



August 22, 2013

Re:Cooperative Hydro Embrun Inc. Application Board File Number EB-2013-0122

Dear Ms Walli:

This letter is in response to the Board's letter, issued on August 7, 2013 requesting additional information based on the newly issued filing requirements.

In October of 2012 the Board released a report entitled Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach the For distributors where the Board clearly indicated that distributors scheduled to rebase for 2014 and planning to seek the Board's approval for January 1 rates, would have the options to rebase under 3rd Generation IR filing requirements. Cooperative Hydro Embrun's understanding of this statement was that filing under 3rd Generation IR meant abiding by the 3rd generation Filing Requirements issued in June 28, 2012.

The Board indicated in its letter that an update is necessary to satisfy the new filing requirements with respect to any major new or revised items that are related to Board policy matters or may have a significant impact on the application review. Cooperative Hydro Embrun is of the opinion that it abided by the filing requirements in effect at the time of the filing and that these requirements should have been sufficient enough to process Cooperative Hydro Embrun's application. That being said, the utility recognizes that the Board could have asked for more information than was requested and for this reason, along with a wish to reduce the interrogatory burden, Cooperative Hydro Embrun has opted to cooperate with the Board's request.

Please find attached the supplemental information as per requested in a letter issued to on August 7, 2013.

Respectfully submitted

Benoit Lamarche, General Manager  
Cooperative Hydro Embrun  
703 Notre Dame Rue Russell, ON  
(613) 443-5110

### (Request 1) General Requirements (section 2.3.2)

The adoption of new accounting policies ultimately impacts both the Rate Base and Revenue Requirement. CHE has used the appendix provided by the Board to determine the impact of these changes on the 2014 Rate Base and Revenue Requirement.

The projected impact of Rate Base under NewCGAAP versus OldCGAAP, is an increase of \$289,934. This impact is mainly due to higher net fixed assets in OldCGAAP in comparison to NewCGAAP. The total impact on the Revenue Requirement is of \$69,512 in OldCGAAP vs NewCGAAP. The impact is mainly due to the change of \$42,861 in depreciation expense and a change in PILs in the amount of \$9,726. Please find Appendix 2-YB Accounting Changes Impact Summary below.

#### Appendix 2-YB Summary of Impacts to Revenue Requirement from Accounting Changes under CGAAP or ASPE

Revenue Requirement Component	2014 CGAAP or ASPE with the changes to the policies	2014 CGAAP without the changes to the policies	Difference	Reasons why the revenue requirement component is different under CGAAP or ASPE with the changes to the policies versus CGAAP without the changes to the policies
Closing NBV 2013	\$2,201,600.17	\$2,459,749.09	-\$258,148.92	Adoption of new typical useful lives as per Kinetrics Report
Closing NBV 2014	\$2,543,766.09	\$2,851,485.21	-\$307,719.13	Adoption of new typical useful lives as per Kinetrics Report
Average NBV	\$2,372,683.13	\$2,655,617.15	-\$282,934.03	Adoption of new typical useful lives as per Kinetrics Report
Working Capital	\$509,744.05	\$509,744.05	\$0.00	
Rate Base	\$2,882,427.18	\$3,165,361.20	-\$282,934.03	
Return on Rate Base	\$172,426.79	\$189,351.91	-\$16,925.11	Change in return due to change in Rate Base
			\$0.00	
OM&A	\$556,279.00	\$556,279.00	\$0.00	no change (burdens were never capitalized)
Depreciation	\$132,429.08	\$175,290.05	-\$42,860.97	Adoption of new typical useful lives as per Kinetrics Report
PILs or Income Taxes	\$7,944.00	\$17,670.01	-\$9,726.01	Change in PILs due to change in Rate Base
			\$0.00	
Less: Revenue Offsets	\$30,281.00	\$30,281.00	\$0.00	no change
			\$0.00	
			\$0.00	
			\$0.00	
Insert description of additional item(s) and new rows if needed.			\$0.00	
<b>Total Base Revenue Requirement</b>	<b>\$899,359.87</b>	<b>\$968,871.97</b>	<b>-\$69,512.09</b>	

**(Request 2) Exhibit 9: Deferral and Variance Accounts (section 2.12.5)**

The balance in Account 1576, which quantifies the accounting change made on January 1, 2013, is determined to be in the amount of \$35,076. As indicated in the Response to Request #1, the primary reason for this variance is the adoption of new useful lives which in turn affect the depreciation expenses in NewCGAAP vs OldCGAAP.

At a Weighted Average Cost of Capital of 5.98% and a disposition period of two years, the return on Rate Base Associated with Account 1576 balance is determined to be \$4,197. The logic behind a two year disposition is that it's a reasonable compromise between avoiding rate shock when the rider expires, which tends to occur in short disposition periods (e.g 1 year), and returning to the customer what is owed to them. CHE confirms that no carrying charges are applied to the balance in the PP&E account.

The total amount included in Deferral and Variance Account Rate Rider Calculation is therefore \$39,273. Appendix 2-EE Account 1576 is presented at the next page (Attachment 1).

In order to comply with Board's request, a separate volumetric rate rider, for Account 1576 for the clearance of the account balance over the proposed disposition period, including all calculations showing its derivation is also presented at Attachment 2. The rate rider is comprised of the amortized amount of account balance over the proposed two years for the disposition period.

NOTE: Since it is the Board's policy that balances included for disposition should be audited, Cooperative Hydro Embrun will be seeking guidance from the Board on why the unaudited balance of Account 1576 are to be included in the disposition.

The Fixed Asset Continuity Schedule (Appendix 2-BA1 or 2-BA2) for 2013 and 2014 in both CGAAP and NewCGAAP are also provided at the next section, (Attachment 2). Fixed Asset Continuity Schedule for historical years can be found at ETS of the application filed on May 10, 2013.

