

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an application by London Hydro Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2013.

LONDON HYDRO INC. (“LONDON HYDRO”)

PROPOSED SETTLEMENT AGREEMENT

FILED: MARCH 28, 2013

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EB-2012-0146/ 0380

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AND IN THE MATTER OF an application by London Hydro Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2013.

**LONDON HYDRO INC. (“LONDON HYDRO”)
PROPOSED SETTLEMENT AGREEMENT
FILED: MARCH 28, 2013**

INTRODUCTION:

London Hydro carries on the business of distributing electricity within the City of London as described in its distribution licence.

London Hydro filed an application with the Ontario Energy Board (the “Board”) on September 28, 2012 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for changes to the rates that London Hydro charges for electricity distribution, to be effective May 1, 2013 (the “Application”). The Board assigned the Application File Number EB-2012-0146. London Hydro also applied on September 25, 2012 to dispose of a variance account balance by means of rate riders, to be effective November 1, 2012. The Board combined the proceedings and assigned File No. EB-2012-0146/EB-2012-0380 to the proceeding.

Four parties requested and were granted intervenor status: Energy Probe Research Foundation (“Energy Probe” or “EP”), London Property Management Association (“LPMA”), the School Energy Coalition (“SEC”), and the Vulnerable Energy Consumers’ Coalition (“VECC”). These parties are referred to collectively as the “Intervenors”. Oakville Hydro Electricity Distribution Inc. applied for and was granted observer status in this proceeding.

In Procedural Order No. 1, issued on November 29, 2012, the Board approved the Intervenor in this proceeding, set dates for interrogatories and interrogatory responses, and made its determination regarding the cost eligibility of the Intervenor.

In Procedural Order No 2, issued on December 24, 2012, the Board set dates for submissions on London Hydro's request that certain material be maintained in confidence, and revised the dates set in Procedural Order No.1 for Intervenor interrogatories and London Hydro's responses thereto.

In Procedural Order No 3, issued on February 22, 2013, the Board set dates for supplementary interrogatories and interrogatory responses; for a Settlement Conference (March 11, 2013, continuing March 12, 2013 if necessary); for the filing of any Settlement Proposal arising out of the Settlement Conference (March 28, 2013); and for an oral hearing on unsettled issues and any issues related to the Settlement Proposal (April 11, 2013, continuing April 12, 2013 if necessary). There was no Board-approved Issues List for this proceeding.

The evidence in this proceeding (referred to herein as the "Evidence") consists of the Application, including updates to the Application, and London Hydro's responses to the initial and supplemental interrogatories. The Appendices to this Settlement Agreement (the "Agreement") are also included in the Evidence. The Settlement Conference was duly convened in accordance with the Procedural Order No. 3, with Mr. Paul Vlahos as facilitator. The Settlement Conference was held on March 11 and 12, 2013.

London Hydro and the following Intervenor participants participated in the Settlement Conference:

- Energy Probe;
- LPMA;
- SEC; and
- VECC.

London Hydro and the Intervenor participants are collectively referred to below as the "Parties".

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Board's *Settlement Conference Guidelines* (the "Guidelines"). The Parties understand this to mean that the documents and other information provided, the discussion of each issue, the offers and counter-

offers, and the negotiations leading to the settlement – or not – of each issue during the Settlement Conference are strictly confidential and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception: the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Agreement.

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

A COMPLETE SETTLEMENT HAS BEEN REACHED ON ALL ISSUES IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a complete settlement has been reached on all issues in this proceeding. This document comprises the Proposed Settlement Agreement and it is presented jointly by London Hydro, Energy Probe, LPMA, SEC and VECC to the Board. It identifies the settled matters and contains such references to the Evidence as are necessary to assist the Board in understanding the Agreement. The Parties confirm the Evidence filed to date in respect of each settled issue, including additional information recorded in this Agreement, supports the settlement of the matters identified in this Agreement. In addition, the Parties agree the Evidence contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

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

One matter related to the agreement by all Parties is in regards to the treatment of the deferral account for PP&E. It was agreed by all Parties that London Hydro is operating under CGAAP accounting principles in both the Bridge and Test Year as opposed to Modified IFRS. As a result, it was appropriate to change the deferral account to capture 2012 PP&E adjustments (extended lives and overhead capitalization only) from account 1575 to 1576.

The inclusion of the WACC adjustment as it relates to account 1576 has been agreed to by all Parties. Should the Board determine that it is not willing to approve the Parties' proposed treatment of Account 1576, this issue is severable from the rest of the Agreement. All Parties agree that, in those circumstances, this issue should be resolved through written submissions.

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the *Board's Rules of Practice and Procedure*.

It is also agreed this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will, in any subsequent proceeding, take the position the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2013 Test Year.

References to the Evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree this Agreement and the Appendices form part of the record in EB-2012-0146/EB-2012-0380. The Appendices were prepared by the Applicant. The Intervenors are relying on the accuracy and completeness of the Appendices in entering into this Agreement. Appendix I to this Agreement – Proposed Schedule of 2013 Tariff of Rates and Charges (Updated) – is a proposed schedule of Rates and Charges consistent with this Agreement.

The Parties believe the Agreement represents a balanced proposal that protects the interests of London Hydro's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow London Hydro to manage its assets so that the highest standards of performance are achieved and customers' expectations for the safe and reliable delivery of electricity at reasonable prices are met.

The Parties have agreed the effective date of the rates resulting from this proposed Agreement is May 1, 2013 (referred to below as the “Effective Date”).

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

As noted above, there was no Board-approved Issues List for this proceeding. For the purposes of organizing this Agreement, the Parties have used the Issues List in the Guelph Hydro Electric Systems Inc. proceeding (EB-2011-0123) as a guide, as that Issues List addresses all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues that are also relevant to determining London Hydro's 2013 distribution rates.

The following Appendices accompany this Settlement Agreement:

Appendix A – Summary of Significant Changes (Updated)
Appendix B – Continuity Tables
Appendix C – Cost of Power Calculation (Updated)
Appendix D – 2013 Customer Load Forecast (Updated)
Appendix E – 2013 Other Revenue
Appendix F – 2013 PILS (Updated)
Appendix G – 2013 Cost of Capital
Appendix H – 2013 Revenue Deficiency (Updated)
Appendix I – Proposed 2013 Schedule of Rates and Charges (Updated)
Appendix J – 2013 Updated Customer Impacts (Updated)
Appendix K – Cost Allocation Sheets O1 (Updated)
Appendix L – Revenue Requirement Work Form (Updated)
Appendix M – Throughput Revenue (Updated)

UNSETTLED MATTERS:

There are no unsettled matters in this proceeding.

OVERVIEW OF THE SETTLED MATTERS:

This Agreement will allow London Hydro to continue to make the necessary investments in maintenance and operation expenditures as well as capital investments to maintain the safety and reliability of the electricity distribution service that it provides.

This Agreement will also allow London Hydro to: maintain current capital investment levels and, where required, appropriately increase capital investment levels in infrastructure to ensure a reliable distribution system; manage current and future staffing levels, skills and training to ensure regulatory compliance with Codes and Regulations; promote conservation programs including the Ministry of Energy directives as a condition of London Hydro's distribution licence; and continue to provide the high level of customer service that London Hydro's customers have come to expect.

The Parties agree no rate classes face bill impacts that require mitigation efforts as a result of this agreement.

In this Agreement, except where otherwise expressly stated, all dollar figures are calculated and expressed using Canadian Generally Accepted Accounting Principles ("CGAAP"). For the purposes of settlement, the Parties acknowledge that London Hydro is not converting to International Financial Reporting Standards ("IFRS") in the 2013 Test Year and will remain on CGAAP until required by the Accounting Standards Board (the "AcSB") to move to IFRS. However, London Hydro will comply with the Board's letter titled "Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies 2013" dated July 17, 2012. London Hydro has implemented the regulatory accounting changes for depreciation expense and capitalization policies effective January 1, 2012.

In London Hydro's initial evidence (Exhibit 1, Page 41) the Service Revenue Requirement for the 2013 Test Year was \$69,168,354 which included a Base Revenue Requirement of \$65,770,372 and Revenue Offsets of \$3,397,982 with a resulting Revenue Deficiency of \$6,415,350.

Through the interrogatory and settlement process, London Hydro made changes to the Service Revenue Requirement as shown in Settlement Table #1: Service Revenue Requirement as follows:

Settlement Table #1: Service Revenue Requirement

		COS Application Filed	COS Application RRWF	Difference Filing vs RRWF	Interrogatory Responses	Settlement Agreement	Difference Filing vs Settlement
Service Revenue Requirement	A	\$ 69,168,354	\$ 69,168,354	\$0	\$ 69,157,701	\$ 66,326,032	(\$2,842,322)
Revenue Offsets	B	3,397,982	3,397,982	\$0	3,475,982	3,650,567	\$252,585
Base Revenue Requirement	C+A+B	65,770,372	65,770,372	\$0	65,681,719	62,675,465	(\$3,094,907)
Revenue at Existing Rates	D	59,355,022	59,355,023	\$1	59,355,023	59,533,014	(\$177,992)
Revenue Deficiency/ (Sufficiency)	E=C-D	6,415,350	6,415,350	\$0	6,326,696	3,142,451	(\$3,272,899)
As per Original Application contained in Exhibit 1, Table 1-6, page 47. RRWF as per Exhibit 1, Appendix 1D, page 7.							
Difference in Filing and RRWF as result of rounding.							

The revised Service Revenue Requirement for the 2013 Test Year is \$66,326,032, which includes the updated cost of capital parameters (ROE and Deemed Short Term Debt rate) issued by the Board on February 14, 2013 applicable to applications for rebasing effective May 1, 2013. The long term debt rate was agreed to be 4.58%, for the purpose of settlement. Compared to the forecast 2013 revenue at current rates of \$59,533,014 the revised Service Revenue Requirement represents a deficiency of \$3,142,451 which is a \$3,272,899 change from the revenue deficiency of \$6,415,349 set out in Table 1-6 (Exhibit 1, page 13) in London Hydro's COS Application filing.

Through the settlement process, London Hydro has agreed to certain adjustments from its original 2013 Application and subsequent updated Evidence. Any such changes are described in the sections below.

1. GENERAL

- 1.1 Has London Hydro responded appropriately to all relevant Board directions from previous proceedings?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 1.

For the purposes of settlement the Parties accept the Evidence of the Applicant that there were no outstanding obligations or orders from previous Board decisions.

- 1.2 Are London Hydro's economic and business planning assumptions for 2013 appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 1 VECC IR #1.0 SEC IR # 3 & 7

For the purposes of settlement, the Parties accept London Hydro's economic and business planning assumptions for 2013.

- 1.3 Is service quality, based on the Board specified performance assumptions for 2013, appropriate?

Status: **Complete Settlement**

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 1
OEB IR # 3

For the purposes of settlement, the Parties accept London Hydro's evidence with respect to the acceptability of its service quality, based on the Board-specified indicators.

- 1.4 What is the appropriate effective date for any new rates flowing from this Application?
If that effective date is prior to the date new rates are actually implemented, what adjustments should be implemented to reflect the sufficiency or deficiency during the period from effective date to implementation date?

Status: **Complete Settlement**

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 1

For the purpose of settlement, the Parties accept that the appropriate effective date of the new rates flowing from this Application is May 1, 2013.

2. RATE BASE

2.1 Is the proposed rate base for the test year appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, SEC, VECC
Evidence:	Application: Exhibit 2 OEB IR # 3-16 LPMA IR #4-9 VECC IR #3, 6-10 SEC IR # 8-12 Energy Probe IR #1-6 SEC Supplemental IR # 51-54 VECC Supplemental IR # 48/49 LPMA Supplemental IR # 46/47

For the purposes of settlement, the Parties have agreed that London Hydro's amended forecast Rate Base of \$268,513,333 for the 2013 Test Year is appropriate. A full calculation of this agreed Rate Base is set out later in this section in Settlement Table #2: Rate Base. The 2012 revised amortization expense was accepted as proposed in London Hydro's interrogatory responses. The 2013 capital expenditures were agreed to during the settlement process. The revised contributed capital amount was also agreed to by all Parties. The amortization expense for 2013 has been adjusted to reflect the agreed contributed capital adjustments for 2013.

The revised Rate Base value reflects the following changes affecting the Working Capital Allowance:

With respect to Cost of Power, the Parties have agreed for the purposes of settlement to accept the Load Forecast as proposed by London Hydro and outlined in response to Board Staff #20 b except for the changes set out in Section 3.1 below.

- RPP rates were updated to reflect the change in charges effective November 1, 2012;
- The Retail Transmission Network & Connection charges were updated to reflect the change in the Ontario uniform electricity transmission rates effective January 1, 2013;
- The Rural or Remote Electricity Rate Protection (RRRP) costs were updated to reflect the revised charges effective January 1, 2013 as per EB-2012-0453.

The Cost of Power was therefore decreased from \$335,766,210 to \$334,431,790 as a result of these changes. Please see Appendix C for the detailed Cost of Power calculation.

- The Parties have agreed that the 2013 OM&A for the Test Year, including property taxes, should be \$32,900,000. However, a correction required to align adjusted interest charged to non-regulated business (renewable generation), an amount of \$78,000, is applied to revenue offsets as a reduction, and an increase to the OM&A. The resulting 2013 OM&A for the Test Year is a total \$32,978,000, a decrease of \$866,562 from \$33,844,562 in the original Application. OM&A expenses are discussed in further detail under item 4.1.
- The Parties have agreed that the Working Capital Allowance percentage will be maintained at 11.42% as set out in the Application. The Allowance for Working Capital should be \$41,958,198 an decrease of \$215,352 from \$42,209,550 in the original Application. The Working Capital Allowance is discussed in further detail under item 2.2, below.

The changes to the Working Capital Allowance are set out in Settlement Table #3: Allowance for Working Capital, under Section 2.2 below.

Agreed-upon adjustments to London Hydro's proposed Overall Rate Base under CGAAP are set out in Settlement Table #2: Rate Base, below.

Settlement Table #2: Rate Base

Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments		Per Settlement Agreement
Gross Fixed Assets (average)	\$421,406,711	(\$471,922)	\$420,934,789	(\$434,000)		\$420,500,789
Accumulated Depreciation (average)	(\$194,026,004)	\$ -	(\$194,026,004)	\$80,350	a) b)	(\$193,945,654)
Net Fixed Assets (average)	\$227,380,707	(\$471,922)	\$226,908,785	(\$353,650)		\$226,555,135
Allowance for Working Capital	\$42,209,550	\$13,932	\$42,223,483	(\$265,284)	c)	\$41,958,198
Total Rate Base	\$269,590,257	(\$457,990)	\$269,132,268	(\$618,934)		\$268,513,333

- a) Contributed Capital increase to \$2.7 m resulting accum. depreciation adjustment of \$868k/ 40 years / 2 years for half year rule = \$10,850
b) Amortization reduction(difference in-service to half year rule recordings COS 2009 and 2013) \$139,000 with half year rule = \$69,500
c) Includes changes from agreed load forecast and updates to cost of power rates (eg. RRRP and WMS)

2.2 Is the working capital allowance for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 2
LPMA IR #29/30
VECC Supplemental IR # 48/49

For the purposes of settlement, the Parties agree to the following Working Capital Allowance calculated based on 11.42% of the OM&A expenses of \$32,978,000 and Cost of Power of \$334,431,790.

As discussed in Section 2.1 and this section, the Parties have agreed the adjustments shown below in Settlement Table #3: Allowance for Working Capital, reflecting the settled matters, will be made to London Hydro's Working Capital Allowance calculation:

Settlement Table #3: Allowance for Working Capital

Allowance for Working Capital

Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Settlement Conference
Controllable Expenses	\$33,844,562	\$122,000	\$33,966,562	(\$988,562)	\$32,978,000
Cost of Power	\$335,766,210	\$ -	\$335,766,210	(\$1,334,420)	\$334,431,790
Working Capital Base	\$369,610,772	\$122,000	\$369,732,772	(\$2,322,982)	\$367,409,790
Working Capital Rate %	11.42%	0.00%	11.42%	0.00%	11.42%
Working Capital Allowance	\$42,209,550	\$13,932	\$42,223,483	(\$265,285)	\$41,958,198

2.3 Is the capital expenditure forecast for the test year appropriate?

Status: Complete Settlement

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 2, Tab 3, Schedules 1-3
Board Staff IR #4
VECC IR #6, #48, LPMA IR #8, #46, #47

For the purposes of settlement, the Parties have accepted net capital expenditures of \$11,517,560 amended from London Hydro's original Application of \$12,385,560. The amendment was a result of

settlement of the contributed capital balances to be increased from original Application of \$1,832,000 to an amount of \$2,700,000. The resulting continuity schedules are shown in Appendix B.

2.4 Is the capitalization policy and allocation procedure appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 2, Page 25-26.

For the purposes of settlement, the Parties have accepted London Hydro's capitalization policy as it was set out in Exhibit 2, page 25 and 26 of the original Application. The Parties have agreed that London Hydro should use deferral account 1576 to record 2012 adjustments to PP&E as a result of London Hydro adopting extended asset lives and overhead capitalization policies effective January 1, 2012. This is detailed under Section 4.2. However, as outlined below (Section 4.2) for the purposes of settlement account 1576 will be handled in a similar manner to account 1575 and a cost of capital component on the PP&E adjustment will be included as described in Appendix 2-EB of the filing requirement.

3. LOAD FORECAST AND OPERATING REVENUE

3.1 Is the load forecast methodology including weather normalization appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 3 OEB IR # 17-20 LPMA IR #10-13,15 VECC IR #13 Energy Probe IR #7 OEB Supplemental IR # 64 VECC Supplemental IR # 50-52 LPMA Supplemental IR # 50

For the purposes of settlement, the Parties accept London Hydro's load forecast methodology, including weather normalization, as modified through the settlement process as follows.

The Parties have agreed for the purposes of settlement to accept the Load Forecast as proposed by London Hydro and outlined in response to Board Staff #20 b except for the following:

- A power purchased forecast of 3,473.1 GWh has been used as provided in response to LPMA #50. LPMA #50 is consistent with Board Staff #20 b but has been revised to reflect updated Ontario Real GDP values.
- The kW forecast has been determined using an average kW/kWh ratio based on 2000 – 2012 provided in response to LPMA #16, rather than 2000 – 2011 as used in the Application.
- The 2013 customer/connection forecast has been updated to reflect the difference between 2012 actual customer/connection numbers and the 2012 forecasted customer/connection numbers in the

application. The 2012 actual customer/connection numbers were provided in response to LPMA #15.

