



May 5, 2008

Ms. K. Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto, Ontario M4P 1E4

**Re: Distribution Rate Application Board File No EB-2007-0755– Chapleau
Public Utilities Corporation.**

Dear Ms. Walli;

Chapleau Public Utilities Corporation respectfully submits comments and clarifications to the Board Staff submission and to the Vulnerable Energy Consumers Coalition in the above proceeding.

Enclosed with this letter are two (2) hard copies and an electronic version of the documents submitted.

These documents have been filed on behalf of Chapleau Public Utilities Corporation.

Sincerely,

Original Signed by:

Peter Ioannou
Regulatory Compliance Services

Enclosure

cc: Marita Morin, Chapleau Public Utilities Corporation.

Michael Buonaguro, Counsel for VECC
Bill Harper, Econalysis Consulting Services

**Comments and Clarifications to Board Staff
Submission on the
2008 Electricity Distribution Rates
Chapleau Public Utilities Corporation
EB-2007-0755**

On page 2 of the Board Staff Submission under the heading of “THE APPLICATION” the revenue requirement of \$723,891 requested by Chapleau was taken from our original submission. Changes were made through interrogatory responses and this amount was adjusted to \$736,568.

Clarification.

Page 5 – Cost Driver Review - Additional Repairs and Maintenance

The distribution system in Chapleau does not have any plans for expansion or new developments (services) in its’ future. The only work performed on the Company’s distribution system is for repair and maintenance work to keep Chapleau’s aging system in the most reliable state. The volume of work varies, depending upon the findings of the “Assessment of Asset Condition” inspection program (explained below in “Assessment of Asset Condition and Asset Management Plan”), manpower availability, weather conditions and emergency repairs and maintenance caused by extreme weather conditions, automobile accidents, etc. Each year, available net hours are spent in this manner. For 2007, 86.8% of available hours were spent this way, while the balance of available hours (13.2%) was allocated for actual work performed for Hydro One Networks Inc. and the Township of Chapleau.

The increase in additional cost for 2007 is for repairs and maintenance of Chapleaus’ distribution system, but cannot specifically identify as to what maintenance or repair activity contributed to the increase of \$13,700 over 2006 for which 83.6% of available hours was allocated to Chapleau PUC.

Clarification

Page 6 - Regulatory Expenses and Recovery of One-Time Costs

Chapleau PUC in its original submission, identified the outside services employed as \$18,000 for 2008 in Exhibit 4 Operating Costs (Excel worksheet cell G106). The breakdown for this service (to be performed by Regulatory Compliance Services) is \$15,000 for Interrogatory responses to the current 2008 rate application and \$3,000 for the rate application (IRM) that will be required to be completed in 2008 for the rates effective May 1, 2009.

Clarification

Page 6 (third paragraph)

Chapleau PUC, is a small distribution utility, which has employed a total of 5 full-time employees since prior to deregulation and has chosen not to employ additional staff to undertake the ongoing rate submissions and financial reporting required by the OEB on a quarterly and annual basis. Instead, Chapleau PUC has chosen to utilize RCS and KPMG as consultants to perform these duties on an as required basis. Upon deregulation, Chapleau PUC would have been justified in increasing staff and would have included the salaries and benefits into its rate base. Chapleau PUC feels justified in recovering these one-time consultant regulatory costs by including them in its rate base at an average rate of \$29,605 per year over the next three years.

Clarification

Page 7 and 8 - Shared Services (Cost Allocators)

Chapleau Energy Services Company allocates costs based on direct hours worked for Chapleau PUC and determines the allocator (as indicated above in cost driver review) to be used for most of Chapleau PUC activities which include the following:

(References made to Item #s is from our response to interrogatory 5)

Item 1 - management support - 1 Employee

Item 2 - billing and collecting - 1 Employee

Item 3 - distribution repairs and maintenance (represents a portion of this item) - 3 Employees

Item 4 - employee benefits

- Item 5 - office supplies
- Item 6 - all other expenses
- Item 8 – truck expenses

Total employees listed above are 5.

(All the above are referenced as “All Other Costs” in the chart below)

On-Call Expenses (portion of item 3) are premium payments made to employees required by Chapleau PUC to be on-call (standby) outside of regular working hours in case of emergencies and therefore are charged at 100%

Overhead Distribution Line Supplies (item 7) are purchased specifically for the repairs and maintenance of Chapleau PUCs’ overhead distribution system.

