | Underground Conductors & Devices | | $ 1,085,235 | $ 196,134 | | $ 1,281,369 | -$ 296,867 | -$ 51,224 | | -$ 348,091 | $ 933,278 |
| 47 | 1850 | Line Transformers | | $ 859,124 | $ 104,708 | | $ 963,832 | -$ 237,760 | -$ 45,472 | | -$ 283,232 | $ 680,600 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 98,356 | $ 14,316 | | $ 112,672 | -$ 7,951 | -$ 4,508 | | -$ 12,459 | $ 100,213 |
| 47 | 1860 | Meters | | $ 395,967 | $ 1,735 | | $ 397,702 | -$ 110,493 | -$ 15,909 | | -$ 126,402 | $ 271,300 |
| 47 | 1860 | Meters (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 63,794 | | | $ 63,794 | -$ 42,026 | -$ 6,380 | | -$ 48,406 | $ 15,388 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 29,766 | -$ 3,967 | | -$ 33,733 | $ 5,945 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 6,641 | -$ 4,130 | | -$ 10,771 | $ 12,866 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 18,239 | $ 9,586 | | $ 27,825 | -$ 3,592 | -$ 2,784 | | -$ 6,376 | $ 21,449 |
| 12 | 1925 | Software | | $ 74,866 | | | $ 74,866 | -$ 37,751 | -$ 5,866 | | -$ 43,617 | $ 31,249 |
| 10 | 1930 | Transportation Equipment | | $ 259,658 | $ 326,071 | | $ 585,729 | -$ 221,734 | -$ 43,476 | | -$ 265,210 | $ 320,519 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 76,644 | $ 8,577 | | $ 85,221 | -$ 65,732 | -$ 7,169 | | -$ 72,901 | $ 12,320 |
| 8 | 1945 | Measurement & Testing Equipment | | $ 2,678 | | | $ 2,678 | -$ 2,009 | -$ 669 | | -$ 2,678 | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 320,424 | -$ 26,120 | | -$ 346,544 | $ 35,229 | $ 14,796 | | $ 50,025 | -$ 296,519 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | **Total** | | **$ 5,321,278** | **$ 868,426** | **$ -** | **$ 6,189,704** | **-$ 1,762,461** | **-$ 290,982** | **$ -** | **-$ 2,053,443** | **$ 4,136,261** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 43,476 |
| Stores Equipment | |
| **Net Depreciation** | -$ 247,506 |

**West Coast Huron Energy**
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**Schedule:1**

# Appendix 2-B
## Fixed Asset Continuity Schedule

Year **2010 CGAAP**

| | | | | Cost | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CCA Class | OEB | Description | Depreciation Rate | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | Net Book Value |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | | | | $ - | | | | $ - | $ - |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | | | $ 21,747 | | | | $ - | $ 21,747 |
| 47 | 1808 | Buildings | | $ 71,126 | $ 9,838 | | $ 80,964 | -$ 24,939 | -$ 3,240 | | -$ 28,179 | $ 52,785 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | | | $ 152,252 | -$ 54,754 | -$ 6,090 | | -$ 60,844 | $ 91,408 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 246,784 | $ 96,588 | | $ 343,372 | -$ 20,285 | -$ 9,872 | | -$ 30,157 | $ 313,215 |
| 47 | 1835 | Overhead Conductors & Devices | | $2,344,341 | $ 37,974 | | $ 2,382,315 | -$ 746,754 | -$ 95,128 | | -$ 841,882 | $1,540,433 |
| 47 | 1840 | Underground Conduit | | $ 40,995 | $ 5,015 | | $ 46,010 | -$ 2,860 | -$ 1,842 | | -$ 4,702 | $ 41,308 |
| 47 | 1845 | Underground Conductors & Devices | | $1,281,369 | $ 6,449 | | $ 1,287,818 | -$ 348,091 | -$ 51,243 | | -$ 399,334 | $ 888,484 |
| 47 | 1850 | Line Transformers | | $ 963,832 | $ 65,062 | | $ 1,028,894 | -$ 283,232 | -$ 48,272 | | -$ 331,504 | $ 697,390 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 112,672 | $ 19,460 | | $ 132,132 | -$ 12,459 | -$ 5,287 | | -$ 17,746 | $ 114,386 |
| 47 | 1860 | Meters | | $ 397,702 | | | $ 397,702 | -$ 126,402 | -$ 19,322 | | -$ 145,724 | $ 251,978 |
| 47 | 1860 | Meters (Smart Meters) | | | $ 98,909 | | $ 98,909 | | | | $ - | $ 98,909 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | $128,450 | | $ 128,450 | | -$ 6,422 | | -$ 6,422 | $ 122,028 |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 63,794 | | | $ 63,794 | -$ 48,406 | -$ 6,376 | | -$ 54,782 | $ 9,012 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 33,733 | -$ 3,965 | | -$ 37,698 | $ 1,980 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 10,771 | -$ 2,363 | | -$ 13,134 | $ 10,503 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 27,825 | $ 3,276 | | $ 31,101 | -$ 6,376 | -$ 3,110 | | -$ 9,486 | $ 21,615 |
| 12 | 1925 | Software | | $ 74,866 | $ 33,526 | | $ 108,392 | -$ 43,617 | -$ 4,569 | | -$ 48,186 | $ 60,206 |
| 10 | 1930 | Transportation Equipment | | $ 585,729 | | | $ 585,729 | -$ 265,210 | -$ 40,826 | | -$ 306,036 | $ 279,693 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 85,221 | $ 3,252 | | $ 88,473 | -$ 72,901 | -$ 6,097 | | -$ 78,998 | $ 9,475 |
| 8 | 1945 | Measurement & Testing Equipment | | $ 2,678 | | | $ 2,678 | -$ 2,678 | | | -$ 2,678 | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 346,544 | -$ 79,075 | | -$ 425,619 | $ 50,025 | $ 18,405 | | $ 68,430 | -$ 357,189 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | **Total** | | **$6,189,704** | **$428,724** | **$ -** | **$ 6,618,428** | **-$ 2,053,443** | **-$ 295,619** | **$ -** | **-$2,349,062** | **$4,269,366** |
| | | **Transfer Stranded Meters from 1860 to 1555** | | | | | **-$ 326,079** | | | | **$ 121,940** | **-$ 204,139** |
| | | **REVISED CLOSING BALANCE FORWARD** | | | | | **$ 6,292,349** | | | | **-$2,227,122** | **$4,065,227** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 40,826 |
| Stores Equipment | |
| **Net Depreciation** | -$254,793 |

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# Appendix 2-B
## Fixed Asset Continuity Schedule

**Year** 2011 CGAAP

| | | | | Cost | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CCA Class | OEB | Description | Depreciation Rate | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | Net Book Value |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | | | | $ - | | | | $ - | $ - |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | | | $ 21,747 | | | | $ - | $ 21,747 |
| 47 | 1808 | Buildings | | $ 80,964 | | | $ 80,964 | -$ 28,179 | -$ 3,240 | | -$ 31,419 | $ 49,545 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | | | $ 152,252 | -$ 60,844 | -$ 6,090 | | -$ 66,934 | $ 85,318 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 343,372 | $ 51,310 | | $ 394,682 | -$ 30,157 | -$ 15,788 | | -$ 45,945 | $ 348,737 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | | $ 770,866 | | $ 770,866 | | | | $ - | $ 770,866 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 2,382,315 | $ 192,590 | -$ 329,475 | $ 2,245,430 | -$ 841,882 | -$ 89,589 | $ 177,629 | -$ 753,842 | $ 1,491,588 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | | $ 82,079 | | $ 82,079 | | | | $ - | $ 82,079 |
| 47 | 1840 | Underground Conduit | | $ 46,010 | $ 16,673 | | $ 62,683 | -$ 4,702 | -$ 2,509 | | -$ 7,211 | $ 55,472 |
| 47 | 1845 | Underground Conductors & Devices | | $ 1,287,818 | $ 21,981 | | $ 1,309,799 | -$ 399,334 | -$ 52,391 | | -$ 451,725 | $ 858,074 |
| 47 | 1850 | Line Transformers | | $ 1,028,894 | $ 64,832 | -$ 108,094 | $ 985,632 | -$ 331,504 | -$ 44,993 | $ 62,830 | -$ 313,667 | $ 671,965 |
| 47 | 1850 | Line Transformers - Tornado | | | $ 276,369 | | $ 276,369 | | | | $ - | $ 276,369 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 132,132 | $ 15,216 | | $ 147,348 | -$ 17,746 | -$ 5,896 | | -$ 23,642 | $ 123,706 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | | $ 123,416 | | $ 123,416 | | | | $ - | $ 123,416 |
| 47 | 1860 | Meters | | $ 71,623 | | | $ 71,623 | -$ 23,784 | -$ 2,865 | | -$ 26,649 | $ 44,974 |
| 47 | 1860 | Meters (Smart Meters) | | $ 98,909 | $ 10,478 | | $ 109,387 | | -$ 7,293 | | -$ 7,293 | $ 102,094 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | $ 128,450 | $ 3,181 | -$ 131,631 | $ - | -$ 6,422 | | $ 6,422 | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 63,794 | $ 37,485 | -$ 63,794 | $ 37,485 | -$ 54,782 | -$ 3,748 | $ 54,782 | -$ 3,748 | $ 33,737 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 37,698 | -$ 988 | | -$ 38,686 | $ 992 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 13,134 | -$ 2,363 | | -$ 15,497 | $ 8,140 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 31,101 | $ 7,622 | -$ 7,260 | $ 31,463 | -$ 9,486 | -$ 3,110 | $ 1,295 | -$ 11,301 | $ 20,162 |
| 12 | 1925 | Software | | $ 108,392 | | | $ 108,392 | -$ 48,186 | -$ 8,144 | | -$ 56,330 | $ 52,062 |
| 10 | 1930 | Transportation Equipment | | $ 585,729 | $ 56,350 | -$ 11,892 | $ 630,187 | -$ 306,036 | -$ 43,681 | $ 10,409 | -$ 339,308 | $ 290,879 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 88,473 | $ 13,872 | -$ 89,037 | $ 13,308 | -$ 78,998 | -$ 3,214 | $ 77,906 | -$ 4,306 | $ 9,002 |
| 8 | 1945 | Measurement & Testing Equipment | | $ 2,678 | | -$ 2,678 | $ - | -$ 2,678 | | $ 2,678 | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 425,619 | | | -$ 425,619 | $ 68,430 | $ 17,956 | | $ 86,386 | -$ 339,233 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | **Total** | | **$ 6,292,349** | **$ 1,744,320** | **-$ 743,861** | **$ 7,292,808** | **-$ 2,227,122** | **-$ 277,946** | **$ 393,951** | **-$ 2,111,117** | **$ 5,181,691** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

| | |
|---|---|
| Addtions | 495,547 |
| Tornado | 1,252,730 |
| | 1,748,277 |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 43,681 |
| Stores Equipment | |
| **Net Depreciation** | -$ 234,265 |

**West Coast Huron Energy**
**EB-2012-0175**
**Exhibit: 2**
**Tab: 2**
**Schedule:1**

# Appendix 2-B
## Fixed Asset Continuity Schedule

Year 2012 CGAAP

| CCA Class | OEB | Description | Depreciation Rate | Cost | | | | Accumulated Depreciation | | | | Net Book Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | $ 108,392 | | | $ 108,392 | -$ 56,330 | -$ 8,140 | | -$ 64,470 | $ 43,922 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | $ 90,000 | | $ 111,747 | | | | $ - | $ 111,747 |
| 47 | 1808 | Buildings | | $ 80,964 | $ 910,000 | | $ 990,964 | -$ 31,419 | -$ 43,240 | | -$ 74,659 | $ 916,305 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | $ 20,000 | | $ 172,252 | -$ 66,934 | -$ 6,890 | | -$ 73,824 | $ 98,428 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 394,682 | $ 30,000 | | $ 424,682 | -$ 45,945 | -$ 16,987 | | -$ 62,932 | $ 361,750 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | $ 770,866 | | | $ 770,866 | | -$ 30,835 | | -$ 30,835 | $ 740,031 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 2,245,430 | $ 2,465,000 | | $ 4,710,430 | -$ 753,842 | -$ 196,885 | | -$ 950,727 | $ 3,759,703 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | $ 82,079 | | | $ 82,079 | | -$ 3,283 | | -$ 3,283 | $ 78,796 |
| 47 | 1840 | Underground Conduit | | $ 62,683 | $ 5,000 | | $ 67,683 | -$ 7,211 | -$ 2,709 | | -$ 9,920 | $ 57,763 |
| 47 | 1845 | Underground Conductors & Devices | | $ 1,309,799 | $ 800,000 | | $ 2,109,799 | -$ 451,725 | -$ 84,392 | | -$ 536,117 | $ 1,573,682 |
| 47 | 1850 | Line Transformers | | $ 985,632 | $ 485,000 | | $ 1,470,632 | -$ 313,667 | -$ 61,425 | | -$ 375,092 | $ 1,095,540 |
| 47 | 1850 | Line Transformers - Tornado | | $ 276,369 | | | $ 276,369 | | -$ 11,055 | | -$ 11,055 | $ 265,314 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 147,348 | $ 20,000 | | $ 167,348 | -$ 23,642 | -$ 6,696 | | -$ 30,338 | $ 137,010 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | $ 123,416 | | | $ 123,416 | | -$ 4,937 | | -$ 4,937 | $ 118,479 |
| 47 | 1860 | Meters | | $ 71,623 | $ 100,000 | | $ 171,623 | -$ 26,649 | -$ 6,865 | | -$ 33,514 | $ 138,109 |
| 47 | 1860 | Meters (Smart Meters) | | $ 109,387 | | | $ 109,387 | -$ 7,293 | -$ 7,293 | | -$ 14,586 | $ 94,801 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 37,485 | | | $ 37,485 | -$ 3,748 | -$ 3,748 | | -$ 7,496 | $ 29,989 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 38,686 | -$ 988 | | -$ 39,674 | $ 4 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 15,497 | -$ 2,364 | | -$ 17,861 | $ 5,776 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 31,463 | $ 15,000 | | $ 46,463 | -$ 11,301 | -$ 4,649 | | -$ 15,950 | $ 30,513 |
| 10 | 1930 | Transportation Equipment | | $ 630,187 | $ 65,000 | | $ 695,187 | -$ 339,308 | -$ 51,806 | | -$ 391,114 | $ 304,073 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 13,308 | $ 10,000 | | $ 23,308 | -$ 4,306 | -$ 5,827 | | -$ 10,133 | $ 13,175 |
| 8 | 1945 | Measurement & Testing Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 425,619 | -$ 2,000,000 | | -$ 2,425,619 | $ 86,386 | $ 96,408 | | $ 182,794 | -$ 2,242,825 |
| | | | | | | | $ - | | | | $ - | $ - |
| | | | | | | | | | | | | |
| | | **Total** | | **$ 7,292,808** | **$ 3,015,000** | **$ -** | **$ 10,307,808** | **-$ 2,111,117** | **-$ 464,606** | **$ -** | **-$ 2,575,723** | **$ 7,732,085** |
| | | Transfer of Smart Meters | | | | | $ 565,777 | | | | -$ 121,614 | |
| | | | | | | | $ 10,873,585 | | | | -$ 2,697,337 | |

**Less:** *Fully Allocated Depreciation*

| | | |
|---|---|---|
| 10 | Transportation | -$ 51,806 |
| 8 | Stores Equipment | |
| | **Net Depreciation** | -$412,800 |

West Coast Huron Energy
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Tab: 2
Schedule:1