*Attachment 1 (of 4):*

*OEB Appendix 2-EE Account 1576 (2013)*

	2010 Rebasing Year	2011	2012	2013	2014 Rebasing Year	2015	2016	2016	2017
Reporting Basis	CGAAP	IRM	IRM	IRM	CGAAP - ASPE	IRM	IRM	IRM	IRM
Forecast vs. Actual Used in Rebasing Year	Forecast	Actual	Actual	Forecast	Forecast				
				\$	\$	\$	\$	\$	\$
<b>PP&amp;E Values under former CGAAP</b>									
Opening net PP&E - Note 1				3,200,152					
Net Additions - Note 4				39,486					
Net Depreciation (amounts should be negative) - Note 4				146,612					
<b>Closing net PP&amp;E (1)</b>				3,386,250					

<b>PP&amp;E Values under revised CGAAP (Starts from 2013)</b>									
Opening net PP&E - Note 1				3,200,152					
Net Additions - Note 4				39,486					
Net Depreciation (amounts should be negative) - Note 4				111,536					
<b>Closing net PP&amp;E (2)</b>				3,351,174					
<b>Difference in Closing net PP&amp;E, former CGAAP vs. revised CGAAP</b>				35,076					

<b>Effect on Deferral and Variance Account Rate Riders</b>						
Closing balance in Account 1576	35,076	<b>WACC</b>	5.98%			
Return on Rate Base Associated with Account 1576 balance at WACC - Note 2	4,197	<b># of years of rate rider disposition period</b>	2			
<b>Amount included in Deferral and Variance Account Rate Rider Calculation</b>	39,273					

Notes:

*Attachment 2 (of 4):*

*Determination of Rate Rider including DVA Continuity Schedules.*

		Amounts from Sheet 2	Allocator	Residential	General Service < 50 kW	General Service > 50 to 4999 kW	Unmetered Scattered Load	Street Lighting
LV Variance Account	1550	21,533	kWh	14,522	3,508	3,175	66	263
RSVA - Wholesale Market Service Charge	1580	(23,665)	kWh	(15,959)	(3,855)	(3,489)	(73)	(289)
RSVA - Retail Transmission Network Charge	1584	(2,643)	kWh	(1,783)	(431)	(390)	(8)	(32)
RSVA - Retail Transmission Connection Charge	1586	2,107	kWh	1,421	343	311	6	26
RSVA - Power (excluding Global Adjustment)	1588	(21,851)	kWh	(14,736)	(3,560)	(3,222)	(67)	(267)
RSVA - Power - Sub-account - Global Adjustment	1588	(8,305)	Non-RPP kWh	(1,286)	(440)	(6,057)	(20)	(502)
Recovery of Regulatory Asset Balances	1590	0	kWh	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2008)	1595	(0)	kWh	(0)	(0)	(0)	(0)	(0)
Disposition and Recovery/Refund of Regulatory Balances (2009)	1595	0	kWh	0	0	0	0	0
Disposition and Recovery/Refund of Regulatory Balances (2010)	1595	(37,178)	kWh	(25,072)	(6,056)	(5,482)	(114)	(454)
<b>Total of Group 1 Accounts (excluding 1588 sub-account)</b>		<b>(61,697)</b>		<b>(41,607)</b>	<b>(10,051)</b>	<b>(9,097)</b>	<b>(189)</b>	<b>(753)</b>

Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	604		453	40	3	5	104
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	685		514	45	3	5	118
<b>Impact of Accounting Changes</b>	<b>1576</b>	<b>(39,273)</b>	<b>kWh</b>	<b>(26,485)</b>	<b>(6,398)</b>	<b>(5,791)</b>	<b>(120)</b>	<b>(480)</b>
<b>Total of Group 2 Accounts</b>		<b>(37,984)</b>		<b>(25,518)</b>	<b>(6,313)</b>	<b>(5,785)</b>	<b>(110)</b>	<b>(258)</b>

Deferred Payments in Lieu of Taxes	1562	0		0	0	0	0	0
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account)	1592	(2,847)		(2,135)	(187)	(13)	(23)	(488)
<b>Total of Account 1562 and Account 1592</b>		<b>(2,847)</b>		<b>(2,135)</b>	<b>(187)</b>	<b>(13)</b>	<b>(23)</b>	<b>(488)</b>

Special Purpose Charge Assessment Variance Account	1521	0		0	0	0	0	0
LRAM Variance Account <b>(Enter dollar amount for each class)</b>	1568	1,946		1,242	386	279	5	34

(Account 1568 - total amount allocated to classes) 1,946

Variance 0

<b>Total Balance Allocated to each class (excluding 1588 sub-account)</b>		<b>(100,582)</b>		<b>(68,019)</b>	<b>(16,164)</b>	<b>(14,615)</b>	<b>(317)</b>	<b>(1,467)</b>
<b>Total Balance in Account 1588 - sub account</b>		<b>(8,305)</b>		<b>(1,286)</b>	<b>(440)</b>	<b>(6,057)</b>	<b>(20)</b>	<b>(502)</b>
<b>Total Balance Allocated to each class (including 1588 sub-account)</b>		<b>(108,888)</b>		<b>(69,305)</b>	<b>(16,605)</b>	<b>(20,672)</b>	<b>(337)</b>	<b>(1,968)</b>

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

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Allocated Balance (excluding 1588 sub-account)	Rate Rider for Deferral/Variance Accounts	
Residential	kWh	19,634,780	-\$ 68,019	- 0.0017	\$/kWh
General Service < 50 kW	kWh	4,742,923	-\$ 16,164	- 0.0017	\$/kWh
General Service > 50 to 4999 kW	kW	12,486	-\$ 14,615	- 0.5853	\$/kW
Unmetered Scattered Load	kWh	89,208	-\$ 317	- 0.0018	\$/kWh
Street Lighting	kW	1,003	-\$ 1,467	- 0.7312	\$/kW
<b>Total</b>			<b>-\$ 100,582</b>		