The following is the summary of the table supplied in interrogatories.

	2006 \$	Allocation	2007 \$	Allocation	2008 \$	Allocation
All Other Costs are allocated based direct hours	357,037	83.6%	393,657	86.6%	402,478	86.6%
On-Call expenses	7,800	100%	7,800	100%	7,800	100%
Overhead Distribution Line Supplies	18,580	100%	15,120	100%	15,574	100%
Total	383,417		416,577		425,851	

Clarification

Page 10 – Assessment of Asset Condition and Asset Management Plan

Chapleau PUC prioritizes its work plans and expenditures on a short and long term basis in order to maintain its assets as follows:

- Yearly oil samples taken from its station transformers and these samples are sent for analysis to Seimens Canada Ltd. They perform dissolved gas analysis and oil screen tests on the samples.
- Yearly infra red survey is performed by Sudbury Control Technologies. This scan covers the Chapleau D.S. as well as the rest of the Utility infrastructure.
- In 2007 Chapleau PUC commissioned EnerSpectrum Group to complete system modeling, assessments, and total resource cost analysis to reduce system losses and optimize performance on the distribution system.
- Chapleau PUC commissions Hydro One for substation maintenance and inspection. Hydro One makes their prioritized recommendations and Chapleau PUC follows up to correct the deficiencies.

Chapleau PUC performs annual maintenance based on the inspection programs listed above and other maintenance, repairs, upgrades, and rebuilds as required.

All the above tests and field projects are inspected yearly by the ESA. An internal audit is performed by them in March and a field audit in July or August.

Comments

Page 10 and 11- Smart Meters

Chapleau PUC has not installed any smart meters and does not intend to install smart meters until authorized by the Board. However, in order to meet installation deadlines, for itself and other members of the Northeast Utilities group, Chapleau

PUC has formulated a plan that projects the installation of approximately 1,300 smart meters in 2009. Chapleau PUC has incurred costs of \$7,468.46 for consulting fee's in 2007 that was charged to our CDM Plan and \$2,282.89 to date in 2008 for consulting fees that were charged to our smart meter capital variance account. These costs were referenced in the response to Board staff interrogatory # 43 b) (i).

Chapleau PUC is proposing with this submission to address the recovery of smart meters by using a smart meter rate adder as suggested by VECC in its submission. Chapleau PUC does not however, agree with an arbitrary "discount factor". Along with this proposal, Chapleau PUC would request that existing accounts 1555 and 1556 would be used to record the revenue from the smart meter rate adder and the costs associated with the smart meters.

Chapleau PUC proposes to use the OEB smart meter rate adder model to determine the smart meter rate adder amount when final rates are determined and Board staff would have the opportunity to ensure the calculation is correct before final rates are approved.

The inputs into the OEB smart meter rate adder model would include \$602,834 of capital and \$230,378 in OM&A expenses to be incurred in 2008, 2009 and 2010. The capital amount of \$29,361 would be removed from rate base. The OM&A expense was not included in our expenses for the calculation of working capital and revenue requirement.

As per the smart meter adder model the resulting adder would be applied to all metered customers.

Explanation

Page 12 - Cost of Capital

Note that the weighted average cost of capital ("WACC") should be 7.19% not 7.25% as stated in our interrogatory responses. By applying the 7.19% the return on rate base is \$94,445 not \$95,280, representing a reduction of \$835.

Comment

Page 13 – Revenue Sufficiency/Surplus

This was responded to in Interrogatory # 23 (b). The 10.8% no longer applies.

Comment

Page 13 and 14 – Customer and Load Forecasts

Note that:

- (a) Chapleau PUC has corrected the 2008 customer count for Residential Customers from the original submission of 1177 to a count of 1164
- (b) The Excel spreadsheet that was submitted to the Board Secretary is an open document and is also in PDF format, as required by the OEB.

It was noted by Board staff, in page 2 of their submission that “Chapleau has experienced a reduction in overall kWh sales of 17% from 2002 to 2006 while the Township has suffered a reduction in population of 12% over the same time period” and also noted that this trend has been stabilized in 2006 as evidenced by our forecast kWhs for Bridge Year 2007. Chapleau PUC forecast calculation for Test Year 2008 was determined using the average kWhs for 2006 and 2007 ($27,963,997 + 28,437,682 = 56,401,679 \div 2 = 28,200,840$).