# Appendix 2-B
## Fixed Asset Continuity Schedule

**Year** 2012 CGAAP

| | | | | Cost | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CCA Class | OEB | Description | Depreciation Rate | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | Net Book Value |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | $ 108,392 | | | $ 108,392 | -$ 56,330 | -$ 8,140 | | -$ 64,470 | $ 43,922 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | $ 90,000 | | $ 111,747 | | | | $ - | $ 111,747 |
| 47 | 1808 | Buildings | | $ 80,964 | $ 910,000 | | $ 990,964 | -$ 31,419 | -$ 43,240 | | -$ 74,659 | $ 916,305 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | $ 20,000 | | $ 172,252 | -$ 66,934 | -$ 6,890 | | -$ 73,824 | $ 98,428 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 394,682 | $ 30,000 | | $ 424,682 | -$ 45,945 | -$ 16,987 | | -$ 62,932 | $ 361,750 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | $ 770,866 | | | $ 770,866 | | -$ 30,835 | | -$ 30,835 | $ 740,031 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 2,245,430 | $ 2,465,000 | | $ 4,710,430 | -$ 753,842 | -$ 196,885 | | -$ 950,727 | $ 3,759,703 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | $ 82,079 | | | $ 82,079 | | -$ 3,283 | | -$ 3,283 | $ 78,796 |
| 47 | 1840 | Underground Conduit | | $ 62,683 | $ 5,000 | | $ 67,683 | -$ 7,211 | -$ 2,709 | | -$ 9,920 | $ 57,763 |
| 47 | 1845 | Underground Conductors & Devices | | $ 1,309,799 | $ 800,000 | | $ 2,109,799 | -$ 451,725 | -$ 84,392 | | -$ 536,117 | $ 1,573,682 |
| 47 | 1850 | Line Transformers | | $ 985,632 | $ 485,000 | | $ 1,470,632 | -$ 313,667 | -$ 61,425 | | -$ 375,092 | $ 1,095,540 |
| 47 | 1850 | Line Transformers - Tornado | | $ 276,369 | | | $ 276,369 | | -$ 11,055 | | -$ 11,055 | $ 265,314 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 147,348 | $ 20,000 | | $ 167,348 | -$ 23,642 | -$ 6,696 | | -$ 30,338 | $ 137,010 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | $ 123,416 | | | $ 123,416 | | -$ 4,937 | | -$ 4,937 | $ 118,479 |
| 47 | 1860 | Meters | | $ 71,623 | $ 100,000 | | $ 171,623 | -$ 26,649 | -$ 6,865 | | -$ 33,514 | $ 138,109 |
| 47 | 1860 | Meters (Smart Meters) | | $ 109,387 | | | $ 109,387 | -$ 7,293 | -$ 7,293 | | -$ 14,586 | $ 94,801 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 37,485 | | | $ 37,485 | -$ 3,748 | -$ 3,748 | | -$ 7,496 | $ 29,989 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 38,686 | -$ 988 | | -$ 39,674 | $ 4 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 15,497 | -$ 2,364 | | -$ 17,861 | $ 5,776 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 31,463 | $ 15,000 | | $ 46,463 | -$ 11,301 | -$ 4,649 | | -$ 15,950 | $ 30,513 |
| 10 | 1930 | Transportation Equipment | | $ 630,187 | $ 65,000 | | $ 695,187 | -$ 339,308 | -$ 51,806 | | -$ 391,114 | $ 304,073 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 13,308 | $ 10,000 | | $ 23,308 | -$ 4,306 | -$ 5,827 | | -$ 10,133 | $ 13,175 |
| 8 | 1945 | Measurement & Testing Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 425,619 | -$ 2,000,000 | | -$ 2,425,619 | $ 86,386 | $ 96,408 | | $ 182,794 | -$ 2,242,825 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | **Total** | | **$ 7,292,808** | **$ 3,015,000** | **$ -** | **$ 10,307,808** | **-$ 2,111,117** | **-$ 464,606** | **$ -** | **-$ 2,575,723** | **$ 7,732,085** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 51,806 |
| Stores Equipment | |
| **Net Depreciation** | -$ 412,800 |

**West Coast Huron Energy**
**EB-2012-0175**
**Exhibit: 2**
**Tab: 2**
**Schedule:1**

# Appendix 2-B
## Fixed Asset Continuity Schedule

**Year 2012 MIFRS**

| CCA Class | OEB | Description | Depreciation Rate | Cost | | | | Accumulated Depreciation | | | | Net Book Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | $ 108,392 | | | $ 108,392 | -$ 56,330 | -$ 8,140 | | -$ 64,470 | $ 43,922 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | $ 90,000 | | $ 111,747 | | | | $ - | $ 111,747 |
| 47 | 1808 | Buildings | | $ 80,964 | $ 910,000 | | $ 990,964 | -$ 31,419 | -$ 23,240 | | -$ 54,659 | $ 936,305 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | $ 20,000 | | $ 172,252 | -$ 66,934 | -$ 6,490 | | -$ 73,424 | $ 98,828 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $2,116,750 | $1,993,580 | | $ 4,110,330 | -$ 628,180 | -$ 63,500 | | -$ 691,680 | $3,418,650 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | $ 770,866 | | | $ 770,866 | | -$ 17,130 | | -$ 17,130 | $ 753,736 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 431,598 | $ 393,352 | | $ 824,950 | -$ 134,754 | -$ 10,507 | | -$ 145,261 | $ 679,689 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | $ 82,079 | | | $ 82,079 | | -$ 1,496 | | -$ 1,496 | $ 80,583 |
| 47 | 1840 | Underground Conduit | | $ 62,683 | $ 5,000 | | $ 67,683 | -$ 7,211 | -$ 1,230 | | -$ 8,441 | $ 59,242 |
| 47 | 1845 | Underground Conductors & Devices | | $1,309,799 | $ 800,000 | | $ 2,109,799 | -$ 451,725 | -$ 42,703 | | -$ 494,428 | $1,615,371 |
| 47 | 1850 | Line Transformers | | $ 985,632 | $ 485,000 | | $ 1,470,632 | -$ 313,667 | -$ 25,261 | | -$ 338,928 | $1,131,704 |
| 47 | 1850 | Line Transformers - Tornado | | $ 276,369 | | | $ 276,369 | | -$ 6,909 | | -$ 6,909 | $ 269,460 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 239,112 | $ 128,068 | | $ 367,180 | -$ 60,495 | -$ 6,057 | | -$ 66,552 | $ 300,628 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | $ 123,416 | | | $ 123,416 | | -$ 2,057 | | -$ 2,057 | $ 121,359 |
| 47 | 1860 | Meters | | $ 71,623 | $ 100,000 | | $ 171,623 | -$ 26,649 | -$ 4,865 | | -$ 31,514 | $ 140,109 |
| 47 | 1860 | Meters (Smart Meters) | | $ 109,387 | | | $ 109,387 | -$ 7,293 | -$ 7,293 | | -$ 14,586 | $ 94,801 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 37,485 | | | $ 37,485 | -$ 3,748 | -$ 3,748 | | -$ 7,496 | $ 29,989 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 38,686 | -$ 988 | | -$ 39,674 | $ 4 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 15,497 | -$ 2,364 | | -$ 17,861 | $ 5,776 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 31,463 | $ 15,000 | | $ 46,463 | -$ 11,301 | -$ 3,899 | | -$ 15,200 | $ 31,263 |
| 10 | 1930 | Transportation Equipment | | $ 630,187 | $ 65,000 | | $ 695,187 | -$ 339,308 | -$ 47,744 | | -$ 387,052 | $ 308,135 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 13,308 | $ 10,000 | | $ 23,308 | -$ 4,306 | -$ 4,577 | | -$ 8,883 | $ 14,425 |
| 8 | 1945 | Measurement & Testing Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 425,619 | -$2,000,000 | | -$ 2,425,619 | $ 86,386 | $ 33,325 | | $ 119,711 | -$2,305,908 |
| | | | | | | | $ - | | | | $ - | $ - |
| | | | | | | | | | | | | |
| | | **Total** | | **$7,292,808** | **$3,015,000** | **$ -** | **$ 10,307,808** | **-$ 2,111,117** | **-$ 256,873** | **$ -** | **-$ 2,367,990** | **$7,939,818** |

| | | | |
|---|---|---|---|
| **Transfer of Smart Meters costs from 1555** | | **$ 565,777** | **-$ 121,614** |
| | | $ 10,873,585 | -$ 2,489,604 |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 47,744 |
| Stores Equipment | |
| **Net Depreciation** | -$ 209,129 |

West Coast Huron Energy
EB-2012-0175
Exhibit: 2
Tab: 2
Schedule:1

# Appendix 2-B
## Fixed Asset Continuity Schedule

**Year** **2012 MIFRS**

| | | | | Cost | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CCA Class | OEB | Description | Depreciation Rate | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | Net Book Value |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | $ 108,392 | | | $ 108,392 | -$ 56,330 | -$ 8,140 | | -$ 64,470 | $ 43,922 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 21,747 | $ 90,000 | | $ 111,747 | | | | $ - | $ 111,747 |
| 47 | 1808 | Buildings | | $ 80,964 | $ 910,000 | | $ 990,964 | -$ 31,419 | -$ 23,240 | | -$ 54,659 | $ 936,305 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 152,252 | $ 20,000 | | $ 172,252 | -$ 66,934 | -$ 6,490 | | -$ 73,424 | $ 98,828 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $2,116,750 | $1,993,580 | | $ 4,110,330 | -$ 628,180 | -$ 63,500 | | -$ 691,680 | $3,418,650 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | $ 770,866 | | | $ 770,866 | | -$ 17,130 | | -$ 17,130 | $ 753,736 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 431,598 | $ 393,352 | | $ 824,950 | -$ 134,754 | -$ 10,507 | | -$ 145,261 | $ 679,689 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | $ 82,079 | | | $ 82,079 | | -$ 1,496 | | -$ 1,496 | $ 80,583 |
| 47 | 1840 | Underground Conduit | | $ 62,683 | $ 5,000 | | $ 67,683 | -$ 7,211 | -$ 1,230 | | -$ 8,441 | $ 59,242 |
| 47 | 1845 | Underground Conductors & Devices | | $1,309,799 | $ 800,000 | | $ 2,109,799 | -$ 451,725 | -$ 42,703 | | -$ 494,428 | $1,615,371 |
| 47 | 1850 | Line Transformers | | $ 985,632 | $ 485,000 | | $ 1,470,632 | -$ 313,667 | -$ 25,261 | | -$ 338,928 | $1,131,704 |
| 47 | 1850 | Line Transformers - Tornado | | $ 276,369 | | | $ 276,369 | | -$ 6,909 | | -$ 6,909 | $ 269,460 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 239,112 | $ 128,068 | | $ 367,180 | -$ 60,495 | -$ 6,057 | | -$ 66,552 | $ 300,628 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | $ 123,416 | | | $ 123,416 | | -$ 2,057 | | -$ 2,057 | $ 121,359 |
| 47 | 1860 | Meters | | $ 71,623 | $ 100,000 | | $ 171,623 | -$ 26,649 | -$ 4,865 | | -$ 31,514 | $ 140,109 |
| 47 | 1860 | Meters (Smart Meters) | | $ 109,387 | | | $ 109,387 | -$ 7,293 | -$ 7,293 | | -$ 14,586 | $ 94,801 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 37,485 | | | $ 37,485 | -$ 3,748 | -$ 3,748 | | -$ 7,496 | $ 29,989 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 38,686 | -$ 988 | | -$ 39,674 | $ 4 |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 15,497 | -$ 2,364 | | -$ 17,861 | $ 5,776 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 31,463 | $ 15,000 | | $ 46,463 | -$ 11,301 | -$ 3,899 | | -$ 15,200 | $ 31,263 |
| 10 | 1930 | Transportation Equipment | | $ 630,187 | $ 65,000 | | $ 695,187 | -$ 339,308 | -$ 47,744 | | -$ 387,052 | $ 308,135 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 13,308 | $ 10,000 | | $ 23,308 | -$ 4,306 | -$ 4,577 | | -$ 8,883 | $ 14,425 |
| 8 | 1945 | Measurement & Testing Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 425,619 | -$2,000,000 | | -$ 2,425,619 | $ 86,386 | $ 33,325 | | $ 119,711 | -$2,305,908 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | **Total** | | **$7,292,808** | **$3,015,000** | **$ -** | **$ 10,307,808** | **-$ 2,111,117** | **-$ 256,873** | **$ -** | **-$ 2,367,990** | **$7,939,818** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 47,744 |
| Stores Equipment | |
| **Net Depreciation** | -$ 209,129 |

**West Coast Huron Energy**
**EB-2012-0175**
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# Appendix 2-B
## Fixed Asset Continuity Schedule

Year **2013 MIFRS**

| CCA Class | OEB | Description | Depreciation Rate | Cost: Opening Balance | Cost: Additions | Cost: Disposals | Cost: Closing Balance | Accumulated Depreciation: Opening Balance | Accumulated Depreciation: Additions | Accumulated Depreciation: Disposals | Accumulated Depreciation: Closing Balance | Net Book Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | $ 108,392 | | | $ 108,392 | -$ 64,470 | -$ 8,079 | | -$ 72,549 | $ 35,843 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 111,747 | | | $ 111,747 | | | | $ - | $ 111,747 |
| 47 | 1808 | Buildings | | $ 990,964 | $ 200,000 | | $ 1,190,964 | -$ 54,659 | -$ 45,440 | | -$ 100,099 | $ 1,090,865 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 172,252 | $ 20,000 | | $ 192,252 | -$ 73,424 | -$ 7,290 | | -$ 80,714 | $ 111,538 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 4,110,330 | $ 865,224 | | $ 4,975,554 | -$ 691,680 | -$ 95,265 | | -$ 786,945 | $ 4,188,609 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | $ 770,866 | | | $ 770,866 | -$ 17,130 | -$ 17,130 | | -$ 34,260 | $ 736,606 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 824,950 | $ 158,808 | | $ 983,758 | -$ 145,261 | -$ 15,537 | | -$ 160,798 | $ 822,960 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | $ 82,079 | | | $ 82,079 | -$ 1,496 | -$ 1,496 | | -$ 2,992 | $ 79,087 |
| 47 | 1840 | Underground Conduit | | $ 67,683 | $ 5,000 | | $ 72,683 | -$ 8,441 | -$ 1,330 | | -$ 9,771 | $ 62,912 |
| 47 | 1845 | Underground Conductors & Devices | | $ 2,109,799 | $ 20,000 | | $ 2,129,799 | -$ 494,428 | -$ 52,953 | | -$ 547,381 | $ 1,582,418 |
| 47 | 1850 | Line Transformers | | $ 1,470,632 | $ 479,000 | | $ 1,949,632 | -$ 338,928 | -$ 37,311 | | -$ 376,239 | $ 1,573,393 |
| 47 | 1850 | Line Transformers - Tornado | | $ 276,369 | | | $ 276,369 | -$ 6,909 | -$ 6,909 | | -$ 13,818 | $ 262,551 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 367,180 | $ 65,968 | | $ 433,148 | -$ 66,552 | -$ 7,674 | | -$ 74,226 | $ 358,922 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | $ 123,416 | | | $ 123,416 | -$ 2,057 | -$ 2,057 | | -$ 4,114 | $ 119,302 |
| 47 | 1860 | Meters | | $ 171,623 | | | $ 171,623 | -$ 31,514 | -$ 6,865 | | -$ 38,379 | $ 133,244 |
| 47 | 1860 | Meters (Smart Meters) | | $ 109,387 | | | $ 109,387 | -$ 14,586 | -$ 7,293 | | -$ 21,879 | $ 87,508 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 37,485 | | | $ 37,485 | -$ 7,496 | -$ 3,748 | | -$ 11,244 | $ 26,241 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 39,674 | -$ 4 | | -$ 39,678 | $ - |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 17,861 | -$ 2,363 | | -$ 20,224 | $ 3,413 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 46,463 | | | $ 46,463 | -$ 15,200 | -$ 4,649 | | -$ 19,849 | $ 26,614 |
| 10 | 1930 | Transportation Equipment | | $ 695,187 | $ 300,000 | | $ 995,187 | -$ 387,052 | -$ 69,626 | | -$ 456,678 | $ 538,509 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 23,308 | $ 8,500 | | $ 31,808 | -$ 8,883 | -$ 6,345 | | -$ 15,228 | $ 16,580 |
| 8 | 1945 | Measurement & Testing Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 2,425,619 | -$ 275,000 | | -$ 2,700,619 | $ 119,711 | $ 58,329 | | $ 178,040 | -$ 2,522,579 |
| | | | | | | | $ - | | | | $ - | $ - |
| | | | | | | | | | | | | |
| | | **Total** | | **$ 10,307,808** | **$ 1,847,500** | **$ -** | **$ 12,155,308** | **-$ 2,367,990** | **-$ 341,035** | **$ -** | **-$ 2,709,025** | **$ 9,446,283** |
| | | **Transfer of Smart Meters costs from 1555** | | **$ 565,777** | | | **$ 565,777** | **-$ 121,614** | **-$ 37,631** | | **-$ 159,245** | **$ 406,532** |
| | | **REVISED CLOSING BALANCE FORWARD** | | $ 10,873,585 | | | **$ 12,721,085** | **-$ 2,489,604** | **-$ 378,666** | **$ -** | **-$ 2,868,270** | **$ 9,852,815** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 69,626 |
| Stores Equipment | |
| **Net Depreciation** | -$309,040 |

