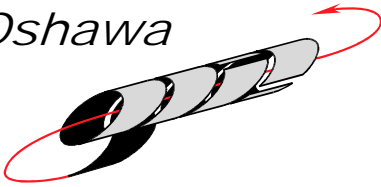


Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

May 5, 2008

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Oshawa PUC Networks Inc. (ED 2002-0560)
Board File Number EB-2007-0710

On April 29, 2008 OPUCN had filed its updated rate order material with the Board. In order to assist the Board OPUCN had provided a scenario that reflects OPUCNs position regarding PII's and a second scenario that reflects Board staffs' position. Please find attached a set of revised and final schedules for both scenarios.

Yours truly,

Original Signed By

Michael Chase
Corporate Controller

Line Item	Utility Amount (Application)
Income before PILs/Taxes	2,530,067
Additions:	
Interest and penalties on taxes	0
Amortization of tangible assets	4,395,489
Amortization of intangible assets	0
Recapture of capital cost allowance	0
Gain on sale of eligible capital	0
Income or loss for tax purposes-	0
Loss in equity of subsidiaries and	0
Loss on disposal of assets	0
Charitable donations	0
Taxable Capital Gains	0
Political Donations	0
Deferred and prepaid expenses	0
Scientific research expenditures	0
Capitalized interest	0
Non-deductible club dues and fees	0
Non-deductible meals and	6,000
Non-deductible automobile	0
Non-deductible life insurance	0
Non-deductible company pension	0
Tax reserves beginning of year	0
Reserves from financial statements-	8,954,600
Soft costs on construction and	0
Book loss on joint ventures or	0
Capital items expensed	0
Debt issue expense	0
Development expenses claimed in	0
Financing fees deducted in books	4,945
Gain on settlement of debt	0
Non-deductible advertising	0
Non-deductible interest	0
Non-deductible legal and	0
Recapture of SR&ED expenditures	0
Share issue expense	0
Write down of capital property	0
Amounts received in respect of	0
Interest Expensed on Capital	0
Realized Income from Deferred	0
Pensions	0
Non-deductible penalties	0
Debt Financing Expenses for Book	0
Other Additions (see OtherAdditions	0
Total Additions	13,361,034
Deductions:	

See Int Tab

Gain on disposal of assets per financial statements	0
Dividends not taxable under section 83	0
Capital cost allowance from Schedule 8	3,853,584
Terminal loss from Schedule 8	0
Cumulative eligible capital deduction from Schedule 10	0
Allowable business investment loss	0
Deferred and prepaid expenses	0
Scientific research expenses claimed in year	0
Tax reserves end of year	0
Reserves from financial statements - balance at beginning of year	8,781,800
Contributions to deferred income plans	0
Book income of joint venture or partnership	0
Equity in income from subsidiary or affiliates	0
Interest capitalized for accounting deducted for tax	0
Capital Lease Payments	0
Non-taxable imputed interest income on deferral and variance	0
Financing Fees for Tax Under S.20(1)(e)	8,667
Other Deductions	0
Total Deductions	12,644,052
Net Income for Tax Purposes	3,247,050
Charitable donations from Schedule 2	0
Taxable dividends deductible under	0
Non-capital losses of preceding	0
Net-capital losses of preceding	0
Limited partnership losses of	0
TAXABLE INCOME	3,247,050

OCT-Decision

	OCT	LCT
Total Rate Base	63,257,706	63,257,706
Exemption	(15,000,000)	(50,000,000)
Deemed Taxable Capit	48,257,706	13,257,706

Rate	0.285%	0.000%
Gross Tax Payable	137,534	0
Surtax		0
Net Tax Payable	137,534	0

