



Margaret Nanninga
Vice-President Finance
mnanninga@kwhydro.on.ca

Tel: (519) 749-6177
Fax: (519) 745-2360
www.kwhydro.ca

January 16, 2014

BY COURIER & RESS

Ms. Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

Re: Board File No. EB-2013-0147
Kitchener-Wilmot Hydro Inc. – Undertakings from Oral Hearing

Dear Ms. Walli:

On January 9, 2014, an Oral Hearing was held at the OEB offices as per Procedural Order #3, issued December 6, 2013 in Kitchener-Wilmot Hydro Inc.'s application for rates effective January 1, 2014. Following the Oral Hearing, KWHI had a number of undertakings to complete and submit to the Board. KWHI now submits its responses to the assigned undertakings.

KWHI's submission, which has been previously electronically filed through the Board's web portal, consists of two (2) hard copies.

Respectfully submitted,

Original Signed by

Margaret Nanninga, MBA, CGA
Vice-President Finance

kb

This Page Left Blank Intentionally

UNDERTAKING NO. J1.1: TO PROVIDE A DOCUMENT TO PROVIDE CLARITY WITH RESPECT TO THE ISSUES SET OUT ON PAGE 16 OF 46 OF THE PROPOSED PARTIAL SETTLEMENT AGREEMENT CONCERNING THE ICM AGREEMENT; TO SET OUT WHAT THE DELTA WILL BE BETWEEN THE PARTIAL SETTLEMENT CALCULATION OF THE ICM THRESHOLD VERSUS THE ICM AS CALCULATED IN ACCORDANCE WITH THE BOARD'S FILING GUIDELINES, WITH THE ASSUMPTION THE 2014 KNOWN QUANTUMS WILL BE THE BASE.

KWHI has calculated the ICM threshold using the worksheets from the Board- approved ICM model. The worksheets are attached as Appendix A. The worksheets return the following results:

	2015	2016	2017
ICM Threshold	13,116,596	13,116,596	13,116,596
Capital Expenditures Program	19,270,000	19,960,000	20,795,000

KWHI has made the following assumptions in the calculation of the ICM threshold::

- 2014 rate base of \$211,093,730 is as per Settlement Agreement and remains unchanged through the three-year ICM period of 2015 – 2017.
- Working capital allowance rate of 13%.
- The price cap index (PCI) is calculated to be 1.55% and is a result of:
 - The IPI of 1.70% for electricity distributors for the period 2002 through 2012 as per Table 10 of the Pacific Economics Group Research LLP report of November 2013 “*Productivity and Benchmarking Research in Support of Incentive Rate Setting in Ontario*” (corrected version), less;
 - The current 0.15% stretch factor assigned to KWHI as per EB-2010-0379 *Report of the Board on Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors* issued November 21, 2013.
- A growth rate of 0% for all three years of the ICM period. In KWHI's load forecast, which was included in Exhibit 3, the calculated growth rate for 2014 is (0.7)%. KWHI has adjusted the growth rate to 0% for all three years for simplicity and consistency.
- Deadband of 20%.

UNDERTAKING NO. J1.2: TO INDICATE WHETHER KWHI AGREES OR DISAGREES WITH EACH BULLET POINT ON PAGE 21 OF 71 OF THE ENERGY PROBE COMPENDIUM, AND IF IT AGREES, WHAT IMPACT OR CHANGES ARE REFLECTED IN OM&A EXPENSES AS A RESULT.