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

Rate Class (Enter Rate Classes in cells below)	Units	kW / kWh / # of Customers	Balance of RSVA - Power - Sub-account - Global Adjustment	Rate Rider for RSVA - Power - Sub-account - Global Adjustment	
Residential	kWh	911,692	-\$ 1,286	- 0.0007	\$/kWh
General Service < 50 kW	kWh	312,122	-\$ 440	- 0.0007	\$/kWh
General Service > 50 to 4999 kW	kW	12,486	-\$ 6,057	- 0.2425	\$/kW
Unmetered Scattered Load	kWh	14,167	-\$ 20	- 0.0007	\$/kWh
Street Lighting	kW	1,003	-\$ 502	- 0.2501	\$/kW
<b>Total</b>			<b>-\$ 8,305</b>		



*Attachment 3 (of 4):*

*OEB Appendix 2-CF – Depreciation Expenses 2013 OldCGAAP*

*OEB Appendix 2-CF – Depreciation Expenses 2013 NewCGAAP*

*OEB Appendix 2-CF – Depreciation Expenses 2014 OldCGAAP*

*OEB Appendix 2-CF – Depreciation Expenses 2014 NewCGAAP*

**Appendix 2-CF**  
**Depreciation and Amortization Expense**  
Assumes the applicant adopted IFRS for financial reporting purposes January 1, 2015  
Year      2013      OldCGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	2013 Depreciation Expense	2013 Depreciation Expense per Appendix 2 B Fixed Assets, Column K (I)	Variance <sup>2</sup>
		(a)	(b)	(c)	(d)	(e) = (c) + ½ x (d) <sup>1</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)		(m) = (h) - (I)
1611	Computer Software (Formally known as Account 1925)	\$ 84,927.00	\$ 15,643.30	\$ 69,283.70	\$ 26,500.00	\$ 82,533.70	5.00	20.00%	\$ 16,506.74		\$ 16,506.74
1612	Land Rights (Formally known as Account 1906)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1805	Land	\$ 50,000.00		\$ 50,000.00		\$ 50,000.00	-	0.00%	\$ -		\$ -
1808	Buildings	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1810	Leasehold Improvements	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1820	Distribution Station Equipment <50 kV	\$ 222,488.00		\$ 222,488.00	\$ 62,400.00	\$ 253,688.00	30.00	3.33%	\$ 8,456.27		\$ 8,456.27
1825	Storage Battery Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 563,534.00		\$ 563,534.00	\$ 83,850.00	\$ 605,459.00	25.00	4.00%	\$ 24,218.36		\$ 24,218.36
1835	Overhead Conductors & Devices	\$ 546,986.00		\$ 546,986.00	\$ 58,750.00	\$ 576,361.00	25.00	4.00%	\$ 23,054.44		\$ 23,054.44
1840	Underground Conduit	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1845	Underground Conductors & Devices	\$ 957,987.00		\$ 957,987.00	\$ 52,400.00	\$ 984,187.00	25.00	4.00%	\$ 39,367.48		\$ 39,367.48
1850	Line Transformers	\$ 747,023.00		\$ 747,023.00	\$ 12,000.00	\$ 753,023.00	25.00	4.00%	\$ 30,120.92		\$ 30,120.92
1855	Services (Overhead & Underground)	\$ 183,212.00		\$ 183,212.00	\$ 5,000.00	\$ 185,712.00	25.00	4.00%	\$ 7,428.48		\$ 7,428.48
1860	Meters	\$ -		\$ -		\$ -	25.00	4.00%	\$ -		\$ -
1860	Meters (Smart Meters)	\$ 310,212.00		\$ 310,212.00		\$ 310,212.00	25.00	4.00%	\$ 12,408.48		\$ 12,408.48
1905	Land	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1908	Buildings & Fixtures	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1910	Leasehold Improvements	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1915	Office Furniture & Equipment (10 years)	\$ 49,403.00	\$ 4,750.24	\$ 44,652.76	\$ 1,500.00	\$ 45,402.76	10.00	10.00%	\$ 4,540.28		\$ 4,540.28
1915	Office Furniture & Equipment (5 years)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 24,537.00	\$ 16,392.44	\$ 8,144.56	\$ 1,500.00	\$ 8,894.56	5.00	20.00%	\$ 1,778.91		\$ 1,778.91
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1930	Transportation Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1935	Stores Equipment	\$ 4,320.00		\$ 4,320.00		\$ 4,320.00	10.00	10.00%	\$ 432.00		\$ 432.00
1940	Tools, Shop & Garage Equipment	\$ 4,205.00		\$ 4,205.00		\$ 4,205.00	10.00	10.00%	\$ 420.50		\$ 420.50
1945	Measurement & Testing Equipment	\$ 4,281.00	\$ 2,700.00	\$ 1,581.00		\$ 1,581.00	10.00	10.00%	\$ 158.10		\$ 158.10
1950	Power Operated Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1955	Communications Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1955	Communication Equipment (Smart Meters)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1960	Miscellaneous Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1975	Load Management Controls Utility Premises	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1980	System Supervisor Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1985	Miscellaneous Fixed Assets	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1995	Contributions & Grants	\$ 552,963.00		\$ 552,963.00	\$ 8,000.00	\$ 556,963.00	25.00	4.00%	\$ 22,278.52		\$ 22,278.52
etc.				\$ -		\$ -		0.00%	\$ -		\$ -
				\$ -		\$ -		0.00%	\$ -		\$ -
	<b>Total</b>	<b>\$ 3,200,152.00</b>	<b>\$ 39,485.98</b>	<b>\$ 3,160,666.02</b>	<b>\$ 295,900.00</b>	<b>\$ 3,308,616.02</b>			<b>\$ 146,612.43</b>	<b>\$ -</b>	<b>\$ 146,612.43</b>

**Notes:**

- 1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- 2 The applicant must provide an explanation of material variances in evidence