Chapleau PUC is forecasting zero customer connections growth, a minor negative kWh load change of 0.2% as above and a positive load growth of 1.2%. This load growth (not real) is due to the transfer of one customer from the <50 kW Class to the >50 kW Class and one customer from >50 kW Class to the <50 kW Class. The net impact of this reclassification, of the two customers, resulted as an increase in load. The following table will hopefully provide further explanation:

Year	Customers	kWh	kW
2006	1,740	27,963,997	21,740
2007	1,715	28,437,682	21,752
2008	1,715	28,200,840	21,746
Adjustment	0	0	269
2008 Forecast	1,715	28,200,840	22,015

2008 kWh and kW before the adjustment is the average of 2006 and 2007.

Comment

Page 15 - Costs of Low Voltage Charges

Chapleau PUC has recalculated low voltage charges using the same consumptions as Board Staff Interrogatory Response #27 but applying Hydro One's applied for new rates.

Month	Shared Line		Shared D/S		Total
	Quantity kW	\$ Amount	Quantity kW	\$ Amount	\$ Amount
October '06	214.81	124.59	934.02	1,326.31	1,450.90
November	194.88	113.03	1,384.37	1,965.81	2,078.84
December	168.62	97.80	1,672.56	2,375.04	2,472.84
January '07	153.0	88.74	1,855.45	2,634.74	2,723.48
February	155.61	90.25	2,174.16	3,087.31	3,177.56
March	155.91	90.43	2,467.02	3,503.17	3,593.60
April	163.66	94.92	2,693.61	3,824.93	3,919.85
May	157.64	91.43	2,505.99	3,558.51	3,649.94
June	148.37	86.05	2,037.60	2,893.34	2,979.39
July	195.82	113.58	1,331.36	1,890.53	2,004.11
August	206.17	119.58	1,183.58	1,680.68	1,800.26
September	207.81	120.53	1,066.94	1515.05	1,635.58
Total	2,122.31	1230.93	21,306.66	30,255.42	31,486.35

Total LV costs as per above schedule is \$31,486.35 plus the new fixed monthly service charge of \$188 is \$2,256.00 for a total of \$33,742.35. The difference is \$3,204.21 lower than in our original submission.

Chapleau PUC is prepared to amend the Low Voltage rates based on the new rates from Hydro One Networks Inc.

Comment

Page 15 and 16 – Cost Allocation – Revenue to Cost Ratios

Special consideration should be given to Street Lighting and Sentinel Lighting classifications because in the cost allocation study, a street light or sentinel light connection is equivalent to a customer and therefore costs allocated are based on 780 and 66 connections respectively which is the biggest driver that caused the results for these classes. This can be argued that a street light is like any other appliance or light in a home. It just happens to be outside on the street. In this case, a street light would be incremental load much like a stove or refrigerator and it would attract very little customer costs if any at all.

As indicated in our response to interrogatory #29, this is an issue that needs to be discussed further with the OEB and other market participants. As a result, changes should not be made fully to Street Lighting or Sentinel Lighting revenue pricing until this issue has been resolved.

Comment**Page 17 – Rate Design – Fixed Charges**

Chapleau PUC is prepared to allow fixed charges to remain at the current approved level and increase volumetric charges appropriately, allowing for revenue neutrality.

Comment**Page 18 – Low voltage Adder**

The approach taken by Chapleau PUC is similar to the EDR model where the Low Voltage charge was applied as an adder to the rate base. Chapleau PUC agrees with Board staff that it should only be applied as a rate adder that is a component within the volumetric rate not as a fixed/volumetric charge. Therefore Chapleau PUC is willing to apply it as a volumetric charge.

Comment**Page 18 and 19 – Retail Transmission Service Rates**

Chapleau PUC receives retail transmission service charges from the IESO and Hydro One Networks Inc. but not get charged for the transformation connection service charge.