Bullet Point	KWHI
<p>Lower dollar amounts; by billing more frequently, the total cost of each invoice is reduced making payment management for the end consumer easier. This concept can have a cascading effect as seen by the following concepts, which are interrelated.</p>	<p>KWHI agrees with this position. It will cost KWHI \$401,500 to provide monthly billing. Note KWHI believes that the costs will now be higher due to Canada Post's recent announcement of increased postage rates. Based on that, the estimated cost of monthly billing is \$499,500, a \$98,000 increase from the original estimate.</p>
<p>Reduced collections; through lowered dollar amounts consumers are more able to make payments and therefore less frequently move into the collection process.</p> <p>o Reduced Truck Rolls: Oakville Hydro has begun to manage a Meter-to-Cash initiative entitled “Reduced Truck Rolls” which would be directly impacted by any positive impacts to the collections process.</p>	<p>KWHI disagrees with this bullet point. The collection threshold for any LDC will vary. KWHI has not yet established the active collection threshold should it proceed with monthly billing. KWHI believes that its truck rolls will probably increase, rather than decrease, assuming a lower threshold for collection. KWHI currently has only two field collectors for its entire service area. If those collectors are out potentially twice as often, KWHI sees that as an increase, rather than a decrease. KWHI has not budgeted for an increase, but if an additional collector is required due to the additional workload, this cost is estimated to be \$94,000 / year</p>

Bullet Point	KWHI
<p>Reduction in the quantity of bad debt write-offs; it stands to reason that through a reduction in collection activity, the number of write-offs will also be reduced. In addition to this, more frequent billing means that the dollar quantity of final bills will be reduced, perhaps improving the chances of collecting on final invoices more frequently than currently. Eg. If a customer moves out Aug 15, and the bi-monthly bill period is from July 1 – Sept 1, this customer would not have been billed since July 1; in a monthly billing scenario they would have been billed for their July consumption at the beginning of Aug, leaving the utility to collect a reduced amount on the final bill.</p>	<p>KWHI disagrees that it will write off fewer accounts than it currently does with bi-monthly billing. There are many pressures that contribute to the quantity of bad debt write offs. One example is that KWHI has currently identified that 1.2% of its customers qualify under the OEB customer service rules as LICO. This percentage includes only those customers that have self-identified at this time. Further, KWHI has lost the ability to have a security deposit for these customers, which has a direct correlation to bad debt write offs. As well, in December 2013 the OEB confirmed that electricity bills belong to the address and not the customer. This inhibits KWHI's ability to transfer balances owing from one address to another. While these examples do not directly relate to monthly billing, they are the pressures that are faced in collections.</p>
<p>Reduction in quantity of payment arrangements; a reduction in “bad debt” customers would be directly related to a reduction in the requirement for payment arrangements which not only reduce cash flow to the utility but require staff time to manage the customer interaction.</p>	<p>KWHI disagrees that it would have less bad debt customers, but the amount owing may decrease. Due to the frequency of billing, KWHI anticipates that its collection activity will actually increase. KWHI sees a great number of its customers that aren't paying and are waiting for the final visit by KWHI's collections staff. With increased billing frequency, KWHI expects that it will go out more frequently prior to service termination actually occurring.</p>
<p>Reduction in customer calls; the combination of lowered dollar amounts per bill, and reduced collection activity will contribute to an overall reduction in the call centre “traffic” improving utility call centre statistics and allowing better use of staff time (i.e. further improving meter to cash cycle by using staff to handle exceptions sooner).</p>	<p>KWHI disagrees with this point. With more bills, intuitively, KWHI believes there may be more call centre traffic, however, it is not anticipated that this will have an impact on OM&A, unless additional call centre staff were required.</p>

Bullet Point	KWHI
<p>LDC experience is that the VEE process is made easier through increased frequency in billing, thereby reducing the overall time required for the meter-to-cash cycle. Meter data exceptions can compound, and billing more frequently means that exceptions are addressed closer to real time ensuring that the compound effect of exceptions resulting from longer bill periods is more controlled. In a similar vein, smaller dollar amounts serves to improve the “dollar variance” reporting process and similarly results in an improved exception management process reducing the meter-to-cash cycle.</p>	<p>KWHI disagrees with the point that the VEE process will be made easier by increased billing frequency. KWHI performs data analysis and exception reporting on a continuous basis in conjunction with its ODS operator. Because these efforts are ongoing, KWHI's experience is that VEE at time of billing is relatively streamlined already. Exceptions in data are currently detected on a timelier basis than suggested by this point, thereby minimizing any benefits of monthly billing to the VEE process.</p> <p>It is important to note that KWHI’s current bi-monthly processes ensure that all customer invoices adhere to KWHI's billing schedule without delay and therefore there is not an opportunity to reduce the meter-to-cash cycle via increased VEE frequency.</p> <p>KWHI currently only experiences about 600 billing exceptions that are looked at each month. There would be no OM&A impact because the process does not change with billing frequency changes.</p>
<p>Reduction in unbilled revenue</p>	<p>KWHI agrees there would be a reduction in unbilled revenue. This would have no impact on OM&A costs.</p>
<p>Improved proration process</p>	<p>KWHI disagrees with this bullet point. Currently, KWHI has no issues with proration; therefore, this point may be specific only to Oakville Hydro.</p>