PILS - Decision			PILS - Application				
	Tax Payable	Inclusion in Revenue Req.		Source or Input	Tax Payable	Inclusion in Revenue Req.	
Regulatory Taxable Income	3,445,407			TxbllIncome	3,247,050		
Combined Income Tax Rate	33.500%			TaxRates	33.500%		
Total Income Taxes	1,154,211			Total Income Taxes	1,087,762		
Investment Tax Credits				Investment Tax Credits	-		
Miscellaneous Tax Credits				Miscellaneous Tax Credits	-		
Total Tax Credits				Total Tax Credits	-		
Income Tax Provision	1,154,211	1,735,656	grossed-up for income taxes	Income Tax Provision	1,087,762	1,635,732	grossed-up for income taxes
Ontario Capital Tax	137,534	137,534	not grossed-up	Ontario Capital Tax	137,534	137,534	not grossed-up
Large Corporations Tax			grossed-up for income taxes	Large Corporations Tax	-	-	grossed-up for income taxes
Total PILs	1,291,746	1,873,191	amount for Output	Total PILs	1,225,296	1,773,266	amount for Output

Oshawa PUC Network Inc.
EB-2007-0710

2008 Application Amount				2008 Application Amount (Revise January 17, 2008)				2008 Application Amount (OEB Decision)				Impacts to Jan 08 filing						
Applicants Rate Base																		
Beg. Net Fixed Assets	\$	46,211,762	A.		\$	46,211,762			\$	46,211,762								
End Net Fixed Assets	\$	52,809,618	B.		\$	52,809,618			\$	52,809,618								
Average Net Fixed Assets	\$			\$	49,510,690	C.		\$	49,510,690			\$	-					
Working Capital Allowance																		
Power Purchased		71,095,876			\$	69,639,407			\$	64,392,603	See Cost of Energy Schedule		\$	5,246,805	See Schedule COP.	Rate Per Applci	Rate Per Board Decision	
Wholesale Market Services		7,344,951			\$	7,194,482			\$	7,194,482	See Cost of Energy Schedule		\$	-		0.0584	0.0540	
Transmission Network		6,695,673			\$	6,558,506			\$	4,986,849	See Cost of Energy Schedule		\$	1,571,656	See Schedule RTR.	0.0060	0.0060	
Transmission Connection		5,721,757			\$	5,604,541			\$	5,324,314	See Cost of Energy Schedule		\$	280,227	See Schedule RTR.	0.0051	0.0042	
																0.0047	0.0045	
																No Change in Load Forecast - per Board Decision		
OM&A Expenses	\$	10,792,063			\$	10,462,417			\$	9,748,527	See OMA Schedule		\$	713,890	\$500k Oma / \$97k Filing/ CDM \$297/ OCT \$149			
Working Capital Allowance Base	\$	101,650,320	D.		\$	97,569,640	A/B		\$	91,646,775	A/B/G/H							
Working Capital Allowance	15% E.	\$	15,247,548		15%	\$	14,635,446		15%	\$	13,747,016							
Rate Base		\$	64,758,238	G.		\$	64,146,136			\$	63,257,706			\$	62,634	mainly reductions in rev thru rates		
Return on Rate Base																		
Deemed Short Term Debt %	4.00% H.	\$	2,590,330	K.	4.00%	\$	2,565,845		4.00%	\$	2,530,308							
Deemed Long Term Debt %	49.33% I.	\$	31,945,239	L	49.33%	\$	31,643,289		49.33%	\$	31,205,026							
Deemed Equity %	46.67% J.	\$	30,222,670	M	46.67%	\$	29,937,002		46.67%	\$	29,522,372							
Short Term Interest	4.77% N.	\$	123,559	Q.	4.77%	\$	122,391		4.47% I.	\$	113,105	See Cost of Capital Schedule	\$	7,698				
Long Term Interest	6.70% O.	\$	2,140,423	R	6.70%	\$	2,140,423		5.82% I.	\$	1,816,323	See Cost of Capital Schedule	\$	278,267				
Return on Equity	8.79% P.	\$	2,656,573	S	8.79%	\$	2,631,462		8.57% I.	\$	2,530,067	See Cost of Capital Schedule	\$	65,861	\$	351,826		
																rate base return reductions		
Return on Rate Base		\$	4,920,554	T.		\$	4,894,276			\$	4,459,495							
Distribution Expenses																		
OM&A Expenses	\$	10,792,063	U		\$	10,462,417	C/D		\$	9,748,527	C/D/H/H	See OMA Schedule		\$	713,890	\$500k Oma / \$97k Filing/ CDM \$297/ OCT \$149		
Transformer Allowance	\$	239,375			\$	239,375			\$	239,375		Board Staff Q 60c. Exhibit 9 Tab 1 Schedule 4 Page 1						
Amortization	\$	4,395,490	W.		\$	4,395,490			\$	4,395,490								
PILS	\$	1,935,917	X	\$	17,362,845	Y.	\$	1,845,652	E/F	\$	1,773,266	E/F	\$	16,156,658		\$	72,386	
												See PILS Schedules						
Revenue Offsets																		
Specific Service Charges	\$	704,147	AD.		\$	704,147			\$	704,147								
Late Payment	\$	198,733	AE.		\$	198,733			\$	198,733								
Other Distribution Income	\$	698,776	AF.		\$	698,776			\$	696,637								
Other Income and Deductions	\$	-	AG	\$	1,601,656	AH.	\$	-		\$	124,331	J.	\$	1,723,848		\$	124,331	SSS Administration Charge as Revenue Offset
Revenue Requirement from Distribution Rates		\$	20,681,743	AI.		\$	20,235,554			\$	18,892,305			\$	9,137,646			
Variance / Deferral Account Rate Adders																		
Regulatory Assets	\$	1,191,661	AJ.		\$	1,191,661			\$	(25,208)	Per Agreement		\$	1,789,438				
LRAM & SSM	\$	147,025	AK.		\$	147,025			\$	-			\$	(1,555,665)				
			AL.															
			AM.															
Revenue Requirement from Rate Riders		\$	1,338,686	AN.		\$	1,338,686			\$	(25,208)							
Variance / Deferral Account Rate Adders																		
Low Voltage	n/a	Z.		n/a					n/a									
Smart Meters	\$	167,252	AA.		\$	167,252			\$	167,252								
Incremental CDM	n/a	AB	\$	167,252	AC.	n/a	\$	167,252		n/a	\$	167,252						

