



EB-2012-0160

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 Peterborough
Distribution Inc. for an order approving just and reasonable
rates and other charges for electricity distribution to be
effective May 1, 2013.

BEFORE: Ken Quesnelle
Presiding Member

Alison Duff
Member

DECISION AND ORDER

August 22, 2013

Peterborough Distribution Inc. ("PDI") filed a complete application with the Ontario Energy Board (the "Board") on March 23, 2013 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 PDI charges for electricity distribution, to be effective May 1, 2013.

The Board issued Procedural Order No. 1, granting PDI's request to make its existing rates interim on May 1, 2013 and granting intervenor status and cost award eligibility to Energy Probe Research Foundation ("Energy Probe"), School Energy Coalition ("SEC") and the Vulnerable Energy Consumers Coalition ("VECC"). Procedural Order No. 1 also provided for a teleconference among parties for the purpose of clarifying PDI's evidence, to be followed by interrogatories and interrogatory responses.

In response to interrogatory number 1-SEC-5, PDI provided its 2012 audited financial statements and those of its affiliates Peterborough Utilities Services Inc. ("PUSI") and

Peterborough Utilities Commission (“PUC”). However, PDI requested that the financial statements for its affiliate Peterborough Utilities Inc. (“PUI”) be kept confidential (the “Proposed Confidential Material”).

In accordance with the Board’s Practice Direction on Confidential Filings, PDI provided a hard copy of the Proposed Confidential Material in unredacted form to the Board and served a copy of its letter requesting confidentiality on all parties to the proceeding. On June 14, 2013, the Board issued its Decision on Confidentiality and Procedural Order No. 3, granting confidential status to the financial statements of PUI and setting dates for supplemental interrogatories and a settlement conference. A date of July 24, 2013 was also set for the filing of any proposed settlement agreement arising from the settlement conference.

The settlement conference took place on July 9 and 10, 2013. PDI, SEC, VECC and Energy Probe (collectively, the “Parties”) participated in the settlement conference. The Parties reached a complete settlement on all issues and PDI filed a proposed Settlement Agreement with the Board on July 25, 2013.

PDI submitted detailed supporting material, including all relevant calculations showing the impact of the implementation of the proposed Settlement Agreement on PDI’s revenue requirement, the allocation of the resulting revenue requirement to the classes and the determination of the final rates, including bill impacts and a proposed Tariff of Rates and Charges.

On August 14, 2013, PDI submitted a letter to the Board indicating that certain Appendices to the proposed Settlement Agreement contained typographical errors. PDI revised Appendix C to the proposed Settlement Agreement and revised the Tariff of Rates and Charges accordingly. PDI indicated the Parties had accepted the revisions.

Board Findings

The Board has reviewed the proposed Settlement Agreement and accepts it as filed (the “Agreement”), subject to the following comments. The Board commends the parties on achieving complete settlement of all matters. PDI’s new rates are to be effective May 1, 2013 and implemented on September 1, 2013. The Agreement is included as Appendix A to this Decision and Order.

The Board notes that the Agreement addresses the allocation of the eligible investments contained within the Green Energy Act Plan between PDI's ratepayers and Provincial Ratepayers in a manner consistent with the Report of the Board: *The Framework for Determining the Direct Benefits Accruing to Customers of a Distributor under Ontario Regulation 330/09* (EB-2009-0349) ("the Framework"). However, it does not fully address the accounting treatment for these assets.

In the Agreement, parties agreed to the inclusion of \$35,000 in capital costs in PDI's capital additions for 2013, calculated as direct benefits to Peterborough's ratepayers. Parties agreed to a revenue requirement for the remaining eligible assets of \$6,737 to be recovered from provincial ratepayers in 2013. In addition, Parties agreed to the recovery from the IESO of a monthly amount of \$561. The Board finds the calculation to be consistent with the *Framework* and approves this approach.

Section 7.1 of the *Filing Requirements: Distribution System Plans – Filing Under Deemed Conditions of Licence*, (the "*Filing Requirements*") outlines the deferral accounts to be used by distributors to record renewable generation capital expenditures, as well as the related revenues collected either from a distributors' ratepayers or provincial ratepayers. The Board expects PDI to record the incremental capital investment eligible for recovery from provincial ratepayers in Account 1531: Renewable Generation Connection Capital Deferral Account. In addition, PDI shall record the revenues received through the IESO protocols in Account 1533: Renewable Generation Connection Funding Adder Deferral Account. After rendering this Decision and Order, the Board will establish a payment process regarding the remittance of funds on a monthly basis from the Independent Electricity System Operator to PDI.

The Board has reviewed the information provided in support of the proposed Settlement Agreement as revised. The Board is satisfied that the Tariff of Rates and Charges attached to this Rate Order in Appendix B accurately reflects the Board's findings.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "B" of this Rate Order is approved effective May 1, 2013 for implementation on September 1, 2013 for electricity consumed or estimated to have been consumed on and after September 1, 2013.

2. This Tariff of Rates and Charges supersedes all previous Tariffs of Rates and Charges approved by the Board for PDI's service area, and is final in all respects.
3. PDI shall notify its customers of the resulting rate changes no later than issuance of the first bill reflecting the new rates.

Cost Awards

The Board will issue a separate decision on cost awards once the following steps are completed:

1. Intervenors shall file with the Board and forward to PDI their respective cost claims within **7 days** from the date of issuance of this Decision and Order.
2. PDI shall file with the Board and forward to intervenors any objections to the claimed costs within **17 days** from the date of issuance of this Decision and Order.
3. Intervenors shall file with the Board and forward to PDI any responses to any objections for cost claims within **24 days** of the date of issuance of this Decision and Order.
4. PDI shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote the file number, **EB-2012-0160**, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two

paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date. With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Martha McOuat at martha.mcouat@ontarioenergyboard.ca and Board Counsel, Ljuba Djurjevic at ljuba.djurjevic@ontarioenergyboard.ca.

DATED at Toronto, August 22, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

**TO DECISION AND ORDER
EB-2012-0160**

DATED: August 22, 2013

**Peterborough Distribution Inc.
Settlement Agreement
Dated: July 24, 2013**



**Peterborough
Distribution Inc.**

PETERBOROUGH DISTRIBUTION INC.

1867 Ashburnham Drive, PO Box 4125, Station Main
Peterborough ON K9J 6Z5

July 24, 2013

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

Dear: Ms. Walli

**Re: Peterborough Distribution Inc. (PDI) 2013 Cost of Service Electricity
Distribution Rate Application EB-2012-0160
Proposed Settlement Agreement**

Pursuant to Procedural Order No. 3 the above noted matter, a Settlement Conference was convened in this proceeding on July 9 and 10, 2013.

Peterborough Distribution Inc. ("PDI") is pleased to advise that the Parties have achieved a complete settlement in this matter. Please find accompanying this letter a copy of the proposed Settlement Agreement. Each of the Parties has reviewed and approved the document, and the Parties respectfully request that the Board approve the Settlement Agreement. The Parties acknowledge, with thanks, the assistance of Mr. Hausmann and Board Staff in this process.

Please note that the Parties have provided the proposed Schedule of Rates and Charges as Appendix J to the Settlement Agreement. The Parties respectfully suggest that it will not be necessary to have PDI prepare a draft Rate Order if the Settlement Agreement is approved by the Board. Rather, the final Rate Order, based on Appendix J, can be approved concurrently with the Settlement Agreement.

Excel versions of related models and Board Appendices will be filed electronically, and two paper copies of the proposed Settlement Agreement will be delivered by courier.