- The manual CDM adjustment for 2013 has been reduced from the gross level to the net level. The adjustment also reflects a half year of 2011 programs (i.e. 50% of 20,990,325 (kWh) or 10,495,162 (kWh)), as one half are already reflected in the load forecast. It also reflects a full year of 2012 programs (i.e 12,100,480 (kWh)) persisting into 2013 along with the half year rule being applied to 2013 programs ((i.e. 50% of 12,100,480 (kWh) or 6,050,240 (kWh)). As a result, the Parties have agreed for the purposes of settlement to use a total of 28,645,883 kWh and 39,354 kW as the manual adjustments for CDM in 2013.

This results in a billed consumption forecast of 3,320,842,357 kWh and 4,591,487 kW in the 2013 Test Year.

3.2 Are the proposed customers/connections and load forecasts (both kWh and kW) for the test year appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 3 OEB IR # 17-19 VECC IR #11 LPMA Supplemental IR # 16

For the purposes of settlement, the Parties agree that London Hydro's customers/connections and load forecasts (both kWh and kW) for the test year will be adjusted as outlined in section 1.1. Settlement Table #4: Load Forecast, details the above changes. Appendix D reflects the revised load forecast.

Settlement Table #4: Load Forecast

	After IR and Supplementary IR	Settlement Adjustments	Settlement
By Class			
Residential			
Customers	138,004	57	138,061
kWh	1,081,518,071	4,058,583	1,085,576,654
General Service< 50 kW			
Customers	11,970	141	12,111
kWh	392,934,759	5,945,894	398,880,653
General Service> 50 kW			
Customers	1,662	-1	1,661
kWh	1,565,790,169	4,250,636	1,570,040,805
kW	3,914,285	18,667	3,932,952
Large User			
Customers	3	0	3
kWh	195,516,144	636,064	196,152,208
kW	387,304	3,431	390,735
Cogeneration			
Connections	3	0	3
kWh	41,945,415	-1,349,901	40,595,514
kW	203,351	-4,758	198,593
Streetlights			
Connections	35,004	-162	34,842
kWh	23,952,584	-33,657	23,918,927
kW	67,217	-124	67,093
Sentinel Lights			
Connections	681	-7	674
kWh	780,481	-5,278	775,203
kW	2,129	-15	2,114
Unmetered Loads			
Connections	1,544	-23	1,521
kWh	4,992,005	-59,612	4,932,393
Total			
Customer/Connections	188,871	5	188,876
kWh	3,307,429,628	13,442,729	3,320,872,357
kW from applicable classes	4,574,286	17,201	4,591,487

3.3 Is the impact of CDM appropriately reflected in the load forecast?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 3 OEB IR # 21-23 LPMA IR #14-16 VECC IR #12, 16/17 SEC IR # 8-12 Energy Probe IR #8/9 LPMA Supplemental IR # 51 Board staff Supplemental IR # 64 VECC Supplemental IR # 53/54

For the purposes of settlement, the Parties agree that the manual CDM adjustment for 2013 has been reduced from the gross level to the net level. The adjustment also reflects a half year of 2011 programs ((i.e. 50% of 20,990,325 (kWh) or 10,495,162 (kWh)) and a full year of 2012 programs (i.e 12,100,480 (kWh)) persisting into 2013 along with the half year rule being applied to 2013 programs ((i.e. 50% of 12,100,480 (kWh) or 6,050,240 (kWh)). As a result, the Parties have agreed for the purposes of settlement to use a total of 28,645,883 (kWh) and 39,354 kW as the manual adjustments for CDM in 2013. Settlement Table #5: CDM Adjusted Forecast, below provides the CDM impact on billed kW and kWh for each customer class.

Settlement Table #5: CDM Adjusted Forecast

Customer Class	Load Forecast before CDM Adjustment (kWh)	Load Forecast after CDM Adjustment (kWh)	CDM Adjustment (kWh)
Residential	1,095,015,630	1,085,576,654	9,438,976
GS <50 kW	402,348,879	398,880,653	3,468,226
GS 50 to 4,999 kW	1,583,563,103	1,570,040,805	13,522,298
GS 1,000 to 4,999 kW (Co-Generation)	40,933,291	40,595,514	337,777
Large Use >5MW	197,784,305	196,152,208	1,632,097
Street Light	24,117,946	23,918,927	199,019
Sentinel	781,653	775,203	6,450
Unmetered Scatter Load	4,973,433	4,932,393	41,040
Total	3,349,518,240	3,320,872,357	28,645,883

Customer Class	Load Forecast before CDM Adjustment (kW)	Load Forecast after CDM Adjustment (kW)	CDM Adjustment (kW)
Residential	-	-	-
GS <50 kW	-	-	-
GS 50 to 4,999 kW	3,966,826	3,932,952	33,874
GS 1,000 to 4,999 kW (Co-Generation)	200,246	198,593	1,653
Large Use >5MW	393,986	390,735	3,251
Street Light	67,651	67,093	558
Sentinel	2,132	2,114	18
Unmetered Scatter Load	-	-	-
Total	4,630,841	4,591,487	39,354

For the purposes of settlement, the Parties agree the 2013 LRAMVA amount of 45,191,286 kWh and 62,262 kW has been calculated using the OPA's 2011-2014 CDM targets assigned to London Hydro,

which reflects the actual 2011 CDM results and the persistence of 2011 into 2013. The LRAMVA amount differs from the CDM adjustment of 28,645,883 kWh and 39,354 kW in order to have the LRAMVA measured in the same manner as the OPA measured results which are on a full year annualized basis. As a result, the full year persistent savings from 2011 and a full year savings from 2013 programs must be included in the calculation in order to capture the correct amount of targets assigned to London Hydro for 2013. Therefore, the 2013 LRAMVA includes the 2011 full year persistent savings of 20,990,325 kWh as provided by the OPA's 2011 Final Annual Report, 2012 full year persistent savings of 12,100,480 kWh and the full year 2013 forecasted savings of 12,140,480 kWh. Settlement Table #6: LRAMVA Calculation, below provides details of the 2013 kWh and kW savings which will be used in the calculation of the LRAMVA amount.

Settlement Table #6: LRAMVA Calculation

4 Year 2011 to 2014 kWh target					
156,640,000					
	2011	2012	2013	2014	Total
2011 Programs	13.5%	13.4%	13.4%	13.4%	53.6%
2012 Programs		7.7%	7.7%	7.7%	23.2%
2013 Programs			7.7%	7.7%	15.5%
2014 Programs				7.7%	7.7%
	13.5%	21.1%	28.9%	36.5%	100.0%
kWh					
2011 Programs	21,134,911	20,990,325	20,990,325	20,921,557	84,037,117
2012 Programs		12,100,480	12,100,480	12,100,480	36,301,441
2013 Programs			12,100,480	12,100,480	24,200,961
2014 Programs				12,100,480	12,100,480
	21,134,911	33,090,805	45,191,286	57,222,998	156,640,000

The Parties agree, for the purposes of settlement, that the LRAMVA amount is to be allocated to the customer classes based on the proportion of the class kWh to the total. Settlement Table #7: LRAMVA Allocation per Customer Class, below provides details of this allocation.

Settlement Table #7: LRAMVA Allocation per Customer Class

Table 3-20: 2013 Expected Savings for LRAM Variance Account									
	Residential	GS<50	GS>50	Large User	Cogeneration	Street Lighting	Sentinels	USL	Total
kWh	14,896,090	5,412,015	21,361,865	2,576,753	552,808	315,677	10,286	65,791	45,191,286
kW where applicable			53,511	5,133	2,704	885	28		62,262

3.4 Is the proposed forecast of test year throughput revenue appropriate?

Status: Complete Settlement

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 3

For the purposes of settlement, the Parties agree on the throughput revenue as set out in Appendix M: Throughput Revenue.

3.5 Is the test year forecast of other revenues appropriate?

Status: Complete Settlement

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 3
LPMA IR #17-21,32
VECC IR #18-20

OEB Supplemental IR # 67
LPMA Supplemental IR # 48/49

For the purposes of settlement, the Parties agree on a forecast of \$3,650,567 in Other Distribution Revenue, an increase of \$252,585 from \$3,397,982 as set out in the original Application. Appendix E – 2013 Other Revenue provides additional detail.

The revised Other Revenue values reflect the following significant changes:

- London Hydro will credit its customers for the full amount of the London Hydro's gain on the disposition of utility and other property (scrap transformers and sale of vehicles) rather than 50% as originally proposed in the Application. This represents an increase of \$64,000 over the amount included in the Application;
- London will increase the interest charged to its non-distribution business (renewable generation-solar). The interest amounts to be charged in the Application were \$50,744. During interrogatories this amount was increased another \$78,000. The Parties agree that the interest rate to be used for the interest charged to its non-distribution business will be 4.12%. This results in another \$45,585 interest charge increase. The total proposed Settlement Agreement interest charge on its non-distribution business is \$174,329. This represents an increase of \$123,585 over the amount included in the Application; and
- London Hydro will increase the forecast of interest income on its bank account balance from \$50,000 as shown in the Application to \$115,000, an increase of \$65,000 over the amount included in the Application.

4. OPERATING COSTS

4.1 Is the overall OM&A forecast for the test year appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 4 OEB IR #24/25,27/28,34-36 LPMA IR #22-26,33 VECC IR #21-24,28-31 SEC IR # 14-21,23-35 Energy Probe IR #10-14 OEB Supplemental IR # 65-67 SEC Supplemental IR # 45-47,57-59 VECC Supplemental IR # 56 LPMA Supplemental IR # 53-55

For the purposes of settlement, the Parties agree the 2013 OM&A for the Test Year should be \$32,900,000. However, as a correction is required to align adjusted interest charged to non-regulated business (renewable generation), an amount of \$78,000 is applied to revenue offsets as a reduction, and an equal amount applied as an increase to OM&A. The resulting 2013 OM&A for the Test Year is a total \$32,978,000, a decrease of \$866,562 from \$33,844,562 in the original Application

The Parties have relied on London Hydro's view that it can safely and reliably operate the distribution system based on the total OM&A budget proposed. London Hydro has provided, in Settlement Table #8: OM&A Expense Budget, below a revised OM&A budget based on this proposed total amount. The breakdown of the budget into categories is not intended by the Parties to be in any way a deviation from the normal rule that, once the budget is established, it is up to management to determine through the year how best to spend that budget given the actual circumstances and priorities of the company throughout the Test Year.

Settlement Table #8: OM&A Expense Budget

Distribution Expenses	Initial Application	IR Questions		Supplementary IR Questions	Settlement Agreement	
Distribution Expenses - Operation	8,812,161	8,812,161		8,812,161	8,812,161	
Distribution Expenses - Maintenance	7,791,680	7,791,680		7,791,680	7,791,680	
Billing and Collecting	4,849,165	4,849,165		4,849,165	4,849,165	
Community Relations	205,337	205,337		205,337	205,337	
Administrative and General Expenses	12,186,220	12,386,220	a) c)	12,386,220	11,319,658	d) j)
Total Eligible Distribution Expenses	33,844,562	34,044,562		34,044,562	32,978,000	
a) Water billing adjustment \$200,000 increase in OM&A (adjustment to OMA and therefore resulting allowance for working capital amount)						
c) Adjustment for interest charged on non-regulated business (solar generation) \$78,000 reduction OM&A						
d) Settlement proposal to adjust OMA to \$32,900,000.						
j) Reverse item c) adjustment for interest charged on non-regulated business (solar generation) \$78,000 reduction OM&A						

4.2 Is the proposed level of depreciation/amortization expense for the test year appropriate?

Status: **Complete Settlement**

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 4
OEB IR #37-38
LPMA IR #29-31
SEC Supplemental IR # 56

For the purposes of settlement, the Parties accept the useful lives proposed by London Hydro in Settlement Table #9: Depreciation Useful Lives, below and the depreciation expense reported in the continuity schedules in Appendix B. The Parties have agreed on depreciation/amortization expenses of \$15,756,350, a reduction of \$31,869 from the Application amount of \$15,788,219.

The parties agreed that in the future, London Hydro will separately track Account 1845 Underground Conductors and Devices using life spans of 25 years and 40 years, rather than the Application life span of

26.5 years. There are two major types of cable that compose the assets in Account 1845, each with different life spans that at present average 26.5 years. Although the Parties agree that the life span segmentation would have little effect on the Application, the use of 25/ 40 year life spans would be more accurate for the future as composition changes in the Account 1845 are expected to occur associated with the changes in each of the two cable types.

As cited in London Hydro's Application, the Applicant adopted revised depreciation periods which were detailed in Exhibit 4, pages 107 to 118. The analysis in Exhibit 4 – Table 4-52, pages 118 provides comparisons to depreciation rates adopted by London Hydro with the typical useful lives as indicated in the Kinectrics Study dated January 14, 2010 which was commissioned by London Hydro. London Hydro is implementing this depreciation approach effective from January 1, 2012 (applying it to both the Bridge Year and Test Year in its evidence). As a result of implementing the changes to extended lives and overhead capitalization policies in 2012, London Hydro is required to record the effect of the changes to PP&E in 2012 in account 1576.

It was agreed by all Parties that London Hydro is operating under CGAAP accounting principles in both the Bridge and Test Year as opposed to Modified IFRS. As a result, it was appropriate to change the deferral account to capture 2012 PP&E adjustments (extended lives and overhead capitalization only) from account 1575 to 1576.

The inclusion of the WACC adjustment as it relates to account 1576 has been agreed to by all Parties. Should the Board determine that it is not willing to approve this Agreement including the Parties' proposed treatment of Account 1576, this issue is severable from the rest of the Agreement. All Parties agree that, in those circumstances, this issue should be resolved through written submissions.

Settlement Table #9: Depreciation Useful Lives

(Useful Lives by Asset Component)

OEB	Asset Category	Component	London Hydro ("LH") Life Span		Kinectrics for LH Life span				Kinectrics for OEB (Jul 2010) Life span			
			(CGAAP)	(IFRS)	Min.	Typical	Max.	Reference	Min.	Typical	Max.	Reference
1800	Land	Land	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a	
1806	Land Rights	Land Rights (Easements)	15-25	25	-	-	-		-	-	-	
1808	Buildings & Fixtures (Distribution)	Substation Building	25-50	75	30	50	80	16	50	-	75	F-2,5
		Substation Roof	25-50	30	15	20	30	16	20	-	30	F-2,5
1820	Distribution Equipment <50kV	Substation Equipment	30	45	20-40	30-60	50-100	12-14	10-35	20-50	30-90	12-14,22&23
		Battery Banks & Chargers	30	15	10-20	15-20	15-30	15	10-30	15-20	15-30	15
		Digital Relays	30	20	10	15	25	14	15	20	20	21
		Intangible -w holesale mtr	30	30	20	30	60	29	15	-	30	F-2,11
1830	Poles, Towers & Fixtures	Poles, Towers & Fixtures	25	45	40	44	80	2	35	45	75	1
1835	OH Conductor & Devices	OH Primary Conductor	15-25	50	50	60	77	10	50	60	75	8
		Switches & Reclosers	15-25	45	15-30	20-50	20-60	7-8	15-35	25-45	25-60	4,5 & 7
1840	Underground Conduit	Vaults & Manholes	25-40	60	50	60	80	23,24&26	40	60	80	37
		Vault & Manhole Roofs	25-40	30	20	25	40	23,24	20	30	45	37
1845	UG Conductor & Devices	TR-XB-TRXLPE Cable-Primary (direct buried)	25-40	26.5	20	25	40	21	25	30	35	28
		TR-XB-TRXLPE Cable-Primary (in duct)	25-40	26.5	40	40	60	21	35	40	55	29
		SF6 & Vacuum Sw itchgear	25	30	30	30	50	25	20	30	45	39
		PILC Primary Cable	25-40	30	70	75	80	21	60	65	75	24
		Air Insulated Sw itchgear	25	25	20	20	40	25	20	30	45	39
1850	Line Transformers	Pad Mount Transformers	15-30	35	30	40	40	18	25	40	45	34
		Netw ork Transformers	15-30	35	20	35	40-50	19	20	35	40-50	33
		Overhead Transformers	15-30	35	30	40	60	17	30	40	60	9
1855	Services	UG Secondary Services (direct buried)	25	30	20	25	25	22	25	35	40	31
		UG Secondary Services (in duct)	25	30	40	40	60	22	35	40	60	32
		OH Secondary Services	25	60	50	60	77	10	50	60	75	8
1860	Meters	Regular Meters	15-35	30	20	30	45	29	25	-	35	F-2,9
		Smart Meters	15	15	15	15	20	30	5	-	15	F-2,13
		Metering CT's & PT's	15-35	30	30	45	50	29	35	-	50	F-2,12
1908	Buildings and Fixtures	Buildings - Civil	25-55	65	30	50-60	100	32	50	-	75	F-2,3
		Buildings - Roof	25-55	25	15	20	30	32	-	-	-	
		Building - Parking	25-55	30	15	20	30	32	-	-	-	
		Building - Fences	55	60	30	35	60	32	-	-	-	
		Electronic/Mechanical Systems	25	12	12	20	30	32	-	-	-	
		Electric / Mechanical Systems	25-55	30	12	20	40	32	-	-	-	
1915	Office Furniture and Equipment	Office Furniture and Equipment	10	5	-	-	-		5	-	15	F-2,1
1920	Computer Equipment - Hardw are	Computer Equipment - Hardware	5	3	-	-	-		3	-	5	F-2,6
1925	Computer Equipment - Softw are	Major Applications	5	5	-	-	-		2	-	5	F-2,6
		Minor Application	5	3	-	-	-		2	-	5	F-2,6
1930	Transportation - Cars/Vans	Transportation - Cars/Vans	5	8	-	-	-		5	-	10	F-2,2
	Transportation - Major Vehicles	Transportation - Major Vehicles	8	12	-	-	-		5	-	15	F-2,2
	Trailers	Trailers	10	10	-	-	-		5	-	20	F-2,2
1935	Stores Equipment	Stores Equipment	10	8	-	-	-		5	-	10	F-2,7
1940	Tools, Shop, and Garage Equipment	Tools, Shop, and Garage Equipment	10	8	-	-	-		5	-	10	F-2,7
1945	Measurement and Test Equipment	Measurement and Test Equipment	10	8	-	-	-		5	-	10	F-2,7
1950	Power Operated Equipment	Power Operated Equipment	8	8	-	-	-		5	-	10	F-2,7
1955	Communication Equipment	Communication Towers	35	35	35	63	100	30	60	-	70	F-2,8
		Communication - Wireless	15	15	5-10	10-20	15-20	30	2	-	10	F-2,8
1980	System Supervisory Equipment	Scada RTUs	15	20	15	20	30	31	15	20	20	6
		Scada Master Station	15	10	-	-	-		15	20	30	43
1995	Contribution & Grants Credit	Contribution & Grants Credit	25	40	-	-	-		-	-	-	

4.3 Are the 2013 compensation costs and employee levels appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 4 OEB IR #26/37,29/3-33 LPMA IR #27-29 VECC IR #24-27 SEC IR # 13, 22 Energy Probe IR #14-20 SEC Supplemental IR # 55, 60

For the purpose of settlement, the Parties accept London Hydro's forecast 2013 Test Year compensation costs and employee levels.