Listing of Changes to Application (January 16, 2008)
USofA

A. 4705/4708/4 Change in Load Forecast - Resu. Rate Base Impact
Retail kWh load forecast 2008 old = 1,165,401,141 new = 1,141,200,154 (converted to wholesale kWhs for projections purposes)

Dec 07 Filing

B. Retail Transmission Rate (RTR) Changes (per Hydro One Announcement- Nov 07)

4714 RTNS Transmission Network	Rate Base Impact	\$ 6,558,506	\$ 4,986,849	
4716 TCS Line and Transformation Conner	Rate Base Impact	\$ 5,604,541	\$ 5,324,314	Decision

C.	6105 Other Elimination \$ 148,936.00 From OM&A					Jan 07 Filing
D.	5655 Regule Elimination of CDM in 2008 OM&A \$297,000					Jan 07 Filing
E.	6110 PILS Federal Income Tax Rate Change annouced Nov 07 (from 20.5% to 19.5% in 2008) 6110 PILS Ontario Capital Tax (OCT) change in exception amount \$12.5m to \$15.0m in 2008.					Jan 07 Filing
F.	6110 PILS Change in CCA Rate Computer Purchases CCA Rate 45% to new 55%					Jan 07 Filing
G.	4705 Reduction in all-in supply cost frn Rate Base Impact	\$	69,639,407	\$	64,392,603	Decision
H.	Elimination from OM&A Projecte OM&A 5020/5065/5085/5405/5425/5610/5630			\$	(500,000)	
I.	Changes to Cost of Capital Rates Short Term Interest Long Term Interest affiliate debt changed to 6.1% Return on Equity Weight Average Cost of Capital					Decision
J.	4235 Revenue CProjected Amount			\$	(124,331)	Decision
K.	5630 \$53,000 approved amount for yearly recovery of 2008 application filing costs Elimination of \$97,600 of \$150,600 in application.			\$	(97,600)	Jan 07 Filing

The above table allows comparison of Revenue Requirements between Approved 2006 and 2008 Test Year.