We trust that this is satisfactory. If you require any further information, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to be 'BT', written over a horizontal line.

Byron Thompson
Chief Financial Officer
Peterborough Distribution Inc.
Peterborough, Ontario
Email: bthompson@peterboroughutilities.ca
Phone: 705-748-9301 x 1283

EB-2012-0160

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 Peterborough Distribution Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2013.

**PETERBOROUGH DISTRIBUTION INC. (“PDI”)
SETTLEMENT AGREEMENT
FILED: JULY 24, 2013**

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INTRODUCTION

PDI carries on the business of distributing electricity within the City of Peterborough as described in its distribution licence. PDI filed an application with the Ontario Energy Board (the “Board”) on March 23, 2013 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 PDI charges for electricity distribution, to be effective May 1, 2013 (the “Application”). The Board assigned the Application File Number EB-2012-0160.

Three parties requested and were granted intervenor status: Energy Probe Research Foundation (“Energy Probe” or “EP”), the Vulnerable Energy Consumers’ Coalition (“VECC”), and School Energy Coalition (“SEC”). These parties are referred to collectively as the “Intervenors”.

In Procedural Order No. 1, issued on April 23, 2013, the Board approved the Intervenors in this proceeding, set dates for interrogatories and interrogatory responses and made its determination regarding the cost eligibility of the Intervenors.

In Procedural Order No. 3, issued on June 14, 2013, the Board set dates for supplementary interrogatories and interrogatory responses; and dates for a Settlement Conference (July 9, 2013, continuing July 10, 2013 if necessary); and, the filing of any Settlement Proposal arising out of the Settlement Conference (July 24, 2013). There is no Board-approved Issues List for this proceeding.

The evidence in this proceeding (referred to herein as the “Evidence”) consists of the Application and PDI’s responses to the initial and supplemental interrogatories. The Appendices to this Proposed 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. Chris Haussmann as facilitator. The Settlement Conference was held on July 9 and 10, 2013.

PDI and the following Intervenors participated in the Settlement Conference:

- Energy Probe;
- SEC; and
- VECC.

PDI and the Intervenors 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 counteroffers, 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 writing 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 PDI, Energy Probe, 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 believe that the Evidence filed to date in respect of each settled issue, as supplemented in some instances by additional information recorded in this Agreement, supports the settlement of the matters identified in this Agreement. In addition, the Parties believe that the Evidence, supplemented where necessary by the additional information appended to this Agreement, 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 that 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 that those portions of the Agreement the Board does accept may continue as a valid settlement.

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 that 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 that 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 have been added to the Evidence to provide further evidentiary support. The Parties agree this Agreement and the Appendices form part of the record in EB-

2012-0160. 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 J to this Agreement – Proposed Schedule of 2013 Tariff of Rates and Charges (Updated) – is a proposed schedule of Rates and Charges. If the Board approves the Agreement, the Parties propose that the Board issue its Final Rate Order on the basis of this Appendix.

The Parties believe the Agreement represents a balanced proposal that protects the interests of PDI's customers, employees and shareholder and promotes economic efficiency and cost effectiveness. It also provides the resources which will allow PDI 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"). The Parties have also agreed to an implementation date of September 1, 2013, and a rate rider to refund/recover from ratepayers the difference in revenue collected from the effective date of May 1st through the implementation date of September 1st.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT

As noted above, there is 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 PDI's 2013 distribution rates. The following Appendices accompany this Settlement Agreement:

Appendix A – Summary of Significant Changes

Appendix B – Continuity Tables (Updated)

Appendix C – Cost of Power Calculation (Updated)

Appendix D – 2013 Customer Load Forecast (Updated)

Appendix E – 2013 Other Revenue (Updated)

Appendix F – Debt and Capital Structure (Updated)

Appendix G – 2013 PILS (Updated)

Appendix H – 2013 Cost of Capital (Updated)

Appendix I – 2013 Revenue Deficiency (Updated)

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

Appendix K – 2013 Updated Customer Impacts (Updated)

Appendix L – Cost Allocation Sheets O1 (Updated)

Appendix M – Revenue Requirement Work Form (Updated)

Appendix N – Throughput Revenue (Updated)

Appendix O – Revenue Reconciliation (Updated)

Appendix P – Accounting Changes Under CGAAP (1576)

Appendix Q – Rate Rider for Revenue Differences Effective Date vs Implementation Date

Appendix R – Calculation of Provincial Recovery for Green Energy Plan

UNSETTLED MATTERS

There are no unsettled matters in this proceeding.

OVERVIEW OF THE SETTLED MATTERS

This Agreement will allow PDI 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 PDI 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 PDI's distribution licence; and provide the high level of customer service that PDI's customers 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 PDI is not converting to International Financial Reporting Standards ("IFRS") in the 2013 Test Year and intends to remain on CGAAP until required by the Accounting Standards Board (the "AcSB") to move to IFRS. However, PDI complied with the Board's letter titled "Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies 2013" dated July 17, 2012. PDI has implemented the regulatory accounting changes for depreciation expense and capitalization policies effective January 1, 2013.

In PDI's initial evidence in Exhibit 1, Tab 2, Schedule 4, Page 1-51, the Service Revenue Requirement for the 2013 Test Year was \$16,291,837 which included a Base Revenue Requirement of \$15,028,837 and Revenue Offsets of \$1,263,000 with a resulting Revenue Deficiency of \$604,748. Through the

interrogatory and settlement process, PDI made changes to the Service Revenue Requirement as shown in the following table.

Settlement Table #1: Service Revenue Requirement

		COS		Settlement	Difference
		As Filed	Interrogatories	Submission	Filing vs Settlement
Service Revenue Requirement	A	\$ 16,291,837	\$ 16,274,785	\$ 15,394,476	\$ (897,361)
Revenue Offsets	B	\$ (1,263,000)	\$ (1,322,234)	\$ (1,322,234)	\$ (59,234)
Base Revenue Requirement	C=A+B	\$ 15,028,837	\$ 14,952,551	\$ 14,072,242	\$ (956,595)
Revenue at Existing Rates	D	\$ 14,424,089	\$ 14,457,761	\$ 14,457,761	\$ 33,672
Revenue Deficiency/(Sufficiency)	E=C-D	\$ 604,748	\$ 494,790	\$ (385,518)	\$ (990,266)

The revised Service Revenue Requirement for the 2013 Test Year is \$15,394,476 which reflects 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. Compared to the forecast 2013 revenue at current rates of \$14,457,761 the revised Service Revenue Requirement represents a revenue sufficiency of \$385,518.

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

1.0 GENERAL

1.1 Has PDI responded appropriately to all relevant Board directions from previous proceedings?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 1, Tab 1, Schedule 16.

The decision in EB-2008-0241 provided PDI with four directives.

- PDI was asked to initiate a review of the corporate cost allocation methodology.
- The Board recommended PDI review its depreciation policies to ensure compliance with the Board's policies and report on the matter at the time of its next rebasing.
- The Board recommended that PDI make an application to dispose of all its existing deferral and variance accounts or explain the reasons for not seeking disposition by December 31, 2009.
- The Board prescribed a phase-in period to adjust its revenue-to-cost ratios, moving the Sentinel Lighting and Street Lighting from their 2009 positions to the bottom of the Board's target ranges during 2010 and 2011.