4.4 Is the test year forecast of property taxes appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 4

London Hydro has included property taxes payable in the 2013 Test Year as part of OM&A expenses which has been accepted to by all Parties.

4.5 Is the test year forecast of PILs appropriate?

Status: **Complete Settlement**

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 4
LPMA IR #34

For the purpose of settlement, the parties accept London Hydro's 2013 Test Year PILs forecast as set out in Appendix F to this Settlement Agreement.

5. CAPITAL STRUCTURE AND COST OF CAPITAL

5.1 Is the proposed capital structure, rate of return on equity and short term debt rate appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 5 LPMA IR # 35/ 36 VECC IR # 33/ 34 SEC IR# 36 Energy Probe IR# 23-26 LPMA Supplemental IR # 56-58 VECC Supplemental IR # 57

For the purposes of settlement, the Parties have agreed that London Hydro's proposed capital structure of 56% long term debt, 4% short term debt, and 40% equity is appropriate.

This Settlement Agreement has been prepared using the Board's updated Cost of Capital Parameters for ROE 8.98% and short term debt 2.07% for cost of service applications for rates effective May 1, 2013, issued on February 14, 2013. For the purposes of settlement, the Parties have agreed these rates will be applied for the May 1, 2013 implementation date. These rates have been incorporated into the appropriate appendices. (Long-term debt is addressed separately in Section 5.2.)

Settlement Table #10: Deemed Capital Structure for 2013, below provides details of the above-noted parameters. Please also refer to Appendix G – 2013 Cost of Capital.

Settlement Table #10: Deemed Capital Structure for 2013

Particulars	Capitalization Ratio		Cost Rate	Return
	Initial Application			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$150,970,544	5.58%	\$8,424,156
Short-term Debt	4.00%	\$10,783,610	2.08%	\$224,299
Total Debt	60.00%	\$161,754,154	5.35%	\$8,648,455
Equity				
Common Equity	40.00%	\$107,836,103	9.12%	\$9,834,653
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$107,836,103	9.12%	\$9,834,653
Total	100.00%	\$269,590,257	6.86%	\$18,483,108
	Interrogatory Responses			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$150,714,070	5.58%	\$8,409,845
Short-term Debt	4.00%	\$10,765,291	2.07%	\$222,842
Total Debt	60.00%	\$161,479,361	5.35%	\$8,632,687
Equity				
Common Equity	40.00%	\$107,652,907	8.98%	\$9,667,231
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$107,652,907	8.98%	\$9,667,231
Total	100.00%	\$269,132,268	6.80%	\$18,299,918
	Settlement Agreement			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$150,367,467	4.58%	\$6,886,830
Short-term Debt	4.00%	\$10,740,533	2.07%	\$222,329
Total Debt	60.00%	\$161,108,000	4.41%	\$7,109,159
Equity				
Common Equity	40.00%	\$107,405,333	8.98%	\$9,644,999
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$107,405,333	8.98%	\$9,644,999
Total	100.00%	\$268,513,333	6.24%	\$16,754,158

5.2 Is the proposed long term debt rate appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 5 LPMA IR # 35/ 36 VECC IR # 33/ 34 SEC IR # 36 / 37 Energy Probe IR # 23-26 LPMA Supplemental IR # 56-58 VECC Supplemental IR # 57

For the purposes of settlement, the Parties have agreed that London Hydro's long-term debt rate will be 4.58%. The calculation of the long term debt rate is set out in Appendix G to this Agreement. The Long Term Debt Rate of 4.58% is based on the weighted average of the Note Payable to the Shareholder of \$70,000,000 at the rate of 6% for the period of one and a half years and at the Board's deemed rate of 4.12% for the remainder of the period prior to London Hydro's next rebasing (assumed for the purposes of this calculation to be four years); and a unsecured loan with a remaining principle balance of \$13,042,000 (to fund Smart Meter capital expenditures) with an effective interest rate of 2.43% and a stamping fee of 0.9%, for total all-in rate of 3.33%.

6. STRANDED METERS

6.1 Is the proposal related to Stranded Meters appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 9 VECC IR # 42 EP IR #30-31

For the purposes of settlement, the Parties accept the stranded meter net book value of \$3,154,081 as presented in Settlement Table #11: Stranded Meter Customer Class Rate Rider, below. The Parties accept the proposal for recovery of the amount through a rate rider of \$1.58 per metered Residential customer per month, and a rate rider of \$3.73 per metered General Service < 50 kW customer per month. London Hydro will recover costs over a one- year period, commencing May 1, 2013.

Settlement Table #11: Stranded Meter Customer Class Rate Rider

Year	Notes	Gross Asset Value	Accumulated Amortization	Contributed Capital (Net of Amortization)	Net Asset	Proceeds on Disposition	Residual Net Book Value
		(A)	(B)	(C)	(D) = (A) - (B) - (C)	(E)	(F) = (D) - (E)
2006					\$ -		\$ -
2007					\$ -		\$ -
2008					\$ -		\$ -
2009		\$ 272,708	\$ 154,330		\$ 118,378		\$ 118,378
2010		\$ 8,072,293	\$ 5,071,163		\$ 3,001,130	\$ 45,813	\$ 2,955,316
2011		\$ 3,276,286	\$ 2,788,445		\$ 487,841	\$ 10,778	\$ 477,062
2012		\$ 60,195	\$ 454,754		-\$ 394,559	\$ 2,116	-\$ 396,675
YTD at Dec 31, 2012:							\$ 3,154,081
Billing Determinants for Variable Distribution Revenue and Rate Riders		No of Customers	NBV per Customer Class	Allocation of Balance			
Residential		138,061	\$ 2,611,856	\$ 2,611,856			
General Service < 50 kW		12,111	\$ 542,225	\$ 542,225			
			150,172	\$ 3,154,081	\$ 3,154,081		
Proposed Rate Rider for Stranded Asset (fixed rate rider)							
Proposed Rate Rider Recovery Period (in years):			1				
Rate Class		Billing Parameter	Proposed Rate - May 1/13 to Apr 30/14	Reconciliation			
Residential		138,061	\$ 1.58	\$ 2,617,637			
General Service < 50 kW		12,111	\$ 3.73	\$ 537,733			
				\$ 3,155,369			
Rate rider is rounded to 2 decimals (fixed RR)							

7. COST ALLOCATION

7.1 Is London Hydro's cost allocation appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 7 OEB IR # 40 LPMA IR # 41 VECC IR # 39

The Parties have agreed for the purposes of settlement that the revenue-to-cost ratios for the 2013 Test Year, reflecting the agreed-upon 2013 Test Year Revenue Requirement, will be as set out in Settlement Table #12: 2013 Test Year Revenue to Cost Ratios, below.

Settlement Table #12a: 2013 Test Year Revenue to Cost Ratios

Customer Class	Revenue Requirement 2013 Cost Allocation Model - Line 40 from O1 of CA.	CA Adjusted 2013 Test Year NET Distribution Revenue at Existing 2012 Rates	Revenue Allocated from 2013 Cost Allocation Model Line 19 from O1 in CA	Total Revenue	Revenue Cost Ratio	Proposed Revenue to Cost Ratio
Residential	\$ 37,252,650	\$ 38,071,995	\$ 2,239,705	\$ 40,311,700	108.21%	108.28%
GS <50 kW	9,516,761	8,305,148	504,264	8,809,412	92.57%	92.57%
GS 50 to 4,999 kW	15,604,675	12,708,730	748,115	13,456,845	86.24%	86.24%
GS 1,000 to 4,999 kW (Co-Generation)	229,772	268,447	6,622	275,069	119.71%	119.71%
Large Use >5MW	1,343,950	1,698,767	41,781	1,740,548	129.51%	115.00%
Street Light	1,576,108	1,100,695	80,793	1,181,488	74.96%	80.00%
Sentinel	65,751	48,707	3,379	52,086	79.22%	80.00%
Unmetered Scattered Load	156,180	87,516	7,973	95,489	61.14%	80.00%
Standby Power	580,185	385,460	17,935	403,395	69.53%	80.00%
TOTAL	\$ 66,326,032	\$ 62,675,465	\$ 3,650,567	\$ 66,326,032		

Settlement Table #12b: 2013 Test Year Revenue to Cost Ratios

Customer Class	2013 Proposed Service Revenue Requirement	2013 Proposed Miscellaneous Revenue per Cost Allocation Model	2013 Proposed Base Revenue Requirement	Proposed Revenue to Cost Ratio	Policy Range
Residential	\$ 40,858,761	\$ 2,239,705	\$ 38,619,056	108.28%	85 - 115
GS <50 kW	8,922,967	504,264	8,418,703	92.57%	80 - 120
GS 50 to 4,999 kW	12,900,821	748,115	12,152,706	86.24%	80 - 120
GS 1,000 to 4,999 kW (Co-Generation)	250,692	6,622	244,070	119.71%	80 - 120
Large Use >5MW	1,555,669	41,781	1,513,888	115.00%	85 - 115
Street Light	1,281,325	80,793	1,200,532	80.00%	70 - 120
Sentinel	53,301	3,379	49,922	80.00%	80 - 120
Unmetered Scattered Load	128,119	7,973	120,146	80.00%	80 - 120
Standby Power	374,377	17,935	356,442	80.00%	80 - 120
TOTAL	\$ 66,326,032	\$ 3,650,567	\$ 62,675,465		

The Parties agreed to conform to the requirements as specified in the interrogatory LPMA Question # 39 b). The interrogatory proposed that the GS 50 to 4,999 kW (Co-Generation) class be decreased in order to achieve a revenue-to-cost ratio of 120%. Further, the revenue-to-cost ratio for the Large User class would be at 115%, the USL class at 80%, and Standby Power class at 80%. The interrogatory also proposed that the Applicant "...increase the classes with the lowest revenue to cost ratio until it reaches the next lowest class and then increase these ratios until the next lowest class and so on, until the revenue shortfall is eliminated."

The shortfalls as to revenue-to-cost ratios were realized with the Streetlight class and the Sentinel class, by raising the proposed revenue-to-cost ratio of each to 80%. A small remaining balance was applied to the Residential class to clear the variance.

7.2 Are the proposed revenue-to-cost ratios for each class appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 7 VECC IR # 40 SEC IR # 39/ 40

For the purposes of settlement, the Parties have accepted the revenue-to-cost ratios for the 2013 Test Year, as set out under issue 6.1, above, and that no further adjustments will be required from 2014-2016 as part of this Agreement. The Parties acknowledge that London Hydro's revenue-to- cost ratios remain subject to further Board policy changes of general application over this period.

8. RATE DESIGN

8.1 Are the fixed-variable splits for each class appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 8 VECC IR # 39/ 40

For the purposes of settlement, the Parties accept the fixed-variable splits for each class as presented in Settlement Table #13: Fixed Charge Analysis, below.

Further, the parties agree the monthly service charge for all classes, except for the GS>50 to 4,999 kW class, would be the lesser of the monthly service charge using the current fixed/variable split and the charge based on the Minimum System with PLCC Adjustment. However, the monthly service charge for the GS>50 to 4,999 kW class will be set at \$150.00. The fixed and variable rates are set out in Settlement Table #13: 2013 Fixed Charge Analysis, below.

Settlement Table #13: Fixed Charge Analysis

Customer Class	Total Gross Rev. Requirement Before Transf Disc	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Gross Revenue Requirement	Transformer Ownership Allowances	Base Revenue Requirement	
Residential	\$ 38,619,055	\$ 13.12	\$ 0.0155	\$ 21,738,776	\$ 16,880,280	\$ 38,619,055		\$ 38,619,055	
GS <50 kW	\$ 8,418,703	30.70	0.0099	4,461,665	3,957,038	8,418,703		\$ 8,418,703	
GS 50 to 4,999 kW	\$ 12,836,554	150.00	2.5038	2,989,381	9,847,173	12,836,554	(683,848)	\$ 12,152,706	Fixed to \$150.00
GS 1,000 to 4,999 kW (Co-Generation)	\$ 270,346	2,403.08	4.1978	86,511	183,835	270,346	(26,276)	\$ 244,070	
Large Use >5MW	\$ 1,513,888	19,314.83	2.0949	695,334	818,554	1,513,888	-	\$ 1,513,888	
Street Light	\$ 1,200,532	1.57	8.1064	656,655	543,876	1,200,532		\$ 1,200,532	
Sentinel	\$ 49,922	3.31	10.9336	26,809	23,113	49,922		\$ 49,922	
Unmetered Scattered Load	\$ 120,146	1.98	0.0171	36,044	84,102	120,146		\$ 120,146	
Standby Power	\$ 449,324	-	2.9026	-	449,324	449,324	(92,880)	\$ 356,444	
TOTAL	\$ 63,478,470			\$ 30,691,175	\$ 32,787,295	\$ 63,478,470	-\$ 803,004	\$ 62,675,465	

Fixed Charge Analysis				
2013 Test Year (Proposed)				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Proposed Volumetric Split	Proposed Fixed Charge Split
Residential	42%	58%	44%	56%
GS <50 kW	46%	54%	47%	53%
GS 50 to 4,999 kW	52%	48%	77%	23%
GS 1,000 to 4,999 kW (Co-Generation)	68%	32%	68%	32%
Standby Power	100%	0%	100%	0%
Large Use >5MW	54%	46%	54%	46%
Street Light	44%	56%	45%	55%
Sentinel	45%	55%	46%	54%
Unmetered Scattered Load	69%	31%	70%	30%
Fixed Charge Analysis				
2009 Board Approved (EB-2008-0235)				
Customer Class	Current Volumetric Split	Current Fixed Charge Split	Proposed Volumetric Split	Proposed Fixed Charge Split
Residential	43%	57%	44%	56%
GS <50 kW	47%	53%	47%	53%
GS 50 to 4,999 kW	54%	46%	54%	46%
GS 50 to 4,999 kW (Co-Generation)	65%	35%	68%	32%
Standby Power	100%	0%	100%	0%
Large Use >5MW	53%	47%	54%	46%
Street Light	45%	55%	45%	55%
Sentinel	46%	54%	46%	54%
Unmetered Scattered Load	85%	15%	70%	30%

Settlement Table #14: 2013 Base Revenue Distribution Rates

Customer Class	Connection	Customer	kW	kWh
Residential	0.00	13.12	0.0000	0.0155
GS <50 kW	0.00	30.70	0.0000	0.0099
GS 50 to 4,999 kW	0.00	150.00	2.5038	0.0000
GS 1,000 to 4,999 kW (Co-Generation)	0.00	2,403.08	4.1978	0.0000
Standby Power	0.00	0.00	2.9026	0.0000
Large Use >5MW	0.00	19,314.83	2.0949	0.0000
Street Light	1.57	0.00	8.1064	0.0000
Sentinel	3.31	0.00	10.9336	0.0000
Unmetered Scattered Load	1.98	0.00	0.0000	0.0171

Transformer Ownership Credit

(0.6000)

8.2 Are the proposed retail transmission service rates (“RTSR”) appropriate?

Status: **Complete Settlement**

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 8
OEB IR # 41

For the purposes of settlement the Parties have agreed the following Retail Transmission Service Rates (“RTSRs”), based on the updated Uniform Transmission Rates issued by the Board on December 20,

2012 in EB-2012-0031, are appropriate, and are as set out in Settlement Table #15: RTSR Network and RTSR Connection Rates, below.

Settlement Table #15: RTSR Network and RTSR Connection Rates

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	\$ 0.0071	\$ 0.0053
General Service Less Than 50 kW	kWh	\$ 0.0066	\$ 0.0046
General Service 50 to 4,999 kW	kW	\$ 2.3256	\$ 1.7153
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.9823	\$ 2.3902
General Service 1,000 To 4,999 kW (co-generation)	kW	\$ 3.4428	\$ 2.5284
Standby Power - APPROVED ON AN INTERIM BASIS	kW	\$ -	\$ -
Large Use	kW	\$ 3.0549	\$ 2.3902
Street Lighting	kW	\$ 2.0477	\$ 1.5104
Sentinel Lighting	kW	\$ 2.0505	\$ 1.5123
Unmetered Scattered Load	kWh	\$ 0.0066	\$ 0.0046

8.3 Are the proposed loss factors appropriate?

Status: Complete Settlement

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 8
VECC IR # 41

For the purposes of settlement, the Parties accept the Distribution Loss Factor of 1.0313 calculated using a 5 year average for the period 2007 to 2011 inclusive as shown in Settlement Table #17: Loss Factors, below.