In regards to identification of references as contained in the 2008 application filing, we provide the following. They are:

- C. Net Fixed Assets- Exhibit 2 Tab 1 Schedule 1 Page 1-6 & Exhibit 2 Tab 2 Schedule 3 Page 1-7, & Exhibit 2 Tab 3 Schedule 3 Page 1-15.
- G. Working Capital Tables -Exhibit 2 Tab 4 Schedule 1 Page 5
- U. OM&A Expenses - Exhibit 4 Tab 1 Schedule 1 Page 1-5, Exhibit 4 Tab 2 Schedule 2 Page 1-8.
- V. Transformer Allowance - Exhibit 9 Tab 1 Schedule 4 Page 1

Transformer Allowance - Exhibit 9 Tab 1 Schedule 4 Page 1																	
Customer Class		Active									Bridge Year Projection				Test Year Projection		
	YES	Total	Volume	Rate	Total	Volume	Volume	Total	Volume				Rate	Total	Volume	Rate	Total
Residential (R1)	YES	0			0			0						0			0
GS <50 (C1)	YES	0			0			0						0			0
GS-50 kW - 200 kW (T)	YES	65,347	92,405		65,347	92,405	92,405	65,347		92,405			\$0.6000	55,443	92,405	\$0.6000	55,443
GS-100 kW - 200 kW (T)	YES	78,122	106,913		78,122	106,913	106,913	78,122		106,913			\$0.6000	64,148	106,913	\$0.6000	64,148

Large User >5MW (E3)	YES	145,879		199,641		145,879		199,641	199,641	145,879		199,641				\$0.6000	119,785	199,641	\$0.6000	119,785
Street Light	YES	0		0		0		0	0	0		0					0	0		0
Sentinel	YES	0		0		0		0	0	0		0					0	0		0
Estimated Customer Load (SRL)	YES	0		0		0		0	0	0		0					0	0		0
TOTAL	YES	289,348				289,348				289,348							239,375			239,375

Proposed transformer Allowance rate not changed from historic. Transformers as per billing and count records.



- W. Amortization -Exhibit 2 Tab 2 Schedule 4 Page 1
- X PILS -Exhibit 4 Tab 3 Schedule 1 Page 2 Based on changes of taxable income items, schedule one. And tax rates.
- AA. Smart Meters - Exhibit 9 Tab 1 Schedule 1 Page 1
- AH. Revenue Offsets - Exhibit 3 Tab 3 Schedule 2 Page 1-6
- AJ. Regulatory Assets- Exhibit 5 Tab 1 Schedule 2 Page 2
- AK. LRAM & SSM -Exhibit 10 Tab 1 Schedule 2 Page 1 (first time OPUCN is applying for)

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2008

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

EB-2007-0710

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2008 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2008 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 2008 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units, duplexes or triplexes. Basic connection is defined as 100 amp 12/240 volt overhead service. Further servicing details are available in the distributor's Conditions of Service.

General Service Less Than 50 kW

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

General Service 50 to 999 kW

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for statistical purposes the following sub-classifications apply:

- General Service 50 to 200 kW
- General Service over 200 kW

Further servicing details are available in the distributor's Conditions of Service.

General Service 1,000 to 4,999 kW – Formerly Referred to as Intermediate or Time of Use

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,000 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

- General Service 1,000 to 5,000 kW non-interval metered
- General Service 1,000 to 5,000 kW interval metered.

Further servicing details are available in the distributor's Conditions of Service.

Large Use

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

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EB-2007-0710

Unmetered Scattered Load

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

Sentinel Lighting

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

Street Lighting

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or Ministry of Transportation. This lighting will be controlled by photo cells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the distributor's Conditions of Service.