For the purposes of Settlement, the parties accept PDI's evidence that it has complied with that Board direction through:

- Completion of a Corporate Cost Allocation study attached as Exhibit 4, Appendix G to the application.
- Revising depreciation policies in accordance with the half-year rule and modified IFRS requirements as outlined in Exhibit 4, Tab 2, Schedule 7.
- Disposing of Regulatory variance accounts 1508 and 1550 through Board Decision EB-2009-0420.

- Moving the Sentinel Light and Street Lighting Revenue-to-Cost ratios within the Board's target ranges as a result of its 2011 IRM application (EB-2010-0238).

1.2 Are PDI's economic and business planning assumptions for 2013 appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 1, Tab 2, Schedule 3.

For the purposes of settlement, the Parties accept PDI'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: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 3, Schedule 4.

For the purposes of settlement, the Parties accept PDI'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: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 1, Tab 1, Schedule 4.

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. The implementation date is September 1, 2013.

PDI will refund the over-recovery from May 1, 2013 until the implementation date through a rate rider. For purposes of calculating the rate rider, the Parties have agreed to estimate the load for the period May through August based on the load forecast for the May through August period which is 32.1% of the 2013 test year forecast, to determine the over-recovery by customer class. The rate rider will refund that over-recovery over the period September 1, 2013 to April 30, 2014. The calculation of the rate rider is set out in Appendix Q.

2.0 RATE BASE

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 3, Schedule 4.

1-VECC-34s

For the purposes of settlement, the Parties have agreed that PDI's amended forecast Rate Base of \$65,485,610 for the 2013 Test Year under CGAAP is appropriate. A full calculation of this agreed Rate Base is set out in Settlement Table #2 below. The 2012 revised capital expenditures and amortization expense have been updated to reflect 2012 actuals and 2013 has been adjusted accordingly. The revised fixed asset continuity schedules are in Appendix B. The amortization expense for 2013 has been adjusted to reflect the agreed capital expenditure adjustments for both 2012 and 2013.

The revised Rate Base value reflects the changes to the working capital allowance described in Section 2.2.

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

Agreed upon adjustments to PDI's proposed Overall Rate Base under CGAAP is set out in Settlement Table #2: Rate Base, below.

Settlement Table #2: Rate Base

		COS		Settlement	Difference
		As Filed	Interrogatories	Submission	Filing vs Settlement
Average Gross Fixed Assets	A	\$ 94,339,306	\$ 93,675,101	\$ 93,610,101	\$ (729,205)
Average Accumulated Depreciation	B	\$ (40,100,666)	\$ (40,073,921)	\$ (40,073,921)	\$ 26,745
Average Net Fixed Assets	C=A+B	\$ 54,238,640	\$ 53,601,181	\$ 53,536,181	\$ (702,459)
Allowance for Working Capital	D	\$ 12,071,592	\$ 12,087,962	\$ 11,949,430	\$ (122,162)
Total Rate Base	E=C+D	\$ 66,310,232	\$ 65,689,143	\$ 65,485,610	\$ (824,622)

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 1, Schedule 1.
 1-VECC-34s

For the purposes of settlement, the Parties agree to the following Working Capital Allowance calculated based on 13% of the eligible controllable expenses of \$8,278,157 (CGAAP) and Cost of Power of \$83,640,535. This reflects the following adjustments:

- Adjustments were undertaken to revise PDI's Load Forecast from the initial application, as more particularly set out in Sections 3.1 – 3.3 of this Agreement.
- The following adjustments were undertaken to revise PDI's Cost of Power Calculation from the initial application:
 - RPP and non-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 and Hydro One transmission and low voltage rates effective January 1, 2013;
 - The Wholesale Market Service charge and Rural or Remote Electricity Rate Protection (RRRP) costs were updated to reflect the revised charges effective May 1, 2013 as per EB-2013-0067.
- The Parties agree that the 2013 OM&A for the Test Year should be \$8,440,000 (CGAAP), a decrease of \$798,791 from \$9,238,791 in the original Application. OM&A expenses are discussed in further detail under item 4.1.
- The Parties also agree that \$266,843 of non-cash OM&A expenses will be deducted from Controllable Expenses for the Working Capital Allowance calculation.

The Parties agree the adjustments shown in the table below, reflecting the settled matters as summarized elsewhere in this Proposed Settlement Agreement, will be made to PDI's Working Capital Allowance calculation.

Settlement Table #3: Allowance for Working Capital

		COS		Settlement	Difference
		As Filed	Interrogatories	Submission	Filing vs Settlement
Controllable Expenses	A	\$ 9,343,791	\$ 9,343,791	\$ 8,278,157	\$ (1,065,634)
Cost of Power	B	\$ 83,514,611	\$ 83,640,535	\$ 83,640,535	\$ 125,924
Working Capital Base	C=A+B	\$ 92,858,402	\$ 92,984,326	\$ 91,918,692	\$ (939,710)
Working Capital Rate	D	13%	13%	13%	0%
Working Capital Allowance	E=C*D	\$ 12,071,592	\$ 12,087,962	\$ 11,949,430	\$ (122,162)

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 3, Schedule 2.
 2-SEC-29s
 2-Energy Probe-9

For the purposes of settlement, the Parties accept net capital expenditures of \$4,472,000 amended from PDI's original application of \$4,585,500: to reflect the revised 2013 capital projects totaling \$4,602,000 as described in the response to 2-Staff-33s, further amended during settlement to \$4,472,000 for the movement of the MS#65 land purchase to Work in Progress in 2013 as per PDI's response to 2-SEC-29s. The resulting continuity schedule is shown in Appendix B.

2.4 Is the capitalization policy and allocation procedure appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 2, Tab 1, Schedule 4.

For the purposes of settlement, and subject to the adjustment described in Section 4.2 of this Agreement, the Parties accept PDI's capitalization policy as set out in Exhibit 2, Tab 1, Schedule 4 of the original Application.

3.0 LOAD FORECAST AND OPERATING REVENUE

3.1 Is the load forecast methodology including weather normalization appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedule 3.
3-VECC-14
3-Staff-27 to 32

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

This results in a billed consumption forecast of 822,696,978 kWh and 997,679 kW in the 2013 Test Year. The accepted CDM adjustment for 2013 is 8,330,964 kWh for 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: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedule 3.
 3-Staff-9
 3-Staff-38s
 3-VECC-13
 3-VECC-41s

For the purposes of settlement, the Parties accept PDI's modified customers/connections and load forecast (both kWh and kW) for the 2013 Test Year, as noted above in Section 3.1.

Settlement Table #4: Load Forecast

Rate Class	COS As Filed	Adjustments	Settlement Submission
Residential			
Customers	31,758	0	31,758
kWh	294,240,107	1,264,702	295,504,809
General Service □ < 50 kW			
Customers	3,547	0	3,547
kWh	112,158,205	482,079	112,640,284
General Service □ > 50 kW			
Customers	390	0	390
kWh	350,715,605	1,689,627	352,405,232
kW	862,025	4,153	866,178
Large User			
Customers	2	0	2
kWh	53,896,862	442,105	54,338,967
kW	113,561	932	114,493
Sentinel Lighting			
Connections	361	0	361
kWh	697,744	5,724	703,468
kW	1,993	15	2,008
Street Lighting			
Connections	8,150	0	8,150
kWh	5,413,675	44,407	5,458,082
kW	14,877	122	14,999
Unmetered Scattered Loads			
Connections	384	0	384
kWh	1,632,744	13,393	1,646,137
Totals			
Customer/Connections	44,592	0	44,592
kWh	818,754,942	3,942,036	822,696,978
kW from applicable classes	992,456	5,223	997,679

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedule 3.
 3-Staff-12
 3-Staff-13
 3-EP-16
 3-VECC-15
 3-VECC-16
 3-Staff-38s
 3-EP-32s
 3-VECC-42s
 3-VECC-43s

The parties agreed the 2013 CDM adjustment of 8,330,964 kWh outlined in response to 3-Staff-38s was appropriate.