Bullet Point	KWHI
<p>More certainty around application of service charges. Oakville Hydro charges a monthly service fee per account which in a bi-monthly billing format is doubled up for each bill. In theory then, there should be no impact to revenues by changing the billing frequency. However, Oakville Hydro has experienced in the past, scenarios where billing delays have resulted in bills being generated late enough that revenues have been impacted due to lost service charges. When considering the LDC experience that the VEE process is improved, and the meter-to cash time cycle reduced, the application of service charges can be seen to be more consistent.</p>	<p>KWHI disagrees with this bullet point. KWHI's CIS system handles the application of all service fees accurately and on a timely basis. This point may be specific to Oakville Hydro.</p>

UNDERTAKING NO. J1.3: TO PROVIDE AN UPDATE TO THE RESPONSE TO PART D OF 4 ENERGY PROBE 33 THAT SHOWS THE MOST RECENT YEAR-TO-DATE COMPARISON, AND FOR ANY SIGNIFICANT INCREASE OF THE TWO-AND-A-HALF PER CENT SHOWN FOR YEAR-TO-DATE AUGUST, WHAT IS DRIVING THAT INCREASE, AND TO IDENTIFY THE AMOUNT SPECIFICALLY RELATED TO THE CHANGE IN SMART-METER COSTS BETWEEN 2012 ACTUALLY INCURRED AND 2013

KWHI is restating the amounts as originally presented in Interrogatory 4-Energy Probe-33 to isolate the effects of operating smart meters. In the original Interrogatory that presented results for year-to-date August, the operating costs of smart meters were not included as they were being deferred to account 1556 - Smart Meter OM&A. When the deferred operating costs for smart meters are included in total OM&A up to August 2012, the increase in operating costs for January 2012 to August 2012 versus January 2013 to August 2013 is 3.9%.

In November 2012, KWHI received the Decision of the Board in its application for Cost Recovery for Smart Meters (EB-2012-0288). As a result, it recorded all previously deferred costs of operating the smart meters (2009 through 2012).

In order to compare year-to-date 2012 to year-to-date 2013, it is necessary to remove the effect of the Smart Meter Decision and include the deferred operating costs of smart meters for 2012. This results in an increase in operating costs for year-over-year costs as at November of 1.6%.

	2012 YT August (1)		YTD SM Operating Costs	2012 YT August Adjusted	2013 YT August (Before SM)	YTD SM Operating Costs	2013 YT August After SM	Increase (Decrease)
	MGAAP				MGAAP		MGAAP	
Operation	2,786,683		148,255	2,934,938	3,358,720	138,754	3,497,474	19.2%
Maintenance	3,665,794		834	3,666,628	3,547,140		3,547,140	-3.3%
Customer Service	2,033,335		55,170	2,088,505	1,939,983	112,701	2,052,684	-1.7%
Community Relations (2)	139,642			139,642	215,538		215,538	54.4%
Administrative and General Expenses	2,021,906			2,021,906	1,963,862		1,963,862	-2.9%
Total Controllables	10,647,359		204,259	10,851,618	11,025,243	251,455	11,276,698	3.9%