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	8.40
Distribution Volumetric Rate	\$/kWh	0.0119
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	9.15
Distribution Volumetric Rate	\$/kWh	0.0182
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 999 kW

Service Charge	\$	43.31
Distribution Volumetric Rate	\$/kW	3.7495
Retail Transmission Rate – Network Service Rate	\$/kW	1.3657
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4586
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.7504
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8527
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

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EB-2007-0710

General Service 1,000 to 4,999 kW – Formerly Intermediate or Time of Use

Service Charge	\$	1,532.79
Distribution Volumetric Rate	\$/kW	3.4039
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.7504
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8527
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Large Use

Service Charge	\$	10,207.83
Distribution Volumetric Rate	\$/kW	2.8064
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.8650
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0216
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	4.69
Distribution Volumetric Rate	\$/kWh	0.0195
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting

Service Charge (per connection)	\$	3.23
Distribution Volumetric Rate	\$/kW	7.3144
Retail Transmission Rate – Network Service Rate	\$/kW	0.9419
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7123
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	0.74
Distribution Volumetric Rate	\$/kW	11.6448
Retail Transmission Rate – Network Service Rate	\$/kW	0.9259
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6832
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2008

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

EB-2007-0710

Specific Service Charges

Customer Administration		
Arrears certificate	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Credit reference Letter	\$	15.00
Credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0487
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0382
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045

Line Item	Utility Amount (Decision)	
Income before PILs/Taxes	2,530,067	See Int Tab
Additions:		
Interest and penalties on taxes	0	
Amortization of tangible assets	4,395,489	
Non-deductible club dues and fees	0	
Non-deductible meals and	6,000	
Non-deductible automobile	0	
Non-deductible life insurance	0	
Non-deductible company pension	0	
Tax reserves beginning of year	0	
Reserves from financial statements-	8,954,600	
Soft costs on construction and	0	
Book loss on joint ventures or	0	
Capital items expensed	0	
Debt issue expense	0	
Development expenses claimed in	0	
Financing fees deducted in books	4,945	
Gain on settlement of debt	0	
Non-deductible advertising	0	
Other Additions (see OtherAdditions	2,014,952	
Total Additions	15,375,986	
Deductions:		
Capital cost allowance from Schedule 8	3,853,584	
Terminal loss from Schedule 8	0	
Reserves from financial statements - balance at beginning of year	8,781,800	
Financing Fees for Tax Under S.20(1)(e)	8,667	
Other Deductions	1,816,317	See Int Tab
Total Deductions	14,460,368	
Net Income for Tax Purposes	3,445,685	
TAXABLE INCOME	3,445,685	

OCT - Application		
	OCT	LCT
Total Rate Base	63,257,706	63,257,706
Exemption	(15,000,000)	(50,000,000)
Deemed Taxable Capital	48,257,706	13,257,706
Rate	0.285%	0.000%
Gross Tax Payable	137,534	0

Surtax		0
Net Tax Payable	137,534	0

PILS - Application					
<div>grossed-up for income taxes not grossed-up grossed-up for income taxes amount for Output</div>		Source or Input	Tax Payable	Inclusion in Revenue Req.	
	Regulatory Taxable Income	TxbIncome	3,445,685		
	Combined Income Tax Rate	TaxRates	33.500%		
	Total Income Taxes		1,154,304		
	Investment Tax Credits	-			
	Miscellaneous Tax Credits	-			
	Total Tax Credits		-		
	Income Tax Provision		1,154,304	1,735,796	grossed-up for income taxes
	Ontario Capital Tax	CapitalTaxes	137,534	137,534	not grossed-up
	Large Corporations Tax	CapitalTaxes	-	-	grossed-up for income taxes
	Total PILs		1,291,839	1,873,331	amount for Output

Oshawa PUC Network Inc.
EB-2007-0710

2008 Application Amount (April 29, 2008)

Applicants Rate Base

Beg. Net Fixed Assets	\$	46,211,762	
End Net Fixed Assets	\$	52,809,618	
Average Net Fixed Assets			\$ 49,510,690

Working Capital Allowance

Power Purchased	\$	64,392,603	See Cost of Energy Schedule
Wholesale Market Services	\$	7,194,482	See Cost of Energy Schedule
Transmission Network	\$	4,986,849	See Cost of Energy Schedule
Transmission Connection	\$	5,324,314	See Cost of Energy Schedule