**West Coast Huron Energy**
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**Schedule:1**

# Appendix 2-B
## Fixed Asset Continuity Schedule

**Year** 2013 MIFRS

| CCA Class | OEB | Description | Depreciation Rate | Cost | | | | Accumulated Depreciation | | | | Net Book Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Additions | Disposals | Closing Balance | |
| 12 | 1611 | Computer Software (Formally known as Account 1925) | | $ 108,392 | | | $ 108,392 | -$ 64,470 | -$ 8,079 | | -$ 72,549 | $ 35,843 |
| CEC | 1612 | Land Rights (Formally known as Account 1906) | | | | | $ - | | | | $ - | $ - |
| N/A | 1805 | Land | | $ 111,747 | | | $ 111,747 | | | | $ - | $ 111,747 |
| 47 | 1808 | Buildings | | $ 990,964 | $ 200,000 | | $ 1,190,964 | -$ 54,659 | -$ 45,440 | | -$ 100,099 | $ 1,090,865 |
| 13 | 1810 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 47 | 1815 | Transformer Station Equipment >50 kV | | | | | $ - | | | | $ - | $ - |
| 47 | 1820 | Distribution Station Equipment <50 kV | | $ 172,252 | $ 20,000 | | $ 192,252 | -$ 73,424 | -$ 7,290 | | -$ 80,714 | $ 111,538 |
| 47 | 1825 | Storage Battery Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1830 | Poles, Towers & Fixtures | | $ 4,110,330 | $ 865,224 | | $ 4,975,554 | -$ 691,680 | -$ 95,265 | | -$ 786,945 | $ 4,188,609 |
| 47 | 1830 | Poles, Towers & Fixtures - Tornado | | $ 770,866 | | | $ 770,866 | -$ 17,130 | -$ 17,130 | | -$ 34,260 | $ 736,606 |
| 47 | 1835 | Overhead Conductors & Devices | | $ 824,950 | $ 158,808 | | $ 983,758 | -$ 145,261 | -$ 15,537 | | -$ 160,798 | $ 822,960 |
| 47 | 1835 | Overhead Conductors & Devices - Tornado | | $ 82,079 | | | $ 82,079 | -$ 1,496 | -$ 1,496 | | -$ 2,992 | $ 79,087 |
| 47 | 1840 | Underground Conduit | | $ 67,683 | $ 5,000 | | $ 72,683 | -$ 8,441 | -$ 1,330 | | -$ 9,771 | $ 62,912 |
| 47 | 1845 | Underground Conductors & Devices | | $ 2,109,799 | $ 20,000 | | $ 2,129,799 | -$ 494,428 | -$ 52,953 | | -$ 547,381 | $ 1,582,418 |
| 47 | 1850 | Line Transformers | | $ 1,470,632 | $ 479,000 | | $ 1,949,632 | -$ 338,928 | -$ 37,311 | | -$ 376,239 | $ 1,573,393 |
| 47 | 1850 | Line Transformers - Tornado | | $ 276,369 | | | $ 276,369 | -$ 6,909 | -$ 6,909 | | -$ 13,818 | $ 262,551 |
| 47 | 1855 | Services (Overhead & Underground) | | $ 367,180 | $ 65,968 | | $ 433,148 | -$ 66,552 | -$ 7,674 | | -$ 74,226 | $ 358,922 |
| 47 | 1855 | Services (Overhead & Underground) - Tornado | | $ 123,416 | | | $ 123,416 | -$ 2,057 | -$ 2,057 | | -$ 4,114 | $ 119,302 |
| 47 | 1860 | Meters | | $ 171,623 | | | $ 171,623 | -$ 31,514 | -$ 6,865 | | -$ 38,379 | $ 133,244 |
| 47 | 1860 | Meters (Smart Meters) | | $ 109,387 | | | $ 109,387 | -$ 14,586 | -$ 7,293 | | -$ 21,879 | $ 87,508 |
| N/A | 1905 | Land | | | | | $ - | | | | $ - | $ - |
| 47 | 1908 | Buildings & Fixtures | | | | | $ - | | | | $ - | $ - |
| 13 | 1910 | Leasehold Improvements | | | | | $ - | | | | $ - | $ - |
| 8 | 1915 | Office Furniture & Equipment (10 years) | | $ 37,485 | | | $ 37,485 | -$ 7,496 | -$ 3,748 | | -$ 11,244 | $ 26,241 |
| 8 | 1915 | Office Furniture & Equipment (5 years) | | | | | $ - | | | | $ - | $ - |
| 10 | 1920 | Computer Equipment - Hardware | | $ 39,678 | | | $ 39,678 | -$ 39,674 | -$ 4 | | -$ 39,678 | $ - |
| 45 | 1920 | Computer Equip.-Hardware(Post Mar. 22/04) | | $ 23,637 | | | $ 23,637 | -$ 17,861 | -$ 2,363 | | -$ 20,224 | $ 3,413 |
| 45.1 | 1920 | Computer Equip.-Hardware(Post Mar. 19/07) | | $ 46,463 | | | $ 46,463 | -$ 15,200 | -$ 4,649 | | -$ 19,849 | $ 26,614 |
| 10 | 1930 | Transportation Equipment | | $ 695,187 | $ 300,000 | | $ 995,187 | -$ 387,052 | -$ 69,626 | | -$ 456,678 | $ 538,509 |
| 8 | 1935 | Stores Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1940 | Tools, Shop & Garage Equipment | | $ 23,308 | $ 8,500 | | $ 31,808 | -$ 8,883 | -$ 6,345 | | -$ 15,228 | $ 16,580 |
| 8 | 1945 | Measurement & Testing Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1950 | Power Operated Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communications Equipment | | | | | $ - | | | | $ - | $ - |
| 8 | 1955 | Communication Equipment (Smart Meters) | | | | | $ - | | | | $ - | $ - |
| 8 | 1960 | Miscellaneous Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1975 | Load Management Controls Utility Premises | | | | | $ - | | | | $ - | $ - |
| 47 | 1980 | System Supervisor Equipment | | | | | $ - | | | | $ - | $ - |
| 47 | 1985 | Miscellaneous Fixed Assets | | | | | $ - | | | | $ - | $ - |
| 47 | 1995 | Contributions & Grants | | -$ 2,425,619 | -$ 275,000 | | -$ 2,700,619 | $ 119,711 | $ 58,329 | | $ 178,040 | -$ 2,522,579 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | **Total** | | **$ 10,307,808** | **$ 1,847,500** | **$ -** | **$12,155,308** | **-$2,367,990** | **-$ 341,035** | **$ -** | **-$ 2,709,025** | **$ 9,446,283** |
| | | **Transfer of Smart Meters costs from 1555** | | | | | **$ 565,777** | **-$ 121,614** | **-$ 37,631** | | **-$ 159,245** | **$ 406,532** |
| | | **REVISED CLOSING BALANCE FORWARD** | | | | | **$12,721,085** | **-$2,489,604** | **-$ 378,666** | **$ -** | **-$ 2,868,270** | **$ 9,852,815** |

| | | |
|---|---|---|
| 10 | | Transportation |
| 8 | | Stores Equipment |

**Less:** *Fully Allocated Depreciation*

| | |
|---|---|
| Transportation | -$ 69,626 |
| Stores Equipment | |
| **Net Depreciation** | -$309,040 |

West Coast Huron Energy
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**West Coast Huron Energy**
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**Schedule: 2**

| Gross Asset Table | | | | | | |
|---|---|---|---|---|---|---|
| | | | Variance | | | Variance |
| | 2009 Board | 2009 | 2009 Actual | 2009 | 2010 | 2010 to |
| | Approved | Actual | to Board Approved | Actual | Actual | 2009 |
| **Land and Buildings** | | | | | | |
| 1805 - Land | 21,747 | 21,747 | - | 21,747 | 21,747 | - |
| 1806 - Land Rights | - | - | | - | - | - |
| 1808 - Building and fixtures | 70,939 | 71,126 | 187 | 71,126 | 80,964 | 9,838 |
| 1905 - Land | - | - | | - | - | - |
| 1906 - Land Rights | - | - | | - | - | - |
| 1810 - Leasehold improvements | - | - | | - | - | - |
| **Sub-total - Land and Buildings** | 92,686 | 92,873 | 187 | 92,873 | 102,711 | 9,838 |
| **TS - Primary above 50** | | | | | | |
| 1815 - Transformer station equipment - normally primary above 50 kV | - | - | | - | - | - |
| **Sub-total - TS - Primary above 50** | - | - | - | - | - | - |
| **DS** | | | | | | |
| 1820 - Distribution station equipment - normally primary below 50kV | 182,252 | 152,252 | - 30,000 | 152,252 | 152,252 | - |
| **Sub-total - DS** | 182,252 | 152,252 | - 30,000 | 152,252 | 152,252 | - |
| **Poles and Wires** | | | | | | |
| 1830 - Poles, towers and fixtures | 333,960 | 246,784 | - 87,176 | 246,784 | 343,372 | 96,588 |
| 1835 - Overhead conductors and devices | 2,504,935 | 2,344,341 | - 160,594 | 2,344,341 | 2,382,315 | 37,974 |
| 1840 - Underground conduit | 4,042 | 40,995 | 36,953 | 40,995 | 46,010 | 5,015 |
| 1845 - Underground conduit and devices | 1,056,014 | 1,281,369 | 225,355 | 1,281,369 | 1,287,818 | 6,449 |
| **Sub-total - Poles and Wires** | 3,898,951 | 3,913,489 | 14,538 | 3,913,489 | 4,059,515 | 146,026 |
| **Line Transformers** | | | | | | |
| 1850 - Line transformers | 1,033,801 | 963,832 | - 69,969 | 963,832 | 1,028,894 | 65,062 |
| **Sub-total - Line Transformers** | 1,033,801 | 963,832 | - 69,969 | 963,832 | 1,028,894 | 65,062 |
| **Services and Meters** | | | | | | |
| 1855 - Services | 92,331 | 112,672 | 20,341 | 112,672 | 132,132 | 19,460 |
| 1860 - Smart meters | | | | | 98,909 | 98,909 |
| 1860 - Meters | 391,731 | 397,702 | 5,971 | 397,702 | 71,623 | - 326,079 |
| **Sub-total - Services and Meters** | 484,062 | 510,374 | 26,312 | 510,374 | 302,664 | - 207,710 |
| **General Plant** | | | | | | |
| 1908 - Buildings and fixtures | - | - | - | - | - | - |
| 1910 - Leasehold improvements | - | - | - | - | 128,450 | 128,450 |
| **Sub-total - General Plant** | - | - | - | - | 128,450 | 128,450 |
| **IT Assets** | | | | | | |
| 1920 - Computer equipment - Hardware | 80,982 | 91,140 | 10,158 | 91,140 | 94,416 | 3,276 |
| 1925 - Computer software | 74,866 | 74,866 | - | 74,866 | 108,392 | 33,526 |
| **Sub-total - IT Assets** | 155,848 | 166,006 | 10,158 | 166,006 | 202,808 | 36,802 |
| **Equipment** | | | | | | |
| 1915 - Office furniture and equipment | 55,901 | 63,794 | 7,893 | 63,794 | 63,794 | - |
| 1930 - Transportation equipment | 588,634 | 585,729 | - 2,905 | 585,729 | 585,729 | - |
| 1935 - Stores equipment | - | - | - | - | - | - |
| 1940 - Tools, shop and garage equipment | 73,897 | 85,221 | 11,324 | 85,221 | 88,473 | 3,252 |
| 1945 - Measurement and testing equipment | 2,678 | 2,678 | - | 2,678 | 2,678 | - |
| 1950 - Power operated equipment | - | - | - | - | - | - |
| 1955 - Communication equipment | - | - | - | - | - | - |
| 1960 - Miscellaneous equipment | - | - | - | - | - | - |
| **Sub-total - Equipment** | 721,110 | 737,422 | 16,312 | 737,422 | 740,674 | 3,252 |
| **Other Distribution Assets** | | | | | | |
| 1825 - Storage battery equipment | - | - | - | - | - | - |
| 1970 - Load management controls - customer premises | - | - | - | - | - | - |
| 1975 - Load management controls - utility premises | - | - | - | - | - | - |
| 1980 - System supervisory equipment | - | - | - | - | - | - |
| 1985 - Sentinel light rental units | - | - | - | - | - | - |
| 1990 - Other tangible propert | - | - | - | - | - | - |
| 1995 - Contributions and grants - credit | - 273,091 | - 346,544 | - 73,453 | - 346,544 | - 425,619 | - 79,075 |
| **Sub-total - Other Distribution Assets** | - 273,091 | - 346,544 | - 73,453 | - 346,544 | - 425,619 | - 79,075 |
| **GROSS ASSET TOTAL** | $ 6,295,619 | $ 6,189,704 | -$ 105,915 | $ 6,189,704 | $ 6,292,349 | $ 102,645 |

| Gross Asset Table | | | | | | |
|---|---|---|---|---|---|---|
| | | | Variance | | | Variance |
| | 2010 | 2011 | 2010 to | 2011 | 2012 | 2011 to |
| | Actual | Actual | 2011 | Actual | Bridge (CGAAP) | Bridge |
| **Land and Buildings** | | | | | | |
| 1805 - Land | 21,747 | 21,747 | - | 21,747 | 111,747 | 90,000 |
| 1806 - Land Rights | - | - | | - | - | - |
| 1808 - Building and fixtures | 80,964 | 80,964 | - | 80,964 | 990,964 | 910,000 |
| 1905 - Land | - | - | | - | - | - |
| 1906 - Land Rights | - | - | | - | - | - |
| 1810 - Leasehold improvements | - | - | | - | - | - |
| **Sub-total - Land and Buildings** | 102,711 | 102,711 | - | 102,711 | 1,102,711 | 1,000,000 |
| | | | | | | |
| **TS - Primary above 50** | | | | | | |
| 1815 - Transformer station equipment - normally primary above 50 kV | - | - | | - | - | - |
| **Sub-total - TS - Primary above 50** | - | - | - | - | - | - |
| | | | | | | |
| **DS** | | | | | | |
| 1820 - Distribution station equipment - normally primary below 50kV | 152,252 | 152,252 | - | 152,252 | 172,252 | 20,000 |
| **Sub-total - DS** | 152,252 | 152,252 | - | 152,252 | 172,252 | 20,000 |
| | | | | | | |
| **Poles and Wires** | | | | | | |
| 1830 - Poles, towers and fixtures | 343,372 | 394,682 | 51,310 | 394,682 | 424,682 | 30,000 |
| 1830 - Poles, towers and fixtures - tornado | | 770,866 | 770,866 | 770,866 | 770,866 | |
| 1835 - Overhead conductors and devices | 2,382,315 | 2,245,430 | - 136,885 | 2,245,430 | 4,710,430 | 2,465,000 |
| 1835 - Overhead conductors and devices - tornado | | 82,079 | 82,079 | 82,079 | 82,079 | |
| 1840 - Underground conduit | 46,010 | 62,683 | 16,673 | 62,683 | 67,683 | 5,000 |
| 1845 - Underground conduit and devices | 1,287,818 | 1,309,799 | 21,981 | 1,309,799 | 2,109,799 | 800,000 |
| **Sub-total - Poles and Wires** | 4,059,515 | 4,865,539 | 806,024 | 4,865,539 | 8,165,539 | 3,300,000 |
| | | | | | | |
| **Line Transformers** | | | | | | |
| 1850 - Line transformers | 1,028,894 | 985,632 | - 43,262 | 985,632 | 1,470,632 | 485,000 |
| 1850 - Line transformers - tornado | | 276,369 | 276,369 | 276,369 | 276,369 | |
| **Sub-total - Line Transformers** | 1,028,894 | 1,262,001 | 233,107 | 1,262,001 | 1,747,001 | 485,000 |
| | | | | | | |
| **Services and Meters** | | | | | | |
| 1855 - Services | 132,132 | 147,348 | 15,216 | 147,348 | 167,348 | 20,000 |
| 1855 - Services - tornado | | 123,416 | 123,416 | 123,416 | 123,416 | |
| 1860 - Smart meters | 98,909 | 109,387 | 10,478 | 109,387 | 675,164 | 565,777 |
| 1860 - Meters | 71,623 | 71,623 | - | 71,623 | 171,623 | 100,000 |
| **Sub-total - Services and Meters** | 302,664 | 451,774 | 149,110 | 451,774 | 1,137,551 | 685,777 |
| | | | | | | |
| **General Plant** | | | | | | |
| 1908 - Buildings and fixtures | - | - | - | - | - | - |
| 1910 - Leasehold improvements | 128,450 | - | - 128,450 | - | - | - |
| **Sub-total - General Plant** | 128,450 | - | - 128,450 | - | - | - |
| | | | | | | |
| **IT Assets** | | | | | | |
| 1920 - Computer equipment - Hardware | 94,416 | 94,778 | 362 | 94,778 | 109,778 | 15,000 |
| 1925 - Computer software | 108,392 | 108,392 | - | 108,392 | 108,392 | - |
| **Sub-total - IT Assets** | 202,808 | 203,170 | 362 | 203,170 | 218,170 | 15,000 |
| | | | | | | |
| **Equipment** | | | | | | |
| 1915 - Office furniture and equipment | 63,794 | 37,485 | - 26,309 | 37,485 | 37,485 | - |
| 1930 - Transportation equipment | 585,729 | 630,187 | 44,458 | 630,187 | 695,187 | 65,000 |
| 1935 - Stores equipment | - | - | - | - | - | - |
| 1940 - Tools, shop and garage equipment | 88,473 | 13,308 | - 75,165 | 13,308 | 23,308 | 10,000 |
| 1945 - Measurement and testing equipment | 2,678 | - | - 2,678 | - | - | - |
| 1950 - Power operated equipment | - | - | - | - | - | - |
| 1955 - Communication equipment | - | - | - | - | - | - |
| 1960 - Miscellaneous equipment | - | - | - | - | - | - |
| **Sub-total - Equipment** | 740,674 | 680,980 | - 59,694 | 680,980 | 755,980 | 75,000 |
| | | | | | | |
| **Other Distribution Assets** | | | | | | |
| 1825 - Storage battery equipment | - | - | - | - | - | - |
| 1970 - Load management controls - customer premises | - | - | - | - | - | - |
| 1975 - Load management controls - utility premises | - | - | - | - | - | - |
| 1980 - System supervisory equipment | - | - | - | - | - | - |
| 1985 - Sentinel light rental units | - | - | - | - | - | - |
| 1990 - Other tangible propert | - | - | - | - | - | - |
| 1995 - Contributions and grants - credit | - 425,619 | - 425,619 | - | - 425,619 | - 2,425,619 | - 2,000,000 |
| **Sub-total - Other Distribution Assets** | - 425,619 | - 425,619 | - | - 425,619 | - 2,425,619 | - 2,000,000 |
| | | | | | | |
| **GROSS ASSET TOTAL** | $ 6,292,349 | $ 7,292,808 | $ 1,000,459 | $ 7,292,808 | $10,873,585 | $3,580,777 |