OM&A Expenses	2012 YT November	SM Decision (Prior Years)	YTD SM Operating Costs	2012 YT November Adjusted	2013 YT November (Before SM)	YTD SM Operating Costs	2013 YT November After SM	Increase (Decrease)
	MGAAP				MGAAP		MGAAP	
Operation	4,575,474	(270,083)	200,690	4,506,081	4,375,633	196,763	4,572,396	1.5%
Maintenance	4,961,068	(81,644)	834	4,880,258	5,073,355		5,073,355	4.0%
Customer Service	3,153,964	(358,490)	81,920	2,877,394	2,737,249	145,091	2,882,340	0.2%
Community Relations	151,190			151,190	231,015		231,015	52.8%
Administrative and General Expenses	2,692,139	(21,757)		2,670,382	2,563,594		2,563,594	-4.0%
Total Controllables	15,533,835	(731,974)	283,444	15,085,305	14,980,846	341,854	15,322,700	1.6%

(1) As per 4 - Energy Probe - 33 with the noted exception below

(2) In the original interrogatory, Community Relations included an amount of \$357,745 for CDM costs. This amount should have been removed from KWHI's OM&A prior to presentment in the Interrogatory as these amounts are recorded to 4375 - Non-Utility Operation Revenue. This misclassification has been corrected above.

KWHI notes that the operating cost for smart meters in Customer Service has increased significantly from 2012 to 2013. This is a direct result of the meter reading costs that were reduced in 2012 as a result of the vendor not meeting contract specifications. The vendor is currently meeting contract obligations. The increased operating costs were included in the original Bridge and Test Year budgets.

KWHI also notes that in Operations, that there is a bigger increase in August 2013 versus 2012 than there is in November. This can be explained as a timing difference. As a general rule, KWHI will service its customers before conducting its own operations work. In 2013, KWHI's own operating work was delayed due to storm activity. The delays were caught up by November.

In Maintenance, the contract for removal of ash trees started in 2013. Also, storm damage is higher in 2013 than in 2012.

The biggest driver in Community Relations is a reclassification of recoverable donations (LEAP of \$47,000) to this account. Previously this amount was reported in Donations, not as a recoverable OM&A expense.

KWHI notes that YTD costs as of November 2013 is not indicative of 11/12 of year end costs given the ice storm of December 22nd, and further year-end adjustments and accruals that are made during the year end process.

UNDERTAKING NO. J1.4: to EXPLAIN WHAT PORTION OF INCREASE IN IT COSTS FROM 2010 TO 2014 IS DUE TO SMART METERS, AND WHAT, IF ANY, IS RELATED TO THE ACCOUNTING CHANGE.

KWHI has incurred an annual increase in IT operating costs of approximately \$21,300 per year due to smart meters. IT Costs have increased 52% since 2010. Of this total increase 2% is related to smart meters. These additional costs are for software to implement the mandated AS2 secure communication protocol, web presentment, increased wide area network bandwidth and AMI network security audits. KWHI notes that there are other costs that have increased as well, such as expanding data centre server processing infrastructure but further notes that these operating costs are harder to isolate and / or quantify since the introduction of smart meters is only one of several factors included in the decision to increase or upgrade.

There has been no direct impact to overall IT costs as a whole as a result of the accounting change; however, there has been an impact to OM&A. IT costs are allocated across many accounts and some accounts are taking an increased cost burden from IT. Prior to the switchover to MCGAAP, KWHI capitalized a portion of its IT costs. Since 2012, capitalization of IT costs (indirect costs) has been disallowed.

The impact of this change to OM&A is an increase to OM&A of \$110,000.

UNDERTAKING NO. J1.5: TO PROVIDE THE TABLE AND SOURCE FOR EACH RANKING

See Appendix B for hard copies of the tables outlined below.

2011

http://www.ontarioenergyboard.ca/OEB/_Documents/Documents/Report_2011_Stretch_Factor_Updates.pdf

12TH OVERALL, (Table 7, page 25)
1ST IN ITS PEER GROUP.(Table 6 page 24)

2012

http://www.ontarioenergyboard.ca/OEB/_Documents/Documents/Report_2012_Stretch_Factor_Updates.pdf

11TH OVERALL, (Table 7 Page 27)
1ST IN ITS PEER GROUP.(Table 6, Page 26)

2013

http://www.ontarioenergyboard.ca/OEB/_Documents/2013EDR/2013_Benchmarking_Stretch_Factor_Report_20121128.pdf

16TH OVERALL, (Table 7 Page 28)
1ST IN ITS PEER GROUP.(Table 6, page 27)

2014

http://www.ontarioenergyboard.ca/OEB/_Documents/EB-2010-0379/EB-2010-0379_Report_of_the_Board_20131121.pdf
8TH OVERALL. (Table 17)

CURRENTLY, KWHI HAS THE 14TH LOWEST RESIDENTIAL RATES IN THE PROVINCE.