OM&A Expenses	\$	9,748,527	See OMA Schedule
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Working Capital Allowance Base	\$	91,646,775	A/B/G/H
Working Capital Allowance		15%	\$ 13,747,016

Rate Base			\$ 63,257,706
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Return on Rate Base

Deemed Short Term Debt %	4.00%	\$	2,530,308
Deemed Long Term Debt %	49.33%	\$	31,205,026
Deemed Equity %	46.67%	\$	29,522,372

Short Term Interest	4.47% I	\$	113,105
Long Term Interest	5.82% I	\$	1,816,323
Return on Equity	8.57% I	\$	2,530,067

Return on Rate Base			\$ 4,459,495
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Distribution Expenses

OM&A Expenses	\$	9,748,527	C/D/H/I See OMA Schedule
Transformer Allowance	\$	239,375	
Amortization	\$	4,395,490	

PILS	\$ 1,873,331 E/F	\$ 16,256,723
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See PILS Schedules

Revenue Offsets

Specific Service Charges	\$ 704,147	
Late Payment	\$ 198,733	
Other Distribution Income	\$ 698,776	
Other Income and Deductions	\$ 124,331 J	\$ 1,725,987

Revenue Requirement from Distribution Rates	<u>\$ 18,990,231</u>
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Variance / Deferral Account Rate Adders

Regulatory Assets	\$ (25,208)
LRAM & SSM	\$ -

Revenue Requirement from Rate Riders	<u>\$ (25,208)</u>
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Variance / Deferral Account Rate Adders

Low Voltage	n/a	
Smart Meters	\$ 167,252	
Incremental CDM	n/a	\$ 167,252

Listing of Changes to Application (January 16, 2008)
USofA

A.	4705/4708/4 Change in Load Forecast - Result of Improved Methodology Retail kWh load forecast 2008 old = 1,165,401,141 new = 1,141,200,154 (converted to wholesale kWhs for projections purpose)		
B.	Retail Transmission Rate (RTR) Changes (per Hydro One Announcement- Nov 07)		
	4714 RTNS Transmission Network	\$	4,986,849
	4716 TCS Line and Transformation Connection	\$	5,324,314
C.	6105 Other Elimination of Ontario Capital Tax From OM&A		
D.	5655 Regular Elimination of CDM in 2008 OM&A	\$297,000	
E.	6110 PILS Federal Income Tax Rate Change annouced Nov 07 (from 20.5% to 19.5% in 2008) 6110 PILS Ontario Capital Tax (OCT) change in exception amount \$12.5m to \$15.0m in 2008.		
F.	6110 PILS Change in CCA Rate Computer Puchases CCA Rate 45% to new 55%		
G.	4705 Reduction in all-in supply cost from rate of \$	\$	64,392,603
H.	Elimination from OM&A Projected Expenses 5020/5065/5085/5405/5425/5610/5630	\$	(500,000)
I.	Changes to Cost of Capital Rates Short Term Interest Long Term Interest Return on Equity Weight Average Cost of Capital		
J.	4235 Revenue Offest for SSS Adminstration Charges	\$	(124,331)

K.	5630 \$53,000 approved amount for yearly recover \$	(97,600)
	Elimination of \$97,600 of \$150,600 in application.	

The above table allows comparision of Revenue Requirements between Approved 2006 and 2008 Test Year.

In regards to identification of references as contained in the 2008 application filing, we provide the following. They are:

- C. Net Fixed Assets- Exhibit 2 Tab 1 Schedule 1 Page 1-6 & Exhibit 2 Tab 2 Schedule 3 Page 1-7, & Exhibit 2 Tab 3 Schedule 3 Page 1-15.
- G. Working Capital Tables -Exhibit 2 Tab 4 Schedule 1 Page 5
- U. OM&A Expenses - Exhibit 4 Tab 1 Schedule 1 Page 1-5, Exhibit 4 Tab 2 Schedule 2 Page 1-8.
- V. Transformer Allowance - Exhibit 9 Tab 1 Schedule 4 Page 1