**General:** Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

**Appendix 2-CF  
Depreciation and Amortization Expense**

Assumes the applicant adopted IFRS for financial reporting purposes January 1, 2015  
Year 2013 NewCGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	2013 Depreciation Expense	2013 Depreciation Expense per Appendix 2- B Fixed Assets, Column K (l)	Variance <sup>2</sup>
		(a)	(b)	(c)	(d)	(e) = (c) + ½ x (d) <sup>1</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)		(m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	\$ 84,927.00	\$ 15,643.30	\$ 69,283.70	\$ 26,500.00	\$ 82,533.70	5.00	20.00%	\$ 16,506.74	\$ 16,506.79	\$ 0.05
1612	Land Rights (Formally known as Account 1906)	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1805	Land	\$ 50,000.00		\$ 50,000.00		\$ 50,000.00		0.00%	\$ -	\$ -	\$ -
1808	Buildings	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1810	Leasehold Improvements	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 222,488.00		\$ 222,488.00	\$ 62,400.00	\$ 253,688.00	55.00	1.82%	\$ 4,612.51	\$ 4,612.50	\$ 0.01
1825	Storage Battery Equipment	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 563,534.00		\$ 563,534.00	\$ 83,850.00	\$ 605,459.00	40.00	2.50%	\$ 15,136.48	\$ 15,136.46	\$ 0.02
1835	Overhead Conductors & Devices	\$ 546,986.00		\$ 546,986.00	\$ 58,750.00	\$ 576,361.00	60.00	1.67%	\$ 9,606.02	\$ 9,606.03	\$ 0.01
1840	Underground Conduit	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1845	Underground Conductors & Devices	\$ 957,987.00		\$ 957,987.00	\$ 52,400.00	\$ 984,187.00	35.00	2.86%	\$ 28,119.63	\$ 28,119.62	\$ 0.01
1850	Line Transformers	\$ 747,023.00		\$ 747,023.00	\$ 12,000.00	\$ 753,023.00	40.00	2.50%	\$ 18,825.58	\$ 18,825.55	\$ 0.03
1855	Services (Overhead & Underground)	\$ 183,212.00		\$ 183,212.00	\$ 5,000.00	\$ 185,712.00	40.00	2.50%	\$ 4,642.80	\$ 4,642.76	\$ 0.04
1860	Meters	\$ -		\$ -		\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1860	Meters (Smart Meters)	\$ 310,212.00		\$ 310,212.00		\$ 310,212.00	15.00	6.67%	\$ 20,680.80	\$ 20,680.80	\$ -
1905	Land	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1910	Leasehold Improvements	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 49,403.00	\$ 4,750.24	\$ 44,652.76	\$ 1,500.00	\$ 45,402.76	10.00	10.00%	\$ 4,540.28	\$ 4,540.27	\$ 0.01
1915	Office Furniture & Equipment (5 years)	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 24,537.00	\$ 16,392.44	\$ 8,144.56	\$ 1,500.00	\$ 8,894.56	5.00	20.00%	\$ 1,778.91	\$ 1,779.19	\$ 0.28
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1930	Transportation Equipment	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1935	Stores Equipment	\$ 4,320.00		\$ 4,320.00		\$ 4,320.00	10.00	10.00%	\$ 432.00	\$ 432.00	\$ -
1940	Tools, Shop & Garage Equipment	\$ 4,205.00		\$ 4,205.00		\$ 4,205.00	10.00	10.00%	\$ 420.50	\$ 420.50	\$ -
1945	Measurement & Testing Equipment	\$ 4,281.00	\$ 2,700.00	\$ 1,581.00		\$ 1,581.00	10.00	10.00%	\$ 158.10	\$ 158.10	\$ -
1950	Power Operated Equipment	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
1995	Contributions & Grants	\$ 552,963.00		\$ 552,963.00	\$ 8,000.00	\$ 556,963.00	40.00	2.50%	\$ 13,924.08	\$ 13,924.08	\$ 0.00
etc.		\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
		\$ -		\$ -		\$ -		0.00%	\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ 3,200,152.00</b>	<b>\$ 39,485.98</b>	<b>\$ 3,160,666.02</b>	<b>\$ 295,900.00</b>	<b>\$ 3,308,616.02</b>			<b>\$ 111,536.26</b>	<b>\$ 111,536.49</b>	<b>\$ 0.23</b>

**Notes:**

- 1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- 2 The applicant must provide an explanation of material variances in evidence