<http://www.ontarioenergyboard.ca/OEB/Consumers/Electricity/Your+Electricity+Utility>

Results as at October 2013

UNDERTAKING NO. J1.6: TO PROVIDE the SOURCE FOR CUSTOMER NUMBERS FOUND ON THE TABLE ON PAGE 71 OF 71 OF THE ENERGY PROBE COMPENDIUM, EXHIBIT K1.2

As per Energy Probe, the numbers come from Exhibit 4, Tab 1, Schedule 2, Table 4□6. These numbers in turn come from Table 3-14, from Exhibit 3, Tab 1, Schedule 4 page 2 of KWHI's original application filed June 21, 2013. These numbers represent the average number of customers/connections in a year.

UNDERTAKING NO. J1.7: TO RECALCULATE OM&A PER CUSTOMER BASED ON NUMBERS OF CUSTOMERS IN TRIPLE-RS FILED.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>CGAAP</u>	<u>CGAAP</u>	<u>CGAAP</u>	<u>CGAAP</u>	<u>MCGAAP</u>
Operation	\$ 3,016,284	\$ 2,815,696	\$ 2,824,720	\$ 3,258,635	\$ 4,821,308
Maintenance	\$ 3,968,318	\$ 3,953,941	\$ 4,069,611	\$ 4,856,219	\$ 5,226,753
Administration	\$ 5,564,333	\$ 5,433,766	\$ 5,376,627	\$ 5,492,367	\$ 6,779,135
Total OM&A	\$ 12,548,934	\$ 12,203,403	\$ 12,270,957	\$ 13,607,221	\$ 16,827,196
Number of customers	84,195	85,998	86,611	87,964	89,025
OM&A per Customer	\$ 149.05	\$ 141.90	\$ 141.68	\$ 154.69	\$ 189.02

Source: OEB Yearbooks
<http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Reporting+and+Record+Keeping+Requirements/Yearbook+of+Distributors#elec>

The OM&A per customer as calculated in Appendix 2-L in the original application used the average customers based on load forecast data and include Streetlight and Unmetered Scattered load connections.

The number of customers used in the RRR's as filed uses year-end customer numbers and is the number used in the OEB Yearbooks.

UNDERTAKING NO. J1.8: TO PROVIDE TOTAL PERCENTAGE INCREASE IN OM&A PER CUSTOMER FROM 2008 TO 2014.

	<u>2008</u> <u>CGAAP</u>	<u>2009</u> <u>CGAAP</u>	<u>2010</u> <u>CGAAP</u>	<u>2011</u> <u>CGAAP</u>	<u>2012</u> <u>CGAAP</u>	<u>2012</u> <u>MCGAAP</u>
Operation	\$ 3,016,284	\$ 2,815,696	\$ 2,824,720	\$ 3,258,635	\$ 3,615,825	\$ 4,821,308
Maintenance	\$ 3,968,318	\$ 3,953,941	\$ 4,069,611	\$ 4,856,219	\$ 4,727,342	\$ 5,226,753
Administration	\$ 5,564,333	\$ 5,433,766	\$ 5,376,627	\$ 5,492,367	\$ 6,890,151	\$ 6,779,135
Total OM&A	\$ 12,548,934	\$ 12,203,403	\$ 12,270,957	\$ 13,607,221	\$ 15,233,318	\$ 16,827,196
Number of customers	84,195	85,998	86,611	87,964	89,025	89,025
OM&A per Customer	\$ 149.05	\$ 141.90	\$ 141.68	\$ 154.69	\$ 171.11	\$ 189.02

Increase in OM&A / Customer since 2008 \$ 22.06
Percentage increase (CGAAP to CGAAP) 14.8%