| Gross Asset Table | | | | | | |
|---|---|---|---|---|---|---|
| | | | Variance | | | Variance |
| | 2012 | 2012 | 2012 CGAAP | 2012 | 2013 | Bridge to |
| | Bridge | Bridge | to MIFRS | Bridge | Test | Test |
| | (CGAAP) | (MIFRS) | | (MIFRS) | (MIFRS) | |
| **Land and Buildings** | | | | | | |
| 1805 - Land | 111,747 | 111,747 | - | 111,747 | 111,747 | - |
| 1806 - Land Rights | - | - | | - | - | - |
| 1808 - Building and fixtures | 990,964 | 990,964 | - | 990,964 | 1,190,964 | 200,000 |
| 1905 - Land | - | - | | - | - | - |
| 1906 - Land Rights | - | - | | - | - | - |
| 1810 - Leasehold improvements | - | - | | - | - | - |
| **Sub-total - Land and Buildings** | 1,102,711 | 1,102,711 | - | 1,102,711 | 1,302,711 | 200,000 |
| | | | | | | |
| **TS - Primary above 50** | | | | | | |
| 1815 - Transformer station equipment - normally primary above 50 kV | - | - | | - | - | - |
| **Sub-total - TS - Primary above 50** | - | - | - | - | - | - |
| | | | | | | |
| **DS** | | | | | | |
| 1820 - Distribution station equipment - normally primary below 50kV | 172,252 | 172,252 | - | 172,252 | 192,252 | 20,000 |
| **Sub-total - DS** | 172,252 | 172,252 | - | 172,252 | 192,252 | 20,000 |
| | | | | | | |
| **Poles and Wires** | | | | | | |
| 1830 - Poles, towers and fixtures | 424,682 | 4,110,330 | 3,685,648 | 4,110,330 | 4,975,554 | 865,224 |
| 1830 - Poles, towers and fixtures - tornado | 770,866 | 770,866 | - | 770,866 | 770,866 | |
| 1835 - Overhead conductors and devices | 4,710,430 | 824,950 | - 3,885,480 | 824,950 | 983,758 | 158,808 |
| 1835 - Overhead conductors and devices - tornado | 82,079 | 82,079 | - | 82,079 | 82,079 | |
| 1840 - Underground conduit | 67,683 | 67,683 | - | 67,683 | 72,683 | 5,000 |
| 1845 - Underground conduit and devices | 2,109,799 | 2,109,799 | - | 2,109,799 | 2,129,799 | 20,000 |
| **Sub-total - Poles and Wires** | 8,165,539 | 7,965,707 | - 199,832 | 7,965,707 | 9,014,739 | 1,049,032 |
| | | | | | | |
| **Line Transformers** | | | | | | |
| 1850 - Line transformers | 1,470,632 | 1,470,632 | - | 1,470,632 | 1,949,632 | 479,000 |
| 1850 - Line transformers - tornado | 276,369 | 276,369 | - | 276,369 | 276,369 | |
| **Sub-total - Line Transformers** | 1,747,001 | 1,747,001 | - | 1,747,001 | 2,226,001 | 479,000 |
| | | | | | | |
| **Services and Meters** | | | | | | |
| 1855 - Services | 167,348 | 367,180 | 199,832 | 367,180 | 433,148 | 65,968 |
| 1855 - Services - tornado | 123,416 | 123,416 | - | 123,416 | 123,416 | |
| 1860 - Smart meters | 675,164 | 675,164 | - | 675,164 | 675,164 | - |
| 1860 - Meters | 171,623 | 171,623 | - | 171,623 | 171,623 | - |
| **Sub-total - Services and Meters** | 1,137,551 | 1,337,383 | 199,832 | 1,337,383 | 1,403,351 | 65,968 |
| | | | | | | |
| **General Plant** | | | | | | |
| 1908 - Buildings and fixtures | - | - | - | - | - | - |
| 1910 - Leasehold improvements | - | - | - | - | - | - |
| **Sub-total - General Plant** | - | - | - | - | - | - |
| | | | | | | |
| **IT Assets** | | | | | | |
| 1920 - Computer equipment - Hardware | 109,778 | 109,778 | - | 109,778 | 109,778 | - |
| 1925 - Computer software | 108,392 | 108,392 | - | 108,392 | 108,392 | - |
| **Sub-total - IT Assets** | 218,170 | 218,170 | - | 218,170 | 218,170 | - |
| | | | | | | |
| **Equipment** | | | | | | |
| 1915 - Office furniture and equipment | 37,485 | 37,485 | - | 37,485 | 37,485 | - |
| 1930 - Transportation equipment | 695,187 | 695,187 | - | 695,187 | 995,187 | 300,000 |
| 1935 - Stores equipment | - | - | - | - | - | - |
| 1940 - Tools, shop and garage equipment | 23,308 | 23,308 | - | 23,308 | 31,808 | 8,500 |
| 1945 - Measurement and testing equipment | - | - | - | - | - | - |
| 1950 - Power operated equipment | - | - | - | - | - | - |
| 1955 - Communication equipment | - | - | - | - | - | - |
| 1960 - Miscellaneous equipment | - | - | - | - | - | - |
| **Sub-total - Equipment** | 755,980 | 755,980 | - | 755,980 | 1,064,480 | 308,500 |
| | | | | | | |
| **Other Distribution Assets** | | | | | | |
| 1825 - Storage battery equipment | - | - | - | - | - | - |
| 1970 - Load management controls - customer premises | - | - | - | - | - | - |
| 1975 - Load management controls - utility premises | - | - | - | - | - | - |
| 1980 - System supervisory equipment | - | - | - | - | - | - |
| 1985 - Sentinel light rental units | - | - | - | - | - | - |
| 1990 - Other tangible propert | - | - | - | - | - | - |
| 1995 - Contributions and grants - credit | - 2,425,619 | - 2,425,619 | - | - 2,425,619 | - 2,700,619 | - 275,000 |
| **Sub-total - Other Distribution Assets** | - 2,425,619 | - 2,425,619 | - | - 2,425,619 | - 2,700,619 | - 275,000 |
| | | | | | | |
| **GROSS ASSET TOTAL** | $ 10,873,585 | $ 10,873,585 | $ - | $ 10,873,585 | $ 12,721,085 | $ 1,847,500 |

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| ACCUMULATED DEPRECIATION TABLE | | | | | | |
|---|---|---|---|---|---|---|
| | | | Variance | | | Variance |
| | 2009 Board | 2009 | 2009 Actual | 2009 | 2010 | 2010 to |
| | Approved | Actual | to Board Approved | Actual | Actual | 2009 |
| **Land and Buildings** | | | | | | |
| 1805 - Land | - | - | - | - | - | - |
| 1806 - Land Rights | - | - | | - | - | - |
| 1808 - Building and fixtures | 24,917 | 24,939 | 22 | 24,939 | 28,179 | 3,240 |
| 1905 - Land | - | - | | - | - | - |
| 1906 - Land Rights | - | - | | - | - | - |
| 1810 - Leasehold improvements | - | - | | - | - | - |
| **Sub-total - Land and Buildings** | 24,917 | 24,939 | 22 | 24,939 | 28,179 | 3,240 |
| **TS - Primary above 50** | | | | | | |
| 1815 - Transformer station equipment - normally primary above 50 kV | - | - | | - | - | - |
| **Sub-total - TS - Primary above 50** | - | - | - | - | - | - |
| **DS** | | | | | | |
| 1820 - Distribution station equipment - normally primary below 50kV | 55,354 | 54,754 | - 600 | 54,754 | 60,844 | 6,090 |
| **Sub-total - DS** | 55,354 | 54,754 | - 600 | 54,754 | 60,844 | 6,090 |
| **Poles and Wires** | | | | | | |
| 1830 - Poles, towers and fixtures | 10,958 | 20,285 | 9,327 | 20,285 | 30,157 | 9,872 |
| 1835 - Overhead conductors and devices | 751,510 | 746,754 | - 4,756 | 746,754 | 841,882 | 95,128 |
| 1840 - Underground conduit | 590 | 2,860 | 2,270 | 2,860 | 4,702 | 1,842 |
| 1845 - Underground conduit and devices | 336,442 | 348,091 | 11,649 | 348,091 | 399,334 | 51,243 |
| **Sub-total - Poles and Wires** | 1,099,500 | 1,117,990 | 18,490 | 1,117,990 | 1,276,075 | 158,085 |
| **Line Transformers** | | | | | | |
| 1850 - Line transformers | 261,789 | 283,232 | 21,443 | 283,232 | 331,504 | 48,272 |
| **Sub-total - Line Transformers** | 261,789 | 283,232 | 21,443 | 283,232 | 331,504 | 48,272 |
| **Services and Meters** | | | | | | |
| 1855 - Services | 9,457 | 12,459 | 3,002 | 12,459 | 17,746 | 5,287 |
| 1860 - Smart meters | | | | | | - |
| 1860 - Meters | 125,951 | 126,402 | 451 | 126,402 | 23,784 | - 102,618 |
| **Sub-total - Services and Meters** | 135,408 | 138,861 | 3,453 | 138,861 | 41,530 | - 97,331 |
| **General Plant** | | | | | | |
| 1908 - Buildings and fixtures | - | - | - | - | - | - |
| 1910 - Leasehold improvements | - | - | - | - | 6,422 | 6,422 |
| **Sub-total - General Plant** | - | - | - | - | 6,422 | 6,422 |
| **IT Assets** | | | | | | |
| 1920 - Computer equipment - Hardware | 49,359 | 50,880 | 1,521 | 50,880 | 60,318 | 9,438 |
| 1925 - Computer software | 47,463 | 43,617 | - 3,846 | 43,617 | 48,186 | 4,569 |
| **Sub-total - IT Assets** | 96,822 | 94,497 | - 2,325 | 94,497 | 108,504 | 14,007 |
| **Equipment** | | | | | | |
| 1915 - Office furniture and equipment | 50,739 | 48,406 | - 2,333 | 48,406 | 54,782 | 6,376 |
| 1930 - Transportation equipment | 413,105 | 265,210 | - 147,895 | 265,210 | 306,036 | 40,826 |
| 1935 - Stores equipment | - | - | - | - | - | - |
| 1940 - Tools, shop and garage equipment | 105,291 | 72,901 | - 32,390 | 72,901 | 78,998 | 6,097 |
| 1945 - Measurement and testing equipment | 2,678 | 2,678 | - | 2,678 | 2,678 | - |
| 1950 - Power operated equipment | - | - | - | - | - | - |
| 1955 - Communication equipment | - | - | - | - | - | - |
| 1960 - Miscellaneous equipment | - | - | - | - | - | - |
| **Sub-total - Equipment** | 571,813 | 389,195 | - 182,618 | 389,195 | 442,494 | 53,299 |
| **Other Distribution Assets** | | | | | | |
| 1825 - Storage battery equipment | - | - | - | - | - | - |
| 1970 - Load management controls - customer premises | - | - | - | - | - | - |
| 1975 - Load management controls - utility premises | - | - | - | - | - | - |
| 1980 - System supervisory equipment | - | - | - | - | - | - |
| 1985 - Sentinel light rental units | - | - | - | - | - | - |
| 1990 - Other tangible propert | - | - | - | - | - | - |
| 1995 - Contributions and grants - credit | - 30,842 | - 50,025 | - 19,183 | - 50,025 | - 68,430 | - 18,405 |
| **Sub-total - Other Distribution Assets** | - 30,842 | - 50,025 | - 19,183 | - 50,025 | - 68,430 | - 18,405 |
| **ACCUMULATED DEPRECIATION TOTAL** | $ 2,214,761 | $ 2,053,443 | -$ 161,318 | $ 2,053,443 | $ 2,227,122 | $ 173,679 |

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| ACCUMULATED DEPRECIATION | | | | | | |
|---|---|---|---|---|---|---|
| | | | Variance | | | Variance |
| | 2012 | 2012 | 2012 CGAAP | 2012 | 2013 | Bridge to |
| | Bridge | Bridge | to MIFRS | Bridge | Test | Test |
| | (CGAAP) | (MIFRS) | | (MIFRS) | (MIFRS) | (MIFRS) |
| **Land and Buildings** | | | | | | |
| 1805 - Land | - | - | - | - | - | - |
| 1806 - Land Rights | - | - | | - | - | - |
| 1808 - Building and fixtures | 74,659 | 54,659 | - 20,000 | 54,659 | 100,099 | 45,440 |
| 1905 - Land | - | - | | - | - | - |
| 1906 - Land Rights | - | - | | - | - | - |
| 1810 - Leasehold improvements | - | - | | - | - | - |
| **Sub-total - Land and Buildings** | 74,659 | 54,659 | - 20,000 | 54,659 | 100,099 | 45,440 |
| | | | | | | |
| **TS - Primary above 50** | | | | | | |
| 1815 - Transformer station equipment - normally primary above 50 kV | - | - | | - | - | - |
| **Sub-total - TS - Primary above 50** | - | - | - | - | - | - |
| | | | | | | |
| **DS** | | | | | | |
| 1820 - Distribution station equipment - normally primary below 50kV | 73,824 | 73,424 | - 400 | 73,424 | 80,714 | 7,290 |
| **Sub-total - DS** | 73,824 | 73,424 | - 400 | 73,424 | 80,714 | 7,290 |
| | | | | | | |
| **Poles and Wires** | | | | | | |
| 1830 - Poles, towers and fixtures | 62,932 | 691,680 | 628,748 | 691,680 | 786,945 | 95,265 |
| 1830 - Poles, towers and fixtures - tornado | 30,835 | 17,130 | - 13,705 | 17,130 | 34,260 | 17,130 |
| 1835 - Overhead conductors and devices | 950,727 | 145,261 | - 805,466 | 145,261 | 160,798 | 15,537 |
| 1835 - Overhead conductors and devices - tornado | 3,283 | 1,496 | - 1,787 | 1,496 | 2,992 | 1,496 |
| 1840 - Underground conduit | 9,920 | 8,441 | - 1,479 | 8,441 | 9,771 | 1,330 |
| 1845 - Underground conduit and devices | 536,117 | 494,428 | - 41,689 | 494,428 | 547,381 | 52,953 |
| **Sub-total - Poles and Wires** | 1,593,814 | 1,358,436 | - 235,378 | 1,358,436 | 1,542,147 | 183,711 |
| | | | | | | |
| **Line Transformers** | | | | | | |
| 1850 - Line transformers | 375,092 | 338,928 | - 36,164 | 338,928 | 376,239 | 37,311 |
| 1850 - Line transformers - tornado | 11,055 | 6,909 | - 4,146 | 6,909 | 13,818 | 6,909 |
| **Sub-total - Line Transformers** | 386,147 | 345,837 | - 40,310 | 345,837 | 390,057 | 44,220 |
| | | | | | | |
| **Services and Meters** | | | | | | |
| 1855 - Services | 30,338 | 66,552 | 36,214 | 66,552 | 74,226 | 7,674 |
| 1855 - Services - tornado | 4,937 | 2,057 | - 2,880 | 2,057 | 4,114 | 2,057 |
| 1860 - Smart meters | 136,200 | 136,200 | - | 136,200 | 181,124 | 44,924 |
| 1860 - Meters | 33,514 | 31,514 | - 2,000 | 31,514 | 38,379 | 6,865 |
| **Sub-total - Services and Meters** | 204,989 | 236,323 | 31,334 | 236,323 | 297,843 | 61,520 |
| | | | | | | |
| **General Plant** | | | | | | |
| 1908 - Buildings and fixtures | - | - | - | - | - | - |
| 1910 - Leasehold improvements | - | - | - | - | - | - |
| **Sub-total - General Plant** | - | - | - | - | - | - |
| | | | | | | |
| **IT Assets** | | | | | | |
| 1920 - Computer equipment - Hardware | 73,485 | 72,735 | - 750 | 72,735 | 79,751 | 7,016 |
| 1925 - Computer software | 64,470 | 64,470 | - | 64,470 | 72,549 | 8,079 |
| **Sub-total - IT Assets** | 137,955 | 137,205 | - 750 | 137,205 | 152,300 | 15,095 |
| | | | | | | |
| **Equipment** | | | | | | |
| 1915 - Office furniture and equipment | 7,496 | 7,496 | - | 7,496 | 11,244 | 3,748 |
| 1930 - Transportation equipment | 391,114 | 387,052 | - 4,062 | 387,052 | 456,678 | 69,626 |
| 1935 - Stores equipment | - | - | - | - | - | - |
| 1940 - Tools, shop and garage equipment | 10,133 | 8,883 | - 1,250 | 8,883 | 15,228 | 6,345 |
| 1945 - Measurement and testing equipment | - | - | - | - | - | - |
| 1950 - Power operated equipment | - | - | - | - | - | - |
| 1955 - Communication equipment | - | - | - | - | - | - |
| 1960 - Miscellaneous equipment | - | - | - | - | - | - |
| **Sub-total - Equipment** | 408,743 | 403,431 | - 5,312 | 403,431 | 483,150 | 79,719 |
| | | | | | | |
| **Other Distribution Assets** | | | | | | |
| 1825 - Storage battery equipment | - | - | - | - | - | - |
| 1970 - Load management controls - customer premises | - | - | - | - | - | - |
| 1975 - Load management controls - utility premises | - | - | - | - | - | - |
| 1980 - System supervisory equipment | - | - | - | - | - | - |
| 1985 - Sentinel light rental units | - | - | - | - | - | - |
| 1990 - Other tangible propert | - | - | - | - | - | - |
| 1995 - Contributions and grants - credit | - 182,794 | - 119,711 | 63,083 | - 119,711 | - 178,040 | - 58,329 |
| **Sub-total - Other Distribution Assets** | - 182,794 | - 119,711 | 63,083 | - 119,711 | - 178,040 | - 58,329 |
| | | | | | | |
| **ACCUMULATED DEPRECIATION TOTAL** | $ 2,697,337 | $ 2,489,604 | -$ 207,733 | $ 2,489,604 | $ 2,868,270 | $ 378,666 |