Settlement Table #5: CDM Adjusted Forecast

Rate Class	Billed Load Forecast before CDM Adjustment kWh	Billed Load Forecast after CDM Adjustment kWh	CDM Adjustment kWh
Residential	298,493,571	295,504,809	(2,988,762)
General Service< 50 kW	113,779,538	112,640,284	(1,139,254)
General Service> 50 kW	355,973,856	352,405,232	(3,568,624)
Large User	54,893,599	54,338,967	(554,632)
Sentinel Lighting	710,648	703,468	(7,180)
Street Lighting	5,513,792	5,458,082	(55,710)
Unmetered Scattered Loads	1,662,939	1,646,137	(16,802)
Totals	831,027,943	822,696,979	(8,330,964)

Rate Class	Billed Load Forecast before CDM Adjustment kW	Billed Load Forecast after CDM Adjustment kW	CDM Adjustment kW
General Service > 50 kW	874,949	866,178	(8,771)
Large User	115,662	114,493	(1,169)
Sentinel Lighting	2,028	2,008	(20)
Street Lighting	15,152	14,999	(153)
Totals	1,007,791	997,678	(10,113)

For the purposes of settlement, the Parties agree the 2013 LRAMVA amount of 11,967,098 kWh and 14,528 kW has been calculated using the OPA's 2011-2014 CDM targets assigned to PDI, which reflects the actual 2011 CDM results and the persistence of 2011 into 2013. The 2013 LRAMVA includes the 2011 persistent savings of 2,577,438 kWh as provided by the OPA's 2011 Final Annual Report, 2012 persistent savings of 4,694,830 kWh and the full year 2013 forecasted savings of 4,694,830 kWh. The table below provides details of the 2013 kWh and kW savings which will be used in the calculation of the LRAMVA account.

Settlement Table #6: LRAMVA Calculation

	2011	2012	2013	2014	Total
2011 Programs	6.7%	6.7%	6.7%	6.6%	26.7%
2012 Programs		12.2%	12.2%	12.2%	36.6%
2013 Programs			12.2%	12.2%	24.4%
2014 Programs				12.2%	12.2%
	6.7%	18.9%	31.1%	43.3%	100.0%
kWh					
2011 Programs	2,577,808	2,577,808	2,577,438	2,547,967	10,281,021
2012 Programs		4,694,830	4,694,830	4,694,830	14,084,490
2013 Programs			4,694,830	4,694,830	9,389,660
2014 Programs				4,694,830	4,694,830
	2,577,808	7,272,638	11,967,098	16,632,457	38,450,000

The Parties agree, for the purposes of settlement, the LRAMVA amount is to be allocated to the customer classes based on the percentages outlined in 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

Rate Class	Residential	GS < 50kW	GS > 50kW	Large User	Street Lighting	Sentinel Lighting	Unmetered Scattered Loads	Total
kWh	4,293,238	1,636,493	5,126,186	796,706	80,025	10,314	24,135	11,967,098
kW where applicable			12,600	1,679	220	29		14,528

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedule 3.
 3-VECC-14
 3-Staff-27 to 32

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

3.5 Is the test year forecast of other revenues appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 3, Tab 1, Schedule 4.
 3-VECC-17
 3-Energy Probe-17
 3-Staff-36s

For the purposes of settlement, the Parties agree upon a forecast of \$1,322,234 in Other Distribution Revenue, an increase of \$59,234 from \$1,263,000 as set out in the Application. Appendix E– 2013 Other Revenue provides additional detail. The revised other revenue values include the following changes:

- The 2013 forecast for Specific Service Charges was increased from \$650,000 to \$700,000 based on trend with 2012 actuals.
- The 2013 forecast for SSS Administration revenue was increased by \$4,000 to reflect the movement of customers away from retailers, and an additional \$1,800 as a result of customer growth.
- PDI did not include Microfit revenues in its application. Annual revenue of \$3,434 for Microfit customers has been included in the 2013 forecast.

4.0 OPERATING COSTS

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 1&2, Schedules 1-6.

For the purposes of settlement, the Parties agree the 2013 OM&A for the Test Year should be \$8,440,000 (CGAAP), a decrease of \$798,792 from the \$9,283,792 in the Application Filing. The Parties accept and support PDI's view that it can safely and reliably operate the distribution system based on the total OM&A budget proposed.

PDI has provided on a preliminary basis, in Settlement Table #8: OM&A Expense Budget, below, a revised OM&A budget. 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, and the Parties acknowledge that there may be variances between actual OM&A spending in the general categories in Settlement Table #8 and the preliminary amounts shown therein.

Settlement Table #8: OM&A Expense Budget

	COS		Settlement		Difference
	As Filed	Interrogatories	Submission	Filing vs Settlement	
Operations	\$ 1,939,510	\$ 1,939,510	\$ 1,771,819	\$	(167,691)
Maintenance	\$ 1,440,823	\$ 1,440,823	\$ 1,316,249	\$	(124,574)
Billing & Collecting	\$ 2,474,467	\$ 2,474,467	\$ 2,260,523	\$	(213,944)
Administrative & General	\$ 3,383,992	\$ 3,383,992	\$ 3,091,410	\$	(292,582)
Total	\$ 9,238,792	\$ 9,238,792	\$ 8,440,000	\$	(798,792)

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 2, Schedule 7.
 2-Energy Probe-29s, 35s, 36s
 2-SEC-12

For the purposes of settlement, the Parties accept the useful lives and the depreciation expense reported in the continuity schedules in Appendix B. As cited in the Application, PDI adopted revised depreciation rates under CGAAP as detailed in Exhibit 1, Tab 2, Schedule 2 at Page 1-47. These rates are consistent with the useful lives indicated in the Kinectrics Study dated July 8, 2010 which was commissioned by the OEB as noted at Exhibit 4, Tab 2, Schedule 7. See Settlement Table #9: Depreciation Useful Lives. PDI is implementing this depreciation approach effective from January 1, 2013 and has applied it to the Test Year in its evidence.