The following rates are the applicable rates for Chapleau PUC:

	Existing Rate	Rate Applied For	% Change
Hydro One			
-Network	2.52	2.02	-19.8%
-Line Connection	0.74	0.51	-31.1%
IESO			
-Network	2.83	2.31	-18.4%
- Line Connection	0.82	0.59	-28.0%

Using actual consumptions for 2006 and 2007, Chapleau PUC has recalculated the Network and Connection Rates costs based on the above rates as follows:

Network	kW	Current Cost	Proposed Cost	% Change
Year 2006				
-Hydro One	22,363	56,355	45,173	
-IESO	33,936	96,039	78,392	
Total Cost	56,299	152,394	123,565	-18.9
Year 2007				
-Hydro One	21,265	53,588	42,955	
-IESO	33,231	94,044	76,764	
Total Cost	54,496	147,632	119,719	-18.9
Average				
-Hydro One	21,814	54,971	44,064	
-IESO	33,584	95,041	77,578	
Total Cost	55,398	150,012	121,642	-18.9
2006/7 Average Revenue (Actual)		147,021	147,021	-17.3

Based on the average cost and average revenue above, the currently approved Network Rates for Chapleau PUC would need to be reduced by 17.3%.

Line Connection	kW	Current Cost	Proposed Cost	% Change
Year 2006				
-Hydro One	22,363	16,548	11,405	
-IESO	38,124	31,262	22,493	
Total Cost	60,487	47,810	33,898	-29.1
Year 2007				
Line Connection				
-Hydro One	21,265	15,736	10,845	
-IESO	36,600	30,012	21,594	
Total Cost	57,865	45,748	32,439	-29.1
Average				
-Hydro One	21,814	16,142	11,125	
-IESO	37,362	30,636	22,044	
Total Cost	59,176	46,779	33,168	-29.1
2006/7 Average Revenue (Actual)		140,861	140,861	-76.5

Based on the average cost and average revenue above, the currently approved Line Connection Rates for Chapleau PUC would need to be reduced by 76.5%.

Comment

Page 19 – Wholesale Market Service Rates

Chapleau PUC has determined that the actual data for 2006 and 2007 are as follows:

2006		
	Cost	\$154,628
	Revenue	\$186,803
2007		
	Cost	\$141,690
	Revenue	\$180,207
Average		
	Cost	\$148,159
	Revenue	\$183,505

Based on the above Chapleau PUC is willing to adjust the Wholesale Market Service Rate to be \$ 0.0050 for all customer classes.

Clarification

Page 20 to 23 – Deferral and Variance Accounts

Adjustments made to the 2006 and 2007 financials and those reported, by us, in the Regulatory Asset Worksheet are different and create confusion. In our attempt to forecast transactions into 2008, during our original submission, and failed to eliminate these forward transactions from the worksheet during the interrogatory process.

The 2008 Regulatory Asset Recovery Worksheet submitted with our interrogatory responses has been amended to eliminate forward transactions into 2008 and includes the adjustments made (highlighted in light blue), with this submission.

The following are the adjustments made during the interrogatory process and have identified if the adjustments have been audited:

An adjustment was made by the CPUC's auditors at year end 2006 in account 1525 Misc. Deferred Debits cell T32 for a credit of \$903.98 to clear this account to \$0.00 and debited account 5665 Misc. General Expense. No impact to disposition of regulatory assets.

The above adjustment was made in 2006 and has been audited.

A debit adjustment of \$3,294.24 was made in 2007 by management in account 1590 Recovery of Regulatory Asset Balances cell AA59. This was to adjust an error made in 2006 in cell X59.

The above adjustment was made in 2007 and has not been audited.

A debit adjustment of \$53,513.82 was made in 2007 by management in account 1590 Recovery of Regulatory Asset Balances cells AD59 for \$48,537.68 (Principal) and AF59 for \$4,976.14 (Interest) to transfer the recoveries of Conservation and Demand Management Expenditures that were recorded in error. Corresponding credits were made to cells AD38 and AF38.

The above adjustment was made in 2007 and has not been audited.

An adjustment was made in 2007 by management to credit \$1,659.50 in account 1508 Other Regulatory Assets - Sub-Account - OEB Cost Assessments cell T25 and charged to account 5655 Regulatory Expenses. Applicable interest was also adjusted in cell AF25 for \$76.78 credit and debit account 4405 Interest Earned.

The above adjustment was made in 2007 and has not been audited.

Adjustments were made to account 1508 Other Regulatory Assets - Sub-Account - Pension Contributions in 2007 for a credit of \$12,936.78 for 2005 and a credit of \$13,727.10 for 2006 in cell T26. An interest adjustment was also made for a credit of \$241.00 in cell AF26 and debit account 4405 Interest Earned.