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| ACCUMULATED DEPRECIATION | | | | | | |
|---|---|---|---|---|---|---|
| | | | Variance | | | Variance |
| | 2012 | 2012 | 2012 CGAAP | 2012 | 2013 | Bridge to |
| | Bridge | Bridge | to MIFRS | Bridge | Test | Test |
| | (CGAAP) | (MIFRS) | | (MIFRS) | (MIFRS) | (MIFRS) |
| **Land and Buildings** | | | | | | |
| 1805 - Land | - | - | - | - | - | - |
| 1806 - Land Rights | - | - | | - | - | - |
| 1808 - Building and fixtures | 74,659 | 54,659 | - 20,000 | 54,659 | 100,099 | 45,440 |
| 1905 - Land | - | - | | - | - | - |
| 1906 - Land Rights | - | - | | - | - | - |
| 1810 - Leasehold improvements | - | - | | - | - | - |
| **Sub-total - Land and Buildings** | 74,659 | 54,659 | - 20,000 | 54,659 | 100,099 | 45,440 |
| | | | | | | |
| **TS - Primary above 50** | | | | | | |
| 1815 - Transformer station equipment - normally primary above 50 kV | - | - | | - | - | - |
| **Sub-total - TS - Primary above 50** | - | - | - | - | - | - |
| | | | | | | |
| **DS** | | | | | | |
| 1820 - Distribution station equipment - normally primary below 50kV | 73,824 | 73,424 | - 400 | 73,424 | 80,714 | 7,290 |
| **Sub-total - DS** | 73,824 | 73,424 | - 400 | 73,424 | 80,714 | 7,290 |
| | | | | | | |
| **Poles and Wires** | | | | | | |
| 1830 - Poles, towers and fixtures | 62,932 | 691,680 | 628,748 | 691,680 | 786,945 | 95,265 |
| 1830 - Poles, towers and fixtures - tornado | 30,835 | 17,130 | - 13,705 | 17,130 | 34,260 | 17,130 |
| 1835 - Overhead conductors and devices | 950,727 | 145,261 | - 805,466 | 145,261 | 160,798 | 15,537 |
| 1835 - Overhead conductors and devices - tornado | 3,283 | 1,496 | - 1,787 | 1,496 | 2,992 | 1,496 |
| 1840 - Underground conduit | 9,920 | 8,441 | - 1,479 | 8,441 | 9,771 | 1,330 |
| 1845 - Underground conduit and devices | 536,117 | 494,428 | - 41,689 | 494,428 | 547,381 | 52,953 |
| **Sub-total - Poles and Wires** | 1,593,814 | 1,358,436 | - 235,378 | 1,358,436 | 1,542,147 | 183,711 |
| | | | | | | |
| **Line Transformers** | | | | | | |
| 1850 - Line transformers | 375,092 | 338,928 | - 36,164 | 338,928 | 376,239 | 37,311 |
| 1850 - Line transformers - tornado | 11,055 | 6,909 | - 4,146 | 6,909 | 13,818 | 6,909 |
| **Sub-total - Line Transformers** | 386,147 | 345,837 | - 40,310 | 345,837 | 390,057 | 44,220 |
| | | | | | | |
| **Services and Meters** | | | | | | |
| 1855 - Services | 30,338 | 66,552 | 36,214 | 66,552 | 74,226 | 7,674 |
| 1855 - Services - tornado | 4,937 | 2,057 | - 2,880 | 2,057 | 4,114 | 2,057 |
| 1860 - Smart meters | 136,200 | 136,200 | - | 136,200 | 181,124 | 44,924 |
| 1860 - Meters | 33,514 | 31,514 | - 2,000 | 31,514 | 38,379 | 6,865 |
| **Sub-total - Services and Meters** | 204,989 | 236,323 | 31,334 | 236,323 | 297,843 | 61,520 |
| | | | | | | |
| **General Plant** | | | | | | |
| 1908 - Buildings and fixtures | - | - | - | - | - | - |
| 1910 - Leasehold improvements | - | - | - | - | - | - |
| **Sub-total - General Plant** | - | - | - | - | - | - |
| | | | | | | |
| **IT Assets** | | | | | | |
| 1920 - Computer equipment - Hardware | 73,485 | 72,735 | - 750 | 72,735 | 79,751 | 7,016 |
| 1925 - Computer software | 64,470 | 64,470 | - | 64,470 | 72,549 | 8,079 |
| **Sub-total - IT Assets** | 137,955 | 137,205 | - 750 | 137,205 | 152,300 | 15,095 |
| | | | | | | |
| **Equipment** | | | | | | |
| 1915 - Office furniture and equipment | 7,496 | 7,496 | - | 7,496 | 11,244 | 3,748 |
| 1930 - Transportation equipment | 391,114 | 387,052 | - 4,062 | 387,052 | 456,678 | 69,626 |
| 1935 - Stores equipment | - | - | - | - | - | - |
| 1940 - Tools, shop and garage equipment | 10,133 | 8,883 | - 1,250 | 8,883 | 15,228 | 6,345 |
| 1945 - Measurement and testing equipment | - | - | - | - | - | - |
| 1950 - Power operated equipment | - | - | - | - | - | - |
| 1955 - Communication equipment | - | - | - | - | - | - |
| 1960 - Miscellaneous equipment | - | - | - | - | - | - |
| **Sub-total - Equipment** | 408,743 | 403,431 | - 5,312 | 403,431 | 483,150 | 79,719 |
| | | | | | | |
| **Other Distribution Assets** | | | | | | |
| 1825 - Storage battery equipment | - | - | - | - | - | - |
| 1970 - Load management controls - customer premises | - | - | - | - | - | - |
| 1975 - Load management controls - utility premises | - | - | - | - | - | - |
| 1980 - System supervisory equipment | - | - | - | - | - | - |
| 1985 - Sentinel light rental units | - | - | - | - | - | - |
| 1990 - Other tangible propert | - | - | - | - | - | - |
| 1995 - Contributions and grants - credit | - 182,794 | - 119,711 | 63,083 | - 119,711 | - 178,040 | - 58,329 |
| **Sub-total - Other Distribution Assets** | - 182,794 | - 119,711 | 63,083 | - 119,711 | - 178,040 | - 58,329 |
| | | | | | | |
| **ACCUMULATED DEPRECIATION TOTAL** | $ 2,697,337 | $ 2,489,604 | -$ 207,733 | $ 2,489,604 | $ 2,868,270 | $ 378,666 |

1

# Materiality Analysis of Gross Assets

**2009 Board Approved compared to 2009 Actual:**

There was a variance of -$105,915 between 2009 Board Approved and 2009 actuals.

**2009 Actual compared to 2010 Actual:**

2010 only showed an increase of $102,645 this was due to the transfer of the stranded meters ($362,079) to the closing balance.

**2010 Actual compared to 2011 Actual:**

The large change in gross assets in 2011 versus 2010 of $1,748,277 shows the initial impact of the tornado on the Asset Base. This change brought our Utility Assets to $7,292,808 which is over a 137% of our 2009 Board approved rates. The $495k was in line with the normal WCHE's annual capital spending. The additional $1,253K was the capitalization of the initial Tornado damage.

**2011 Actual compared to 2012 Bridge:**

The change in net fixed assets from 2011 to 2012 of $3,015,000 represents the second year of the system rebuilt from the Tornado and the purchase of the Operations building which was demolished by the Tornado. The reconstruction of the damage caused by the Tornado is expected to continue until 2016.

**2012 Bridge compared to 2013 Test:**

The change in net fixed assets in the Test year of $1,847,500 represents spending that is detailed later in this section of the application.

## 3.0 Capital Budget – General

Goderich Hydro is an infrastructure-based business with its distribution system assets the key element in the delivery of electricity to its existing and new customers. Goderich Hydro distribution assets range in age from new to over 50 years old (the tornado did not alter the range in age as it destroyed assets in all categories).

Asset management is the professional management of physical infrastructure with systematic methodology integrating best practices in all aspects of selection, design, construction, operation, maintenance, replacement and disposition. The normal method is to use an Asset Management Plan to optimize the whole life business impact of costs, performance and risk exposures of Goderich Hydro' physical assets. Performance of the assets is directly related to reliability of the distribution system which is another key regulatory and customer satisfaction measure second only to rates. The reliability of the distribution system is the major driver of the Asset Management Plan, and maintaining or improving the level of reliability is of primary importance to Goderich Hydro. The capital spend due to the devastation from the tornado has in effect made the previous Asset Management Plan obsolete. Once Goderich Hydro has completed the restoration related `projects we will commission a new Asset Management Plan which will optimize our system on a go forward basis.

## 3.1 Asset Management Sustainment/Enhancements

Asset management sustainment/enhancements projects are identified and then critically assessed and prioritized based on the following factors:

- Safety related to both the public or employees;
- System reliability – customer outages or system performance related to feeder outages or worst performing feeders, aging assets or equipment/plant failure, or outdated standards;

- Power Quality;
- Environmental impacts;
- Investment effectiveness;
- Capacity requirements; and
- Total Cost of the Project.

These projects are driven by the condition of the asset and the need to replace or enhance the distribution plant to improve or sustain system and or customer reliability, address safety related issues or upgrade old plant to meet new standards due to materials/equipment being obsolete. Identification of the projects is through annual maintenance and inspections programs and reviews of records of outage frequency and duration/severity. The recent installation of Smart Meters will enhance our ability to identify issues and prioritize projects.

Load growth caused by new customer connections and increased demand of existing customers over time can result in a need for capacity improvement on the system. Projects can take the form of new or upgraded feeders and transformers. These projects are not customer-specific, but rather, benefit many customers.

### 3.2 Municipal Reconstruction

These capital projects are driven by requests from by the municipal governments based on their work program (for example, road widening or street extension/closure). Typically, Goderich Hydro performs the work before or contemporaneously with the municipal work and the work is generally completed in the year that the municipal work is done. These projects may be partially funded through capital contributions which are generally calculated as 50% of labour and vehicle costs, in accordance with the *Public Service Works on Highways Act*.

### 3.3 Regulatory Requirements

Goderich Hydro is a licensed distributor and required to comply with regulatory requirements. Projects of this nature are driven by regulatory bodies such as the OEB, IESO, ESA, Ministry of Energy & Infrastructure (“MEI”) or the Ministry of the Environment.

### 3.4 Substations

Substation investments include work related to power transformers, switchgear, breakers, relays, buss refurbishment and station facilities which are undertaken to improve or maintain reliability to Goderich Hydro customers along with maintaining the security of the grid and safety of Goderich Hydro employees and the public.

Goderich Hydro in its review of its asset condition, will investigate the replacement and upgrade of two of their four existing aged power substation transformers that are at or are reaching their end of useful life (>40yrs) and are operating at rated capacity such that they run the risk of being overloaded. This is to prevent high risk in–service life failures to improve system and customer reliability, along with providing increased capacity to the grid to accommodate future load increases.

### 3.5 Ongoing Asset Replacements

Goderich Hydro annually completes visual inspections of its plant, performs predictive testing on certain assets where such testing is available, and replaces assets based on inspection and testing results as warranted. New assets require less maintenance, deliver better reliability and reduce safety risks to the general public. Goderich Hydro has taken a more proactive approach in this matter to reduce the future O&M costs associated with maintaining aging infrastructure.

### 3.6 Development/ Subdivision Expansion Capital

These projects are driven by the development of subdivisions and/or construction of new customer facilities. The capital spends of Goderich Hydro, and the third party, is determined by using the OEB's Distribution System Code ("DSC") and Goderich Hydro Conditions of Service.

### 3.7 Customer Connections

These projects are driven by individual customer requests for new or upgraded residential, commercial or industrial services. This spending is based upon historical averages. Goderich Hydro is obligated to connect and service these customers in accordance with the DSC and Goderich Hydro Conditions of Service.

### 3.8 Fleet

New fleet investments are required to replace vehicles that have reached their useful life and/or are demonstrating excessive maintenance costs, experience frequent breakdowns or are ergonomically unsuitable to the employees using the vehicles. Replacing old vehicles which are having frequent break downs and high maintenance costs will improve utilization and efficiency. Fleet replacements are included in Goderich Hydro 2013-2016 (see para. 7 of this section for details) capital plan.

### 3.9 General Plant

These investments include:

- Building Facilities capital which is driven as part of the overall improvements in work place conditions, to maintain employee safety and efficiency.
- IT systems (software or hardware) enhancements for improved business and operational needs.
- Tools/Equipment – replacements are for tools and equipment that have come to the end of their useful life or become a health and safety risk to the user.
- Meter Purchases and ongoing Measurement Canada testing

### 3.10 Capitalization Policy

Goderich Hydro has followed Generally Accepted Accounting Principles, in particular the CICA Handbook Section 3060, Capital Assets as well as the guidelines as set out in the OEB Accounting Procedure handbook for financial reporting periods to December 31, 2011. The transition date to move to Modified IFRS was January 1st 2012, with full implementation of IFRS at January 1st, 2013. Property, plant and equipment purchased or constructed by Goderich Hydro is stated at historic costs and includes contracted services, material, labour and engineering. Goderich Hydro has not included overheads in their capital assets and thus the transition to IFRS has had minimal impact on the chart of accounts. There has been movement between assets classes due to the componentization aspect of IFRS.

When identifiable capital assets are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in the determination of income for the year. Repairs and maintenance expenditures are charged to operations as incurred.

Construction-in-progress comprises capital assets under construction, capital assets not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until placed into service.

## 4.0 Net Fixed Assets

Goderich Hydro experienced accelerated growth in the net fixed assets resulting from normal capital investments and Major Asset replacement due to the F3 Tornado. Fixed Asset Continuity Schedules for 2009, 2010, 2011, 2012 Bridge Year and 2013 Test Year may be found at Exhibit <>, Tab <>, Schedule < >.

The dramatic swings in 2011-2013 are a direct result of the Tornado.

**Table 2-xx Summary of Additions to Fixed Assets**

| | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Bridge | 2013 Test |
|---|---|---|---|---|---|
| Additions - net of contributions | $ 868,426 | $428,724 | $ 495,547 | $3,015,000 | $1,847,500 |
| Additions - tornado | | | 1,252,730 | | |
| Additions - reclass of Smart Meter capital cost | | | | 565,777 | |
| Disposal - reclass of stranded meters | | - 326,079 | | | |
| Disposal - tornado | | | - 747,818 | | |
| | $ 868,426 | $102,645 | $1,000,459 | $3,580,777 | $1,847,500 |

## 5.0 Working Capital Allowance

The OEB in <> prescribes two acceptable approaches to calculating an appropriate Working Capital Allowance ("**WCA**"): (i) a utility specific lead/lag study; or (ii) the default value of 13%

of controllable expenses and the cost of power. Goderich Hydro has chosen to use the 13% default methodology.