Settlement Table #9: Depreciation Useful Lives

OEB			Kinetrics	Kinetrics Range			PDI	PDI
Acct #	Account Description	Kinetrics Component	Asset #	Min UFL	TUFL	Max UFL	New UFL	Previous UFL
1611	Computer Software	Computer equipment - software	6 Minor	2	to	5	5	5
1808	Buildings	Station building	5 Minor	50	to	75	50	50
1820	Distribution Substation	Wholesale energy meters	11 Minor	15	to	30	25	30
		Power transformers	12	30	45	60	45	
1830	Poles Towers and fixtures	Fully dressed wood poles - overall	1	35	45	75	45	25
1835	OH Conductors and Devices	OH Line Switch	4	30	45	55	45	25
		OH Conductors	8	50	60	75	60	25
		OH Shunt Capacitor Banks	10	25	30	40	30	25
		Reclosers	11	25	40	55	40	25
1840	Underground Conduit	Primary TR XLPE cables in duct	29	35	40	55	40	25
		Secondary cables direct buried	31	25	35	40	35	25
		UG foundations	36	35	55	70	55	25
		UG Vaults - overall	37a	40	60	80	60	25
		UG vaults - roof	37b	20	30	45	30	25
		Pad - mounted switch gear	39	20	30	45	30	25
		Ducts	40	30	50	85	50	25
		Concrete encased duct banks	41	35	55	80	55	25
1845	Underground Conductors and Devices	Primary TR XLPE cables in duct	29	35	40	55	40	25
		Secondary cables direct buried	31	25	35	40	35	25
		Pad - mounted switch gear	39	20	30	45	30	25
1850	Overhead Transformers	OH Transformers and Voltage Regulators	9	30	40	60	40	25
		Pad mounted transformers	34	25	40	45	40	25
		Submersible vault transformers	35	25	35	45	35	25
		U Vaults - overall	37a	40	60	80	60	25
1855	Services (UG and OH)	OH Conductors	8	50	60	75	60	25
		Secondary cables direct buried	31	25	35	40	35	25
		Secondary cables in duct	32	35	40	60	40	25
1860	Meters	Residential energy meters	9 minor	25	to	35	25	25
		Industrial/commercial energy meters	10 minor	25	to	35	25	25
1860	Smart meters	Smart meters	13 minor	5	to	15	15	15
1920	Computer Hardware	Computer equipment - hardware	6	2	to	5	5	5
1970	Water Heater Controllers	Remote SCADA	43	15	20	30	20	10

TUL = Typical Useful Life, UFL = Useful life

As cited in PDI's Application, the Applicant adopted the half-year rule for depreciation which was detailed in Exhibit 4, Tab 2, Schedule 7. PDI implemented this depreciation approach effective from January 1, 2012 and has applied it to both 2012 and the 2013 Test Year in its evidence. As a result of implementing the changes to depreciation policies in 2012, PDI is required to record the effect of the changes to PP&E in 2012 in account 1576, Accounting Changes Under CGAAP.

As part of the settlement agreement, it was agreed by all Parties that in PDI's circumstances, the \$301,489 variance generated in 2012 between using the full year rule and the half-year rule for depreciation should be recorded in Account 1576. A rate of return component will be applied to the balance based on a WACC

of 5.98%, which equates to \$18,029. A separate rate rider for disposition of the \$319,518 balance has been created and will be disposed over a period of 4 years. Details of the Accounting Changes Under CGAAP Rate Rider can be found in Appendix P and is discussed further in Section 9.2.

4.3 Are the 2013 compensation costs and employee levels appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 2, Schedule 4.
4-Staff-19 thru 23
4-VECC-23
4-SEC-21
4-Energy Probe-21
4-Staff-40s
4-SEC-34s, 35s
4-Energy Probe-34s

For the purpose of settlement, the Parties accept that PDI's forecasted 2013 Test Year compensation costs and employee levels may be affected by the overall reduction in 2013 Test Year OM&A discussed above in Section 4.1. All Parties accept that the compensation costs and employee levels implicit in the revised OM&A budget are appropriate.

4.4 Is the test year forecast of property taxes appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 1, Schedule 1.

PDI has included property taxes of \$105,000 payable in the 2013 Test Year as part of OM&A expenses which have been agreed to by all Parties.

4.5 Is the test year forecast of PILs appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 4, Tab 3, Schedule 1.
4-VECC-25
1-VECC-34s
2-Energy Probe-30s

For the purpose of settlement, the parties accept PDI's 2013 Test Year PILs forecast of \$264,039 as set out in Appendix G to this Settlement Agreement. Please see Appendix G – 2013 PILs (Updated), for additional details. The changes result from other changes throughout this Agreement.

5.0 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: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 5, Tab 1, Schedule 2.
 6-Energy Probe-23

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

The short term debt rate and ROE was changed in the interrogatory phase to 2.07% and 8.98% to reflect the Board's deemed short term debt rate and ROE applicable to cost of service applications for rates effective May 1, 2013.

Settlement Table #10: Deemed Capital Structure for 2013

Deemed Capital Structure for 2013				
Description	\$	% of Rate Base	Rate of Return	Return
Long Term Debt	36,671,942	56.00%	4.11%	1,506,899
Unfunded Short Term Debt	2,619,424	4.00%	2.07%	54,222
Total Debt	39,291,366	60.00%		1,561,121
Common Share Equity	26,194,244	40.00%	8.98%	2,352,243
Total equity	26,194,244	40.00%		2,352,243
Total Rate Base	65,485,610	100.00%	5.98%	3,913,364

5.2 Is the proposed long term debt rate appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 5, Tab 1, Schedule 1.
 5-VECC-28
 5-Staff-41s
 5-SEC-39s

For the purposes of settlement, the Parties accept PDI's long term debt rate of 4.11%. The calculation of the long term debt rate is set out in Appendix F to this Agreement.

The Parties agree on the following change with respect to debt rates.

- The interest rate on the TD Bank Loans is now 3.695% (showing as 3.70% in Appendix F), based on a blended rate of 6 months actual at a variable floating rate of 2.75% and 6 months at a fixed locked-in rate of 4.64%, changed from PDI's application of 4.00%. As a result, PDI's weighted average long term debt rate is 4.11%.

6.0 STRANDED METERS

6.1 Is the proposal related to Stranded Meters appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9, Tab 2, Schedule 1.
9-Staff-32
9-Energy Probe-26
9-Staff-44s

The Parties have agreed for the purposes of settlement, that PDI has appropriately calculated the Stranded Meter Net Book Value as \$1,412,163. The Parties further agreed on the allocation methodology utilized to calculate the Stranded Meter Rate Rider to be collected over a two year period for Residential customers, and over a four year period for GS<50 kW customers. As the implementation date for rates is September 1, 2013 the period of recovery has been revised to 20 months and 44 months respectively. PDI utilized an actual stranded meter asset listing to determine the allocation to the Residential and GS< 50 kW rate classes. The proposed stranded meter rate riders are reflected in the following table.

Settlement Table #11: Stranded Meter Rate Rider

	Residential	GS	Total
NBV of Stranded Meter Assets at December 31, 2012	\$ 541,056	\$ 871,107	\$ 1,412,163
Forecast number of customers - 2013	31,758	3,547	
Proposed recovery period	20 months	44 months	
Monthly Stranded Meter Rate Rider	\$ 0.85	\$ 5.58	

7.0 COST ALLOCATION

7.1 Is PDI's cost allocation appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 7
 7-VECC-29 thru 31
 7-SEC-24,25
 7-Energy Probe-24
 7-VECC-45s, 46s
 7-Energy Probe-37s

For the purposes of settlement, the Parties agree that revenue-to-cost ratios for the 2013 Test Year, reflecting the agreed-upon 2013 Test Year Revenue Requirement, will be as set out in the following table.

