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BY EMAIL and RESS

February 6, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, ON, M4P 1E4

Dear Ms. Walli:

Re: EB-2012-0033 Enersource Hydro Mississauga Inc. ("Enersource") Cost of Service Rate Application ("Application")

Please find enclosed Enersource's submission indicating the revenue requirement related to Green Energy Act commitments.

Sincerely,

Original signed by

Gia M. DeJulio
Director, Regulatory Affairs

Encl.

c.c. Dan Pastoric, Executive Vice-President and Chief Operating Officer
George Vegh, McCarthy Tétrault
Richard Battista, Ontario Energy Board
All Intervenors EB-2012-0033

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Enersource Hydro Mississauga
EB-2012-0033
GEA Recovery

GEA Renewable Connections - Funding Rate Adder Calculation

	2010		2011		2012		2013		
Net Fixed Assets (2 year average)		$ 11,110		$ 64,140		$170,368		$318,202	
OM&A	$ -		$ -		$ -		$ -		
WCA	13.3%	$ -	13.3%	$ -	13.3%	$ -	13.5%	$ -	
Rate Base		$ 11,110		$ 64,140		$170,368		$318,202	
Deemed ST Debt	4%	$ 444	4%	$ 2,566	4%	$ 6,815	4%	$ 12,728	
Deemed LT Debt	56%	$ 6,222	56%	$ 35,918	56%	$ 95,406	56%	$178,193	
Deemed Equity	40%	$ 4,444	40%	$ 25,656	40%	$ 68,147	40%	$127,281	
ST Interest	4.47%	$ 20	4.47%	$ 115	4.47%	$ 305	2.08%	$ 265	
LT Interest	6.44%	$ 401	6.44%	$ 2,313	6.44%	$ 6,144	5.09%	$ 9,070	
ROE	8.57%	$ 381	8.57%	$ 2,199	8.57%	$ 5,840	8.93%	$ 11,366	
		$ 801		$ 4,627		$ 12,289		$ 20,701	
OM&A		$ -		$ -		$ -		$ -	
Amortization		$ 766		$ 4,476		$ 10,526		$ 21,447	
Grossed-up PILs		-$ 586		-$ 2,334		-$ 3,134		-$ 1,206	
Revenue Requirement		$ 981		$ 6,768		$ 19,681		$ 40,942	
Direct Benefit	2010		2011		2012		2013		
OM&A		$ -		$ -		$ -		$ -	**2010-2013**
Capital		$ 981		$ 6,768		$ 19,681		$ 40,942	
Direct Benefit % on capital		6.00%		6.00%		6.00%		6.00%	
Direct Benefit on capital		$ 59		$ 406		$ 1,181		$ 2,457	
Total GEA Recovery		$ 59		$ 406		$ 1,181		$ 2,457	$ 4,102
Total # of Customers (excl connections)		199,187		199,187		199,187		199,187	199,187
GEA Rate Adder		$ 0.00		$ 0.00		$ 0.00		$ 0.00	**$ 0.00**
Provincial Rate Protection		$ 923		$ 6,362		$ 18,500		$ 38,485	$ 64,270
Monthly Adder Amount Paid by IESO		$ 77		$ 530		$ 1,542		$ 3,207	**$ 5,356**

For example, based on the provisionally approved methodology and allocation (i.e., dollar amounts) proposed by Hydro One as part of its 2010 and 2011 distribution rates application, those dollar amounts represent 6% for REI investments and 17% for Expansion investments. (pg 15)

Note (1): 2021 GEA Rate Adder includes 2011 and 2012

Note (2): Revenue collected to be recorded in Account 1536 Smart Grid Funding Adder Deferral

Note (3): Revenue collected to be recorded in Account 1533 Renewable Generation Connection Funding Adder Deferral - sub-account Revenue Colected from Ratepayers

PILs Calculation

	2010	2011	2012	2013
INCOME TAX				
Net Income	$ 381	$ 2,199	$ 5,840	$ 11,366
Amortization	$ 766	$ 4,476	$ 10,526	$ 21,447
CCA	-$ 2,452	-$ 12,604	-$ 25,058	-$ 36,159
Change in taxable income	-$ 1,305	-$ 5,929	-$ 8,692	-$ 3,346
Tax Rate	31.00%	28.25%	26.50%	26.50%
Income Taxes Payable	-$ 404	-$ 1,675	-$ 2,303	-$ 887

Gross Up

	PILs Payable	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	-$ 404	-$ 1,675	-$ 2,303	-$ 887
Change in OCT	$ -	$ -	$ -	$ -
PIL's	-$ 404	-$ 1,675	-$ 2,303	-$ 887

	2012	2013	2014	2015
	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	-$ 586	-$ 2,334	-$ 3,134	-$ 1,206
Change in OCT	$ -	$ -	$ -	$ -
PIL's	**-$ 586**	**-$ 2,334**	**-$ 3,134**	**-$ 1,206**

Green Energy continuity

	2010	2011	2012	2013	Total	Notes
Net Capital Expenditures	61,296.57	197,413.03	139,144.62	188,496.08	586,350.30	as per table 3 DRO
Depreciation Expense	-766.23	-4,476.28	-10,525.79	-21,447.14	-37,215.44	as per table 3 DRO

	2010	2011	2011 IFRS Adjustment	2012	2013	Average 2013	
Cummulative Cost including CIP	61,297	258,710	-766	397,088	585,584	491,336	as per Table 4
Less Cummulative CIP	-38,310	-147,408	0	-147,408	-147,408	-147,408	as per Table 4
Cummulative Accumulated Depreciation	-766	-5,243	766	-15,002	-36,449	-25,726	as per Table 4
						318,202	as per Table 4

Average 2010	Average 2011
30,648	159,620
-19,155	-92,859
-383	-2,621
11,110	**64,140**

Average 2012	Average 2013
327,516	491,336
-147,408	-147,408
-9,739	-25,726
170,368	**318,202**

CCA Calculation

		2010	2011	2012	2013
Opening UCC		$ -	$ 58,845	$ 243,654	$ 357,740
Capital Additions		$ 61,297	$ 197,413	$ 139,145	$ 188,496
UCC Before Half Year Rule		$ 61,297	$ 256,258	$ 382,798	$ 546,236
Half Year Rule (1/2 Additions - Disposals)		$ 30,648	$ 98,707	$ 69,572	$ 94,248
Reduced UCC		$ 30,648	$ 157,551	$ 313,226	$ 451,988
CCA Rate Class	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%
CCA		$ 2,452	$ 12,604	$ 25,058	$ 36,159
Closing UCC		$ 58,845	$ 243,654	$ 357,740	$ 510,077