This Exhibit provides a schedule of the Working Capital Requirement for the bridge year (2012) and the Test year (2013). For comparison purposes, the approved and actual Working Capital Requirement for the base year (2009) is also shown

**Table <> - Working Capital Summary**

| | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Bridge | 2013 Test |
|---|---|---|---|---|---|
| Cost of Power | 6,783,075 | 7,251,608 | 7,612,712 | 7,796,218 | 7,787,257 |
| OM & A Expenses | | | | | |
| Operations | 218,927 | 217,124 | 227,431 | 418,000 | 381,959 |
| Maintenance | 151,973 | 120,457 | 118,958 | 131,200 | 138,500 |
| Billing and Collecting | 362,260 | 371,012 | 417,264 | 514,800 | 494,400 |
| Community Relations | 15,665 | 7,561 | 14,296 | 15,000 | 15,000 |
| Administration | 686,168 | 590,426 | 598,870 | 1,022,515 | 815,970 |
| Working Capital | 8,218,068 | 8,558,188 | 8,989,531 | 9,897,733 | 9,633,086 |
| WCA % | 15% | 15% | 15% | 15% | 13% |
| **Working capital allowance** | **$ 1,232,710** | **$ 1,283,728** | **$ 1,348,430** | **$ 1,484,660** | **$ 1,252,301** |

## 6.0 2013 Test Year Capital Program

### 6.1 Capital Project Description

Goderich Hydro has been, and continues to be, focused on returning the Distribution System to be both effective and efficient while maintaining the adequacy, reliability, and quality of service to its distribution customers through effective capital spending. The capital spending by account

is broken down by project in the table below. As projects can be charged to different OEB capital accounts, additional accounts have been identified where required.

| Projects | 2013 |
|---|---|
| **Reporting Basis** | **MIFRS** |
| **New Operations Building** | |
| Building | 200,000 |
| **Sub-Total** | 200,000 |
| **Ongoing upgrades due to tornado** | |
| Overhead lines | 650,000 |
| Transformers | 200,000 |
| **Sub-Total** | 850,000 |
| **Conversions and Upgrades** | |
| Overhead lines | 270,000 |
| Transformers | 199,000 |
| Poles, towers and fixtures | 30,000 |
| Underground lines | 20,000 |
| Underground conduit | 5,000 |
| **Sub-Total** | 524,000 |
| **Replace Line Truck/Bucket truck** | |
| Transportation equipment | 300,000 |
| | |
| **Sub-Total** | 300,000 |
| **Line extension** | |
| Overhead lines | 120,000 |
| | |
| **Sub-Total** | 120,000 |
| **New Customer Connections** | |
| Transformers | 60,000 |
| Services | 20,000 |
| **Sub-Total** | 80,000 |
| **Tools, truck and equipment replacement** | |
| Tools | 8,500 |
| **Sub-Total** | 8,500 |
| **Miscellaneous** | 40,000 |
| **Total** | **2,122,500** |

## 6.2 Specific Capital Projects/Programs

### 6.2.1 Pole Replacement Program

The pole replacement program is designed to address necessary high and medium priority pole replacements. Identified rotten poles pose a public and employee risk which needs to be addressed in appropriate time frames. The project is designed to mitigate the safety risks along with reliability risks as a result of the poor condition of the asset. Typically the poles being replaced are at their end of useful life. If specific poles have been identified as being subject to premature failures, Goderich Hydro will target the particular poles for testing. Goderich Hydro uses an outside consultant who produced a 10 year replacement plan. Goderich Hydro has budgeted $50,000 based which is an increase on previous years replacements and is due to the change in standards, the project is an ongoing project that typically gets completed in the first quarter of every year.

### 6.2.2. New Service Connections and Upgrades

This line item represents all new services and service upgrades completed during the year due to customer requests. The scope of this project is typically 25% of these requests are associated with new residential subdivisions that fill in over a two to seven year period. The remaining requests are split between commercial service upgrades and various residential service upgrades. The estimated cost for 2013 is $80,000 (net of customer contributions which are predominately C&I) based on previous years' experience. If these projects are not completed, Goderich Hydro would be in violation of the Distribution System Code by failing to connect customers in a reasonable amount of time.

### 6.2.3. Voltage Conversion on Gloucester

This conversion will complete the upgrade surrounding the Goderich Hospital. This line has been affected by intermittent power fluctuations and outages, partly due to being on the M3 circuit which also feeds the salt mine and MS#2 on Brittanie. By completing this phase it will enhance both the reliability and system operations. This conversion will be completed in Q2 at an estimated cost of $150,000.

### 6.2.4 Post Office Upgrade

This particular project is addressing rear lot poles and transformers that have been identified as not only being danger poles but old under sized transformers and therefore in need of replacement. The existing poles, transformers and overhead lines are not accessible and have various barriers to access. Goderich Hydro estimates the cost of the upgrade to be $100,000. This project will be completed in the Q1.

### 6.2.5 Suncoast Drive Conversion

The upgrade on Suncoast drive is required for two major reasons. A new retirement home is going to be built at the end of Suncoast Drive. Their service requirements are such that the existing 4kV system is not adequate to meet their requirements. The other reason; as part of our system planning we need to continue enhancing the system for the upgrade of Highway 21 which is to commence in 2013 (we have shown this project in this application but not allocated any funding for the Highway 21 upgrade in the test year. This project will require Goderich Hydro to replace its entire underground infrastructure including conduit, cable, transformers and ancillary hardware. We will complete this project in Q1 2014 and the initial cost for this project in 2014 is $500K). Goderich Hydro expects this project to be completed in Q1 at an estimated cost of $144K.

### 6.2.6. Huckins Street Upgrade

The upgrade to Huckins Street is required due to increase load on this circuit. This circuit supplies our MS#3 as well as commercial and industrial customers. One of the commercial customers has requested a service increase and as part of the upgrade they will be required to fund their portion of the upgrade under our conditions of service. The Goderich Hydro's portion of the upgrade will be $120K and should be finished in Q2.

### 6.2.7. Tornado Re-construction

The project is a continuation of the fallout from the Tornado. This phase will consist of the design and re-building of the overhead line and replace transformers on:

- Elgin Avenue from Wellington to South **S**treet and convert from 4kV to 28kV. from Wellington to South Street;
- Market Street and Montreal Street convert from 4kV to 28kV

This is phase 3 of 4 which is required to restore the required infrastructure to the City Center

Goderich Hydro's portion of this project (phase 3) is expected to cost $650,000 and will be completed by Q3.

### 6.2.8 Municipal/Provincial Road Reconstruction of Highway 21

The scope of this project includes underground line relocations (requested by MTO or City), single pole relocations (to accommodate new or expanded driveways), and make-ready work for third party attachments. In some cases, portions of the project cost are recoverable as a connection fee or capital contribution as determined by the Net Present Value calculation (as per the DSC). The estimated cost for 2013 is $500,000, based on the size of the project. The average cost of these projects is normally in the $15,000 range. The Municipality will contribute their portion of the actual costs. The timing of this work may not be complete in the test year therefore

we have not included this in our capital model for 2013, however we have shown the spend in 2014. This will have the effect of smoothing out the capital spend and mitigation rate impact.

### 6.2.9 ~~Substation Upgrades~~Substation Upgrades

$20,000 represents the costs to make necessary upgrades to substation fences and grounding that is deteriorating with the aging stations. Even though a couple of these substations have been identified for decommissioning over the next few years it is imperative to keep the stations in good safe working condition. Fence repairs testing and repairs will help to reduce the risk till such time the stations are taken completely out of service.

### 6.2.10 Fleet/pole trailer

The scope of this project includes the replacement of a line truck (# 02-99, 1999 vintage).This vehicle is deemed to be at end of life based on physical condition, cost to maintain, in-field failure frequency, and maintainability along with a utilization factor. The line ~~truck,~~truck is in fair condition but it is no longer sufficient to meet the changing needs of Goderich Hydro Upgrades to 55' & 60' poles and the installation of larger transformer vaults require additional capacity. The line truck replacement will ~~see a~~see a reduction in O/M for the fleet and an improvement in both safety and reliability.

### 6.2.11 Tools and Equipment

This line item represents various tools and equipment purchased during the year, primarily to replace existing devices that have reached end of life or failed beyond repair. The estimated cost for this project is $8,500 based on previous years' experience. If this project is not completed, workers will not be able to fulfill their duties or work safely.

### 6.2.12 Meter Purchases

This line item represents the purchase and installation of new meters for inventory necessary to backfill the requirement for Measurements Canada Compliance Sampling. The scope of this

project includes the replacement of meters that are at end of life, meters that have reached seal expiry, upgraded meters triggered by customer demand, or new connections. The estimated cost for 2013 is $4,500 based on previous years' experience. If these projects are not completed, Goderich Hydro will be in violation with Measurement Canada for using meters that do meet requirements, and in violation of the Distribution System Code by failing to connect customers in a reasonable amount of time.

### 6.2.13 Computers, Monitors, Phones and Associated Equipment

This line item represents various computer, monitors, phones and associated equipment upgrades required during the year to be replaced and existing units at end of life or that have failed beyond repair. The estimated cost for replacements is $25,000, based on previous years' experience.

### 6.2.14 Lands and Buildings/Leasehold Improvements

This line item represents the completion of the renovations to the building purchased due to the demolition of our Operations and Administration building from the F3 tornado. The scope of the project includes major renovations for office, garage and stores warehouse. If these projects are not completed, facility operations will suffer creating inefficiencies and the building would deteriorate to the point where additional damage could occurs requiring a much larger capital investment. The renovations to the stores warehouse will make more effective use of the warehouse space making the workflow and utilization of space more efficient. The additional warehouse storage utilization will allow more inventories to be stored indoors, protecting them from the elements and making them easier to access during the winter as well as reducing theft risks. The estimated cost for this project is $200,000 and will be completed in Q3.

## 7.0 2014, 2015 and 2016 Capital Programs

The capital program in the ensuing IRM periods anticipates a reduced impact from the tornado.

**Table <>. Capital Spending**

| Program and Project | 2014 | 2015 | 2016 |
|---|---|---|---|
| New Service Connections and Upgrades | $405,000 | $605,000 | $495,000 |
| Municipal Road Reconstruction | $500,000 | $15,000 | $15,000 |
| Meters | $12,500 | $12,500 | $12,500 |
| Tools & Equipment | $9,000 | $9,500 | $10,000 |
| Computers, Phones, etc. | $25,000 | $25,000 | $25,000 |
| Lands, Buildings & Leasehold Improvements | $10,000 | $10,000 | $10,000 |
| Fleet/pole trailer | $30,000 | $18,000 | $35,000 |
| Tornado | $350,000 | $100,000 | $50,000 |
| Station Upgrades | $20,000 | $20,000 | $20,000 |
| Pole Replacement program | $50,000 | $50,000 | $50,000 |
| Total | $1,411,500 | $865,000 | $722,500 |
| | | | |
| | | | |
| | | | |

| Account | Description | Last Rebasing Year 2009 Actual | WCA Rate | Allowance for Working Capital | 2010 Actual | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Community Relations*** | | | | | | | |
| 5405 | Supervision | | 15% | | | 15% | |
| 5410 | Community Relations - Sundry | $ 11,701 | 15% | $ 1,755 | $ 3,654 | 15% | $ 548 |
| 5415 | Energy Conservation | | 15% | | | 15% | |
| 5420 | Community Safety Program | | 15% | | | 15% | |
| 5425 | Miscellaneous Customer Service and Informational Expenses | | 15% | | | 15% | |
| 5505 | Supervision | | 15% | | | 15% | |
| 5510 | Demonstrating and Selling Expense | | 15% | | | 15% | |
| 5515 | Advertising Expenses | $ 3,964 | 15% | $ 595 | $ 3,907 | 15% | $ 586 |
| 5520 | Miscellaneous Sales Expense | | 15% | | | 15% | |
| **Total - Community Relations** | | $ 15,665 | | $ 2,350 | $ 7,561 | | $ 1,134 |

| Account | Description | Last Rebasing Year 2009 Actual | WCA Rate | Allowance for Working Capital | 2010 Actual | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Administrative and General Expenses*** | | | | | | | |
| 5605 | Executive Salaries and Expenses | $ 50,128 | 15% | $ 7,519 | $ 50,160 | 15% | $ 7,524 |
| 5610 | Management Salaries and Expenses | $ 11,526 | 15% | $ 1,729 | $ 10,188 | 15% | $ 1,528 |
| 5615 | General Administrative Salaries and Expenses | $ 83,647 | 15% | $ 12,547 | $ 81,501 | 15% | $ 12,225 |
| 5620 | Office Supplies and Expenses | $ 3,329 | 15% | $ 499 | $ 2,579 | 15% | $ 387 |
| 5625 | Administrative Expense Transferred - Credit | | 15% | | | 15% | |
| 5630 | Outside Services Employed | $ 310,801 | 15% | $ 46,620 | $ 252,344 | 15% | $ 37,852 |
| 5635 | Property Insurance | $ 26,323 | 15% | $ 3,948 | $ 23,644 | 15% | $ 3,547 |
| 5640 | Injuries and Damages | | 15% | | | 15% | |
| 5645 | OMERS Pensions and Benefits | | 15% | | | 15% | |
| 5646 | Employee Pensions and OPEB | | 15% | | | 15% | |
| 5647 | Employee Sick Leave | | 15% | | | 15% | |
| 5650 | Franchise Requirements | | 15% | | | 15% | |
| 5655 | Regulatory Expenses | $ 31,703 | 15% | $ 4,755 | $ 15,123 | 15% | $ 2,268 |
| 5660 | General Advertising Expenses | | 15% | | | 15% | |
| 5665 | Miscellaneous General Expenses | $ 52,131 | 15% | $ 7,820 | $ 48,737 | 15% | $ 7,311 |
| 5670 | Rent | $ 32,829 | 15% | $ 4,924 | $ 58,616 | 15% | $ 8,792 |
| 5672 | Lease Payment Charge | | 15% | | | 15% | |
| 5675 | Maintenance of General Plant | $ 83,751 | 15% | $ 12,563 | $ 47,534 | 15% | $ 7,130 |
| 5680 | Electrical Safety Authority Fees | | 15% | | | 15% | |
| 5681 | Special Purpose Charge Expense | | 15% | | | 15% | |
| 5685 | Independent Electricity System Operator Fees and Penalties | | 15% | | | 15% | |
| 5695 | OM&A Contra Account | | 15% | | | 15% | |
| 6205 | Donations | | 15% | | | 15% | |
| 6205 | Donations, Sub-account LEAP Funding | | 15% | | | 15% | |
| **Total - Administrative and General Expenses** | | $ 686,168 | | $ 102,925 | $ 590,426 | | $ 88,564 |
| **Total OM&A** | | $ 1,434,993 | | $ 215,249 | $ 1,306,580 | | $ 195,987 |

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Cost of Power*** | | | | | | | |
| 4705 | Power purchased | $ 4,991,427 | 15% | $ 748,714 | $ 5,454,486 | 15% | $ 818,173 |
| 4708 | Wholesale Market Services | $ 418,122 | 15% | $ 62,718 | $ 344,686 | 15% | $ 51,703 |
| 4714 | Network Service Charge | $ 618,290 | 15% | $ 92,744 | $ 673,304 | 15% | $ 100,996 |
| 4716 | Connection Service Charge | $ 654,270 | 15% | $ 98,141 | $ 671,652 | 15% | $ 100,748 |
| 4730 | Rural Rate Asst | $ 100,967 | 15% | $ 15,145 | $ 107,479 | 15% | $ 16,122 |
| **Total - Cost of Power** | | $ 6,783,076 | | $ 1,017,461 | $ 7,251,607 | | $ 1,087,741 |
| | | | | | | | |
| | **WORKING CAPITAL ALLOWANCE TOTAL** | | | **$ 1,232,710** | | | **$ 1,283,728** |