When the Supply Facility Loss Factor of 1.0035 is applied to the Distribution Loss Factor the resulting Total Loss Factor for secondary metered customers is 1.0350 as shown in Settlement Table #17: Loss Factors, below:

Settlement Table #17: Loss Factors

		Historical Years					5-Year Average
		2007	2008	2009	2010	2011	
	Losses Within Distributor's System						
A(1)	"Wholesale" kWh delivered to distributor (higher value)	3,513,738,064	3,442,614,476	3,315,882,997	3,428,161,401	3,408,628,157	3,421,805,019
A(2)	"Wholesale" kWh delivered to distributor (lower value)	3,499,320,431	3,429,256,226	3,305,317,093	3,417,503,034	3,397,116,851	3,409,702,727
B	Portion of "Wholesale" kWh delivered to distributor for its Large Use Customer(s)	205,156,179	187,017,601	186,753,672	197,077,280	195,484,640	194,297,874
C	Net "Wholesale" kWh delivered to distributor = A(2) - B	3,294,164,252	3,242,238,625	3,118,563,421	3,220,425,754	3,201,632,211	3,215,404,853
D	"Retail" kWh delivered by distributor	3,381,491,928	3,328,131,646	3,146,740,539	3,376,757,921	3,317,143,763	3,310,053,159
E	Portion of "Retail" kWh delivered by distributor to its Large Use Customer(s)	203,124,930	185,165,941	184,904,626	195,126,020	193,549,148	192,374,133
F	Net "Retail" kWh delivered by distributor = D - E	3,178,366,998	3,142,965,705	2,961,835,912	3,181,631,901	3,123,594,614	3,117,679,026
G	Loss Factor in Distributor's system = C / F	1.0364	1.0316	1.0529	1.0122	1.0250	1.0313
	Losses Upstream of Distributor's System						
H	Supply Facilities Loss Factor	1.0041	1.0039	1.0032	1.0031	1.0034	1.0035
	Total Losses						
I	Total Loss Factor = G x H	1.0407	1.0356	1.0563	1.0153	1.0284	1.0350

9. DEFERRAL AND VARIANCE ACCOUNTS

9.1 Are the account balances, cost allocation methodology and disposition period appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	IFRS-CGAAP TRANSITIONAL PP&E DEFERRAL AMOUNT 1576 – LPMA 10, LPMA 43, OEB 63 IFRS-CGAAP P&OPEB DEFERRAL ACCOUNT – OEB 69, SEC 42 Application: Exhibit 9 OEB IR # 43-53, 55-61 VECC IR # 43-45 Board staff Supplemental IR #70 Energy Probe Supplemental IR # 43 VECC Supplemental IR #60

For the purposes of settlement, the Parties have agreed that the account balances, cost allocation methodology and disposition period for the deferral and variance accounts as presented in the evidence cited above, adjusted for the matters discussed below, are appropriate.

- The Parties have agreed to the recoveries as to the LRAM amounts applied for 2010 OPA CDM Program, an amount of \$266,878, and for 2011 OPA CDM Program an amount of \$176,092. It was further agreed by Parties to a combined 2010 and 2011 LRAM rate rider. Therefore, the recovery amount total of \$442,970 is to be recovered over a one-year period with a rate rider for Residential class of \$.00019 per kWh, for the GS < 50 kW class of 0.00056 per kWh, and for the GS 50 to 4,999 kW class at \$0.00301 per kW.

London Hydro Inc.						
OPA 2010 and 2011 CDM Program Load Impacts						
LRAM Rate Riders						
Class	Units	LRAM	Carrying Charges	Total	2013 Billing Determinates	Rate Rider
Residential	kWh	\$ 206,398	\$ 2,525	\$ 208,923	1,085,576,654	\$ 0.00019
GS < 50 kW	kWh	\$ 219,537	\$ 2,682	\$ 222,219	398,880,653	\$ 0.00056
GS 50 to 4,999 kW	kW	\$ 11,660	\$ 168	\$ 11,828	3,932,952	\$ 0.00301
Totals		\$ 437,595	\$ 5,374	\$ 442,970		
Billing Determinates used 2013 Distribution Energy Quantities (2013 Load Forecast)						
2013 Load Forecast Billing Determinates						
DISTRIBUTION - VARIABLE						
Residential					kWh's	1,085,576,654
General Service < 50 KW					kWh's	398,880,653
General Service > 50 KW					kW's	3,932,952

- The Parties have agreed that London Hydro should use account 1576 (1575 original application) to record the adjustment to PP&E accounts as a result of London Hydro adopting revised extended lives and overhead capitalization policies (which are MIFRS-compliant) effective January 1, 2012. The balance agreed for disposition of \$471,922 can be found in the Application Exhibit 10 Appendix 10C – IFRS-CGAAP Transitional PP&E Amounts, page 51. The balance of \$471,922 will be recovered from customers over a four year period commencing May 1, 2013 as an increase to depreciation expense, in the same manner as Account 1575. The yearly reduction to depreciation expense of \$117,981 is detailed in Appendix B. Although not included in the amount recorded in deferral account 1576, the Parties have agreed to include a WACC adjustment of \$29,447, using a WACC of 6.24% on the \$117,981 in the determination of rates.

This deferral account is not subject to interest. As set out in Section 4.2, the proposed treatment of Account 1576 is severable from the rest of the terms of this Agreement.

- The Parties have agreed that London Hydro will withdraw its request for a deferral account relating to the change in accounting methodology for Post-Retirement Benefits under IFRS versus CGAAP. London Hydro agrees to file an application to create such an account, and for recovery/disposition of these amounts when converting to IFRS.
- The Parties have agreed that London Hydro will withdraw its request for discontinuance of the 1518 Retail Cost Variance Account- Retail and the 1548 Retail Cost Variance Account – Service Transaction Request, and that it will continue to maintain these accounts.
- The Parties have agreed to the disposition of all other Group 1 and Group 2 accounts, except the power accounts, “on a final basis” as proposed in London Hydro’s original Application. The Power accounts, in agreement of the Parties, were adjusted to balances as at December 31, 2012.
- Settlement Table #18: Group 1 & Group 2 Deferral and Variance Accounts, below summarizes the Parties’ agreement with respect to the disposal of the balances of the accounts:

Settlement Table #18: Group 1 & Group 2 Deferral and Variance Accounts

Account Description	Account Number	Principal Balance as at Dec 31, 2012	Interest Amounts as at Dec. 31, 2012	Dec 31, 2012 Total * Totals have been Audited	Projected Interest from January 1, 2013 to April 30, 2013 on Dec 31, 2012 Balances	Total Claim
LV Variance Account	1550	\$0	\$0	\$0	\$0	\$0
RSVA - Wholesale Market Service Charge	1580	\$0	\$0	\$0	\$0	\$0
RSVA - Retail Transmission Network Charge	1584	\$0	\$0	\$0	\$0	\$0
RSVA - Retail Transmission Connection Charge	1586	\$0	\$0	\$0	\$0	\$0
RSVA - Power (excluding Global Adjustment)	1588	(\$4,016,485)	\$574,793	(\$3,441,692)	(\$19,411)	(\$3,461,103)
RSVA - Power - Sub-account - Global Adjustment	(1588) 1589	\$2,493,144	\$121,406	\$2,614,550	\$12,049	\$2,626,599
Recovery of Regulatory Asset Balances	1590	\$0	\$0	\$0	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2008) ⁷	1595	\$0	\$0	\$0	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁷	1595	\$0	\$0	\$0	\$0	\$0
Disposition and Recovery/Refund of Regulatory Balances (2010) ⁷	1595	\$0	\$0	\$0	\$0	\$0
				\$0	\$0	\$0
Group 1 Sub-Total (including Account 1588 - Global Adjustment)	1588	(\$1,523,341)	\$696,199	(\$827,142)	(\$7,362)	(\$834,504)
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)						
RSVA - Power - Sub-account - Global Adjustment						

*** December 31, 2012 RSVA –Retail Power and RSVA –Power –Sub Account Global Adjustment balances have been audited.**

Account Description	Account Number	Principal Balance as at Dec 31, 2011	Closing Interest Balances Dec 31, 11	Dec 31, 2011 Total	Projected Interest from January 1, 2012 to Dec 31, 2012 on Dec 31, 2011 Balances	Projected Interest from January 1, 2012 to April 30, 2013 on Dec 31, 2011 Balances	Total Claim
Group 1 Accounts							
RSVA - Wholesale Market Service Charge	1580	-\$ 4,324,217	\$ 415,745	-\$ 3,908,472	-\$ 63,566	-\$ 20,898	-\$ 3,992,936
RSVA - Retail Transmission Network Charge	1584	\$ 444,826	-\$ 203,331	\$ 241,495	\$ 6,539	\$ 2,150	\$ 250,184
RSVA - Retail Transmission Connection Charge	1586	\$ 250,855	\$ 69,657	\$ 320,512	\$ 3,688	\$ 1,212	\$ 325,412
RSVA - Power (excluding Global Adjustment) Disposition in Another Rate Rider	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Power - Sub-account - Global Adjustment Disposition in Another Rate Rider	1588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposition and Recovery/Refund of Regulatory Balances (2009) ⁷	1595	\$ -	-\$ 286,860	-\$ 286,860	\$ -	\$ -	-\$ 286,860
				\$ -			\$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-\$ 3,628,536	-\$ 4,789	-\$ 3,633,325	-\$ 53,339	-\$ 17,536	-\$ 3,704,201
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 3,628,536	-\$ 4,789	-\$ 3,633,325	-\$ 53,339	-\$ 17,536	-\$ 3,704,201
				\$ -			\$ -
Group 2 Accounts				\$ -			\$ -
Other Regulatory Assets - Sub-Account - Deferred IFRS Transition Costs	1508	\$ 349,024	\$ 6,649	\$ 355,673	\$ 5,131	\$ 1,687	\$ 362,490
Retail Cost Variance Account - Retail	1518	-\$ 82,253	-\$ 1,531	-\$ 83,784	-\$ 1,209	-\$ 398	-\$ 85,391
Retail Cost Variance Account - STR	1548	\$ 86,736	\$ 1,488	\$ 88,224	\$ 1,275	\$ 419	\$ 89,918
				\$ -			\$ -
Group 2 Sub-Total		\$ 353,507	\$ 6,606	\$ 360,113	\$ 5,197	\$ 1,708	\$ 367,018
				\$ -			\$ -
PLs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592	-\$ 130,133	-\$ 16,514	-\$ 146,647	-\$ 1,913	-\$ 629	-\$ 149,189
PLs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592	-\$ 185,546	-\$ 1,852	-\$ 187,398	-\$ 2,728	-\$ 897	-\$ 191,022
				\$ -			\$ -
Total of Group 1 and Group 2 Accounts (including 1562 and 1592)		-\$ 3,590,708	-\$ 16,549	-\$ 3,607,257	-\$ 52,783	-\$ 17,353	-\$ 3,677,394
				\$ -			\$ -
Total including Account 1521 and Account 1568		-\$ 3,590,708	-\$ 16,549	-\$ 3,607,257	-\$ 52,783	-\$ 17,353	-\$ 3,677,394

9.2 Are the proposed rate riders to dispose of the account balances appropriate?

Status: Complete Settlement

Supporting Parties: London Hydro, Energy Probe, LPMA, SEC, VECC

Evidence: Application: Exhibit 9
OEB IR # 54-55
LPMA IR # 41
VECC IR #
SEC IR #
Energy Probe IR #
VECC Supplemental IR #

For the purposes of settlement, the Parties accept the proposed rate riders to dispose of those account balances that are the subject of disposition at this time on a final basis. The Parties have agreed to a disposition period of 12 months. The Parties' acceptance of a 12 month disposition on DVA balances, will allow London Hydro to maintain an appropriate cash flow position through recovery of outstanding amounts to or from its customers. All Parties agree that the disposition period of 12 months will be the period of May 1, 2013 through to April 30, 2014. Settlement Table #19: Deferral and Variance Account Accounts Rate Riders (Proposed) below reflects the balances of the accounts being disposed.

Settlement Table #19: RSVA Power Account Rate Riders (Proposed):

Please indicate the Rate Rider Recovery Period	1	based on 1-year disposition period	
------------------------------------------------	---	------------------------------------	--

Rate Rider Calculation for RSVA Power (excluding Global Adj.)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1588 sub- account)	Rate Rider for Deferral/Variance Accounts	
Residential	kWh	1,085,576,654	-\$ 1,131,417	- 0.0010	\$/kWh
GS <50 kW	kWh	398,880,653	-\$ 415,724	- 0.0010	\$/kWh
GS 50 to 4,999 kW	kW	3,932,952	-\$ 1,636,339	- 0.4161	\$/kW
GS 1000 to 4,999 kW (Co-Generation)	kW	43,793	-\$ 9,031	- 0.2062	\$/kW
Standby	kW	154,800	-\$ 33,279	- 0.2150	\$/kW
Large Use >5MW	kW	390,735	-\$ 204,435	- 0.5232	\$/kW
Street Light	kW	67,093	-\$ 24,929	- 0.3716	\$/kW
Sentinel	kW	2,114	-\$ 808	- 0.3822	\$/kW
Unmetered Scattered Load	kWh	4,932,393	-\$ 5,141	- 0.0010	\$/kWh
		-	\$ -	-	
Total			-\$ 3,461,103		

Rate Rider Calculation for RSVA - Power - Sub-account - Global Adjustment

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of RSVA - Power - Sub-account - Global Adjustment	Rate Rider for RSVA - Power - Sub-account - Global Adjustment	
Residential	kWh	140,659,979	\$ 199,990	0.0014	\$/kWh
GS <50 kW	kWh	65,910,189	\$ 93,711	0.0014	\$/kWh
GS 50 to 4,999 kW	kW	3,457,065	\$ 1,962,172	0.5676	\$/kW
GS 1000 to 4,999 kW (Co-Generation)	kW	43,793	\$ 12,320	0.2813	\$/kW
Standby	kW	154,800	\$ 45,399	0.2933	\$/kW
Large Use >5MW	kW	390,735	\$ 278,888	0.7138	\$/kW
Street Light	kW	67,093	\$ 34,008	0.5069	\$/kW
Sentinel	kW	102	\$ 53	0.5214	\$/kW
Unmetered Scattered Load	kWh	41,121	\$ 58	0.0014	\$/kWh
		-	\$ -	-	
Total			\$ 2,626,599		

Settlement Table #20: Deferral and Variance Account Disposition Rate Riders (excluding Power and Global Adjustment Sub-account) below reflects the rate riders for disposition over a period of 12 months.

Settlement Table #20: Deferral and Variance Account Disposition Rate Riders (Excluding Power. Global Adjustment Sub-Account)

Please indicate the Rate Rider Recovery Period

Rate Rider Calculation for Deferral / Variance Accounts Balances (excluding Global Adj.)

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1588 sub-account)	Rate Rider for Deferral/Variance Accounts	
Residential	kWh	1,085,576,654	-\$ 1,200,292	- 0.0011	\$/kWh
GS <50 kW	kWh	398,880,653	-\$ 441,957	- 0.0011	\$/kWh
GS 50 to 4,999 kW	kW	3,932,952	-\$ 1,740,698	- 0.4426	\$/kW
GS 1000 to 4,999 kW (Co-Generation)	kW	43,793	-\$ 9,607	- 0.2194	\$/kW
Standby	kW	154,800	-\$ 35,402	- 0.2287	\$/kW
Large Use >5MW	kW	390,735	-\$ 217,478	- 0.5566	\$/kW
Street Light	kW	67,093	-\$ 25,684	- 0.3828	\$/kW
Sentinel	kW	2,114	-\$ 843	- 0.3989	\$/kW
Unmetered Scattered Load	kWh	4,932,393	-\$ 5,432	- 0.0011	\$/kWh
Total			-\$ 3,677,394		

10. GREEN ENERGY ACT PLAN

10.1 Is London Hydro's Green Energy Act Plan, including the Smart Grid component of the plan appropriate?

Status:	Complete Settlement
Supporting Parties:	London Hydro, Energy Probe, LPMA, SEC, VECC
Evidence:	Application: Exhibit 2 OEB IR # 10-14 VECC IR# 32

For the purposes of settlement, the Parties accept London Hydro's basic Green Energy Act Plan as set out in London Hydro's original Application.

The 2013 Cost of Service Rate Application has not applied for any rate riders, for the recovery of capital expenditures, or OM&A costs relating to the Green Energy Act. London Hydro will use the appropriate deferral accounts relating to the Green Energy related investments /costs in 2014 and will seek recovery through a prudence review of costs at a future date.

Appendix A –Significant Changes per Settlement

	Initial Application	Per Settlement	Difference
<u>Rate Base</u>			
Gross Fixed Assets (average)	\$421,406,711	\$420,500,789	(\$905,922)
Accumulated Depreciation (average)	-\$194,026,004	-\$193,945,654	\$80,350
<u>Allowance for Working Capital:</u>			
Controllable Expenses	\$33,844,562	\$32,978,000	(\$866,562)
Cost of Power	\$335,766,210	\$334,431,790	(\$1,334,420)
Working Capital Rate (%)	11.42%	11.42%	0.00%
<u>Utility Income</u>			
Operating Revenues:			
Distribution Revenue at Current Rates	\$59,355,023	\$59,533,014	\$177,991
Distribution Revenue at Proposed R	\$65,770,371	\$62,675,466	(\$3,094,906)
<u>Other Revenue:</u>			
Specific Service Charges	\$2,264,982	\$2,517,567	\$252,585
Late Payment Charges	\$1,133,000	\$1,133,000	\$ -
Other Distribution Revenue			\$ -
Other Income and Deductions			\$ -
Total Revenue Offsets	\$3,397,982	\$3,650,567	\$252,585
<u>Operating Expenses:</u>			
OM+A Expenses	\$33,844,562	\$32,978,000	(\$866,562)
Depreciation/Amortization	\$15,788,219	\$15,756,350	(\$31,869)
Property taxes			
<u>Taxes/PILs</u>			
Taxable Income:			
Adjustments required to arrive at taxable income	-\$6,496,114	-\$6,675,505	(\$179,391)
<u>Utility Income Taxes and Rates:</u>			
Income taxes (not grossed up)	\$696,658	\$602,407	(\$94,250)
Income taxes (grossed up)	\$934,484	\$808,078	(\$126,406)
Federal tax (%)	15.00%	15.00%	0.00%
Provincial tax (%)	10.45%	10.45%	0.00%
Income Tax Credits	-\$153,297	-\$153,297	\$ -
<u>Capitalization/Cost of Capital</u>			
<u>Capital Structure:</u>			
Long-term debt Capitalization Ratio	56.00%	56.00%	0.00%
Short-term debt Capitalization Ratic	4.00%	4.00%	0.00%
Common Equity Capitalization Ratio	40.00%	40.00%	0.00%
Preferred Shares Capitalization Ratic	0.00%	0.00%	0.00%
	100.00%	100.00%	0.00%
<u>Cost of Capital</u>			
Long-term debt Cost Rate (%)	5.58%	4.58%	-1.00%
Short-term debt Cost Rate (%)	2.08%	2.07%	-0.01%
Common Equity Cost Rate (%)	9.12%	8.98%	-0.14%
Preferred Shares Cost Rate (%)	0.00%	0.00%	0.00%
Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS (\$)	\$117,981	\$29,447	(\$88,534)