Increase in OM&A / Customer since 2008 \$ 39.97
Percentage increase (CGAAP to MCGAAP) 26.8%

Source: OEB Yearbooks except for 2012 CGAAP
<http://www.ontarioenergyboard.ca/OEB/Industry/Rules+and+Requirements/Reporting+and+Record+Keeping+Requirements/Yearbook+of+Distributors#elec>

UNDERTAKING NO. J1.9: TO PROVIDE THE BUDGET THAT WENT TO THE BOARD OF DIRECTORS

KWHI prepared its Test year Budget beginning in October of 2012. The directions to managers were to prepare a budget that had 2% inflation and that would reflect a typical year. The budget as passed by KWHI's Board of Directors in December 2013 reflects more current information than was available when the Test year budget was originally prepared. It is specific to 2014 only and reflects changes required due to events that occurred in 2013.

The total volume of maintenance and capital work is constrained by the size of a common labour pool and as such the costs shift year by year between maintenance and capital depending on customer needs and municipal projects.

KWHI notes that the 2014 Budget approved by its Board of Directors on December 6th, 2013 is an interim budget that allows KWHI to continue operations with existing staff and programs until a Decision on its 2014 Cost of Service application is issued. A final budget for 2014 will be presented to its Board following the outcome of this process.

Specific comments about the variances are:

- Operations
 - There was a retirement during 2013 that was not replaced during the year. This has resulted in lower salary costs. The impact on OM&A is \$67K. This position will be replaced during 2014.
 - KWHI estimated that it would be able to capitalize an additional \$150,000 in engineering costs in 2014 as the split between capital and operating costs are expected to change for 2014.
- Maintenance
 - Account 5145 has been lowered as there is an expectation that more work will be scheduled as capital rather than repair.
 - Account 5112 is lower as a crew will focus its work on a major transformer capital job in 2014
- Customer Service (5300 accounts)
 - Account 5305 is lower due to a planned retirement. This position is a senior position and will be re-filled without delay.
- Administration (5600 accounts)
 - Account 5630 is lower by \$65K as a result of not proceeding with a SR&ED claim.

Account Description	KWHI 2014 Budget	Test Year 2014	% Increase (Decrease) from Test Budget
Reporting Basis	CGAAP	CGAAP	
Operations			
5005 Operation Supervision and Engineering	\$ 2,262,000	\$ 2,501,400	-10.6%
5010 Load Dispatching	\$ 750,000	\$ 697,500	7.0%
5012 Station Buildings and Fixtures Expense			
5014 Transformer Station Equipment - Operation Labour	\$ 315,200	\$ 294,700	6.5%
5015 Transformer Station Equipment - Operation Supplies and Expenses	\$ 657,800	\$ 647,500	1.6%
5016 Distribution Station Equipment - Operation Labour	\$ 5,300	\$ 5,700	-7.5%
5017 Distribution Station Equipment - Operation Supplies and Expenses	\$ 17,700	\$ 17,200	2.8%
5020 Overhead Distribution Lines and Feeders - Operation Labour	\$ 24,600	\$ 24,600	0.0%
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	\$ 71,000	\$ 42,300	40.4%
5030 Overhead Sub-transmission Feeders - Operation			
5035 Overhead Distribution Transformers - Operation			
5040 Underground Distribution Lines and Feeders - Operation Labour	\$ 413,600	\$ 410,400	0.8%
5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses	\$ 223,500	\$ 241,700	-8.1%
5050 Underground Sub-transmission Feeders - Operation			
5055 Underground Distribution Transformers - Operation			
5060 Street Lighting and Signal System Expense			
5065 Meter Expense	\$ 723,800	\$ 699,700	3.3%
5070 Customer Premises - Operation Labour	\$ 7,100	\$ 7,600	-7.0%
5075 Customer Premises - Operation Materials and Expenses	\$ 10,500	\$ 12,400	-18.1%
5085 Miscellaneous Distribution Expenses			
5090 Underground Distribution Lines and Feeders - Rental Paid	\$ 28,300	\$ 17,300	38.9%
5095 Overhead Distribution Lines and Feeders - Rental Paid	\$ 19,500	\$ 22,000	-12.8%
5096 Other Rent			
Total - Operations	\$ 5,529,900	\$ 5,642,000	-2.0%
Account Description	KWHI 2014 Budget	Test Year 2014	% Increase (Decrease) from Test Budget
Maintenance			
5105 Maintenance Supervision and Engineering			
5110 Maintenance of Buildings and Fixtures - Distribution Stations	\$ 182,900	\$ 183,000	-0.1%
5112 Maintenance of Transformer Station Equipment	\$ 609,800	\$ 748,100	-22.7%
5114 Maintenance of Distribution Station Equipment	\$ 101,600	\$ 79,100	22.1%
5120 Maintenance of Poles, Towers and Fixtures	\$ 343,300	\$ 359,600	-4.7%
5125 Maintenance of Overhead Conductors and Devices	\$ 1,033,200	\$ 1,089,500	-5.4%
5130 Maintenance of Overhead Services	\$ 1,794,100	\$ 1,681,700	6.3%
5135 Overhead Distribution Lines and Feeders - Right of Way			
5145 Maintenance of Underground Conduit	\$ 139,900	\$ 302,100	-115.9%
5150 Maintenance of Underground Conductors and Devices	\$ 503,700	\$ 473,800	5.9%
5155 Maintenance of Underground Services	\$ 244,000	\$ 217,700	10.8%
5160 Maintenance of Line Transformers	\$ 384,000	\$ 484,200	-26.1%
5165 Maintenance of Street Lighting and Signal Systems			
5170 Sentinel Lights - Labour			
5172 Sentinel Lights - Materials and Expenses			
5175 Maintenance of Meters	\$ 600	\$ 600	0.0%
5178 Customer Installations Expenses - Leased Property			
5195 Maintenance of Other Installations on Customer Premises			
Total - Maintenance	\$ 5,337,100	\$ 5,619,400	-5.3%