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

Class	Revenue Requirement - 2013 Cost Allocation Model - Line 40 from O1 in CA	2013 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2013 Cost Allocation Model - Line 19 from O1 in CA	Total Revenue	Revenue Cost Ratio	Check Revenue Cost Ratios from 2013 Cost Allocation Model - Line 75 from O1 in CA	Proposed Revenue to Cost Ratio	Proposed Revenue	Miscellaneous Revenue	Proposed Base Revenue	Board Target Low	Board Target High
Residential	9,855,524	7,754,344	921,198	8,675,542	88.0%	88.0%	92.7%	9,139,607	921,198	8,218,409	85%	115%
General Service □ < 50 kW	2,278,047	2,225,395	170,463	2,395,858	105.2%	105.2%	105.2%	2,395,858	170,463	2,225,395	80%	120%
General Service □ > 50 kW	2,488,517	3,034,568	163,230	3,197,798	128.5%	128.5%	120.0%	2,986,221	163,230	2,822,991	80%	120%
Large User	248,487	229,608	19,830	249,438	100.4%	100.4%	100.4%	249,438	19,830	229,608	85%	115%
Street Lighting	450,206	493,329	41,589	534,918	118.8%	118.8%	118.8%	534,918	41,589	493,329	70%	120%
Sentinel Lighting	26,355	50,593	2,540	53,133	201.6%	201.6%	120.0%	31,626	2,540	29,086	80%	120%
Unmetered Scattered Loads	47,341	284,405	3,383	287,789	607.9%	607.9%	120.0%	56,809	3,383	53,425	80%	120%
TOTAL	15,394,476	14,072,242	1,322,234	15,394,476				15,394,476	1,322,234	14,072,242		

The revenue to cost ratios above include the following adjustments,

- Adjustments to the Revenue Requirement as a result of this settlement (i.e. OM&A, Capital Expenditures, Other Revenue Offsets, etc.)

As a result of the settlement changes above, the revenue-to-cost ratios are now in the boundaries of Board-approved ranges. The Cost Allocation Sheet O1 has been enclosed in Appendix K.

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

Status: **Complete Settlement**

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 7, Tab 1, Schedule 2

For the purposes of settlement, the Parties accept the revenue-to-cost ratios for the 2013 Test Year, as set out under issue 7.1, above, and that no further adjustments will be required from 2014-2016 as part of this Agreement. The Parties acknowledge that PDI's revenue-to-cost ratios remain subject to further Board policy changes of general application over this period.

8.0 RATE DESIGN

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 8, Tab 1, Schedule 1
 8-VECC-32
 8-SEC-26

For the purposes of settlement, the Parties accept the proposed fixed-variable splits for each class presented in the table below.

Settlement Table #13: Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2012 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	43.03%	56.97%	100.00%	12.29	11.91	15.62
General Service □ < 50 kW	44.34%	55.66%	100.00%	29.10	29.90	24.50
General Service □ > 50 kW	62.84%	37.16%	100.00%	224.10	247.49	81.73
Large User	35.78%	64.22%	100.00%	6,143.49	6,311.79	173.93
Street Lighting	39.03%	60.97%	100.00%	3.08	3.16	4.58
Sentinel Lighting	68.93%	31.07%	100.00%	2.09	3.73	8.58
Unmetered Scattered Load	82.48%	17.52%	100.00%	2.03	11.10	4.07

- For Residential, Large User, Sentinel Lighting, Street Lighting and Unmetered Scattered Load classes the current fixed/variable is used to define the fixed portion of the revenue assigned to the class and the resulting monthly fixed charge.
- The fixed charge for Sentinel Lighting class will be based on number of connections not fixtures as is currently done.
- For GS < 50 kW class the monthly fixed charge is set at the approved 2012 monthly fixed charge.
- For GS > 50 kW class the monthly fixed charge will be \$152.91. This is the halfway point of monthly fixed charge of \$222.36 which assumes the current fixed/variable split and Minimum System with PLCC Adjustment (i.e. Ceiling from Cost Allocation model) value of \$81.73.

The following settlement table reflects the base distribution revenue by class.

Settlement Table #14: Base Distribution Rates

Customer Class	Connection	Customer	kW	kWh
Residential	0.00	12.29		0.0120
General Service □ < 50 kW	0.00	29.90		0.0085
General Service □ > 50 kW	0.00	152.91	2.6063	
GS >1000 to 4999 kW				
Large User	0.00	6,143.49	0.7176	
Street Lighting	3.08		12.8363	
Sentinel Lighting	11.29		4.4976	
Unmetered Scattered Loads	2.03			0.0268

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 8, Tab 1, Schedule 1
 8-Preliminary-2

For the purposes of settlement the Parties agree the 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 the following table.

Settlement Table #15: RTSR Network and RTSR Connection Rates

Rate Class	Unit		Proposed RTSR Network		Proposed RTSR Connection
Residential	kWh	\$	0.0068	\$	0.0046
General Service Less Than 50 kW	kWh	\$	0.0062	\$	0.0042
General Service 50 to 4,999 kW	kW	\$	2.5134	\$	1.6362
Large Use	kW	\$	2.9613	\$	2.0045
Unmetered Scattered Load	kWh	\$	0.0062	\$	0.0042
Sentinel Lighting	kW	\$	1.9086	\$	1.2992
Street Lighting	kW	\$	1.8945	\$	1.2690

8.3 Are the proposed loss factors appropriate?

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 8, Tab 1, Schedule 1

For the purposes of settlement, the Parties accept the proposed loss factors set out in PDI's Application at Exhibit 8, Tab 1, Schedule 1.

When the Supply Facility Loss Factor of 1.007 is applied to the Distribution Loss Factor of 1.047, the resulting Total Loss Factor for secondary metered customers is 1.0548.

9.0 DEFERRAL AND VARIANCE ACCOUNTS

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9, Tab 1, Schedule 4
 9-Staff-29, 9-Staff-30, 9-Staff-43s

For the purposes of settlement, the Parties agree 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.

For the purposes of settlement, the Parties agree to LRAM recovery of persisting lost revenue in 2011 and 2012 resulting from 2005 to 2010 programs. The Application, as filed, requested recovery of 2011 lost revenue of \$132,578 including carrying charges to April 30, 2013. In response to Board Staff interrogatory 9-Staff-29 PDI calculated 2012 persisting lost revenue from 2005 to 2010 programs of \$117,417 including carrying charges to April 30, 2013. The proposed LRAM recovery is summarized in the following table:

Settlement Table #16: LRAM Recovery

	COS Application 2011 Persisting Lost Revenue	First Round IRR 2012 Persisting Lost Revenue	Supp IRR Adjustments	Settlement Proposal
LRAM Balances				
Residential	\$ 72,261	\$ 74,021	\$ -	\$ 146,282
General Service<50kW	\$ 32,218	\$ 22,603	\$ -	\$ 54,821
General Service>50 kW	\$ 28,099	\$ 20,793	\$ -	\$ 48,892
	\$ 132,578	\$ 117,417	\$ -	\$ 249,995

The parties also agree to LRAMVA recovery of 2011 lost revenue of \$14,848 including interest to April 30, 2013 as calculated in Table AI-3 in the Additional Information filed on March 13, 2013. The proposed LRAMVA recovery is summarized in the following table.

Settlement Table #17: LRAMVA Recovery

	COS Application Additional Info. 2011 LRAMVA	First Round IRR Adjustments	Supp IRR Adjustments	Settlement Proposal
LRAMVA Balances				
Residential	\$ 9,697	\$ -	\$ -	\$ 9,697
General Service<50kW	\$ 4,608	\$ -	\$ -	\$ 4,608
General Service>50 kW	\$ 543	\$ -	\$ -	\$ 543
	\$ 14,848	\$ -	\$ -	\$ 14,848

The calculation of rate riders by customer rate class for LRAM and LRAMVA recovery is provided in the following tables.