Appendix A (Continued): Summary of Significant Changes

Settlement Offer Item	Regulated Return on Capital	Regulated Return of Return	Rate Base	Working Capital Capital %	Working Capital Allowance	Amortization Before 1575 Adjustment	PP&E 1575 Adjustment	PILS	OM&A *	Service Revenue Requirement	Other Revenue	Base Revenue Requirement	Difference in Gross Revenue Def/ Sur	Reference
Original Application	\$ 18,483,108	6.86%	\$ 269,590,257	11.42%	\$ 42,209,550	\$ 15,788,219	\$ 117,981	\$ 934,484	\$ 33,844,562	\$ 69,168,354	\$ 3,397,982	\$ 65,770,372		
Water Billing Services recovery adjusted from \$3,950,000 to corrected amount of \$3,750,000	1,567	6.86%	22,840	11.42%	22,840				\$ 200,000	201,567		\$201,567	\$201,567	RIRW - London Hydro Adjustment -
(A) Adjust interest rate charged to non-regulated business (solar generation)	(\$611)	6.86%	(\$8,908)	11.42%	(\$8,907)				(\$78,000)	(\$78,611)		(\$78,611)	(\$78,611)	SEC #30 Affiliate Debt Interest on non-distribution business
Requested Adjustments by OEB for Treatment of PP&E Deferral Account 1575	(\$32,374)	6.86%	(\$471,921)			117,981	(\$85,891)			(\$85,891)		(\$85,891)	(\$85,891)	Requested OEB charges as to recording 1575 Difference CGAAP and IFRS PP&E Account
Cost of Capital Parameters changed to agree OEB notice for deemed (issued February 14, 2013)	\$ (151,772)	6.80%								\$ (151,772)		(\$151,772)	(\$151,772)	Cost of Capital Parameter Update
PILS Adjustment								(\$60,165)		(\$60,165)		(\$60,165)	(\$60,165)	
Revised to Interrogatories	\$ 18,299,918	6.80%	\$ 269,132,268		\$ 42,223,483	\$ 15,906,200	\$ 32,090	\$ 874,320	\$ 33,966,562	\$ 69,079,090	\$ 3,397,982	\$ 65,681,108	(\$88,981)	
(A) Reverse above recording to "Adjust interest rate charged to non-regulated business (solar generation)	\$611	6.86%	\$8,908	11.42%	\$8,907				\$78,000	\$78,611		\$78,611	\$78,611	Reverse above Entry -SEC #30 Affiliate Debt Interest on non-distribution business
(A) Apply to Correct Other Revenue Account - "Adjust interest rate charged to non-regulated business (solar generation)"										\$78,000		(\$78,000)	(\$78,000)	Reverse above Entry -SEC #30 Affiliate Debt Interest on non-distribution business
Revised to Interrogatories (After Corrections)	\$ 18,300,530		\$ 269,141,176		\$ 42,232,390	\$ 15,906,200	\$ 32,090	\$ 874,320	\$ 34,044,562	\$ 69,157,701	\$ 3,475,982	\$ 65,681,719	-\$ 88,370	
Rate Base: Change Load Forecast and Cost of Power Supply, Ontario Uniform Transmission Rates	(\$9,509)	6.24%	(\$152,391)	11.42%	(\$152,391)					(\$9,509)		(\$9,509)	(\$9,509)	Adjust Load Forecast, Ontario Uniform Transmission Rates (EB-2012-003) and RPP Supply Cost
Exhibit #4 Contributed Capital Adjustment to \$2.7 million from \$1.8 million	(\$27,082)	6.24%	(\$434,000)							(\$27,082)		(\$27,082)	(\$27,082)	Settlement Offer -VECC #48 Contributed Capital Adjustment
Exhibit #4 Contributed Capital Adjustment to \$2.7 million from \$1.8 million (Amortization Adjustment)	\$677	6.24%	\$10,850	11.42%		(\$10,850)				(\$10,173)		(\$10,173)	(\$10,173)	Settlement Offer -VECC #48 Contributed Capital Adjustment
Adjustment of Total OM&A to \$32.9 million from Application \$33,966,562	(\$7,600)	6.24%	(\$121,801)	11.42%	(\$121,801)				(\$1,066,562)	(\$1,074,162)		(\$1,074,162)	(\$1,074,162)	Settlement Offer -LMPA #30 Depreciation difference Adjustment
Depreciation Reduction Difference in-service to half-year rule recordings COS 2009 and 2013	\$4,337	6.24%	\$69,500			(\$139,000)				(\$134,663)		(\$134,663)	(\$134,663)	Settlement Offer
Cost of Capital : Adjustment to Long-term Debt Rate to 4.58% from 5.58%	(\$1,507,195)	6.24%								(\$1,507,195)		(\$1,507,195)	(\$1,507,195)	Settlement Offer
PP&E Deferral Adjustment to Forecast							(\$2,643)			(\$2,643)		(\$2,643)	(\$2,643)	Settlement Offer
Other Revenue: Gain on Disposal of Capital Assets -no shared											\$64,000	(\$64,000)	(\$64,000)	Settlement Offer
Interest on Non-distribution Business adjustment (Renewable Generation) to 4.12% from 3%											\$45,585	(\$45,585)	(\$45,585)	Settlement Offer
Adjust Interest Income on Bank Balances											\$65,000	(\$65,000)	(\$65,000)	Settlement Offer
Change in Difference Revenue at Existing Revenues													(\$177,992)	
Rounding Difference													(\$283)	
PILS Adjustment								(\$66,242)		(\$66,242)		(\$66,242)	(\$66,242)	
Revised to Settlement Proposal	\$ 16,754,157		\$ 268,513,333		\$ 41,958,198	\$ 15,756,350	\$ 29,447	\$ 808,078	\$ 32,978,000	\$ 66,326,033	\$ 3,650,567	\$ 62,675,465	-\$ 3,272,899	

* \$78,000 to permit correction of interest on renewable generation business, require adjust Other Revenue, correct OM&A

Appendix B – Continuity Tables& Transitional PP&E Amounts

CAPITAL ASSETS CONTINUITY SCHEDULE
DECEMBER 31, 2013 (MIFRS)
(OEB APPENDIX ITEM 2-B)

				Cost				Accumulated Depreciation				Net Book Value
OEB		Current	Deprec	Balance		Adjustments /	Balance	Balance		Adjustments /	Balance	31-Dec
Object	Description	CCA Class	Rate (Yrs)	31/12/2012	Additions	Disposals	31/12/2013	31/12/2012	Provision	Disposals	31/12/2013	2013
1805	Land	n/a	n/a	385,690			385,690	-			-	385,690
1612	Land Rights	n/a	25	322,234			322,234	163,575	15,009		178,584	143,650
1808	Buildings (Substations & Gagen)	47	30-75	1,203,336	75,000		1,278,336	702,864	12,592		715,456	562,880
1820	Equipment (Substations)	47	15-45	15,277,786	168,600		15,446,386	6,293,857	267,507		6,561,364	8,885,022
1610	Intangible Wholesale Meters	CEC	30	1,293,150	-		1,293,150	164,776	43,055		207,831	1,085,319
1830	Poles, Towers & Fixtures	47	45	39,466,930	2,823,800	(797,263)	41,493,467	19,366,333	594,985	(797,263)	19,164,055	22,329,412
1835	OH Conductors & Devices	47	45-50	52,816,943	3,692,600	(829,804)	55,679,739	20,565,014	822,496	(829,804)	20,557,706	35,122,033
1840	UG Conduit	47	25-30	33,513,552	2,084,200	(278,304)	35,319,448	9,312,823	503,296	(278,304)	9,537,815	25,781,633
1845	UG Conductors & Devices	47	30-60	110,747,019	4,009,500	(5,232,554)	109,523,965	62,572,089	3,383,304	(5,232,554)	60,722,839	48,801,126
1850	Transformers	47	15-35	74,927,416	4,733,400	(2,415,478)	77,245,338	29,217,302	1,786,062	(2,415,478)	28,587,886	48,657,452
1855	Services	47	30-60	21,194,415	1,186,600		22,381,015	7,783,648	423,138		8,206,786	14,174,229
1860	Electric Meters	8	15-30	24,815,667	741,200	(238,319)	25,318,548	7,022,919	1,384,699	(238,319)	8,169,299	17,149,253
1908	Buildings (General Plant Area)	1	12-65	23,174,979	575,000		23,749,979	11,607,325	832,892		12,440,217	11,309,762
1915	General Office	8	5	1,080,029	80,000	(237,722)	922,307	714,038	156,331	(237,722)	632,647	289,660
1920	Computer Equipment - Hardware	50	3	2,664,219	480,000	(504,125)	2,640,094	1,878,446	510,931	(504,125)	1,885,252	754,842
1611	Computer Software	12	3-5	25,307,892	5,520,000	(526,224)	30,301,668	11,562,937	5,356,665	(526,224)	16,393,378	13,908,290
1930	Transportation	10 & 38	8-12	10,866,358	1,300,000	(563,723)	11,602,635	6,285,958	614,032	(563,317)	6,336,673	5,265,962
1935	Stores Department	8	8	280,898	5,000	(19,122)	266,776	257,118	8,118	(19,122)	246,114	20,662
1940	Tools, Shop, Garage Equipment	8	8	1,296,482	130,000	(222,330)	1,204,152	732,576	139,334	(163,138)	708,772	495,380
1945	Meter Department	8	8	136,864	20,000		156,864	42,866	14,809	(59,192)	(1,517)	158,381
1950	Power Operated (Major) Equipment	38	8	1,104,137	110,000		1,214,137	514,010	112,741		626,751	587,386
1955	Communication Equipment	8	15-35	3,788,534			3,788,534	678,058	230,598		908,656	2,879,878
1960	Miscellaneous	8	10	-			-	-			-	-
1980	System Supervisory Equip (Scada)	47	10-20	3,349,112	118,500	(167,389)	3,300,223	2,083,048	120,557	(167,389)	2,036,216	1,264,007
1995	Contributed Capital	47	40	(35,073,374)	(2,700,000)		(37,773,374)	(7,737,364)	(828,474)		(8,565,838)	(29,207,536)
	Total before Work In Progress			413,940,268	25,153,400	(12,032,357)	427,061,311	191,784,216	16,504,677	(12,031,951)	196,256,942	230,804,373
2055	Work in progress			10,617,840	-		10,617,840				-	10,617,840
	Total After Work In Progress			424,558,108	25,153,400	(12,032,357)	437,679,151	191,784,216	16,504,677	(12,031,951)	196,256,942	241,422,213
1675	Renewable Generation	43.2	20	3,785,237	1,060,000		4,845,237	149,639	215,568		365,207	4,480,030
	Total London Hydro Inc			428,343,345	26,213,400	(12,032,357)	442,524,388	191,933,855	16,720,245	(12,031,951)	196,622,149	245,902,243

Work in progress	-	(10,617,840)
LH renewable generation	(215,568)	(4,480,030)
Fully allocated vehicle depreciation	(726,773)	
Amortization of 1575 IFRS-GAAP PP&E Transitional Amounts	117,981	
Settlement Offer Depreciation Reduction \$139,000	(139,000)	139,000
Rounding	(535)	(4)
	<u>15,756,350</u>	<u>230,943,369</u>

Appendix B – Continuity Tables & Transitional PP&E Amounts-Continued

Appendix 2-EB IFRS-CGAAP Transitional PP&E Amounts 2013 Adopters of IFRS for Financial Reporting Purposes

For applicants that adopt IFRS on **January 1, 2013** for financial reporting purposes

Note: this sheet should be filled out if the applicant adopts IFRS for its financial reporting purpose as of January 1, 2013.

Reporting Basis Forecast vs. Actual Used in Rebasing Year	2009 Rebasing Year				2013 Rebasing Year			
	CGAAP	IRM	IRM	IRM	MIFRS	IRM	IRM	IRM
	Forecast	Actual	Actual	Forecast	Forecast			
			\$	\$	\$	\$	\$	\$
PP&E Values under CGAAP								
Opening net PP&E - Note 1				215,885,605				
Additions				27,244,000				
Depreciation (amounts should be negative)				-20,500,828				
Net book value of disposals				-800				
Closing net PP&E (1)				222,627,977				

PP&E Values under MIFRS (Starts from 2012, the transition year)

Opening net PP&E - Note 1				215,885,605				
Additions				26,559,300				
Depreciation (amounts should be negative)				-20,287,927				
Net book value of disposals				-923				
Closing net PP&E (2)				222,156,055				

Difference in Closing net PP&E, CGAAP vs. MIFRS (Shown as adjustment to rate base on rebasing)

				471,922				
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Account 1575 - IFRS-CGAAP Transitional PP&E Amounts

Opening balance				-	471,922	353,942	235,961	117,981
Amounts added in the year				471,922				
Sub-total				471,922	471,922	353,942	235,961	117,981
Amount of amortization, included in depreciation expense - Note 2					(117,981)	(117,981)	(117,981)	(117,981)
Closing balance in deferral account				471,922	353,942	235,961	117,981	-

Effect on Revenue Requirement

Amortization of deferred balance as above - Note 2	117,981
Return on Rate Base Associated with deferred PP&E balance at WACC - Note 3	29,447
Amount included in Revenue Requirement on rebasing	147,428

WACC
Disposition
Period - Note
4
6.24%
4

Appendix C – Cost of Power Calculation (Updated)

<u>2013 Load Forecast</u>	kWh	kW	2011 %RPP
Residential	1,085,576,654		87%
General Service < 50 kW	398,880,653		83%
General Service 50 to 4,999 kW	1,570,040,805	3,932,952	12%
GS 1000 to 4,999 kW (Co-Generation)	40,595,514	198,593	0%
Large Use >5MW	196,152,208	390,735	0%
Street Lighting	23,918,927	67,093	0%
Sentinel Lighting	775,203	2,114	95%
Unmetered Scattered Load	4,932,393		99%
TOTAL	3,320,872,357	4,591,487	

<u>Electricity - Commodity RPP</u>	2013 Forecasted	2013 Loss			
Class per Load Forecast RPP	Metered kWhs	Factor	2013		
Residential	944,916,675	1.0350	977,988,758	\$0.07932	\$77,574,068
General Service < 50 kW	332,970,464	1.0350	344,624,430	\$0.07932	\$27,335,610
General Service 50 to 4,999 kW	189,974,731	1.0350	196,623,846	\$0.07932	\$15,596,203
GS 1000 to 4,999 kW (Co-Generation)	0	1.0136	0	\$0.07932	\$0
Large Use >5MW	0	1.0136	0	\$0.07932	\$0
Street Lighting	0	1.0350	0	\$0.07932	\$0
Sentinel Lighting	737,939	1.0350	763,767	\$0.07932	\$60,582
Unmetered Scattered Load	4,891,272	1.0350	5,062,466	\$0.07932	\$401,555
TOTAL	1,473,491,080		1,525,063,268		\$120,968,018

<u>Electricity - Commodity Non-RPP</u>	2013 Forecasted	2013 Loss			
Class per Load Forecast	Metered kWhs	Factor	2013		
Residential	140,659,979	1.0350	145,583,079	\$0.08001	\$11,648,102
General Service < 50 kW	65,910,189	1.0350	68,217,046	\$0.08001	\$5,458,046
General Service 50 to 4,999 kW	1,380,066,074	1.0350	1,428,368,387	\$0.08001	\$114,283,755
GS 1000 to 4,999 kW (Co-Generation)	40,595,514	1.0136	41,147,613	\$0.08001	\$3,292,221
Large Use >5MW	196,152,208	1.0136	198,819,878	\$0.08001	\$15,907,578
Street Lighting	23,918,927	1.0350	24,756,089	\$0.08001	\$1,980,735
Sentinel Lighting	37,264	1.0350	38,568	\$0.08001	\$3,086
Unmetered Scattered Load	41,121	1.0350	42,561	\$0.08001	\$3,405
TOTAL	1,847,381,277		1,906,973,220		\$152,576,927

Appendix C – Cost of Power Calculation (Updated) – Cont’d

<u>Transmission - Network</u>		Volume			
Class per Load Forecast		Metric		2013	
Residential		kWh	1,123,571,837	\$0.0071	\$7,977,360
General Service < 50 kW		kWh	412,841,476	\$0.0066	\$2,724,754
General Service 50 to 4,999 kW Non-Interval	31%	kW	1,233,585	\$2.3256	\$2,868,825
General Service 50 to 4,999 Kw Interval	69%	kW	2,699,367	\$2.9823	\$8,050,322
GS 1000 to 4,999 kW (Co-Generation)		kW	198,593	\$3.4428	\$683,716
Large Use >5MW		kW	390,735	\$3.0549	\$1,193,656
Street Lighting		kW	67,093	\$2.0477	\$137,386
Sentinel Lighting		kW	2,114	\$2.0505	\$4,335
Unmetered Scattered Load		kWh	5,105,027	\$0.0066	\$33,693
TOTAL					\$23,674,048

<u>Transmission - Connection</u>		Volume			
Class per Load Forecast		Metric		2013	
Residential		kWh	1,123,571,837	\$0.0053	\$5,954,931
General Service < 50 kW		kWh	412,841,476	\$0.0046	\$1,899,071
General Service 50 to 4,999 kW Non-Interval	31%	kW	1,222,738	\$1.7153	\$2,097,362
General Service 50 to 4,999 Kw Interval	69%	kW	2,710,214	\$2.3902	\$6,477,954
GS 1000 to 4,999 kW (Co-Generation)		kW	198,593	\$2.5284	\$502,123
Large Use >5MW		kW	390,735	\$2.3902	\$933,935
Street Lighting		kW	67,093	\$1.5104	\$101,337
Sentinel Lighting		kW	2,114	\$1.5123	\$3,197
Unmetered Scattered Load		kWh	5,105,027	\$0.0046	\$23,483
TOTAL					\$17,993,392

Appendix C – Cost of Power Calculation (Updated) – Cont'd

<u>Wholesale Market Service</u>					
Class per Load Forecast			2013		
Residential			1,123,571,837	\$0.0044	\$4,943,716
General Service < 50 kW			412,841,476	\$0.0044	\$1,816,502
General Service 50 to 4,999 kW			1,624,992,233	\$0.0044	\$7,149,966
GS 1,000 to 4,999 kW (Co-Generation)			41,147,613	\$0.0044	\$181,049
Large Use >5MW			198,819,878	\$0.0044	\$874,807
Street Lighting			24,756,089	\$0.0044	\$108,927
Sentinel Lighting			802,335	\$0.0044	\$3,530
Unmetered Scattered Load			5,105,027	\$0.0044	\$22,462
TOTAL			3,432,036,488		\$15,100,961