Customer Class	Active		
	YES	Total	Volume
Residential (R1)	YES	0	
GS <50 (C1)	YES	0	
GS>50 kW < 200 kW (I1)	YES	65,347	92,405
GS>1000 kW < 5000 kW (I2 -Intermediate)	YES	78,122	106,913
Large Use >5MW (I3)	YES	145,879	199,641
Street Light	YES	0	
Sentinel	YES	0	
Unmetered Scattered Load (USL)	YES	0	
TOTAL	YES	289,348	

Proposed transformer Allowance rate not changed from historic. Transformers as per billing and count records.

- W. Amortization -Exhibit 2 Tab 2 Schedule 4 Page 1
- X PILS -Exhibit 4 Tab 3 Schedule 1 Page 2 Based on changes of taxable income items, schedule one. And tax rates.
- AA. Smart Meters - Exhibit 9 Tab 1 Schedule 1 Page 1
- AH. Revenue Offsets - Exhibit 3 Tab 3 Schedule 2 Page 1-6
- AJ. Regulatory Assets- Exhibit 5 Tab 1 Schedule 2 Page 2
- AK. LRAM & SSM -Exhibit 10 Tab 1 Schedule 2 Page 1 (first time OPUCN is applying for)

Oshawa PUC Networks Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2007

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

EB-2007-0566

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2008 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2008 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 2008 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units, duplexes or triplexes. Basic connection is defined as 100 amp 12/240 volt overhead service. Further servicing details are available in the distributor's Conditions of Service.

General Service Less Than 50 kW

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

General Service 50 to 999 kW

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1,000 kW. Note that for statistical purposes the following sub-classifications apply:

General Service 50 to 200 kW

General Service over 200 kW

Further servicing details are available in the distributor's Conditions of Service.

General Service 1,000 to 4,999 kW – Formerly Referred to as Intermediate or Time of Use

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1,000 kW but less than 5,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 1,000 to 5,000 kW non-interval metered

General Service 1,000 to 5,000 kW interval metered.

Further servicing details are available in the distributor's Conditions of Service.

Large Use

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

Oshawa PUC Networks Inc.

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EB-2007-0566

Unmetered Scattered Load

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

Sentinel Lighting

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

Street Lighting

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or Ministry of Transportation. This lighting will be controlled by photo cells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the distributor's Conditions of Service.

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	8.46
Distribution Volumetric Rate	\$/kWh	0.0120
Regulatory Asset Recovery	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	9.19
Distribution Volumetric Rate	\$/kWh	0.0183
Regulatory Asset Recovery	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 999 kW

Service Charge	\$	43.31
Distribution Volumetric Rate	\$/kW	3.7495
Regulatory Asset Recovery	\$/kW	(0.0087)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3657
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4586
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.7504
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8527
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

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General Service 1,000 to 4,999 kW – Formerly Intermediate or Time of Use

Service Charge	\$	1,540.73
Distribution Volumetric Rate	\$/kW	3.4215
Regulatory Asset Recovery	\$/kW	(0.0102)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.7504
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8527
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Large Use

Service Charge	\$	10,260.66
Distribution Volumetric Rate	\$/kW	2.8210
Regulatory Asset Recovery	\$/kW	(0.0112)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.8650
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.0216
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	4.69
Distribution Volumetric Rate	\$/kWh	0.0195
Regulatory Asset Recovery	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting

Service Charge (per connection)	\$	3.25
Distribution Volumetric Rate	\$/kW	7.3522
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate	\$/kW	0.9419
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7123
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	0.74
Distribution Volumetric Rate	\$/kW	11.7051
Regulatory Asset Recovery	\$/kW	(0.0082)
Retail Transmission Rate – Network Service Rate	\$/kW	0.9259
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6832
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Oshawa PUC Networks Inc.

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Specific Service Charges

Customer Administration		
Arrears certificate	\$	15.00
Easement Letter	\$	15.00
Account history	\$	15.00
Credit reference Letter	\$	15.00
Credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0487
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0382
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045