Settlement Table #18 - LRAM Rate Rider Calculation

	Residential	GS<50	GS>50	Total
2011 Persisting Lost Revenue (2005-2010 programs)	70,228	31,312	27,308	128,848
Carrying Charges 2011 persisting lost revenue	2,033	906	791	3,730
2012 Persisting Lost Revenue (2005-2010 programs)	72,988	22,288	20,503	115,779
Carrying Charges 2012 persisting lost revenue	1,033	315	290	1,638
LRAM \$ including interest	146,282	54,821	48,892	249,995
Volume (Sept. 1, 2013 to April 30, 2014, 67.9% of Test Year Forecast)	200,647,765	76,482,753	588,135	
Billing Determinant	kWh	kWh	kW	
Rate Rider for LRAM	\$ 0.0007	\$ 0.0007	\$ 0.0831	

Settlement Table #19 - LRAMVA Rate Rider Calculation

	Residential	GS<50	GS>50	Total
2011 LRAMA	9,446	4,489	529	14,464
Carrying Charges	251	119	14	384
LRAMVA \$ including interest	9,697	4,608	543	14,848
Volume (Sept. 1, 2013 to April 30, 2014, 67.9% of Test Year Forecast)	200,647,765	76,482,753	588,135	
Billing Determinant	kWh	kWh	kW	
Rate Rider for LRAMVA	\$ -	\$ 0.0001	\$ 0.0009	

Settlement Table #20: Deferral and Variance Accounts, below summarizes the Parties' agreement with respect to the disposal of the balances of the accounts, including the updates that have occurred to the deferral and variance accounts for which disposal is sought in 2013.

Settlement Table #20: Deferral and Variance Accounts

Group 1 Deferral/Variance Accounts		Principal	Interest	Principal to	Interest to	Total
		Dec. 31, 2011	Dec. 31, 2011	Apr. 30, 2013	Apr. 30, 2013	
LV Variance Account	1550	229,685	(260)		4,483	233,908
RSVA - Wholesale Market Service Charge	1580	(1,121,935)	(3,066)		(21,899)	(1,146,900)
RSVA - Retail Transmission Network Charge	1584	(222,715)	(2,121)		(4,347)	(229,183)
RSVA - Retail Transmission Connection Charge	1586	293,224	2,174		5,723	301,121
RSVA - Power (excluding Global Adjustment)	1588	-	-		-	-
RSVA - Power - Sub-Account - Global Adjustment	1588	-	-		-	-
Disposition of Regulatory Balances 2010	1595	(697,360)	475,312		(4,337)	(226,385)
Sub-Total		(1,519,101)	472,039	-	(20,377)	(1,067,439)
Group 2 Deferral/Variance Accounts						
Other Regulatory Assets - Incremental Capital Charges	1508	14,475	322		283	15,080
PILS and Tax Variance for 2006 and later - HST/OVAT	1592	(11,478)	-	(13,648)	(490)	(25,616)
Sub-Total		2,997	322	(13,648)	(207)	(10,536)
Group 1 & Group 2- Grand Total		(1,516,104)	472,361	(13,648)	(20,584)	(1,077,975)

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9, Tab 1, Schedule 4
9-Staff-29, 9-Staff-30, 9-Staff-43s

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 dispose of the balances over the eight-month period from September 1, 2013 to April 30, 2014. Settlement Table #21: Deferral and Variance Account Disposition Balances below reflects the allocation by customer class of the balances being disposed.

Settlement Table #21: Deferral and Variance Account Disposition Balances

	COS Application As Filed	First Round IRR Adjmts	Supp IRR Adjmts	Settlement Proposal
DVA Allocated Balances				
Residential	\$ (389,556)	\$ (389,556)	\$ (391,115)	\$ (387,198)
General Service □ < 50 kW	\$ (146,468)	\$ (146,468)	\$ (147,063)	\$ (147,592)
General Service □ > 50 kW	\$ (455,474)	\$ (455,474)	\$ (457,332)	\$ (461,754)
Large User	\$ (69,982)	\$ (69,982)	\$ (70,268)	\$ (71,200)
Street Lighting	\$ (8,955)	\$ (8,955)	\$ (8,984)	\$ (7,152)
Sentinel Lighting	\$ (991)	\$ (991)	\$ (995)	\$ (922)
Unmetered Scattered Loads	\$ (2,211)	\$ (2,211)	\$ (2,219)	\$ (2,157)
	\$ (1,073,638)	\$ (1,073,638)	\$ (1,077,975)	\$ (1,077,975)

Settlement Table #22: Deferral and Variance Account Disposition Rate Riders below reflects the rate riders for disposition of balances, as submitted in the EDDVAR Workform, over the eight-month period from September 1, 2013 to April 30, 2014.

Settlement Table #22: Deferral and Variance Account Disposition Rate Riders

	Test Year kWh	Test Year kW	DVA Allocated Balance (using kWh)	Units Sept. 1, 2013 to April 30, 2014 (67.9%)	kW / kWh	Rate Rider for Deferral/Variance Accounts
Residential	295,504,809		\$ (387,198)	200,647,765	kWh	\$ (0.0019)
General Service < 50 kW	112,640,284		\$ (147,592)	76,482,753	kWh	\$ (0.0019)
General Service > 50 kW	352,405,232	866,178	\$ (461,754)	588,135	kW	\$ (0.7851)
Large User	54,338,967	114,493	\$ (71,200)	77,741	kW	\$ (0.9159)
Street Lighting	5,458,082	14,999	\$ (7,152)	10,184	kW	\$ (0.7023)
Sentinel Lighting	703,468	2,009	\$ (922)	1,364	kW	\$ (0.6760)
Unmetered Scattered Loads	1,646,137		\$ (2,157)	1,117,727	kWh	\$ (0.0019)
Total	822,696,978	997,679	\$ (1,077,975)			

Settlement Table #23: Account 1576 CGAAP Accounting Changes Disposition Rate Riders below reflects the rate riders for disposition of balances, as described in Section 4.2, over the 44-month period from September 1, 2013 to April 30, 2017.

Settlement Table #23: Account 1576 Disposition Rate Riders

	Distribution Revenue by Customer Class	Allocation of Account 1576	Test Year Load Forecast	Total Load Forecast for 44 months	kW / kWh	Rate Rider 44-month disposition
Residential	58.42%	\$ (186,649)	295,504,809	1,083,517,633	kWh	\$ (0.0002)
General Service < 50 kW	15.83%	\$ (50,576)	112,640,284	413,014,375	kWh	\$ (0.0001)
General Service > 50 kW	20.04%	\$ (64,025)	866,178	3,175,986	kW	\$ (0.0202)
Large User	1.63%	\$ (5,207)	114,493	419,808	kW	\$ (0.0124)
Street Lighting	3.50%	\$ (11,188)	14,999	54,996	kW	\$ (0.2034)
Sentinel Lighting	0.21%	\$ (660)	2,009	7,366	kW	\$ (0.0896)
Unmetered Scattered Loads	0.38%	\$ (1,213)	1,646,137	6,035,836	kWh	\$ (0.0002)
Total		\$ (319,518)				

10.0 GREEN ENERGY ACT PLAN

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

Status: Complete Settlement

Supporting Parties: PDI, Energy Probe, SEC, VECC

Evidence: Application: Exhibit 9, Tab 1, Schedule 4
2-Staff-7,8,34s
2-Energy Probe-13
2-VECC-37s,40s

For the purposes of settlement, the Parties accept PDI's basic Green Energy Act Plan. The 2013 Cost of Service Rate Application does not include any rate riders or OM&A costs relating to the Green Energy Act. Capital additions in 2013 include \$35,000 for a renewable generation project, which represents 17% of the expansion costs that are not recoverable from the generator.

The revenue requirement related to the remaining 83% is eligible to be recovered from Provincial Ratepayers. This revenue requirement for 2013 has been calculated in Appendix R – Calculation of Provincial Recovery of GEA.

PDI proposes to recover the remaining \$6,737 through the Provincial Rate Protection and requests recovery from the IESO for \$561 per month.