**General:** Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

**Appendix 2-CF**  
**Depreciation and Amortization Expense**  
Assumes the applicant adopted IFRS for financial reporting purposes January 1, 2015  
Year 2014 OldCGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	2014 Depreciation Expense	2014 Depreciation Expense per Appendix 2 B Fixed Assets, Column K (I)	Variance <sup>2</sup>
		(a)	(b)	(c)	(d)	(e) = (c) + ½ x (d) <sup>1</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)		(m) = (h) - (I)
1611	Computer Software (Formally known as Account 1925)	\$ 111,427.00	\$ 18,864.54	\$ 92,562.46	\$ 35,000.00	\$ 110,062.46	5.00	20.00%	\$ 22,012.49		\$ 22,012.49
1612	Land Rights (Formally known as Account 1906)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1805	Land	\$ 50,000.00		\$ 50,000.00		\$ 50,000.00	-	0.00%	\$ -		\$ -
1808	Buildings	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1810	Leasehold Improvements	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1815	Transformer Station Equipment >50 kV	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1820	Distribution Station Equipment <50 kV	\$ 284,888.00		\$ 284,888.00		\$ 284,888.00	30.00	3.33%	\$ 9,496.27		\$ 9,496.27
1825	Storage Battery Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1830	Poles, Towers & Fixtures	\$ 647,384.00		\$ 647,384.00	\$ 60,220.00	\$ 677,494.00	25.00	4.00%	\$ 27,099.76		\$ 27,099.76
1835	Overhead Conductors & Devices	\$ 605,736.00		\$ 605,736.00	\$ 19,375.00	\$ 615,423.50	25.00	4.00%	\$ 24,616.94		\$ 24,616.94
1840	Underground Conduit	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1845	Underground Conductors & Devices	\$ 1,010,387.00		\$ 1,010,387.00	\$ 398,000.00	\$ 1,209,387.00	25.00	4.00%	\$ 48,375.48		\$ 48,375.48
1850	Line Transformers	\$ 759,023.00		\$ 759,023.00	\$ 87,500.00	\$ 802,773.00	25.00	4.00%	\$ 32,110.92		\$ 32,110.92
1855	Services (Overhead & Underground)	\$ 188,212.00		\$ 188,212.00	\$ 4,000.00	\$ 190,212.00	25.00	4.00%	\$ 7,608.48		\$ 7,608.48
1860	Meters	\$ -		\$ -		\$ -	25.00	4.00%	\$ -		\$ -
1860	Meters (Smart Meters)	\$ 310,212.00		\$ 310,212.00	\$ 30,500.00	\$ 325,462.00	25.00	4.00%	\$ 13,018.48		\$ 13,018.48
1905	Land	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1908	Buildings & Fixtures	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1910	Leasehold Improvements	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1915	Office Furniture & Equipment (10 years)	\$ 50,903.00	\$ 7,592.64	\$ 43,310.36		\$ 43,310.36	10.00	10.00%	\$ 4,331.04		\$ 4,331.04
1915	Office Furniture & Equipment (5 years)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1920	Computer Equipment - Hardware	\$ 26,037.00	\$ 16,392.44	\$ 9,644.56		\$ 9,644.56	5.00	20.00%	\$ 1,928.91		\$ 1,928.91
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1930	Transportation Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1935	Stores Equipment	\$ 4,320.00	\$ 2,808.00	\$ 1,512.00		\$ 1,512.00	10.00	10.00%	\$ 151.20		\$ 151.20
1940	Tools, Shop & Garage Equipment	\$ 4,205.00		\$ 4,205.00		\$ 4,205.00	10.00	10.00%	\$ 420.50		\$ 420.50
1945	Measurement & Testing Equipment	\$ 4,281.00	\$ 2,700.00	\$ 1,581.00		\$ 1,581.00	10.00	10.00%	\$ 158.10		\$ 158.10
1950	Power Operated Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1955	Communications Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1955	Communication Equipment (Smart Meters)	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1960	Miscellaneous Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1975	Load Management Controls Utility Premises	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1980	System Supervisor Equipment	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1985	Miscellaneous Fixed Assets	\$ -		\$ -		\$ -		0.00%	\$ -		\$ -
1995	Contributions & Grants	\$ 560,963.00	\$ 160,000.00	\$ 400,963.00		\$ 400,963.00	25.00	4.00%	\$ 16,038.52		\$ 16,038.52
etc.				\$ -		\$ -		0.00%	\$ -		\$ -
				\$ -		\$ -		0.00%	\$ -		\$ -
<b>Total</b>		\$ 3,496,052.00	\$ 111,642.38	\$ 3,607,694.38	\$ 634,595.00	\$ 3,924,991.88			\$ 175,290.05	\$ -	\$ 175,290.05

**Notes:**  
1 Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.  
2 The applicant must provide an explanation of material variances in evidence

**General:** Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

**Appendix 2-CF  
Depreciation and Amortization Expense**

Assumes the applicant adopted IFRS for financial reporting purposes January 1, 2015  
Year 2014 NewCGAAP

Account	Description	Opening Regulatory Gross PP&E as at Jan 1, 2013	Less Fully Depreciated	Net for Depreciation	Additions	Total for Depreciation	Years	Depreciation Rate	2014 Depreciation Expense	2014 Depreciation Expense per Appendix 2- B Fixed Assets, Column K (l)	Variance <sup>2</sup>
		(a)	(b)	(c)	(d)	(e) = (c) + ½ x (d) <sup>1</sup>	(f)	(g) = 1 / (f)	(h) = (e) / (f)		(m) = (h) - (l)
1611	Computer Software (Formally known as Account 1925)	\$ 111,427.00	\$ 18,864.54	\$ 92,562.46	\$ 35,000.00	\$ 110,062.46	5.00	20.00%	\$ 22,012.49	\$ 22,013.00	\$ 0.51
1612	Land Rights (Formally known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1805	Land	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00		0.00%	\$ -	\$ -	\$ -
1808	Buildings	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1810	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1815	Transformer Station Equipment >50 kV	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1820	Distribution Station Equipment <50 kV	\$ 284,888.00	\$ -	\$ 284,888.00	\$ -	\$ 284,888.00	55.00	1.82%	\$ 5,179.78	\$ 5,179.77	\$ 0.01
1825	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1830	Poles, Towers & Fixtures	\$ 647,384.00	\$ -	\$ 647,384.00	\$ 60,220.00	\$ 677,494.00	40.00	2.50%	\$ 16,937.35	\$ 16,937.35	\$ -
1835	Overhead Conductors & Devices	\$ 605,736.00	\$ -	\$ 605,736.00	\$ 19,375.00	\$ 615,423.50	60.00	1.67%	\$ 10,257.06	\$ 10,257.06	\$ -
1840	Underground Conduit	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1845	Underground Conductors & Devices	\$ 1,010,387.00	\$ -	\$ 1,010,387.00	\$ 398,000.00	\$ 1,209,387.00	35.00	2.86%	\$ 34,553.91	\$ 34,553.91	\$ 0.00
1850	Line Transformers	\$ 759,023.00	\$ -	\$ 759,023.00	\$ 87,500.00	\$ 802,773.00	40.00	2.50%	\$ 20,069.33	\$ 20,069.30	\$ 0.03
1855	Services (Overhead & Underground)	\$ 188,212.00	\$ -	\$ 188,212.00	\$ 4,000.00	\$ 190,212.00	40.00	2.50%	\$ 4,755.30	\$ 4,755.26	\$ 0.04
1860	Meters	\$ -	\$ -	\$ -	\$ -	\$ -	25.00	4.00%	\$ -	\$ -	\$ -
1860	Meters (Smart Meters)	\$ 310,212.00	\$ -	\$ 310,212.00	\$ 30,500.00	\$ 325,462.00	15.00	6.67%	\$ 21,697.47	\$ 21,697.47	\$ 0.00
1905	Land	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1908	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1910	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 50,903.00	\$ 7,592.64	\$ 43,310.36	\$ -	\$ 43,310.36	10.00	10.00%	\$ 4,331.04	\$ 4,331.05	\$ 0.01
1915	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 26,037.00	\$ 16,392.44	\$ 9,644.56	\$ -	\$ 9,644.56	5.00	20.00%	\$ 1,928.91	\$ 1,929.19	\$ 0.28
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1930	Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1935	Stores Equipment	\$ 4,320.00	\$ 2,808.00	\$ 1,512.00	\$ -	\$ 1,512.00	10.00	10.00%	\$ 151.20	\$ 151.20	\$ -
1940	Tools, Shop & Garage Equipment	\$ 4,205.00	\$ -	\$ 4,205.00	\$ -	\$ 4,205.00	10.00	10.00%	\$ 420.50	\$ 420.50	\$ -
1945	Measurement & Testing Equipment	\$ 4,281.00	\$ 2,700.00	\$ 1,581.00	\$ -	\$ 1,581.00	10.00	10.00%	\$ 158.10	\$ 158.10	\$ -
1950	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1955	Communications Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1955	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1960	Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1980	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1985	Miscellaneous Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
1995	Contributions & Grants	\$ 560,963.00	\$ 160,000.00	\$ 400,963.00	\$ -	\$ 400,963.00	40.00	2.50%	\$ 10,024.08	\$ 10,024.08	\$ 0.00
etc.		\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -		0.00%	\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ 3,496,052.00</b>	<b>-\$111,642.38</b>	<b>\$ 3,607,694.38</b>	<b>\$ 634,595.00</b>	<b>\$ 3,924,991.88</b>			<b>\$ 132,428.36</b>	<b>\$ 132,429.08</b>	<b>\$ 0.72</b>