<u>Rural Rate Assistance</u>					
Class per Load Forecast			2013		
Residential			1,123,571,837	\$0.0012	\$1,348,286
General Service < 50 kW			412,841,476	\$0.0012	\$495,410
General Service 50 to 4,999 kW			1,624,992,233	\$0.0012	\$1,949,991
GS 1,000 to 4,999 kW (Co-Generation)			41,147,613	\$0.0012	\$49,377
Large Use >5MW			198,819,878	\$0.0012	\$238,584
Street Lighting			24,756,089	\$0.0012	\$29,707
Sentinel Lighting			802,335	\$0.0012	\$963
Unmetered Scattered Load			5,105,027	\$0.0012	\$6,126
TOTAL			3,432,036,488		\$4,118,444

2013	
4705-Power Purchased	\$273,544,945
4708-Charges-WMS	\$15,100,961
4714-Charges-NW	\$23,674,048
4716-Charges-CN	\$17,993,392
4730-Rural Rate Assistance	\$4,118,444
TOTAL	334,431,790

Appendix D – 2013 Customer Load Forecast (Updated)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Weather Normal	2013 Weather Normal
Billed kWh	3,132,889,001	3,243,113,573	3,254,806,464	3,426,780,716	3,365,222,318	3,381,491,928	3,328,131,646	3,146,740,539	3,376,757,921	3,317,143,763	3,291,444,832	3,320,872,357
By Class												
Residential												
Customers	113,470	121,195	122,755	124,049	125,906	128,164	130,185	129,058	134,971	134,465	136,223	138,061
kWh	1,060,826,752	1,078,508,621	1,065,226,685	1,146,316,520	1,102,286,735	1,117,323,408	1,119,734,780	1,067,772,436	1,146,523,466	1,128,904,736	1,096,759,687	1,085,576,654
General Service< 50 kW												
Customers	11,280	11,824	11,835	11,853	11,839	11,918	12,034	11,762	12,116	11,941	11,955	12,111
kWh	421,641,597	420,484,521	410,477,646	427,213,952	412,253,883	418,300,883	418,578,992	392,520,439	407,650,011	408,115,902	397,482,419	398,880,653
General Service> 50 kW												
Customers	1,318	1,465	1,545	1,555	1,576	1,595	1,590	1,601	1,644	1,620	1,641	1,661
kWh	1,391,141,681	1,473,981,610	1,504,076,823	1,563,493,700	1,562,688,435	1,576,769,899	1,535,115,192	1,429,152,233	1,551,605,457	1,518,546,599	1,532,915,361	1,570,040,805
KW	3,492,609	3,703,095	3,730,755	3,856,524	3,870,802	3,944,920	3,859,956	3,693,915	3,944,476	3,818,722	3,839,953	3,932,952
Large User												
Customers	3	3	3	3	3	3	3	3	3	3	3	3
kWh	211,824,530	211,728,543	220,004,004	230,359,614	227,256,544	203,124,930	185,165,941	184,904,626	195,126,020	193,549,148	194,507,895	196,152,208
KW	376,832	409,593	425,269	435,548	438,386	421,485	395,529	392,524	402,894	409,088	387,460	390,735
Cogeneration												
Connections	4	4	4	3	3	3	3	3	3	3	3	3
kWh	18,569,518	26,855,630	23,229,134	28,267,976	30,875,410	37,213,732	39,755,988	42,590,885	45,965,216	37,918,668	39,876,687	40,595,514
KW	171,049	185,848	168,537	186,551	187,536	203,743	188,224	192,861	191,105	202,844	195,077	198,593
Streetlights												
Connections	27,593	30,537	31,197	31,602	32,249	32,971	33,173	33,500	33,751	34,061	34,530	34,842
kWh	20,812,594	21,530,137	22,034,744	22,014,229	22,656,102	23,071,309	23,270,767	23,394,430	23,532,529	23,650,724	23,798,452	23,918,927
KW	54,787	60,395	61,623	62,274	63,546	64,717	65,068	65,643	66,009	66,345	66,755	67,093
Sentinel Lights												
Connections	783	822	797	790	765	759	746	730	727	707	694	674
kWh	911,545	963,265	913,391	904,237	876,800	872,679	862,739	836,233	831,089	812,572	796,274	775,203
KW	2,517	2,614	2,477	2,455	2,349	2,369	2,335	2,278	2,280	2,203	2,171	2,114
Unmetered Loads												
Connections	1,247	1,608	1,526	1,409	1,780	1,429	1,513	1,521	1,484	1,557	1,550	1,521
kWh	7,160,784	9,061,246	8,844,037	8,210,489	6,328,409	4,815,088	5,647,248	5,569,256	5,524,132	5,645,414	5,308,058	4,932,393
Total of Above												
Customer/Connections	155,699	167,458	169,662	171,264	174,120	176,842	179,247	178,177	184,699	184,357	186,599	188,875
kWh	3,132,889,001	3,243,113,573	3,254,806,464	3,426,780,716	3,365,222,318	3,381,491,928	3,328,131,646	3,146,740,539	3,376,757,921	3,317,143,763	3,291,444,832	3,320,872,357
KW from applicable classes	4,097,595	4,361,545	4,388,662	4,543,351	4,562,619	4,637,235	4,511,112	4,347,021	4,606,743	4,499,203	4,491,416	4,591,487
Total from Model												
Customer/Connections	155,699	167,458	169,662	171,264	174,120	176,842	179,247	178,177	184,699	184,357	186,599	188,875
kWh	3,132,889,001	3,243,113,573	3,254,806,464	3,426,780,716	3,365,222,318	3,381,491,928	3,328,131,646	3,146,740,539	3,376,757,921	3,317,143,763	3,291,444,832	3,320,872,357
KW from applicable classes	4,097,595	4,361,545	4,388,662	4,543,351	4,562,619	4,637,235	4,511,112	4,347,021	4,606,743	4,499,203	4,491,416	4,591,487

Appendix E – 2013 Other Revenue (Updated)

USoA #	USoA Description	Initial Application	Interrogatory Responses	Settlement Offer	Settlement Offer
4235	Specific Service Charges	\$ 839,000	\$ -	\$ -	\$ 839,000
4225	Late Payment Charges	\$ 1,133,000	\$ -	\$ -	\$ 1,133,000
4082	Retail Services Revenues	\$ 155,000	\$ -	\$ -	\$ 155,000
4080	Distribution Services Revenue - SSS Admin Fee	\$ 405,000	\$ -	\$ -	\$ 405,000
4080	Distribution Services Revenue - microFit Fee	\$ 7,900	\$ -	\$ -	\$ 7,900
4084	Service Transaction Requests (STR) Revenues	\$ 8,000	\$ -	\$ -	\$ 8,000
4210	Rent from Electric Property	\$ 466,000	\$ -	\$ -	\$ 466,000
4330	Costs and Expenses of Merchandising, Jobbing, Etc.	\$ 2,763	\$ -	\$ -	\$ 2,763
4355	Gain on Disposition of Utility and Other Property	\$ 64,000	\$ -	\$ 64,000	\$ 128,000
4390	Miscellaneous Non-Operating Income	\$ 216,575	\$ -	\$ -	\$ 216,575
4405	Interest and Dividend Income	\$ 100,744	\$ 78,000	\$ 110,585	\$ 289,329
	Specific Service Charges	\$ 839,000	\$ -	\$ -	\$ 839,000
	Late Payment Charges	\$ 1,133,000	\$ -	\$ -	\$ 1,133,000
	Other Operating Revenues	\$ 1,041,900	\$ -	\$ -	\$ 1,041,900
	Other Income or Deductions	\$ 384,082	\$ 78,000	\$ 174,585	\$ 636,667
	Total	\$ 3,397,982	\$ 78,000	\$ 174,585	\$ 3,650,567

Appendix F – 2013 PILS (Updated)

PILs Tax Provision - Test Year

					Wires Only	
Regulatory Taxable Income					\$ 2,986,446	A
Ontario Income Taxes						
Income tax payable	Ontario Income Tax	11.50%	B	\$ 343,441	C = A * B	
Small business credit	Ontario Small Business Threshold	\$ 500,000	D			
	Rate reduction	-7.00%	E	-\$ 35,000	F = D * E	
Ontario Income tax					\$ 308,441	J = C + F
Combined Tax Rate and PILs						
	Effective Ontario Tax Rate	10.33%	K = J / A			
	Federal tax rate	15.00%	L			
	Combined tax rate			25.33%	M = K + L	
Total Income Taxes					\$ 756,408	N = A * M
	Investment Tax Credits			\$ 105,000	O	
	Miscellaneous Tax Credits			\$ 48,000	P	
Total Tax Credits					\$ 153,000	Q = O + P
Corporate PILs/Income Tax Provision for Test Year					\$ 603,408	R = N - Q
Corporate PILs/Income Tax Provision Gross Up ¹					74.67%	S = 1 - M
Income Tax (grossed-up)					\$ 808,078	U = R + T

Appendix G – 2013 Cost of Capital (Updated)

			Year	2013	Test Year					
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%)	Interest (\$) (Note 1)	
1	Promissory Note	City of London	Affiliated	Fixed Rate	30-Sep-09	6	\$ 70,000,000	4.83%	\$ 3,377,500.00	Note 2
2	Smart Meter Loan	Royal Bank	Third-Party	Fixed Rate	21-Jun-12	7.5	\$ 13,042,000	3.33%	\$ 434,298.60	
3									\$ -	
Total							\$ 83,042,000	4.58%	\$ 3,811,798.60	
Note 1 - Interest \$ is calculated simply as the ending principal balance * the rate. As a result, the interest dollars may differ from the actual interest paid during the year.										
Note 2 Promissory Note revised interest rate										
						Settlement				
	Promissory Note	City of London	Affiliated	Fixed Rate	30-Sep-09	1.5	70,000,000	6%	6,300,000	
	Promissory Note	City of London	Affiliated	Fixed Rate	30-Sep-09	2.5	70,000,000	4.12%	7,210,000	
				Total Interest		4			13,510,000	
				Average Interest					3,377,500	
				Average Interest Rate					4.83%	

Capital Structure and Cost of Capital (Updated)

Particulars	Capitalization Ratio		Cost Rate	Return
	Initial Application			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$150,970,544	5.58%	\$8,424,156
Short-term Debt	4.00%	\$10,783,610	2.08%	\$224,299
Total Debt	60.00%	\$161,754,154	5.35%	\$8,648,455
Equity				
Common Equity	40.00%	\$107,836,103	9.12%	\$9,834,653
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$107,836,103	9.12%	\$9,834,653
Total	100.00%	\$269,590,257	6.86%	\$18,483,108
	Interrogatory Responses			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$150,714,070	5.58%	\$8,409,845
Short-term Debt	4.00%	\$10,765,291	2.07%	\$222,842
Total Debt	60.00%	\$161,479,361	5.35%	\$8,632,687
Equity				
Common Equity	40.00%	\$107,652,907	8.98%	\$9,667,231
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$107,652,907	8.98%	\$9,667,231
Total	100.00%	\$269,132,268	6.80%	\$18,299,918
	Settlement Agreement			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$150,367,467	4.58%	\$6,886,830
Short-term Debt	4.00%	\$10,740,533	2.07%	\$222,329
Total Debt	60.00%	\$161,108,000	4.41%	\$7,109,159
Equity				
Common Equity	40.00%	\$107,405,333	8.98%	\$9,644,999
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$107,405,333	8.98%	\$9,644,999
Total	100.00%	\$268,513,333	6.24%	\$16,754,158

Appendix H – 2013 Revenue Deficiency (Updated)

Particulars	Original Application		Interrogatory Responses		Settlement Agreement	
	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$6,414,951		\$6,326,696		\$3,142,451
Distribution Revenue	\$59,355,023	\$59,355,420	\$59,355,023	\$59,355,023	\$59,533,014	\$59,532,899
Other	\$3,397,982	\$3,397,982	\$3,397,982	\$3,397,982	\$3,650,567	\$3,650,567
Total Revenue	\$62,753,005	\$69,168,353	\$62,753,005	\$69,157,701	\$63,183,581	\$66,325,917
Operating Expenses	\$49,632,781	\$49,632,781	\$49,872,762	\$49,872,762	\$48,734,350	\$48,734,350
Deemed Interest Expense	\$8,648,455	\$8,648,455	\$8,632,687	\$8,632,687	\$7,109,159	\$7,109,159
to Return on	\$117,981	\$117,981	\$32,090	\$32,090	\$29,447	\$29,447
Total Cost and Expenses	\$58,399,217	\$58,399,217	\$58,537,539	\$58,537,539	\$55,872,956	\$55,872,956
Income	\$4,353,787	\$10,769,136	\$4,215,466	\$10,541,552	\$7,310,625	\$10,453,077
Adjustments	(\$6,496,114)	(\$6,496,114)	(\$6,496,114)	(\$6,496,114)	(\$6,675,505)	(\$6,675,505)
Taxable Income	(\$2,142,327)	\$4,273,022	(\$2,280,648)	\$4,045,438	\$635,120	\$3,777,572
Income Tax Rate	25.45%	25.45%	25.45%	25.45%	25.45%	25.45%
on Taxable	(\$545,222)	\$1,087,484	(\$580,466)	\$1,029,638	\$161,649	\$861,461
Income Tax Credits	(\$153,297)	(\$153,297)	(\$153,297)	(\$153,297)	(\$153,297)	(\$153,297)
Utility Net Income	\$5,052,306	\$9,834,652	\$4,949,230	\$9,667,232	\$7,302,272	\$9,644,999
Utility Rate Base	\$269,590,257	\$269,590,257	\$269,132,268	\$269,132,268	\$268,513,333	\$268,513,333
Equity	\$107,836,103	\$107,836,103	\$107,652,907	\$107,652,907	\$107,405,333	\$107,405,333
Income/(Eq	4.69%	9.12%	4.60%	8.98%	6.80%	8.98%
Target	9.12%	9.12%	8.98%	8.98%	8.98%	8.98%
Deficiency/S	-4.43%	0.00%	-4.38%	0.00%	-2.18%	0.00%
Indicated Rate of Return	5.08%	6.86%	5.05%	6.80%	5.37%	6.24%
Requested	6.86%	6.86%	6.80%	6.80%	6.24%	6.24%
Deficiency/S	-1.77%	0.00%	-1.75%	0.00%	-0.87%	0.00%
Target Return on Equity	\$9,834,653	\$9,834,653	\$9,667,231	\$9,667,231	\$9,644,999	\$9,644,999
Revenue Deficiency/(Sufficiency)	\$4,782,346	(\$0)	\$4,718,001	\$1	\$2,342,727	\$0
Revenue	\$6,414,349	(1)	\$6,326,696	(1)	\$3,142,451	

Appendix I – Proposed 2013 Schedule of Rates and Charges (Updated)

Please refer to document filed as:

London Hydro_Appendix_I_2013 Draft Rate Order Tariff and Charges_Updated_20130327

Document has been filed separately to facilitate Board staff in preparations for review and submission to the Board.

Appendix J - Updated Customer Impact – Residential (Updated)

[illegible]

Appendix J - Updated Customer Impact - General Service < 50 kW (Updated)

Customer Class:		General Service Less Than 50 kW									
		Consumption	2000	kWh	<input type="radio"/> May 1 - October 31		<input type="radio"/> November 1 - April 30 (Select this radio button for applications filed after Oct 31)				
		Charge Unit	Current Board-Approved			Proposed			Impact		
			Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	Monthly	\$ 29.58	1	\$ 29.58	\$ 30.70	1	\$ 30.70	\$ 1.12	3.79%		
			1	\$ -		1	\$ -	\$ -			
			1	\$ -		1	\$ -	\$ -			
Smart Meter Disposition Rider		Monthly	\$ 5.30	1	\$ 5.30	\$ -	1	\$ -	-\$ 5.30	-100.00%	
Smart Meter Incremental Revenue		Monthly	\$ 5.10	1	\$ 5.10	\$ -	1	\$ -	-\$ 5.10	-100.00%	
Stranded Meters Disposition		Monthly		1	\$ -	\$ 3.73	1	\$ 3.73	\$ 3.73		
Distribution Volumetric Rate		per kWh	\$ 0.0092	2000	\$ 18.40	\$ 0.0099	2000	\$ 19.84	\$ 1.44	7.83%	
Tax Change Rate Rider		per kWh	-\$ 0.0002	2000	\$ 0.40	\$ -	2000	\$ -	\$ 0.40	-100.00%	
LRAM Rate Rider (2010/2011)		per kWh	\$ 0.00022	2000	\$ 0.44	\$ 0.00056	2000	\$ 1.11	\$ 0.67	153.23%	
			\$ -	2000	\$ -		2000	\$ -	\$ -		
			2000	\$ -		2000	\$ -	\$ -			
			2000	\$ -		2000	\$ -	\$ -			
			2000	\$ -		2000	\$ -	\$ -			
			2000	\$ -		2000	\$ -	\$ -			
			2000	\$ -		2000	\$ -	\$ -			
			2000	\$ -		2000	\$ -	\$ -			
Sub-Total A				\$ 58.42			\$ 55.39	-\$ 3.03	-5.19%		
Deferral/Variance Account Disposition Rate Rider (2012)	per kWh	-\$ 0.0010	2000	\$ 2.00	-\$ 0.0010	2000	\$ 2.00	\$ -	0.00%		
Deferral/Variance Account Disposition Rate Rider (2013)	per kWh	\$ -	2000	\$ -	-\$ 0.0011	2000	\$ 2.22	-\$ 2.22			
			2000	\$ -		2000	\$ -	\$ -			
RSVA Power Account Disposition Rate Rider (2013)	per kWh	\$ -	2000	\$ -	-\$ 0.0010	2000	\$ 2.08	-\$ 2.08			
			2000	\$ -		2000	\$ -	\$ -			
			2000	\$ -		2000	\$ -	\$ -			
Sub-Total B - Distribution (includes Sub-Total A)				\$ 56.42			\$ 49.09	-\$ 7.33	-13.00%		
RTSR - Network	per kWh	\$ 0.0065	2082	\$ 13.53	\$ 0.0066	2070	\$ 13.65	\$ 0.12	0.90%		
RTSR - Line and Transformation Connection	per kWh	\$ 0.0046	2082	\$ 9.58	\$ 0.0046	2070	\$ 9.51	-\$ 0.06	-0.68%		
Sub-Total C - Delivery (including Sub-Total B)				\$ 79.53			\$ 72.25	-\$ 7.28	-9.15%		
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2082	\$ 10.83	\$ 0.0044	2070	\$ 9.11	-\$ 1.72	-15.86%		
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	2082	\$ 2.29	\$ 0.0012	2070	\$ 2.48	\$ 0.19	8.47%		
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%		
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	0.00%		
Energy - RPP - Tier 1	per kWh	\$ 0.0750	600	\$ 45.00	\$ 0.0750	600	\$ 45.00	\$ -	0.00%		
Energy - RPP - Tier 2	per kWh	\$ 0.0880	1482	\$ 130.40	\$ 0.0880	1482	\$ 130.40	\$ -	0.00%		
TOU - Off Peak	per kWh	\$ 0.0650	1332	\$ 86.60	\$ 0.0650	1332	\$ 86.60	\$ -	0.00%		
TOU - Mid Peak	per kWh	\$ 0.1000	375	\$ 37.47	\$ 0.1000	375	\$ 37.47	\$ -	0.00%		
TOU - On Peak	per kWh	\$ 0.1170	375	\$ 43.84	\$ 0.1170	375	\$ 43.84	\$ -	0.00%		
Total Bill on RPP (before Taxes)				\$ 282.29			\$ 273.49	-\$ 8.80	-3.12%		
HST		13%		\$ 36.70	13%		\$ 35.55	-\$ 1.14	-3.12%		
Total Billi (including HST)				\$ 318.99			\$ 309.04	-\$ 9.95	-3.12%		
Ontario Clean Energy Benefit ¹				-\$ 31.90			-\$ 30.90	\$ 1.00	-3.13%		
Total Bill on RPP (including OCEB)				\$ 287.09			\$ 278.14	-\$ 8.95	-3.12%		
Total Bill on TOU (before Taxes)				\$ 274.81			\$ 266.01	-\$ 8.80	-3.20%		
HST		13%		\$ 35.73	13%		\$ 34.58	-\$ 1.14	-3.20%		
Total Billi (including HST)				\$ 310.54			\$ 300.59	-\$ 9.95	-3.20%		
Ontario Clean Energy Benefit ¹				-\$ 31.05			-\$ 30.06	\$ 0.99	-3.19%		
Total Bill on TOU (including OCEB)				\$ 279.49			\$ 270.53	-\$ 8.96	-3.20%		
Loss Factor			1.0409			1.0350					