APPENDIX B

**TO DECISION AND ORDER
EB-2012-0160**

**Peterborough Distribution Inc.
Tariff of Rates and Charges**

DATED: August 22, 2013

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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

EB-2012-0160

RESIDENTIAL SERVICE CLASSIFICATION

Residential class customers are defined as single-family dwelling units for domestic or household purposes. Semi-detached and row town-housing will be considered residential class if each individual unit is located on its own registered freehold lot fronting on the public road allowance. Each unit must have its own individual service connection from the road allowance and each main service disconnect is assessable from the unit which it supplies. All other developments are considered to be in the General Service class. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	12.28
Rate Rider for Service Charge Implementation Deferral - effective until April 30, 2014	\$	0.19
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until April 30, 2014	\$	0.37
Rate Rider for Stranded Meter Cost Recovery - effective until April 30, 2015	\$	0.85
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0120
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kWh	0.0002
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kWh	(0.0019)
Rate Rider for Lost Revenue Adjustment Mechanism (2013) - effective until April 30, 2014	\$/kWh	0.0007
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0046

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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

EB-2012-0160

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. General Service class customers are defined as all buildings not classified as residential. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	29.90
Rate Rider for Disposition of Residual Historical Smart Meter Costs - effective until April 30, 2014	\$	5.52
Rate Rider for Stranded Meter Cost Recovery - effective until April 30, 2017	\$	5.58
Rate Rider for Smart Metering Entity Charge - effective until October 31, 2018	\$	0.79
Distribution Volumetric Rate	\$/kWh	0.0085
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kWh	(0.0002)
Low Voltage Service Rate	\$/kWh	0.0009
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kWh	(0.0019)
Rate Rider for Lost Revenue Adjustment Mechanism (2013) - effective until April 30, 2014	\$/kWh	0.0007
Rate Rider for Lost Revenue Adjustment Mechanism Variance Account (2013) - effective until April 30, 2014	\$/kWh	0.0001
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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

EB-2012-0160

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to all buildings not classified as residential and having a service connection capable of load delivery equal to or above 50 kW or having an average monthly peak demand equal to or greater than 50 kW over a twelve month period, but less than 5,000 kW. A customer must remain in its customer class for a minimum of twelve (12) months before being reassigned to another class. Customers who require service connections above 1,000 kVA must supply and own the primary conductors, switchgear and their own transformation above the maximum supplied by Peterborough Distribution Inc. (see Section 3.3 of Conditions of Service). The maximum allowable service connection on the 27.6 kV system is 5,000 kVA. Customers have the option of ownership of transformation at all sizes and are required to own the transformation above the maximum levels supplied by Peterborough Distribution Inc. If a customer decides or is required to own their transformation, the transformer specifications and its loss evaluation require approval from Peterborough Distribution Inc. The customer is required to compensate Peterborough Distribution Inc. for transformer losses that exceed the maximum acceptable losses. The customer will receive a transformer allowance as specified in the current rate schedule for privately owned transformation.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	152.85
Rate Rider for Service Charge Implementation Deferral - effective until April 30, 2014	\$	(47.32)
Distribution Volumetric Rate	\$/kW	2.6051
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kW	0.0802
Low Voltage Service Rate	\$/kW	0.3277
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kW	(0.7851)
Rate Rider for Lost Revenue Adjustment Mechanism (2013) - effective until April 30, 2014	\$/kW	0.0831
Rate Rider for Lost Revenue Adjustment Mechanism Variance Account (2013) - effective until April 30, 2014	\$/kW	0.0009
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kW	(0.0202)
Retail Transmission Rate - Network Service Rate	\$/kW	2.5134
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6362

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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

EB-2012-0160

LARGE USE - REGULAR SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or 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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	6,140.99
Rate Rider for Service Charge Implementation Deferral - effective until April 30, 2014	\$	(85.40)
Distribution Volumetric Rate	\$/kW	0.7173
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kW	(0.0095)
Low Voltage Service Rate	\$/kW	0.4014
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kW	(0.9159)
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kW	(0.0124)
Retail Transmission Rate - Network Service Rate	\$/kW	2.9613
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	2.0045

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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EB-2012-0160

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less 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.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	2.03
Rate Rider for Service Charge Implementation Deferral (per connection) - effective until April 30, 2014	\$	(4.54)
Distribution Volumetric Rate	\$/kWh	0.0268
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kWh	(0.0565)
Low Voltage Service Rate	\$/kWh	0.0009
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2013	\$/kWh	(0.0019)
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kWh	(0.0002)
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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EB-2012-0160

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification covers sentinel lights used for security or other commercial activities. All attempts must be made to connect these loads to a metered service where possible. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. The customer owns all the equipment and facilities from the load side of the connection to the distribution system. The connection shall be made to the distribution system as approved by Peterborough Distribution Inc. Peterborough Distribution Inc. has operational control of the connection to the distribution system. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	11.28
Rate Rider for Service Charge Implementation Deferral (per connection) - effective until April 30, 2014	\$	1.10
Distribution Volumetric Rate	\$/kW	4.4960
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kW	(6.3033)
Low Voltage Service Rate	\$/kW	0.2602
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kW	(0.6760)
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kW	(0.0896)
Retail Transmission Rate - Network Service Rate	\$/kW	1.9086
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2992

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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

EB-2012-0160

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies only to street lighting equipment owned by the City of Peterborough, other authorized municipalities or the Province of Ontario and operating within the licenced territory of Peterborough Distribution Inc. Included is decorative and seasonal lighting connected to street lighting facilities owned by the City of Peterborough, other authorized municipalities and the Province of Ontario. The customer owns all equipment and facilities from the load side of the connection to the distribution system. The customer is required to provide details of the connected load and usage pattern prior to connecting to the distribution system. Each streetlight is to be individually controlled by a photocell. Underground connections for street lighting require a main disconnect to be installed by the Customer. The customer is responsible for any requirements under the Ontario Electrical Safety Code and is required to have all equipment inspected and approved by the Electrical Safety Authority. The customer may retain operational control of any disconnects if authorized by Peterborough Distribution Inc. and operated by qualified personnel. Peterborough Distribution Inc. retains operational control of the connections to the distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	\$	3.07
Rate Rider for Service Charge Implementation Deferral (per connection) - effective until April 30, 2014	\$	(0.05)
Distribution Volumetric Rate	\$/kW	12.8311
Rate Rider for Distribution Volumetric Rate Implementation Deferral - effective until April 30, 2014	\$/kW	(0.1687)
Low Voltage Service Rate	\$/kW	0.2541
Rate Rider for Deferral/Variance Account Disposition (2013) - effective until April 30, 2014	\$/kW	(0.7023)
Rate Rider for CGAAP Accounting Changes (2013) - effective until April 30, 2017	\$/kW	(0.2034)
Retail Transmission Rate - Network Service Rate	\$/kW	1.8945
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2690

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044
Rural Rate Protection Charge	\$/kWh	0.0012
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2013
Implementation Date September 1, 2013

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

EB-2012-0160

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Condition of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	\$	5.40
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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)

Peterborough Distribution Incorporated
TARIFF OF RATES AND CHARGES
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EB-2012-0160

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	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
Collection of account charge - no disconnection - after regular hours	\$	165.00
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
Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00
Service Charge for Access to the Power Poles \$/pole/year	\$	22.35

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Implementation Date September 1, 2013

EB-2012-0160

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order 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 or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	\$	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factor will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0548
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0172
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0443
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0070