The above adjustment was made in 2007 and has not been audited.

Note that all of the above adjustments made in 2007 have now been audited and are included in our 2007 Financials, which have now been forwarded to the Ontario Energy Board.

Based on the Board Staff discussion on the Regulatory Asset Balances, Account number 1590, Chapleau PUC agrees with Board Staff and is not requesting disposition of the account balance until a future hearing date is determined.

Chapleau PUC has confirmed the accuracy of the account balances in the 2008 Regulatory Asset Recovery Worksheet.

A/c #	Account Description	\$ Amount
1508	Other Regulatory Assets	22,965
1550	LV Variance	14,121
1580	RSVA – Wholesale Market Service Charge	(27,372)
1584	RSVA – Retail Transmission Network Charges	(27,480)
1586	RSVA - Retail Transmission Connection Charges	(207,193)
1588	RSVA - Power	(36,389)
	Total	(261,348)

Chapleau PUC is therefore requesting disposition the above account balances totaling \$261,348.

Comments and Clarifications to VECC Submission on the 2008 Electricity Distribution Rates Chapleau Public Utilities Corporation EB-2007-0755

Chapleau PUC will offer comments and clarifications to VECC's observations that differ from the Board Staff Submission comments and clarifications.

2 - Rate Base and Capital Spending

Capital Spending

2.2 – In our interrogatory responses we responded that replacement of poles was an estimate of \$4,000 for 10 poles. During a closer examination we find that the pole quantity should have read 12 not 10, as originally indicated.

2.3 – This was clarified in the Board Staff submission "Page 10 – Assessment of Asset Condition and Asset Management Plan"

Rate Base

2.6 – Chapleau PUC intends to follow the Board Guidelines for consistency.

2.7 - Chapleau PUC was consistent in the method used to forecast commodity cost as that of kWh consumption (2008 forecast being the average of 2006 actual and 2007 forecast).

2.8 – This was commented and recalculated in the Board Staff submission "Page 18 and 19 – Retail Transmission Service Rates"

2.9 – Same as 2.8.

3 - Load Forecast and Revenue Offsets

Load Forecast

3.6 Chapleau PUC's annual reporting of customer connections is based on the final year-end count as identified through the company's billing records. The fluctuations in residential customers between the years 2002 and 2007 represent annual changes (+ / -) of between 0 and 26 customers each year. The 2002 residential customer count was 1,175 while the 2008 forecast is 1,164. Given the reduced population level over the same time period, Chapleau PUC's estimate of 1,164 (same as 2007) for the residential customer count is reasonable.

4 – Operating Costs

OM&A

4.3 This was clarified in the Board Staff submission "Page 5 – Cost Driver Review - Additional Repairs and Maintenance".

4.5 There appears to be some misunderstanding or confusion in regard to the one time costs.

The 2007 costs (\$25,000) associated with the 2nd generation IRM is for the current application and also the \$15,000 in 2008.

The cost associated with the 3 year business plan, of \$11,450, was at the request of the Ontario Energy Board.

5 – Cost of Capital/Capital Structure

5.2 The use of 7.25% value was a typographical error. This was also explained in the Board Staff submission "Page 12 - Cost of Capital".

6 – Deferral and Variance Accounts

This was clarified in the Board Staff submission "Page 20 to 23 – Deferral and Variance Accounts"

7 – Smart Meters

This is commended in the Board Staff submission “Page 10 and 11- Smart Meters”

8 – Cost Allocation

This is commended, in part, in the Board Staff submission “Page 15 and 16 – Cost Allocation – Revenue to Cost Ratios”

9 - Rate Design

This is commended in the Board Staff submission “Page 17 – Rate Design – Fixed Charges”

10 – Retail Transmission Rates

This is commended in the Board Staff submission “Page 18 and 19 – Retail Transmission Service Rates”

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Chapleau Public Utilities Corporation	LICENCE NUMBER	ED-2002-0528
NAME OF CONTACT	Marita Morin	DOCID NUMBER	EB-2007-0755
E-mail Address	chec@onlink.net		
VERSION NUMBER	v3.0	PHONE NUMBER	705-864-0111
Date	14-Feb-08	(extension)	

Enter appropriate data in cells which are highlighted in yellow only.
Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below:
Debits should be recorded as positive numbers and credits should be recorded as negative numbers.
Repeat cells going across as necessary for each year in application