## WORKING CAPITAL ALLOWANCE CALCULATION BY ACCOUNT

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Operations*** | | | | | | | |
| 5005 | Operation Supervision and Engineering | $ 20,569 | 15% | $ 3,085 | $ 20,000 | 15% | $ 3,000 |
| 5010 | Load Dispatching | $ 4,984 | 15% | $ 748 | $ 4,000 | 15% | $ 600 |
| 5012 | Station Buildings and Fixtures Expense | | 15% | | | 15% | |
| 5014 | Transformer Station Equipment - Operation Labour | $ 26,083 | 15% | $ 3,912 | $ 21,000 | 15% | $ 3,150 |
| 5015 | Transformer Station Equipment - Operation Supplies and Expenses | | 15% | $ - | | 15% | $ - |
| 5016 | Distribution Station Equipment - Operation Labour | $ 950 | 15% | $ 143 | | 15% | |
| 5017 | Distribution Station Equipment - Operation Supplies and Expenses | | 15% | | | 15% | |
| 5020 | Overhead Distribution Lines and Feeders - Operation Labour | $ 165,091 | 15% | $ 24,764 | $ 287,500 | 15% | $ 43,125 |
| 5025 | Overhead Distribution Lines and Feeders - Operation Supplies and Expenses | | 15% | | | 15% | |
| 5030 | Overhead Sub-transmission Feeders - Operation | | 15% | | | 15% | |
| 5035 | Overhead Distribution Transformers - Operation | | 15% | | | 15% | |
| 5040 | Underground Distribution Lines and Feeders - Operation Labour | | 15% | | | 15% | |
| 5045 | Underground Distribution Lines and Feeders - Operation Supplies and Expenses | | 15% | | | 15% | |
| 5050 | Underground Sub-transmission Feeders - Operation | $ 9,754 | 15% | $ 1,463 | $ 83,500 | 15% | $ 12,525 |
| 5055 | Underground Distribution Transformers - Operation | | 15% | | | 15% | |
| 5060 | Street Lighting and Signal System Expense | | 15% | | | 15% | |
| 5065 | Meter Expense | | 15% | | | 15% | |
| 5070 | Customer Premises - Operation Labour | | 15% | | | 15% | |
| 5075 | Customer Premises - Operation Materials and Expenses | | 15% | | $ 2,000 | 15% | $ 300 |
| 5085 | Miscellaneous Distribution Expenses | | 15% | | | 15% | |
| 5090 | Underground Distribution Lines and Feeders - Rental Paid | | 15% | | | 15% | |
| 5095 | Overhead Distribution Lines and Feeders - Rental Paid | | 15% | | | 15% | |
| 5096 | Other Rent | | 15% | | | 15% | |
| **Total - Operations** | | $ 227,431 | | $ 34,115 | $ 418,000 | | $ 62,700 |

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Maintenance*** | | | | | | | |
| 5105 | Maintenance Supervision and Engineering | $ 6,905 | 15% | $ 1,036 | $ 10,000 | 15% | $ 1,500 |
| 5110 | Maintenance of Buildings and Fixtures - Distribution Stations | | 15% | | | 15% | |
| 5112 | Maintenance of Transformer Station Equipment | | 15% | | | 15% | |
| 5114 | Maintenance of Distribution Station Equipment | $ 13,133 | 15% | $ 1,970 | $ 8,000 | 15% | $ 1,200 |
| 5120 | Maintenance of Poles, Towers and Fixtures | $ 5,896 | 15% | $ 884 | $ 20,000 | 15% | $ 3,000 |
| 5125 | Maintenance of Overhead Conductors and Devices | | 15% | | | 15% | |
| 5130 | Maintenance of Overhead Services | $ 20,167 | 15% | $ 3,025 | $ 20,000 | 15% | $ 3,000 |
| 5135 | Overhead Distribution Lines and Feeders - Right of Way | | 15% | | | 15% | |
| 5145 | Maintenance of Underground Conduit | | 15% | | | 15% | |
| 5150 | Maintenance of Underground Conductors and Devices | $ 50,699 | 15% | $ 7,605 | $ 36,000 | 15% | $ 5,400 |
| 5155 | Maintenance of Underground Services | $ 5,666 | 15% | $ 850 | $ 8,000 | 15% | $ 1,200 |
| 5160 | Maintenance of Line Transformers | $ 5,396 | 15% | $ 809 | $ 10,000 | 15% | $ 1,500 |
| 5165 | Maintenance of Street Lighting and Signal Systems | | 15% | | | 15% | |
| 5170 | Sentinel Lights - Labour | | 15% | | | 15% | |
| 5172 | Sentinel Lights - Materials and Expenses | | 15% | | | 15% | |
| 5175 | Maintenance of Meters | $ 11,096 | 15% | $ 1,664 | $ 19,200 | 15% | $ 2,880 |
| 5178 | Customer Installations Expenses - Leased Property | | 15% | | | 15% | |
| 5195 | Maintenance of Other Installations on Customer Premises | | 15% | | | 15% | |
| **Total - Maintenance** | | $ 118,958 | | $ 17,844 | $ 131,200 | | $ 19,680 |

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Billing and Collecting*** | | | | | | | |
| 5305 | Supervision | | 15% | | | 15% | |
| 5310 | Meter Reading Expense | $ 91,173 | 15% | $ 13,676 | $ 97,900 | 15% | $ 14,685 |
| 5315 | Customer Billing | $ 325,991 | 15% | $ 48,899 | $ 406,900 | 15% | $ 61,035 |
| 5320 | Collecting | | 15% | | | 15% | |
| 5325 | Collecting - Cash Over and Short | $ 100 | 15% | $ 15 | | 15% | $ - |
| 5330 | Collection Charges | | 15% | | | 15% | |
| 5335 | Bad Debt Expense | | 15% | | $ 10,000 | 15% | $ 1,500 |
| 5340 | Miscellaneous Customer Accounts Expenses | | 15% | | | 15% | |
| **Total - Billing and Collecting** | | $ 417,264 | | $ 62,590 | $ 514,800 | | $ 77,220 |

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Community Relations*** | | | | | | | |
| 5405 | Supervision | | 15% | | | 15% | |
| 5410 | Community Relations - Sundry | $ 10,951 | 15% | $ 1,643 | $ 10,000 | 15% | $ 1,500 |
| 5415 | Energy Conservation | | 15% | | | 15% | |
| 5420 | Community Safety Program | | 15% | | | 15% | |
| 5425 | Miscellaneous Customer Service and Informational Expenses | | 15% | | | 15% | |
| 5505 | Supervision | | 15% | | | 15% | |
| 5510 | Demonstrating and Selling Expense | | 15% | | | 15% | |
| 5515 | Advertising Expenses | $ 3,345 | 15% | $ 502 | $ 5,000 | 15% | $ 750 |
| 5520 | Miscellaneous Sales Expense | | 15% | | | 15% | |
| **Total - Community Relations** | | $ 14,296 | | $ 2,144 | $ 15,000 | | $ 2,250 |

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Administrative and General Expenses*** | | | | | | | |
| 5605 | Executive Salaries and Expenses | $ 50,715 | 15% | $ 7,607 | $ 56,500 | 15% | $ 8,475 |
| 5610 | Management Salaries and Expenses | $ 10,315 | 15% | $ 1,547 | $ 13,750 | 15% | $ 2,063 |
| 5615 | General Administrative Salaries and Expenses | $ 85,917 | 15% | $ 12,888 | $ 84,825 | 15% | $ 12,724 |
| 5620 | Office Supplies and Expenses | $ 1,040 | 15% | $ 156 | $ 1,500 | 15% | $ 225 |
| 5625 | Administrative Expense Transferred - Credit | | 15% | | | 15% | |
| 5630 | Outside Services Employed | $ 260,204 | 15% | $ 39,031 | $ 637,970 | 15% | $ 95,696 |
| 5635 | Property Insurance | $ 26,070 | 15% | $ 3,911 | $ 27,200 | 15% | $ 4,080 |
| 5640 | Injuries and Damages | | 15% | | | 15% | |
| 5645 | OMERS Pensions and Benefits | | 15% | | | 15% | |
| 5646 | Employee Pensions and OPEB | | 15% | | | 15% | |
| 5647 | Employee Sick Leave | | 15% | | | 15% | |
| 5650 | Franchise Requirements | | 15% | | | 15% | |
| 5655 | Regulatory Expenses | $ 17,769 | 15% | $ 2,665 | $ 35,900 | 15% | $ 5,385 |
| 5660 | General Advertising Expenses | | 15% | | | 15% | |
| 5665 | Miscellaneous General Expenses | $ 47,228 | 15% | $ 7,084 | $ 48,870 | 15% | $ 7,331 |
| 5670 | Rent | $ 62,362 | 15% | $ 9,354 | $ 66,000 | 15% | $ 9,900 |
| 5672 | Lease Payment Charge | | 15% | | | 15% | |
| 5675 | Maintenance of General Plant | $ 37,250 | 15% | $ 5,588 | $ 50,000 | 15% | $ 7,500 |
| 5680 | Electrical Safety Authority Fees | | 15% | | | 15% | |
| 5681 | Special Purpose Charge Expense | | 15% | | | 15% | |
| 5685 | Independent Electricity System Operator Fees and Penalties | | 15% | | | 15% | |
| 5695 | OM&A Contra Account | | 15% | | | 15% | |
| 6205 | Donations | | 15% | | | 15% | |
| 6205 | Donations, Sub-account LEAP Funding | | 15% | | | 15% | |
| **Total - Administrative and General Expenses** | | $ 598,870 | | $ 89,831 | $ 1,022,515 | | $ 153,377 |
| **Total OM&A** | | $ 1,376,819 | | $ 206,523 | $ 2,101,515 | | $ 315,227 |

| Account | Description | 2011 Actual | WCA Rate | Allowance for Working Capital | 2012 Bridge | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | CGAAP | | | CGAAP | | |
| ***Cost of Power*** | | | | | | | |
| 4705 | Power purchased | $ 5,742,036 | 15% | $ 861,305 | $ 5,651,570 | 15% | $ 847,736 |
| 4708 | Wholesale Market Services | $ 338,621 | 15% | $ 50,793 | $ 402,688 | 15% | $ 60,403 |
| 4714 | Network Service Charge | $ 729,746 | 15% | $ 109,462 | $ 915,323 | 15% | $ 137,298 |
| 4716 | Connection Service Charge | $ 697,458 | 15% | $ 104,619 | $ 741,453 | 15% | $ 111,218 |
| 4730 | Rural Rate Asst | $ 104,850 | 15% | $ 15,728 | $ 85,184 | 15% | $ 12,778 |
| **Total - Cost of Power** | | $ 7,612,711 | | $ 1,141,907 | $ 7,796,218 | | $ 1,169,433 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **WORKING CAPITAL ALLOWANCE TOTAL** | | | | **$ 1,348,430** | | | **$ 1,484,660** |

## WORKING CAPITAL ALLOWANCE CALCULATION BY ACCOUNT

| Account | Description | 2012 Bridge | WCA Rate | Allowance for Working Capital | 2013 Test | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | MIFRS | | | MIFRS | | |
| ***Operations*** | | | | | | | |
| 5005 | Operation Supervision and Engineering | $ 20,000 | 15% | $ 3,000 | $ 20,600 | 13% | $ 2,678 |
| 5010 | Load Dispatching | $ 4,000 | 15% | $ 600 | $ 4,000 | 13% | $ 520 |
| 5012 | Station Buildings and Fixtures Expense | | 15% | | | 13% | |
| 5014 | Transformer Station Equipment - Operation Labour | $ 21,000 | 15% | $ 3,150 | $ 22,000 | 13% | $ 2,860 |
| 5015 | Transformer Station Equipment - Operation Supplies and Expenses | | 15% | $ - | | 13% | $ - |
| 5016 | Distribution Station Equipment - Operation Labour | | 15% | $ - | | 13% | |
| 5017 | Distribution Station Equipment - Operation Supplies and Expenses | | 15% | | | 13% | |
| 5020 | Overhead Distribution Lines and Feeders - Operation Labour | $ 287,500 | 15% | $ 43,125 | $ 259,269 | 13% | $ 33,705 |
| 5025 | Overhead Distribution Lines and Feeders - Operation Supplies and Expenses | | 15% | | | 13% | |
| 5030 | Overhead Sub-transmission Feeders - Operation | | 15% | | | 13% | |
| 5035 | Overhead Distribution Transformers - Operation | | 15% | | | 13% | |
| 5040 | Underground Distribution Lines and Feeders - Operation Labour | | 15% | | | 13% | |
| 5045 | Underground Distribution Lines and Feeders - Operation Supplies and Expenses | | 15% | | | 13% | |
| 5050 | Underground Sub-transmission Feeders - Operation | $ 83,500 | 15% | $ 12,525 | $ 74,090 | 13% | $ 9,632 |
| 5055 | Underground Distribution Transformers - Operation | | 15% | | | 13% | |
| 5060 | Street Lighting and Signal System Expense | | 15% | | | 13% | |
| 5065 | Meter Expense | | 15% | | | 13% | |
| 5070 | Customer Premises - Operation Labour | | 15% | | | 13% | |
| 5075 | Customer Premises - Operation Materials and Expenses | $ 2,000 | 15% | $ 300 | $ 2,000 | 13% | $ 260 |
| 5085 | Miscellaneous Distribution Expenses | | 15% | | | 13% | |
| 5090 | Underground Distribution Lines and Feeders - Rental Paid | | 15% | | | 13% | |
| 5095 | Overhead Distribution Lines and Feeders - Rental Paid | | 15% | | | 13% | |
| 5096 | Other Rent | | 15% | | | 13% | |
| **Total - Operations** | | $ 418,000 | | $ 62,700 | $ 381,959 | | $ 49,655 |

| Account | Description | 2012 Bridge | WCA Rate | Allowance for Working Capital | 2013 Test | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | MIFRS | | | MIFRS | | |
| ***Maintenance*** | | | | | | | |
| 5105 | Maintenance Supervision and Engineering | $ 10,000 | 15% | $ 1,500 | $ 10,500 | 13% | $ 1,365 |
| 5110 | Maintenance of Buildings and Fixtures - Distribution Stations | | 15% | | | 13% | |
| 5112 | Maintenance of Transformer Station Equipment | | 15% | | | 13% | |
| 5114 | Maintenance of Distribution Station Equipment | $ 8,000 | 15% | $ 1,200 | $ 8,300 | 13% | $ 1,079 |
| 5120 | Maintenance of Poles, Towers and Fixtures | $ 20,000 | 15% | $ 3,000 | $ 21,000 | 13% | $ 2,730 |
| 5125 | Maintenance of Overhead Conductors and Devices | | 15% | | | 13% | |
| 5130 | Maintenance of Overhead Services | $ 20,000 | 15% | $ 3,000 | $ 21,000 | 13% | $ 2,730 |
| 5135 | Overhead Distribution Lines and Feeders - Right of Way | | 15% | | | 13% | |
| 5145 | Maintenance of Underground Conduit | | 15% | | | 13% | |
| 5150 | Maintenance of Underground Conductors and Devices | $ 36,000 | 15% | $ 5,400 | $ 37,000 | 13% | $ 4,810 |
| 5155 | Maintenance of Underground Services | $ 8,000 | 15% | $ 1,200 | $ 8,300 | 13% | $ 1,079 |
| 5160 | Maintenance of Line Transformers | $ 10,000 | 15% | $ 1,500 | $ 10,000 | 13% | $ 1,300 |
| 5165 | Maintenance of Street Lighting and Signal Systems | | 15% | | | 13% | |
| 5170 | Sentinel Lights - Labour | | 15% | | | 13% | |
| 5172 | Sentinel Lights - Materials and Expenses | | 15% | | | 13% | |
| 5175 | Maintenance of Meters | $ 19,200 | 15% | $ 2,880 | $ 22,400 | 13% | $ 2,912 |
| 5178 | Customer Installations Expenses - Leased Property | | 15% | | | 13% | |
| 5195 | Maintenance of Other Installations on Customer Premises | | 15% | | | 13% | |
| **Total - Maintenance** | | $ 131,200 | | $ 19,680 | $ 138,500 | | $ 18,005 |

| Account | Description | 2012 Bridge | WCA Rate | Allowance for Working Capital | 2013 Test | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | MIFRS | | | MIFRS | | |
| ***Billing and Collecting*** | | | | | | | |
| 5305 | Supervision | | 15% | | | 13% | |
| 5310 | Meter Reading Expense | $ 97,900 | 15% | $ 14,685 | $ 102,100 | 13% | $ 13,273 |
| 5315 | Customer Billing | $ 406,900 | 15% | $ 61,035 | $ 382,300 | 13% | $ 49,699 |
| 5320 | Collecting | | 15% | | | 13% | |
| 5325 | Collecting - Cash Over and Short | | 15% | $ - | | 13% | $ - |
| 5330 | Collection Charges | | 15% | | | 13% | |
| 5335 | Bad Debt Expense | $ 10,000 | 15% | $ 1,500 | $ 10,000 | 13% | $ 1,300 |
| 5340 | Miscellaneous Customer Accounts Expenses | | 15% | | | 13% | |
| **Total - Billing and Collecting** | | $ 514,800 | | $ 77,220 | $ 494,400 | | $ 64,272 |

| Account | Description | 2012 Bridge | WCA Rate | Allowance for Working Capital | 2013 Test | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | MIFRS | | | MIFRS | | |
| ***Community Relations*** | | | | | | | |
| 5405 | Supervision | | 15% | | | 13% | |
| 5410 | Community Relations - Sundry | $ 10,000 | 15% | $ 1,500 | $ 10,000 | 13% | $ 1,300 |
| 5415 | Energy Conservation | | 15% | | | 13% | |
| 5420 | Community Safety Program | | 15% | | | 13% | |
| 5425 | Miscellaneous Customer Service and Informational Expenses | | 15% | | | 13% | |
| 5505 | Supervision | | 15% | | | 13% | |
| 5510 | Demonstrating and Selling Expense | | 15% | | | 13% | |
| 5515 | Advertising Expenses | $ 5,000 | 15% | $ 750 | $ 5,000 | 13% | $ 650 |
| 5520 | Miscellaneous Sales Expense | | 15% | | | 13% | |
| **Total - Community Relations** | | $ 15,000 | | $ 2,250 | $ 15,000 | | $ 1,950 |