Appendix J - Updated Customer Impact - General Service > 50 kW(Updated)

Customer Class:		General Service 50 to 4,999 kW Interval Metered									
		Consumption	2500 kW								
			1095000 kWh								
			Current Board-Approved			Proposed			Impact		
		Charge Unit	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	Rate (\$)	% Change	% Change
Monthly Service Charge		Monthly	\$ 292.71	1	\$ 292.71	\$ 150.00	1	\$ 150.00	-\$ 142.71		-48.75%
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
Distribution Volumetric Rate		per kW	\$ 1.6223	2500	\$ 4,055.75	\$ 2.5038	2500	\$ 6,259.40	\$ 2,203.65		54.33%
Tax Change Rate Rider		per kW	-\$ 0.0362	2500	-\$ 90.50		2500	\$ -	\$ 90.50		-100.00%
LRAM Rate Rider (201/20110)		per kW	\$ 0.00482	2500	\$ 12.05	\$ 0.00300	2500	\$ 7.50	-\$ 4.55		-37.79%
			\$ -	2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
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				2500	\$ -		2500	\$ -	\$ -	</	

Appendix J - Updated Customer Impact - General Service > 50 kW(Updated)

Customer Class:		General Service 50 to 4,999 kW Non-Interval Metered									
		Consumption	2500 1095000	kW kWh	<input type="radio"/> May 1 - October 31		<input type="radio"/> November 1 - April 30 (Select this radio button for applications filed after Oct 31)				
		Charge Unit	Current Board-Approved			Proposed			Impact		
			Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
Monthly Service Charge	Monthly		\$ 292.71	1	\$ 292.71	\$ 150.00	1	\$ 150.00	-\$ 142.71	-48.75%	
	Monthly			1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
				1	\$ -		1	\$ -	\$ -		
Distribution Volumetric Rate	per kW		\$ 1.6223	2500	\$ 4,055.75	\$ 2.5038	2500	\$ 6,259.40	\$ 2,203.65	54.33%	
Tax Change Rate Rider	per kW		-\$ 0.0362	2500	-\$ 90.50		2500	\$ -	\$ 90.50	-100.00%	
LRAM Rate Rider (2010/2011)	per kW		\$ 0.00482	2500	\$ 12.05	\$ 0.0030	2500	\$ 7.50	-\$ 4.55	-37.79%	
			\$ -	2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
				2500	\$ -		2500	\$ -	\$ -		
Sub-Total A					\$ 4,270.01			\$ 6,416.90	\$ 2,146.89	50.28%	
Deferral/Variance Account Disposition Rate Rider (2012)	per kW		-\$ 0.3641	2500	-\$ 910.25	-\$ 0.3641	2500	-\$ 910.25	\$ -	0.00%	
Deferral/Variance Account Disposition Rate Rider (2013)	per kW		\$ -	2500	\$ -	-\$ 0.4426	2500	-\$ 1,106.48	-\$ 1,106.48		
Global Adjustment Sub Account Disposition (2012)	per kW		-\$ 0.1521	2500	-\$ 380.25	-\$ 0.1521	2500	-\$ 380.25	\$ -	0.00%	
RSVA Power Account Disposition Rate Rider (2013)	per kW		\$ -	2500	\$ -	-\$ 0.4161	2500	-\$ 1,040.15	-\$ 1,040.15		
Global Adjustment Sub Account Disposition (2013)	per kW		\$ -	2500	\$ -	\$ 0.5676	2500	\$ 1,418.96	\$ 1,418.96		
							2500	\$ -	\$ -		
Sub-Total B - Distribution (includes Sub-Total A)					\$ 2,979.51			\$ 4,398.73	\$ 1,419.22	47.63%	
RTSR - Network	per kW		\$ 2.2917	2500	\$ 5,729.25	\$ 2.3256	2500	\$ 5,813.96	\$ 84.71	1.48%	
RTSR - Line and Transformation Connection	per kW		\$ 1.7172	2500	\$ 4,293.00	\$ 1.7153	2500	\$ 4,288.17	-\$ 4.83	-0.11%	
Sub-Total C - Delivery (including Sub-Total B)					\$ 13,001.76			\$ 14,500.86	\$ 1,499.10	11.53%	
Wholesale Market Service Charge (WMSC)	per kWh		\$ 0.0052	1139786	\$ 5,926.88	\$ 0.0044	1133325	\$ 4,986.63	-\$ 940.25	-15.86%	
Rural and Remote Rate Protection (RRRP)	per kWh		\$ 0.0011	1139786	\$ 1,253.76	\$ 0.0012	1133325	\$ 1,359.99	\$ 106.23	8.47%	
Standard Supply Service Charge	Monthly		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%	
Debt Retirement Charge (DRC)	per kWh		\$ 0.0070	1095000	\$ 7,665.00	\$ 0.0070	1095000	\$ 7,665.00	\$ -	0.00%	
					\$ -			\$ -	\$ -		
Cost of Power	per kWh		\$ 0.0788	1139786	\$ 89,780.90	\$ 0.0788	1133325	\$ 89,272.01	-\$ 508.89	-0.57%	
					\$ -			\$ -	\$ -		
					\$ -			\$ -	\$ -		
					\$ -			\$ -	\$ -		
Total Bill on TOU (before Taxes)					\$ 117,628.56			\$ 117,784.74	\$ 156.17	0.13%	
HST			13%		\$ 15,291.71	13%		\$ 15,312.02	\$ 20.30	0.13%	
Total Bill (including HST)					\$ 132,920.28			\$ 133,096.75	\$ 176.48	0.13%	
Ontario Clean Energy Benefit ¹					\$ -			\$ -	\$ -		
Total Bill on TOU (including OCEB)					\$ 132,920.28			\$ 133,096.75	\$ 176.48	0.13%	
Loss Factor					1.0409			1.0350			

Appendix J - Updated Customer Impact - General Service > 1,000 kW – 4,999 kW (Co-Generation) (Updated)

[illegible]

Appendix J - Updated Customer Impact – Large Use (Updated)

[illegible]

Appendix J - Updated Customer Impact – Unmetered Scattered Load (Updated)

[illegible]

Appendix J - Updated Customer Impact – Sentinel Lighting (Updated)

Customer Class:		Sentinel Lighting							
		Consumption	0.5 kW 180 kWh	<input checked="" type="radio"/> May 1 - October 31	<input type="radio"/> November 1 - April 30 (Select this radio button for applications filed after Oct 31)				
			Current Board-Approved			Proposed		Impact	
	Charge Unit	Rate (\$)	Volume	Charge (\$)		Rate (\$)	Volume	Charge (\$)	\$ Change % Change
Monthly Service Charge	Monthly	\$ 3.14	1	\$ 3.14		\$ 3.31	1	\$ 3.31	\$ 0.17 5.55%
	Monthly		1	\$ -		1	\$ -	\$ -	\$ -
			1	\$ -		1	\$ -	\$ -	\$ -
			1	\$ -		1	\$ -	\$ -	\$ -
			1	\$ -		1	\$ -	\$ -	\$ -
			1	\$ -		1	\$ -	\$ -	\$ -
Distribution Volumetric Rate	per kW	\$ 10.1362	0.5	\$ 5.07		\$ 10.9336	0.5	\$ 5.47	\$ 0.40 7.87%
Tax Change Rate Rider	per kW	-\$ 0.2659	0.5	-\$ 0.13			0.5	\$ -	\$ 0.13 -100.00%
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
			0.5	\$ -		0.5	\$ -	\$ -	\$ -
Sub-Total A				\$ 8.08			\$ 8.78	\$ 0.71 8.74%	
Deferral/Variance Account Disposition Rate Rider (2012)	per kW	-\$ 0.3763	0.5	-\$ 0.19		-\$ 0.3763	0.5	-\$ 0.19	\$ - 0.00%
Deferral/Variance Account Disposition Rate Rider (2013)	per kW	\$ -	0.5	\$ -		-\$ 0.3989	0.5	-\$ 0.20	-\$ 0.20
RSVA Power Account Disposition Rate Rider (2013)	per kW		0.5	\$ -		-\$ 0.3822	0.5	-\$ 0.19	-\$ 0.19
Global Adjustment Sub Account Disposition (2013)	per kW	\$ -	0.5	\$ -		\$ 0.5214	0.5	\$ 0.26	\$ 0.26
			0.5	\$ -			0.5	\$ -	\$ -
							0.5	\$ -	\$ -
Sub-Total B - Distribution (includes Sub-Total A)				\$ 7.89			\$ 8.46	\$ 0.58 7.30%	
RTSR - Network	per kW	\$ 2.0206	0.5	\$ 1.01		\$ 2.0505	0.5	\$ 1.03	\$ 0.01 1.48%
RTSR - Line and Transformation Connection	per kW	\$ 1.5140	0.5	\$ 0.76		\$ 1.5123	0.5	\$ 0.76	-\$ 0.00 -0.11%
Sub-Total C - Delivery (including Sub-Total B)				\$ 9.65			\$ 10.24	\$ 0.59 6.11%	
Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	187	\$ 0.97		\$ 0.0044	186	\$ 0.82	-\$ 0.15 -15.86%
Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0011	187	\$ 0.21		\$ 0.0012	186	\$ 0.22	\$ 0.02 8.47%
Standard Supply Service Charge	Monthly	\$ 0.2500	1	\$ 0.25		\$ 0.2500	1	\$ 0.25	\$ - 0.00%
Debt Retirement Charge (DRC)	per kWh	\$ 0.0070	180	\$ 1.26		\$ 0.0070	180	\$ 1.26	\$ - 0.00%
				\$ -				\$ -	\$ -
Cost of Power	per kWh	\$ 0.0788	187	\$ 14.76		\$ 0.0788	186	\$ 14.67	-\$ 0.08 -0.57%
			0	\$ -			0	\$ -	\$ -
			0	\$ -			0	\$ -	\$ -
			0	\$ -			0	\$ -	\$ -
Total Bill on TOU (before Taxes)				\$ 27.10			\$ 27.47	\$ 0.37 1.36%	
HST		13%		\$ 3.52	13%		\$ 3.57	\$ 0.05 1.36%	
Total Bill (including HST)				\$ 30.63			\$ 31.04	\$ 0.42 1.36%	
Ontario Clean Energy Benefit ¹				\$ -			\$ -	\$ -	
Total Bill on TOU (including OCEB)				\$ 30.63			\$ 31.04	\$ 0.42 1.36%	
Loss Factor			1.0409			1.0350			

Appendix J - Updated Customer Impact – Streetlighting (Updated)

[illegible]

Appendix K – Cost Allocation Sheet O1 (Updated)

		1	2	3	5	6	7	8	9	11
	Total	Residential	GS <50	GS 50 to 4,999 kW	Co Generation	Large Use >5MW	Street Light	Sentinel	Unmetered Scattered Load	Back-up/Standby Power
Distribution Revenue at Existing Rates	\$59,481,257	\$36,154,422	\$7,838,798	\$12,075,054	\$254,987	\$1,613,593	\$1,048,217	\$46,526	\$83,527	\$366,133
Miscellaneous Revenue (mi)	\$3,650,567	\$2,239,705	\$504,264	\$748,115	\$6,622	\$41,781	\$80,793	\$3,379	\$7,973	\$17,935
	Miscellaneous Revenue Input equals Output									
Total Revenue at Existing Rates	\$63,131,824	\$38,394,127	\$8,343,062	\$12,823,169	\$261,609	\$1,655,374	\$1,129,010	\$49,905	\$91,500	\$384,068
Factor required to recover deficiency (1 + D)	1.0537									
Distribution Revenue at Status Quo Rates	\$62,675,467	\$38,095,955	\$8,259,750	\$12,723,498	\$268,680	\$1,700,245	\$1,104,508	\$49,024	\$88,012	\$385,795
Miscellaneous Revenue (mi)	\$3,650,567	\$2,239,705	\$504,264	\$748,115	\$6,622	\$41,781	\$80,793	\$3,379	\$7,973	\$17,935
Total Revenue at Status Quo Rates	\$66,326,034	\$40,335,660	\$8,764,014	\$13,471,613	\$275,302	\$1,742,026	\$1,185,300	\$52,403	\$95,986	\$403,730
Expenses										
Distribution Costs (di)	\$15,566,232	\$8,134,028	\$2,131,155	\$4,181,601	\$62,243	\$402,402	\$416,948	\$17,248	\$40,446	\$180,161
Customer Related Costs (cu)	\$5,686,628	\$4,388,205	\$740,219	\$547,155	\$4,061	\$4,061	\$15	\$335	\$2,578	\$0
General and Administration (ad)	\$11,725,095	\$6,879,007	\$1,590,448	\$2,624,283	\$36,966	\$225,645	\$234,899	\$9,893	\$24,129	\$99,825
Depreciation and Amortization (dep)	\$15,756,350	\$8,388,165	\$2,431,442	\$3,911,521	\$59,053	\$337,830	\$425,271	\$17,636	\$40,971	\$144,461
PILs (INPUT)	\$808,078	\$434,694	\$120,511	\$199,364	\$3,098	\$17,180	\$22,921	\$948	\$2,207	\$7,154
Interest	\$7,109,159	\$3,824,272	\$1,060,209	\$1,753,929	\$27,258	\$151,146	\$201,646	\$8,341	\$19,420	\$62,937
Total Expenses	\$56,651,541	\$32,048,371	\$8,073,984	\$13,217,854	\$192,679	\$1,138,264	\$1,301,700	\$54,400	\$129,752	\$494,537
Direct Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Net Income (NI)	\$9,674,446	\$5,204,232	\$1,442,778	\$2,386,822	\$37,094	\$205,686	\$274,408	\$11,350	\$26,428	\$85,648
Revenue Requirement (includes NI)	\$66,326,034	\$37,252,651	\$9,516,761	\$15,604,675	\$229,772	\$1,343,950	\$1,576,108	\$65,751	\$156,180	\$580,185
	Revenue Requirement Input equals Output									
Rate Base Calculation										
Net Assets										
Distribution Plant - Gross	\$381,259,727	\$202,341,446	\$54,948,583	\$97,452,146	\$1,498,609	\$8,825,779	\$10,918,986	\$451,714	\$1,051,258	\$3,771,205
General Plant - Gross	\$39,241,063	\$14,251,262	\$3,057,872	\$18,229,700	\$91,219	\$1,652,560	\$1,101,088	\$45,456	\$106,154	\$705,752
Accumulated Depreciation	(\$193,945,654)	(\$102,639,092)	(\$27,616,431)	(\$49,863,757)	(\$769,824)	(\$4,681,156)	(\$5,582,614)	(\$230,975)	(\$537,297)	(\$2,024,508)
Total Net Plant	\$226,555,135	\$113,953,616	\$30,390,023	\$65,818,089	\$820,004	\$5,797,183	\$6,437,460	\$266,195	\$620,115	\$2,452,449
Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Power (COP)	\$334,431,790	\$109,930,000	\$40,392,311	\$157,135,316	\$4,110,870	\$19,863,187	\$2,422,130	\$78,500	\$499,475	\$0
OM&A Expenses	\$32,977,954	\$19,401,240	\$4,461,821	\$7,353,040	\$103,269	\$632,107	\$651,863	\$27,476	\$67,153	\$279,985
Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$367,409,744	\$129,331,240	\$44,854,133	\$164,488,356	\$4,214,140	\$20,495,294	\$3,073,992	\$105,976	\$566,628	\$279,985
Working Capital	\$41,958,193	\$14,769,628	\$5,122,342	\$18,784,570	\$481,255	\$2,340,563	\$351,050	\$12,102	\$64,709	\$31,974
Total Rate Base	\$268,513,336	\$128,723,252	\$35,512,365	\$84,602,659	\$1,301,259	\$8,137,746	\$6,788,510	\$278,297	\$684,824	\$2,484,424
	Rate Base Input equals Output									
Equity Component of Rate Base	\$107,405,334	\$51,489,301	\$14,204,946	\$33,841,064	\$520,504	\$3,255,098	\$2,715,404	\$111,319	\$273,929	\$993,770
Net Income on Allocated Assets	\$9,654,831	\$8,287,289	\$690,030	\$253,759	\$82,623	\$603,762	(\$116,399)	(\$1,997)	(\$33,766)	(\$110,469)
Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income	\$9,654,831	\$8,287,289	\$690,030	\$253,759	\$82,623	\$603,762	(\$116,399)	(\$1,997)	(\$33,766)	(\$110,469)
RATIOS ANALYSIS										
REVENUE TO EXPENSES STATUS QUO%	100.00%	108.28%	92.09%	86.33%	119.81%	129.62%	75.20%	79.70%	61.46%	69.59%
EXISTING REVENUE MINUS ALLOCATED COSTS	(\$3,194,205)	\$1,141,477	(\$1,173,700)	(\$2,781,507)	\$31,836	\$311,424	(\$447,098)	(\$15,846)	(\$64,680)	(\$196,117)
	Deficiency Input equals Output									
STATUS QUO REVENUE MINUS ALLOCATED COSTS	(\$0)	\$3,083,010	(\$752,748)	(\$2,133,063)	\$45,529	\$398,076	(\$390,808)	(\$13,347)	(\$60,194)	(\$176,456)
RETURN ON EQUITY COMPONENT OF RATE BASE	8.99%	16.10%	4.86%	0.75%	15.87%	18.55%	-4.29%	-1.79%	-12.33%	-11.12%