2005										
Account Description	Account Number	Opening Principal Amounts as of Jan-1-05 ¹	Transactions (additions) during 2005, excluding interest and adjustments ⁶	Transactions (reductions) during 2005, excluding interest and adjustments ⁶	Adjustments during 2005 - instructed by Board ²	Adjustments during 2005 - other ³	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec31-05	Closing Interest Amounts as of Dec-31-05
RSVA - Wholesale Market Service Charge	1580	\$ 21,747	\$ 8,917				\$ 30,663	\$ 2,069	\$ 72	\$ 2,140
RSVA - One-time Wholesale Market Service	1582						\$ -			\$ -
RSVA - Retail Transmission Network Charge	1584	\$ (37,073)	\$ (25,220)		\$ (2,614)		\$ (64,907)	\$ 68	\$ (149)	\$ (81)
RSVA - Retail Transmission Connection Charge	1586	\$ (262,237)	\$ (77,117)		\$ 139,661		\$ (199,693)	\$ (3,555)	\$ (487)	\$ (4,042)
Sub-Totals		\$ (277,564)	\$ (93,421)		\$ 137,047	\$ -	\$ (233,937)	\$ (1,419)	\$ (564)	\$ (1,982)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 1,014	\$ 2,813				\$ 3,827	\$ 15	\$ 126	\$ 141
Other Regulatory Assets - Sub-Account - Pension Contributions	1508		\$ 25,873				\$ 25,873			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508						\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508						\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508						\$ -			\$ -
Retail Cost Variance Account - Retail	1518						\$ -			\$ -
Retail Cost Variance Account - STR	1548						\$ -			\$ -
Misc. Deferred Debits	1525	\$ 5,553					\$ 5,553	\$ 12		\$ 12
LV Variance Account	1550						\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555						\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555						\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Me	1555						\$ -			\$ -
Smart Meter OM&A Variance	1556						\$ -			\$ -
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 1,738					\$ 1,738	\$ 49		\$ 49
CDM Contra	1566						\$ -			\$ -
Qualifying Transition Costs ⁸	1570	\$ 54,717	n/a	n/a			\$ 54,717	\$ 3,967		\$ 3,967
Pre-Market Opening Energy Variances Total ⁵	1571	\$ (42,084)	n/a	n/a			\$ (42,084)	\$ (6,119)	\$ (3,051)	\$ (9,170)
Extra-Ordinary Event Costs	1572						\$ -			\$ -
Deferred Rate Impact Amounts	1574						\$ -			\$ -
Other Deferred Credits	2425						\$ -			\$ -
Sub-Totals		\$ 13,647	\$ 35,978	\$ -	\$ -	\$ -	\$ 49,625	\$ (6,104)	\$ 1,103	\$ (5,002)
Deferred Payments in Lieu of Taxes	1562									
2006 PILs & Taxes Variance	1592									
Sub-Totals										
Total		\$ (263,917)	\$ (57,443)	\$ -	\$ 137,047	\$ -	\$ (184,312)	\$ (7,523)	\$ 539	\$ (6,984)
The following is not included in the total claim but is included on a memo basis:										
Deferred PILs Contra Account ⁸	1563									
RSVA - Power (including Global Adjustment)	1588	\$ (8,568)	\$ (19,175)				\$ (27,743)	\$ 4,520	\$ 695	\$ 5,215
RSVA - Power - Sub-Account - Global Adjustment ⁴	1588	\$ -	\$ (4,923)				\$ (4,923)	\$ -	\$ (654)	\$ (654)
Recovery of Regulatory Asset Balances	1590	\$ (13,197)	\$ (32,805)				\$ (46,002)	\$ (262)	\$ (2,066)	\$ (2,328)

C:\WINDOWS\Desktop\Board Staff_IR_34_2008_reg_asset_Chapleau-resubmission_20080505.xls\Continuity Schedule

¹ As per general ledger, if does not agree to Dec-31-04 balance filed in 2006 EDR then provide supplementary analysis

² Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, and etc.

³ Provide supporting statement indicating nature of this adjustments and periods they relate to

⁴ Not included in sub-total

⁵ Closed April 30, 2002

⁶ For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.

⁷ Please describe "other" components of 1508 and add more component lines if necessary.

⁸ 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.

⁹ Interest projected on December 31, 2006 closing principal balance.