| Account | Description | 2012 Bridge | WCA Rate | Allowance for Working Capital | 2013 Test | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | MIFRS | | | MIFRS | | |
| ***Administrative and General Expenses*** | | | | | | | |
| 5605 | Executive Salaries and Expenses | $ 56,500 | 15% | $ 8,475 | $ 57,000 | 13% | $ 7,410 |
| 5610 | Management Salaries and Expenses | $ 13,750 | 15% | $ 2,063 | $ 14,250 | 13% | $ 1,853 |
| 5615 | General Administrative Salaries and Expenses | $ 84,825 | 15% | $ 12,724 | $ 87,325 | 13% | $ 11,352 |
| 5620 | Office Supplies and Expenses | $ 1,500 | 15% | $ 225 | $ 1,500 | 13% | $ 195 |
| 5625 | Administrative Expense Transferred - Credit | | 15% | | | 13% | |
| 5630 | Outside Services Employed | $ 637,970 | 15% | $ 95,696 | $ 431,400 | 13% | $ 56,082 |
| 5635 | Property Insurance | $ 27,200 | 15% | $ 4,080 | $ 28,500 | 13% | $ 3,705 |
| 5640 | Injuries and Damages | | 15% | | | 13% | |
| 5645 | OMERS Pensions and Benefits | | 15% | | | 13% | |
| 5646 | Employee Pensions and OPEB | | 15% | | | 13% | |
| 5647 | Employee Sick Leave | | 15% | | | 13% | |
| 5650 | Franchise Requirements | | 15% | | | 13% | |
| 5655 | Regulatory Expenses | $ 35,900 | 15% | $ 5,385 | $ 25,100 | 13% | $ 3,263 |
| 5660 | General Advertising Expenses | | 15% | | | 13% | |
| 5665 | Miscellaneous General Expenses | $ 48,870 | 15% | $ 7,331 | $ 50,895 | 13% | $ 6,616 |
| 5670 | Rent | $ 66,000 | 15% | $ 9,900 | $ 70,000 | 13% | $ 9,100 |
| 5672 | Lease Payment Charge | | 15% | | | 13% | |
| 5675 | Maintenance of General Plant | $ 50,000 | 15% | $ 7,500 | $ 50,000 | 13% | $ 6,500 |
| 5680 | Electrical Safety Authority Fees | | 15% | | | 13% | |
| 5681 | Special Purpose Charge Expense | | 15% | | | 13% | |
| 5685 | Independent Electricity System Operator Fees and Penalties | | 15% | | | 13% | |
| 5695 | OM&A Contra Account | | 15% | | | 13% | |
| 6205 | Donations | | 15% | | | 13% | |
| 6205 | Donations, Sub-account LEAP Funding | | 15% | | | 13% | |
| **Total - Administrative and General Expenses** | | $ 1,022,515 | | $ 153,377 | $ 815,970 | | $ 106,076 |
| **Total OM&A** | | $ 2,101,515 | | $ 315,227 | $ 1,845,829 | | $ 239,958 |

| Account | Description | 2012 Bridge | WCA Rate | Allowance for Working Capital | 2013 Test | WCA Rate | Allowance for Working Capital |
|---|---|---|---|---|---|---|---|
| *Reporting Basis* | | MIFRS | | | CGAAP | | |
| ***Cost of Power*** | | | | | | | |
| 4705 | Power purchased | $ 5,651,570 | 15% | $ 847,736 | $ 5,633,012 | 13% | $ 732,292 |
| 4708 | Wholesale Market Services | $ 402,688 | 15% | $ 60,403 | $ 401,366 | 13% | $ 52,178 |
| 4714 | Network Service Charge | $ 915,323 | 15% | $ 137,298 | $ 921,478 | 13% | $ 119,792 |
| 4716 | Connection Service Charge | $ 741,453 | 15% | $ 111,218 | $ 746,497 | 13% | $ 97,045 |
| 4730 | Rural Rate Asst | $ 85,184 | 15% | $ 12,778 | $ 84,904 | 13% | $ 11,038 |
| **Total - Cost of Power** | | $ 7,796,218 | | $ 1,169,433 | $ 7,787,257 | | $ 1,012,343 |

| | | | | |
|---|---|---|---|---|
| **WORKING CAPITAL ALLOWANCE TOTAL** | | | **$ 1,484,660** | | | **$ 1,252,301** |

**4.2 Asset Condition & Management (photos & video links)**

The following are a small sample of the devastations as a result of the Tornado and some of the new building that have been or are in the process of being rebuilt. If you look at the different footprint of each of the buildings is help in understanding why there is a projected increase of over 1,157kVA in the downtown core.

Here are video links which show the devastation.

https://dl.dropbox.com/u/77986113/JOHN_GRACE_TORNADO_VIDEO.wmv.mp4

https://dl.dropbox.com/u/77986113/Aerials%20of%20the%20Goderich%20Tornado%20Site%20-%20YouTube.flv

https://dl.dropbox.com/u/77986113/Goderich%20Tornado%20-%20To%20Goderich%2C%20with%20love..%20-%20YouTube.flv

https://dl.dropbox.com/u/77986113/Goderich%20One%20Year%20Later%20-%20After%20The%20Tornado%20-%20YouTube.flv


**Figure 1PUC Building prior to Tornado**

Optometrist's, PUC and Architect's buildings


~~Figure Hydro~~Figure Hydro truck bays


**Figure 2 Hydro Board Room**


**Figure 3 Rebuild of Optometrists and Architect (PUC not being rebuilt)**

Residents destroyed

More destruction


**Figure 4 Coffee Culture**

Rebuilding of Coffee Culture


**Figure 5 Downtown core**


After demolition and prior to being rebuilt early 2013

**Figure 6 Line damage**

**Figure 7 Transformer tied to frame**

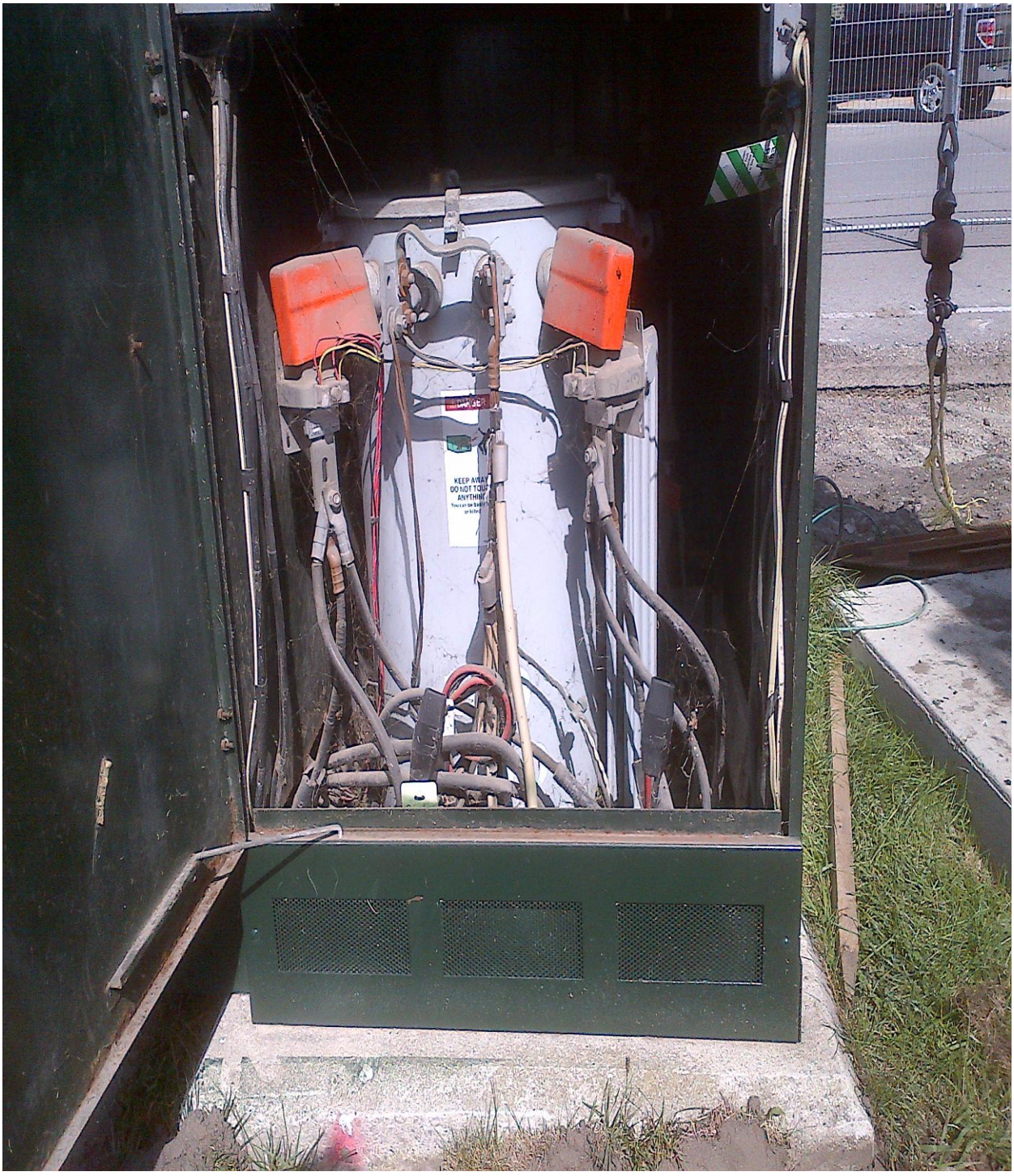
Line damage


Transformer and line damage

Transformer

Transformer bank

Vault in Square



Overhead transformer in padmount transformer enclosure in square

GODERICH *HYDRO*

# West Coast Huron Energy Inc.

## Distribution System Plan Basic

## (Basic GEA Plan)

# 1. EXECUTIVE SUMMARY

West Coast Huron Energy (Goderich Hydro) (WCHE) is a licensed electricity distributor serving approximately 3711 customers. In accordance with the Ontario Energy Board's (OEB) Filing Requirements (EB-2009-0397) associated with the Cost of Service Rate Application for 2012. WCHE has prepared the Distribution System Plan or Basic Green Energy Act (GEA) Plan for its service territory over the five (5) year period 2012-2016.

The Basic Green Energy Act (GEA) Plan provides information to the Board and interested stakeholders, regarding the readiness of WCHE's distribution system to connect renewable generation and any expansion or reinforcement necessary to accommodate renewable generation over the period 2012-2016.

In February 2011, WCHE was notified by Hydro One Networks (HON) that the Goderich TS was impacted by system constraints and that no new microFIT or FIT projects would be able to connect to feeders M3 and M4. At that time, WCHE did not have any approved renewable generation projects, and no generation was installed. At that time WCHE was not aware of any planned upgrades for the Goderich TS.

In the summer of 2011, WCHE was informed by HON that the Goderich TS would be upgraded to allow for renewable generation under the GEA. The estimated completion date for the upgrades was the end of Q3 2012, however it was noted 'that improvements at the station will not necessarily result in the removal of all connection limitations affecting microFIT renewable generation facilities."

Table 1.0 below summarizes the current status of Micro-FIT and FIT applicants.

| | Micro-FIT (kW) | FIT (kW) | Comments |
|---|---|---|---|
| Connected to WCHE system | 0 | 0 | |
| Registered with OPA | 0 | 0 | |
| Pre FIT application WCHE | 0 | 0 | |
| Initial enquiries | 2 Enquiries, unknown capacities | | Did not provide capacity, only enquiring as to availability |

There are no anticipated constraints within the WCHE distribution system. However, with the existing constraints on Goderich TS and no guarantee of them being lifted in the future, WCHE does not feel it is able to plan for renewable generation at this time. Table 1.0 – Status of MicroFIT and FIT applicants

Possible constrains on renewable connections are feeder capacity, short circuit and reverse power flow limits for transformer stations and municipal substations. Based on constraints with its upstream host (Hydro One) to accommodate any connection of renewable generation, all requests will be denied until such time as allowable facility capacity improves.

With respect to the development of smart grid technologies, WCHE request recoveries of costs associated with studies that support and ensure the safe and reliable connections of renewable generations onto its distribution system. As such, WCHE wishes to explore and hence determine the use or installation of proper protective and automated isolation equipment and measuring devices. As these costs are presently unknown, WCHE proposes that any future qualifying expenditure be allowed for recording the Board approved Deferral Accounts.

## 2. CURRENT ASSESSMENT OF WEST COAST HURON ENERGY SYSTEM

The Service territory of West Coast Huron Energy is currently serviced by one (1) Hydro One Transformer Stations (TS) from two (2) feeders at 27.6kV, and four (4) WCHE owned Municipal Stations at 4.16kV to services customers either at primary or step down secondary voltages (for example 347/600, 120/208 or 120/240 voltages).

Hydro One has indicated to WCHE that the Goderich TS is currently constrained for capacity.

### 2.1 Existing Micro-Fit and FIT applications for the WCHE system

Based on present applicants, WCHE receives approximately micro-FIT and FIT applicants yearly. If the system constraints are removed most applications will take some time to process and move forward, while some may not receive a FIT contract.

## 2.2 Hydro One's

As of October 19, 2012, available short circuit capacity at Goderich TS is 203.3 MVA respectively and is detailed below in Table 2.0

| Station Name | Voltage (kV) | Short Circuit Capacity (MVA) |
|---|---|---|
| Goderich TS | 27.6 | 203.3 |
| | | |
| | | |

**Table 2.0 – Hydro One TS Capacity**

## 2.3 WCHE Municipal Substations

The following Table 3.0 illustrates the short circuit capacity at each of the WCHE 4 municipal substations (MS), along with the total renewable generation proposed to be connected at each MS and the NET available capacity after connection.

| WCHE kV Substation Transformer | Short Circuit Capacity (MVA) | Prop Generators Name Plate Capacity (kW) | Net Available Short Circuit Capacity (MVA) |
|---|---|---|---|
| Substation 1 | 1.66 | 0 | 1.66 |
| Substation 2 | 2.49 | 0 | 2.49 |
| Substation 3 | 2.49 | 0 | 2.49 |
| Substation 4 | 1.66 | 0 | 1.66 |

**HDNI Technical Requirements: The acceptable generation limit at a TS or DS is established by adding together 80% of maximum MVA rating of the single transformer and the minimum station load. Assumption is 0.2 power factor.**

**Table 3.0 – WCHE Municipal Substation (MS) Capacity**

## 2.4 WCHE Distribution Feeders

Table 4.0 below illustrates the proposed total generator capacity for active applicants under the FIT program, rating of the affected 27.6kV feeders and Net available capacity after potential connections.

| WCHE 27.6kV Feeders | Voltage (kV) | Short Circuit Capacity (MVA) | FIT Generation Capacity (kW) | Net Available Short Circuit Capacity (MVA) |
|---|---|---|---|---|
| 31M3 | 16/27.6kV | | 0 | 0 |
| 31M4 | 16/27.6Kv | | 0 | 0 |

**Assumptions: 0.2 Power Factor**

**Table 4.0 – WCHE 4.4kV available feeder capacity after FIT connection**

As per communication from Hydro One, there is insufficient capacity on WCHE distribution system to allow the connection of proposed renewable generation applicants under the OPA program within the next 5 year horizon.

# 3. PLANNED DEVELOPMENT OF WCHE SYSTEM

## 3.1 Proposed Micro-FIT and FIT applicants registered with the OPA

There are potentially 0 Micro-FIT installations with proposed generation of 0 kW and 0 FIT projects with proposed generation of 0 kW.

As described above, there are presently constraints on the WCHE distribution system to allow the connection of "active" OPA applications or requests under WCHE review process.

## 3.2 FIT Project requiring capital expansion = NONE

## 3.3 Development of Smart Grid Studies and Technologies Projects

On average, WCHE forecasts to receive approximately 4 requests per year related to MicroFIT and FIT renewable generation. WCHE needs to support and ensure the safe and reliable connections of renewable generations onto its distribution system. To this end, there is a need to explore and hence determine the use or

installation of proper protective and automated isolation equipment and measuring devices to:

(A) Allow for 2-ways electrical flow;

(B) Protect against islanding and ensure no potential feedback;

(C) Improve reliability and efficiencies through the operation of self-healing switching schemes to increase alternative supply capacities and maintain or improve power quality to customers;

Potential benefits to be achieved through the above "smart grid" studies and/or developmental technology pilot projects include:

(A) Ability to have proper recording of generating capacity onto distribution grid;

(B) Ensure worker safety when system supply is lost and system reliability when restored;

(C) Investigate any potential power quality impacts as a result of the increased number of renewable generation connections onto the distribution grid;

WCHE intends to work with suppliers, collaborate with and learn from other LDC's to identify appropriate protective and automated equipment, which may be installed onto its distribution system to deliver the required performance and outcomes.

As these costs are unknown at this time, WCHE proposes that any future qualifying expenditure would be recorded in the Board approved Deferral Accounts and recovered at the more opportune time.