Appendix L– Revenue Requirement Work Form (Updated)

Rate Base

Gross Fixed Assets (average)	\$421,406,711		(\$471,922)	e)	\$ 420,934,789		(\$434,000)	f)	\$420,500,789
Accumulated Depreciation (average)	(\$194,026,004)	(5)			(\$194,026,004)		\$80,350	f/g)	(\$193,945,654)
Allowance for Working Capital:									
Controllable Expenses	\$33,844,562		\$122,000	a) c)	\$ 33,966,562		(\$988,562)	h)	\$32,978,000
Cost of Power	\$335,766,210				\$ 335,766,210		(\$1,334,420)	i)	\$334,431,790
Working Capital Rate (%)	11.42%	(9)			11.42%	(9)			11.42%

Utility Income

Operating Revenues:

Distribution Revenue at Current Rates	\$59,355,023		\$0		\$59,355,023		\$177,991		\$59,533,014
Distribution Revenue at Proposed Rates	\$65,770,371		(\$89,262)		\$65,681,109		(\$3,005,643)		\$62,675,466

Other Revenue:

Specific Service Charges	\$2,264,982		\$0		\$2,264,982		\$252,585		\$2,517,567
Late Payment Charges	\$1,133,000		\$0		\$1,133,000		\$0		\$1,133,000
Other Distribution Revenue									
Other Income and Deductions									

Total Revenue Offsets	\$3,397,982	(7)	\$0		\$3,397,982		\$252,585		\$3,650,567
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Operating Expenses:

OM+A Expenses	\$33,844,562		\$122,000	a) c)	\$ 33,966,562		(\$988,562)	h)	\$32,978,000
Depreciation/Amortization	\$15,788,219	(10)	\$117,981	e)	\$ 15,906,200		(\$149,850)	f/g)	\$15,756,350
Property taxes									
Other expenses									

Taxes/PILs

Taxable Income:

Adjustments required to arrive at taxable income	(\$6,496,114)	(3)			(\$6,496,114)				(\$6,675,505)
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Utility Income Taxes and Rates:

Income taxes (not grossed up)	\$696,658				\$651,790				\$602,407
Income taxes (grossed up)	\$934,484				\$874,320				\$808,078
Federal tax (%)	15.00%				15.00%				15.00%
Provincial tax (%)	10.45%				10.45%				10.45%
Income Tax Credits	(\$153,297)				(\$153,297)	b)			(\$153,297)

Capitalization/Cost of Capital

Capital Structure:

Long-term debt Capitalization Ratio (%)	56.0%				56.0%				56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(8)			4.0%	(8)			4.0%
Common Equity Capitalization Ratio (%)	40.0%				40.0%				40.0%
Preferred Shares Capitalization Ratio (%)	0.0%				0.0%				0.0%
	100.0%				100.0%				100.0%

Cost of Capital

Long-term debt Cost Rate (%)	5.58%				5.58%				4.58%
Short-term debt Cost Rate (%)	2.08%				2.07%				2.07%
Common Equity Cost Rate (%)	9.12%				8.98%	d)			8.98%
Preferred Shares Cost Rate (%)	0.00%				0.00%				0.00%

Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS (\$)	\$117,981	(11)	(\$85,891)		\$32,090	(11)	(\$2,643)		\$29,447
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Appendix L – Revenue Requirement Work Form (Updated) – Cont'd

Rate Base

Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
Gross Fixed Assets (average)	(3)	\$421,406,711	(\$471,922)	\$420,934,789	(\$434,000) h)	\$420,500,789
Accumulated Depreciation (average)	(3)	(\$194,026,004)	\$ -	(\$194,026,004)	\$80,350 g) h)	(\$193,945,654)
Net Fixed Assets (average)	(3)	\$227,380,707	(\$471,922)	\$226,908,785	(\$353,650)	\$226,555,135
Allowance for Working Capital	(1)	\$42,209,550	\$13,932	\$42,223,483	(\$265,285)	\$41,958,198
Total Rate Base		\$269,590,257	(\$457,990)	\$269,132,268	(\$618,935)	\$268,513,333

Allowance for Working Capital - Derivation

Controllable Expenses		\$33,844,562	\$122,000	\$33,966,562	(\$988,562)	\$32,978,000
Cost of Power		\$335,766,210	\$ -	\$335,766,210	(\$1,334,420) i)	\$334,431,790
Working Capital Base		\$369,610,772	\$122,000	\$369,732,772	(\$2,322,982)	\$367,409,790
Working Capital Rate %	(2)	11.42%	0.00%	11.42%	0.00%	11.42%
Working Capital Allowance		\$42,209,550	\$13,932	\$42,223,483	(\$265,285)	\$41,958,198

Appendix L – Revenue Requirement Work Form (Updated) – Cont'd

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$65,770,371	(\$89,262)	\$65,681,109	(\$3,005,643)	\$62,675,466
2	Other Revenue (1)	\$3,397,982	\$0	\$3,397,982	\$252,585	\$3,650,567
3	Total Operating Revenues	\$69,168,353	(\$89,262)	\$69,079,091	(\$2,753,058)	\$66,326,033
	Operating Expenses:					
4	OM+A Expenses	\$33,844,562	\$122,000 a/b	\$33,966,562	(\$988,562)	\$32,978,000
5	Depreciation/Amortization	\$15,788,219	\$117,981 c)	\$15,906,200	(\$149,850)	\$15,756,350
6	Property taxes	\$ -	\$ -		\$ -	
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -		\$ -	
9	Subtotal (lines 4 to 8)	\$49,632,781	\$239,981	\$49,872,762	(\$1,138,412)	\$48,734,350
10	Deemed Interest Expense	\$8,648,455	(\$15,769)	\$8,632,687	(\$1,523,528)	\$7,109,159
11	Total Expenses (lines 9 to 10)	\$58,281,236	\$224,212	\$58,505,449	(\$2,661,940)	\$55,843,509
12	Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	\$117,981	(\$85,891)	\$32,090	(\$2,643)	\$29,447
13	Utility income before income taxes	\$10,769,136	(\$227,584)	\$10,541,552	(\$88,475)	\$10,453,077
14	Income taxes (grossed-up)	\$934,484	(\$60,163)	\$874,320	(\$66,243)	\$808,078
15	Utility net income	\$9,834,652	(\$167,420)	\$9,667,232	(\$22,233)	\$9,644,999
Notes	Other Revenues / Revenue Offsets					
(1)	Specific Service Charges	\$2,264,982	\$0	\$2,264,982	\$252,585	\$2,517,567
	Late Payment Charges	\$1,133,000	\$ -	\$1,133,000	\$ -	\$1,133,000
	Other Distribution Revenue	\$ -		\$ -		\$ -
	Other Income and Deductions	\$ -		\$ -		\$ -
	Total Revenue Offsets	\$3,397,982	\$0	\$3,397,982	\$252,585	\$3,650,567

Appendix L – Revenue Requirement Work Form (Updated) – Cont'd

Particulars	Taxes/PILs Application	Interrogatory Responses	Per Board Decision
<u>Determination of Taxable Income</u>			
Utility net income before taxes	\$9,834,653	\$9,667,231	\$9,644,999
Adjustments required to arrive at taxable utility income	(\$6,496,114)	(\$6,496,114)	(\$6,675,505)
Taxable income	<u>\$3,338,539</u>	<u>\$3,171,117</u>	<u>\$2,969,494</u>
<u>Calculation of Utility income Taxes</u>			
Income taxes	\$696,658	\$651,790	\$602,407
Total taxes	<u>\$696,658</u>	<u>\$651,790</u>	<u>\$602,407</u>
Gross-up of Income Taxes	<u>\$237,826</u>	<u>\$222,530</u>	<u>\$205,670</u>
Grossed-up Income Taxes	<u>\$934,484</u>	<u>\$874,320</u>	<u>\$808,078</u>
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$934,484</u>	<u>\$874,320</u>	<u>\$808,078</u>
Other tax Credits	(\$153,297)	(\$153,297)	(\$153,297)
<u>Tax Rates</u>			
Federal tax (%)	15.00%	15.00%	15.00%
Provincial tax (%)	10.45%	10.45%	10.45%
Total tax rate (%)	<u>25.45%</u>	<u>25.45%</u>	<u>25.45%</u>

Appendix L – Revenue Requirement Work Form (Updated) – Cont'd

Capitalization/ Cost of Capital

Particulars	Capitalization Ratio			Cost Rate		Return
	Initial Application					
	(%)		(\$)	(%)		(\$)
Debt						
Long-term Debt	56.00%		\$150,970,544	5.58%		\$8,424,156
Short-term Debt	4.00%		\$10,783,610	2.08%		\$224,299
Total Debt	60.00%		\$161,754,154	5.35%		\$8,648,455
Equity						
Common Equity	40.00%		\$107,836,103	9.12%		\$9,834,653
Preferred Shares	0.00%		\$ -	0.00%		\$ -
Total Equity	40.00%		\$107,836,103	9.12%		\$9,834,653
Total	100.00%		\$269,590,257	6.86%		\$18,483,108
	Interrogatory Responses					
	(%)		(\$)	(%)		(\$)
Debt						
Long-term Debt	56.00%		\$150,714,070	5.58%		\$8,409,845
Short-term Debt	4.00%		\$10,765,291	2.07%		\$222,842
Total Debt	60.00%		\$161,479,361	5.35%		\$8,632,687
Equity						
Common Equity	40.00%		\$107,652,907	8.98%		\$9,667,231
Preferred Shares	0.00%		\$ -	0.00%		\$ -
Total Equity	40.00%		\$107,652,907	8.98%		\$9,667,231
Total	100.00%		\$269,132,268	6.80%		\$18,299,918
	Per Board Decision					
	(%)		(\$)	(%)		(\$)
Debt						
Long-term Debt	56.00%		\$150,367,467	4.58%		\$6,886,830
Short-term Debt	4.00%		\$10,740,533	2.07%		\$222,329
Total Debt	60.00%		\$161,108,000	4.41%		\$7,109,159
Equity						
Common Equity	40.00%		\$107,405,333	8.98%		\$9,644,999
Preferred Shares	0.00%		\$ -	0.00%		\$ -
Total Equity	40.00%		\$107,405,333	8.98%		\$9,644,999
Total	100.00%		\$268,513,333	6.24%		\$16,754,158

Appendix L – Revenue Requirement Work Form (Updated) – Cont'd

Revenue Deficiency/Sufficiency:

Particulars	Initial Application		Interrogatory Responses		Per Board Decision	
	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		\$6,414,951		\$6,328,795		\$3,142,567
Distribution Revenue	\$59,355,023	\$59,355,420	\$59,355,023	\$59,352,314	\$59,533,014	\$59,532,899
Other Operating Revenue	\$3,397,982	\$3,397,982	\$3,397,982	\$3,397,982	\$3,650,567	\$3,650,567
Offsets - net						
Total Revenue	\$62,753,005	\$69,168,353	\$62,753,005	\$69,079,091	\$63,183,581	\$66,326,033
Operating Expenses	\$49,632,781	\$49,632,781	\$49,872,762	\$49,872,762	\$48,734,350	\$48,734,350
Deemed Interest Expense	\$8,648,455	\$8,648,455	\$8,632,687	\$8,632,687	\$7,109,159	\$7,109,159
Adjustment to Return on Rate Base associated with Deferred PP&E balance as a result of transition from CGAAP to MIFRS	\$117,981 (2)	\$117,981	\$32,090 (2)	\$32,090	\$29,447 (2)	\$29,447
Total Cost and Expenses	\$58,399,217	\$58,399,217	\$58,537,539	\$58,537,539	\$55,872,956	\$55,872,956
Utility Income Before Income Taxes	\$4,353,787	\$10,769,136	\$4,215,466	\$10,541,552	\$7,310,625	\$10,453,077
Tax Adjustments to Accounting Income per 2013 PILs model	(\$6,496,114)	(\$6,496,114)	(\$6,496,114)	(\$6,496,114)	(\$6,675,505)	(\$6,675,505)
Taxable Income	(\$2,142,327)	\$4,273,022	(\$2,280,648)	\$4,045,438	\$635,120	\$3,777,572
Income Tax Rate	25.45%	25.45%	25.45%	25.45%	25.45%	25.45%
Income Tax on Taxable Income	(\$545,222)	\$1,087,484	(\$580,466)	\$1,029,638	\$161,649	\$961,461
Income Tax Credits	(\$153,297)	(\$153,297)	(\$153,297)	(\$153,297)	(\$153,297)	(\$153,297)
Utility Net Income	\$5,052,306	\$9,834,652	\$4,949,230	\$9,667,232	\$7,302,272	\$9,644,999
Utility Rate Base	\$269,590,257	\$269,590,257	\$269,132,268	\$269,132,268	\$268,513,333	\$268,513,333
Deemed Equity Portion of Rate Base	\$107,836,103	\$107,836,103	\$107,652,907	\$107,652,907	\$107,405,333	\$107,405,333
Income/(Equity Portion of Rate Base)	4.69%	9.12%	4.60%	8.98%	6.80%	8.98%
Target Return - Equity on Rate Base	9.12%	9.12%	8.98%	8.98%	8.98%	8.98%
Deficiency/Sufficiency in Return on Equity	-4.43%	0.00%	-4.38%	0.00%	-2.18%	0.00%
Indicated Rate of Return	5.08%	6.86%	5.05%	6.80%	5.37%	6.24%
Requested Rate of Return on Rate Base	6.86%	6.86%	6.80%	6.80%	6.24%	6.24%
Deficiency/Sufficiency in Rate of Return	-1.77%	0.00%	-1.75%	0.00%	-0.87%	0.00%
Target Return on Equity	\$9,834,653	\$9,834,653	\$9,667,231	\$9,667,231	\$9,644,999	\$9,644,999
Revenue Deficiency/(Sufficiency)	\$4,782,346	(\$0)	\$4,718,001	\$1	\$2,342,727	\$0
Gross Revenue	\$6,414,951 (1)		\$6,328,795 (1)		\$3,142,567 (1)	

Appendix L – Revenue Requirement Work Form (Updated) – Cont'd

Revenue Requirement:

Particulars	Application		Interrogatory Responses		Per Board Decision
OM&A Expenses	\$33,844,562	a) \$200,000 b) (78,000)	\$33,966,562		\$32,978,000
Amortization/Depreciation	\$15,788,219		\$15,906,200		\$15,756,350
Property Taxes	\$ -				
Income Taxes (Grossed up)	\$934,484		\$874,320		\$808,078
Other Expenses	\$ -				
Return					
Deemed Interest Expense	\$8,648,455	c)	\$8,632,687		\$7,109,159
Return on Deemed Equity	\$9,834,653	c)	\$9,667,231		\$9,644,999
Adjustment to Return on Rate					
Base associated with Deferred					
PP&E balance as a result of					
transition from CGAAP to MIFRS	\$117,981	d)	\$32,090		\$29,447
Service Revenue Requirement (before Revenues)	<u>\$69,168,354</u>		<u>\$69,079,090</u>		<u>\$66,326,032</u>
Revenue Offsets	\$3,397,982		\$3,397,982		\$3,650,567
Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$65,770,372</u>		<u>\$65,681,108</u>		<u>\$62,675,465</u>
Distribution revenue	\$65,770,371		\$65,681,109		\$62,675,466
Other revenue	\$3,397,982		\$3,397,982		\$3,650,567
Total revenue	<u>\$69,168,353</u>		<u>\$69,079,091</u>		<u>\$66,326,033</u>
Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>(\$0)</u>	(1)	<u>\$1</u>	(1)	<u>\$0</u>

Appendix M – Throughput Revenue (Updated)

2013 Test Year Distribution Revenue Reconciliation

Customer Class	Fixed Distribution Revenue	Variable Distribution Revenue	Total Distribution Revenue	Transformer Discounts	Net Distribution Revenue	Expected	Variance \$
Residential	\$ 21,738,776	\$ 16,880,280	\$ 38,619,055		\$ 38,619,055	\$ 38,619,055	\$ -
GS <50 kW	4,461,665	3,957,038	8,418,703		8,418,703	8,418,703	-
GS 50 to 4,999 kW	2,989,381	9,847,173	12,836,554	(\$683,847)	12,152,705.98	12,152,706	-
GS 1,000 to 4,999 kW (Co-Generation)	86,511	183,835	270,346	(\$26,276)	244,070	244,070	-
Standby Power	-	449,324	449,324	(\$92,880)	356,444	356,444	-
Large Use >5MW	695,334	818,554	1,513,888		1,513,888	1,513,888	-
Street Light	656,655	543,876	1,200,532		1,200,532	1,200,532	-
Sentinel	26,809	23,113	49,922		49,922	49,922	-
Unmetered Scattered Load	36,044	84,102	120,146		120,146	120,146	-
Total	\$ 30,691,175	\$ 32,787,294	\$ 63,478,469	(\$803,004)	\$ 62,675,466	\$ 62,675,466	\$ -
				Difference attributable to rate rounding calculations			

All Respectfully Submitted