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Chapleau Public Utilities Corporation
NAME OF CONTACT	Marita Morin
E-mail Address	chec@onlink.net
VERSION NUMBER	v3.0
Date	14-Feb-08

2006												
Account Description	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions (additions) during 2006, excluding interest and adjustments ⁶	Transactions (reductions) during 2006, excluding interest and adjustments ⁶	Adjustments during 2006 - instructed by Board ²	Adjustments during 2006 - other ³	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Interest Amounts as of Dec-31-06
RSVA - Wholesale Market Service Charge	1580	\$ 30,663	\$ (32,175)				\$ (21,747)	\$ (23,259)	\$ 2,140	\$ (662)	\$ (4,168)	\$ (2,690)
RSVA - One-time Wholesale Market Service	1582	\$ -	\$ -		\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Retail Transmission Network Charge	1584	\$ (64,907)	\$ (3,228)				\$ 39,687	\$ (28,448)	\$ (81)	\$ (925)	\$ 3,714	\$ 2,709
RSVA - Retail Transmission Connection Charge	1586	\$ (199,693)	\$ (83,807)				\$ 122,576	\$ (160,924)	\$ (4,042)	\$ (50,345)	\$ 17,967	\$ (36,420)
Sub-Totals		\$ (233,937)	\$ (119,210)		\$ -	\$ -	\$ 140,516	\$ (212,631)	\$ (1,982)	\$ (51,931)	\$ 17,513	\$ (36,401)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 3,827	\$ 2,355			\$ (1,660)	\$ (1,014)	\$ 3,508	\$ 141	\$ 125	\$ (15)	\$ 251
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 25,873	\$ 18,113			\$ (26,664)		\$ 17,323	\$ -	\$ 927		\$ 927
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -						\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -						\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -						\$ -	\$ -			\$ -
Retail Cost Variance Account - Retail	1518	\$ -						\$ -	\$ -			\$ -
Retail Cost Variance Account - STR	1548	\$ -						\$ -	\$ -			\$ -
Misc. Deferred Debits	1525	\$ 5,553				\$ (904)	\$ (4,649)	\$ -	\$ 12	\$ 351	\$ (363)	\$ -
LV Variance Account	1550	\$ -	\$ 13,195		\$ -			\$ 13,195	\$ -	\$ 119	\$ -	\$ 119
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -						\$ -	\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -	\$ (2,419)					\$ (2,419)	\$ -	\$ (51)		\$ (51)
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Me	1555	\$ -						\$ -	\$ -			\$ -
Smart Meter OM&A Variance	1556	\$ -						\$ -	\$ -			\$ -
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 1,738	\$ 2,221					\$ 3,960	\$ 49	\$ 140		\$ 189
CDM Contra	1566	\$ -						\$ -	\$ -			\$ -
Qualifying Transition Costs ⁸	1570	\$ 54,717	n/a	n/a			\$ (54,717)	\$ -	\$ 3,967	\$ 1,317	\$ (5,284)	\$ 0
Pre-Market Opening Energy Variances Total ⁵	1571	\$ (42,084)	n/a	n/a			\$ 42,084	\$ -	\$ (9,170)	\$ 3,051	\$ 6,119	\$ -
Extra-Ordinary Event Costs	1572	\$ -						\$ -	\$ -			\$ -
Deferred Rate Impact Amounts	1574	\$ -						\$ -	\$ -			\$ -
Other Deferred Credits	2425	\$ -						\$ -	\$ -			\$ -
Sub-Totals		\$ 49,625	\$ 33,465	\$ -	\$ -	\$ (29,227)	\$ (18,296)	\$ 35,567	\$ (5,002)	\$ 5,979	\$ 457	\$ 1,434
Deferred Payments in Lieu of Taxes	1562											
2006 PILs & Taxes Variance	1592											
Sub-Totals												
Total		\$ (184,312)	\$ (85,745)	\$ -	\$ -	\$ (29,227)	\$ 122,220	\$ (177,065)	\$ (6,984)	\$ (45,952)	\$ 17,970	\$ (34,967)
The following is not included in the total claim but is included on a memo basis:												
Deferred PILs Contra Account ⁸	1563											
RSVA - Power (including Global Adjustment)	1588	\$ (27,743)	\$ (20,155)				\$ 8,568	\$ (39,330)	\$ 5,215	\$ 3,827	\$ (3,693)	\$ 5,349
RSVA - Power - Sub-Account - Global Adjustment ⁴	1588	\$ (4,923)	\$ 20,722					\$ 15,799	\$ (654)	\$ (15)		\$ (669)
Recovery of Regulatory Asset Balances	1590	\$ (46,002)	\$ (17,500)				\$ 52,886	\$ (10,617)	\$ (2,328)	\$ (3,049)	\$ (18,943)	\$ (24,320)