**Notes:**

- Board policy of the "half-year" rule - the applicant must ensure that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.
- The applicant must provide an explanation of material variances in evidence

**General:** Applicants must provide a breakdown of depreciation and amortization expense in the above format for all relevant accounts. Asset Retirement Obligations (AROs), depreciation and accretion expense should be disclosed separately consistent with the Notes of historical Audited Financial Statements.

*Attachment 4 (of 4):*

*OEB Appendix 2-B – Fixed Assets 2013 OldCGAAP*

*OEB Appendix 2-B – Fixed Assets 2013 NewCGAAP*

*OEB Appendix 2-B – Fixed Assets 2014 OldCGAAP*

*OEB Appendix 2-B – Fixed Assets 2014 NewCGAAP*

**Appendix 2-B - OldCGAAP  
Fixed Asset Continuity Schedule**

Year **2013**

CCA Class	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book Value
				Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)		\$ 84,927	\$ 26,500		\$ 111,427	\$ 55,978	\$ 16,507		\$ 39,471	\$ 71,956
CEC	1612	Land Rights (Formally known as Account 1906)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
N/A	1805	Land		\$ 50,000			\$ 50,000	\$ -	\$ -		\$ -	\$ 50,000
47	1808	Buildings		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV		\$ 222,488	\$ 62,400		\$ 284,888	\$ 81,442	\$ 8,456		\$ 72,985	\$ 211,903
47	1825	Storage Battery Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 563,534	\$ 83,850		\$ 647,384	\$ 208,898	\$ 24,218		\$ 184,680	\$ 462,704
47	1835	Overhead Conductors & Devices		\$ 546,986	\$ 58,750		\$ 605,736	\$ 227,567	\$ 23,054		\$ 204,512	\$ 401,224
47	1840	Underground Conduit		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1845	Underground Conductors & Devices		\$ 957,987	\$ 52,400		\$ 1,010,387	\$ 408,006	\$ 39,367		\$ 368,639	\$ 641,748
47	1850	Line Transformers		\$ 747,023	\$ 12,000		\$ 759,023	\$ 268,141	\$ 30,121		\$ 238,020	\$ 521,003
47	1855	Services (Overhead & Underground)		\$ 183,212	\$ 5,000		\$ 188,212	\$ 53,524	\$ 7,428		\$ 46,096	\$ 142,116
47	1860	Meters		\$ -			\$ -	\$ 0	\$ -		\$ 0	\$ 0
47	1860	Meters (Smart Meters)		\$ 310,212			\$ 310,212	\$ 6,204	\$ 12,408		\$ 6,204	\$ 316,416
N/A	1905	Land		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1908	Buildings & Fixtures		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1910	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)		\$ 49,403	\$ 1,500		\$ 50,903	\$ 26,273	\$ 4,540		\$ 21,732	\$ 29,171
8	1915	Office Furniture & Equipment (5 years)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1920	Computer Equipment - Hardware		\$ 24,537	\$ 1,500		\$ 26,037	\$ 18,903	\$ 1,779		\$ 17,124	\$ 8,913
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1930	Transportation Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1935	Stores Equipment		\$ 4,320			\$ 4,320	\$ 3,586	\$ 432		\$ 3,154	\$ 1,166
8	1940	Tools, Shop & Garage Equipment		\$ 4,205			\$ 4,205	\$ 210	\$ 421		\$ 210	\$ 4,415
8	1945	Measurement & Testing Equipment		\$ 4,281			\$ 4,281	\$ 3,965	\$ 158		\$ 3,807	\$ 474
8	1950	Power Operated Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communications Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1960	Miscellaneous Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1975	Load Management Controls Utility Premises		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1980	System Supervisor Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1985	Miscellaneous Fixed Assets		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1995	Contributions & Grants		\$ 552,963	\$ 8,000		\$ 560,963	\$ 179,782	\$ 22,279		\$ 157,503	\$ 403,460
	etc.						\$ -				\$ -	\$ -
	<b>Total</b>			\$ 3,200,152	\$ 295,900	\$ -	\$ 3,496,052	\$ 1,182,915	\$ 146,612	\$ -	\$ 1,036,303	\$ 2,459,749