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Chapleau Public Utilities Corporation
NAME OF CONTACT	Marita Morin
E-mail Address	checc@onlink.net
VERSION NUMBER	v3.0
Date	14-Feb-08

Account Description	Account Number	Projected Interest on Dec 31 -06 balance from Jan 1, 2007 to Dec 31, 2007 ⁹	Projected Interest on Dec 31 -06 balance from Jan 1, 2008 to April 30, 2008 ⁹	Claim before Forecasted Transactions	ADJUSTMENTS MADE, Excluding Interest from Jan 1, 2007 to Dec 31, 2007	Forecasted Transactions, Excluding Interest from Jan 1, 2008 to April 30, 2008	INTEREST ADJUSTMENTS MADE from Jan 1, 2007 to December 31, 2007	Projected Interest from Jan 1, 2008 to April 30, 2008 on Forecasted Transx (Excl Interest) from Jan 1, 2008 to April 30, 2008	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (1,068)	\$ (356)	\$ (27,372)					
RSVA - One-time Wholesale Market Service	1582	\$ -	\$ -	\$ -					\$ -
RSVA - Retail Transmission Network Charge	1584	\$ (1,306)	\$ (435)	\$ (27,480)					\$ (27,480)
RSVA - Retail Transmission Connection Charge	1586	\$ (7,386)	\$ (2,462)	\$ (207,193)					\$ (207,193)
Sub-Totals		\$ (9,760)	\$ (3,253)	\$ (262,045)				\$ -	\$ (262,045)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 161	\$ 54	\$ 3,973			\$ (77)		\$ 3,896
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ 795	\$ 265	\$ 19,310			\$ (241)		\$ 19,069
Other Regulatory Assets - Sub-Account - Other ⁷	1508			\$ -					\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508			\$ -					\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508			\$ -					\$ -
Retail Cost Variance Account - Retail	1518			\$ -					\$ -
Retail Cost Variance Account - STR	1548			\$ -					\$ -
Misc. Deferred Debits	1525			\$ -					\$ -
LV Variance Account	1550	\$ 606	\$ 202	\$ 14,121					\$ 14,121
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555			\$ -					\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ (111)	\$ (37)	\$ (2,618)					\$ (2,618)
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Me	1555			\$ -					\$ -
Smart Meter OM&A Variance	1556			\$ -					\$ -
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 182	\$ 61	\$ 4,391	\$ (48,538)		\$ (4,976)	\$ -	\$ (49,123)
CDM Contra	1566			\$ -					\$ -
Qualifying Transition Costs ⁸	1570			\$ 0					\$ 0
Pre-Market Opening Energy Variances Total ⁵	1571			\$ -					\$ -
Extra-Ordinary Event Costs	1572			\$ -					\$ -
Deferred Rate Impact Amounts	1574			\$ -					\$ -
Other Deferred Credits	2425			\$ -					\$ -
Sub-Totals		\$ 1,633	\$ 544	\$ 39,177	\$ (48,538)	\$ -	\$ (5,294)	\$ -	\$ (14,654)
Deferred Payments in Lieu of Taxes	1562								
2006 PILs & Taxes Variance	1592								
Sub-Totals				\$ -					\$ -
Total		\$ (8,127)	\$ (2,709)	\$ (222,868)			\$ (5,294)	\$ -	\$ (276,699)
The following is not included in the total claim but is included on a memo basis:									
Deferred PILs Contra Account ⁸	1563								
RSVA - Power (including Global Adjustment)	1588	\$ (1,805)	\$ (602)	\$ (36,389)					\$ (36,389)
RSVA - Power - Sub-Account - Global Adjustment ⁴	1588	\$ 725	\$ 242	\$ 16,097					\$ 16,097
Recovery of Regulatory Asset Balances	1590	\$ (487)	\$ (162)	\$ (35,586)	\$ 48,538		\$ 4,976		\$ 17,928