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ -

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

**Appendix 2-B - NewCGAAP  
Fixed Asset Continuity Schedule**

Year **2013**

CCA Class	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book Value
				Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)		\$ 84,927	\$ 26,500		\$ 111,427	\$ 55,978	\$ 16,507		\$ 72,485	\$ 38,942
CEC	1612	Land Rights (Formally known as Account 1906)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
N/A	1805	Land		\$ 50,000			\$ 50,000	\$ -	\$ -		\$ -	\$ 50,000
47	1808	Buildings		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV		\$ 222,488	\$ 62,400		\$ 284,888	\$ 81,442	\$ 4,613		\$ 86,054	\$ 198,834
47	1825	Storage Battery Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 563,534	\$ 83,850		\$ 647,384	\$ 208,898	\$ 15,136		\$ 224,035	\$ 423,349
47	1835	Overhead Conductors & Devices		\$ 546,986	\$ 58,750		\$ 605,736	\$ 227,567	\$ 9,606		\$ 237,173	\$ 368,563
47	1840	Underground Conduit		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1845	Underground Conductors & Devices		\$ 957,987	\$ 52,400		\$ 1,010,387	\$ 408,006	\$ 28,120		\$ 436,126	\$ 574,261
47	1850	Line Transformers		\$ 747,023	\$ 12,000		\$ 759,023	\$ 268,141	\$ 18,826		\$ 286,967	\$ 472,056
47	1855	Services (Overhead & Underground)		\$ 183,212	\$ 5,000		\$ 188,212	\$ 53,524	\$ 4,643		\$ 58,167	\$ 130,045
47	1860	Meters		\$ -			\$ -	\$ 0	\$ -		\$ 0	\$ 0
47	1860	Meters (Smart Meters)		\$ 310,212			\$ 310,212	\$ 6,204	\$ 20,681		\$ 26,885	\$ 283,327
N/A	1905	Land		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1908	Buildings & Fixtures		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1910	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)		\$ 49,403	\$ 1,500		\$ 50,903	\$ 26,273	\$ 4,540		\$ 30,813	\$ 20,090
8	1915	Office Furniture & Equipment (5 years)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1920	Computer Equipment - Hardware		\$ 24,537	\$ 1,500		\$ 26,037	\$ 18,903	\$ 1,779		\$ 20,682	\$ 5,355
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1930	Transportation Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1935	Stores Equipment		\$ 4,320			\$ 4,320	\$ 3,586	\$ 432		\$ 4,018	\$ 302
8	1940	Tools, Shop & Garage Equipment		\$ 4,205			\$ 4,205	\$ 210	\$ 421		\$ 631	\$ 3,574
8	1945	Measurement & Testing Equipment		\$ 4,281			\$ 4,281	\$ 3,965	\$ 158		\$ 4,123	\$ 158
8	1950	Power Operated Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communications Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1960	Miscellaneous Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1975	Load Management Controls Utility Premises		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1980	System Supervisor Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1985	Miscellaneous Fixed Assets		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1995	Contributions & Grants		\$ 552,963	\$ 8,000		\$ 560,963	\$ 179,782	\$ 13,924		\$ 193,706	\$ 367,257
	etc.						\$ -				\$ -	\$ -
	<b>Total</b>			<b>\$ 3,200,152</b>	<b>\$ 295,900</b>	<b>\$ -</b>	<b>\$ 3,496,052</b>	<b>\$ 1,182,915</b>	<b>\$ 111,536</b>	<b>\$ -</b>	<b>\$ 1,294,452</b>	<b>\$ 2,201,600</b>

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ -

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.



**Appendix 2-B - OldCGAAP  
Fixed Asset Continuity Schedule**

Year **2014**

CCA Class	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book Value
				Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
12	1611	Computer Software (Formally known as Account 1925)		\$ 111,427	\$ 35,000		\$ 146,427	\$ 72,485	\$ 22,012		\$ 50,472	\$ 95,955
CEC	1612	Land Rights (Formally known as Account 1906)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
N/A	1805	Land		\$ 50,000			\$ 50,000	\$ -	\$ -		\$ -	\$ 50,000
47	1808	Buildings		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV		\$ 284,888			\$ 284,888	\$ 86,054	\$ 9,496		\$ 76,558	\$ 208,330
47	1825	Storage Battery Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 647,384	\$ 60,220		\$ 707,604	\$ 224,035	\$ 27,100		\$ 196,935	\$ 510,669
47	1835	Overhead Conductors & Devices		\$ 605,736	\$ 19,375		\$ 625,111	\$ 237,173	\$ 24,617		\$ 212,556	\$ 412,555
47	1840	Underground Conduit		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1845	Underground Conductors & Devices		\$ 1,010,387	\$ 398,000		\$ 1,408,387	\$ 436,126	\$ 48,375		\$ 387,750	\$ 1,020,637
47	1850	Line Transformers		\$ 759,023	\$ 87,500		\$ 846,523	\$ 286,967	\$ 32,111		\$ 254,856	\$ 591,667
47	1855	Services (Overhead & Underground)		\$ 188,212	\$ 4,000		\$ 192,212	\$ 58,167	\$ 7,608		\$ 50,558	\$ 141,654
47	1860	Meters		\$ -			\$ -	\$ 0	\$ -		\$ 0	\$ 0
47	1860	Meters (Smart Meters)		\$ 310,212	\$ 30,500		\$ 340,712	\$ 26,885	\$ 13,018		\$ 13,867	\$ 326,845
N/A	1905	Land		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1908	Buildings & Fixtures		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1910	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)		\$ 50,903			\$ 50,903	\$ 30,813	\$ 4,331		\$ 26,482	\$ 24,421
8	1915	Office Furniture & Equipment (5 years)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1920	Computer Equipment - Hardware		\$ 26,037			\$ 26,037	\$ 20,682	\$ 1,929		\$ 18,753	\$ 7,284
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1930	Transportation Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1935	Stores Equipment		\$ 4,320			\$ 4,320	\$ 4,018	\$ 151		\$ 3,867	\$ 453
8	1940	Tools, Shop & Garage Equipment		\$ 4,205			\$ 4,205	\$ 631	\$ 421		\$ 210	\$ 3,995
8	1945	Measurement & Testing Equipment		\$ 4,281			\$ 4,281	\$ 4,123	\$ 158		\$ 3,965	\$ 316
8	1950	Power Operated Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communications Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1960	Miscellaneous Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1975	Load Management Controls Utility Premises		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1980	System Supervisor Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1985	Miscellaneous Fixed Assets		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1995	Contributions & Grants		\$ 560,963	\$ 160,000		\$ 720,963	\$ 193,706	\$ 16,039		\$ 177,667	\$ 543,296
		Smart Meter Additions (from 1555)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1860	Meters (Smart Meters)										
45.1	1920	Computer Hardware (Smart Meters)										
12	1925	Computer Software (Smart Meters)										
		etc.						\$ -	\$ -		\$ -	
								\$ -	\$ -			
		Total		\$ 3,496,052	\$ 474,595	\$ -	\$ 3,970,647	\$ 1,294,452	\$ 175,290	\$ -	\$ 1,119,162	\$ 2,851,485
											\$ 1,246,357	

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** **\$ -**

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
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- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

10	Transportation
8	Stores Equipment

**Appendix 2-B - NewCGAAP  
Fixed Asset Continuity Schedule**

Year **2014**

			Cost				Accumulated Depreciation					
CCA Class	OEB	Description	Depreciation Rate	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
12	1611	Computer Software (Formally known as Account 1925)		\$ 111,427	\$ 35,000		\$ 146,427	-\$ 72,485	-\$ 22,013		-\$ 94,498	\$ 51,929
CEC	1612	Land Rights (Formally known as Account 1906)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
N/A	1805	Land		\$ 50,000			\$ 50,000	\$ -	\$ -		\$ -	\$ 50,000
47	1808	Buildings		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1815	Transformer Station Equipment >50 kV		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1820	Distribution Station Equipment <50 kV		\$ 284,888			\$ 284,888	-\$ 86,054	\$ 5,180		-\$ 91,234	\$ 193,654
47	1825	Storage Battery Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 647,384	\$ 60,220		\$ 707,604	-\$ 224,035	\$ 16,937		-\$ 240,972	\$ 466,632
47	1835	Overhead Conductors & Devices		\$ 605,736	\$ 19,375		\$ 625,111	-\$ 237,173	\$ 10,257		-\$ 247,430	\$ 377,681
47	1840	Underground Conduit		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1845	Underground Conductors & Devices		\$ 1,010,387	\$ 398,000		\$ 1,408,387	-\$ 436,126	\$ 34,554		-\$ 470,680	\$ 937,707
47	1850	Line Transformers		\$ 759,023	\$ 87,500		\$ 846,523	-\$ 286,967	\$ 20,069		-\$ 307,036	\$ 539,487
47	1855	Services (Overhead & Underground)		\$ 188,212	\$ 4,000		\$ 192,212	-\$ 58,167	\$ 4,755		-\$ 62,922	\$ 129,290
47	1860	Meters		\$ -			\$ -	\$ 0	\$ -		\$ 0	\$ 0
47	1860	Meters (Smart Meters)		\$ 310,212	\$ 30,500		\$ 340,712	-\$ 26,885	\$ 21,697		-\$ 48,583	\$ 292,129
N/A	1905	Land		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1908	Buildings & Fixtures		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13	1910	Leasehold Improvements		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)		\$ 50,903			\$ 50,903	-\$ 30,813	\$ 4,331		-\$ 35,144	\$ 15,759
8	1915	Office Furniture & Equipment (5 years)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1920	Computer Equipment - Hardware		\$ 26,037			\$ 26,037	-\$ 20,682	\$ 1,929		-\$ 22,611	\$ 3,426
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
10	1930	Transportation Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1935	Stores Equipment		\$ 4,320			\$ 4,320	-\$ 4,018	\$ 151		-\$ 4,169	\$ 151
8	1940	Tools, Shop & Garage Equipment		\$ 4,205			\$ 4,205	-\$ 631	\$ 421		-\$ 1,051	\$ 3,154
8	1945	Measurement & Testing Equipment		\$ 4,281			\$ 4,281	-\$ 4,123	\$ 158		-\$ 4,282	\$ 1
8	1950	Power Operated Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communications Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1960	Miscellaneous Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1975	Load Management Controls Utility Premises		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1980	System Supervisor Equipment		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1985	Miscellaneous Fixed Assets		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
47	1995	Contributions & Grants		-\$ 560,963	-\$ 160,000		-\$ 720,963	\$ 193,706	\$ 10,024		\$ 203,730	\$ 517,233
		Smart Meter Additions (from 1555)		\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
8	1860	Meters (Smart Meters)										
45.1	1920	Computer Hardware (Smart Meters)										
12	1925	Computer Software (Smart Meters)										
		etc.						\$ -	\$ -			
								\$ -	\$ -			
		Total		\$ 3,496,052	\$ 474,595	\$ -	\$ 3,970,647	-\$ 1,294,452	-\$ 132,429	\$ -	-\$ 1,426,881	\$ 2,543,766
											-\$ 1,536,113	

**Less: Fully Allocated Depreciation**  
Transportation  
Stores Equipment  
**Net Depreciation** \$ -

**Notes:**

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum , the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board.
- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

10	Transportation
8	Stores Equipment

**(Request 3) Exhibit 8: Rate Design (section 2.11.9)**

In order to preserve the OEB's formatting, a track changes version of CHE's current tariff showing proposed changes is being filed in conjunction with this document.