Account Description	KWHI 2014 Budget to Board of Directors	Test Year 2014	\$\$ Variance
Billing and Collecting			
5305 Supervision	252,200	278,700	(26,500)
5310 Meter Reading Expense	477,600	512,400	(34,800)
5315 Customer Billing	1,805,900	1,857,200	(51,300)
5320 Collecting	1,152,700	1,138,500	14,200
5325 Collecting - Cash Over and Short	100		100
5330 Collection Charges			
5335 Bad Debt Expense	187,000	147,000	40,000
5340 Miscellaneous Customer Accounts Expenses			
Total - Billing and Collecting	3,875,500	3,933,800	(58,300)
Account Description	KWHI 2014 Budget to Board of Directors	Test Year 2014	\$\$ Variance
Community Relations			
5405 Supervision			
5410 Community Relations - Sundry	122,500	103,500	19,000
5415 Energy Conservation			
5420 Community Safety Program	87,300	87,800	(500)
5425 Miscellaneous Customer Service and Informational Expenses			
5505 Supervision			
5510 Demonstrating and Selling Expense			
5515 Advertising Expenses			
5520 Miscellaneous Sales Expense			
Total - Community Relations	209,800	191,300	18,500
Account Description	KWHI 2014 Budget to Board of Directors	Test Year 2014	\$\$ Variance
Administrative and General Expenses			
5605 Executive Salaries and Expenses	47,200	37,800	9,400
5610 Management Salaries and Expenses	887,800	895,500	(7,700)
5615 General Administrative Salaries and Expenses	247,300	254,900	(7,600)
5620 Office Supplies and Expenses	171,900	180,800	(8,900)
5625 Administrative Expense Transferred - Credit	(180,500)	(184,400)	3,900
5630 Outside Services Employed	165,700	237,700	(72,000)
5635 Property Insurance	283,400	287,500	(4,100)
5640 Injuries and Damages	239,000	236,600	2,400
5645 OMERS Pensions and Benefits	5,000	3,900	1,100
5646 Employee Pensions and OPEB			
5647 Employee Sick Leave			
5650 Franchise Requirements			
5655 Regulatory Expenses	669,400	697,900	(28,500)
5660 General Advertising Expenses			
5665 Miscellaneous General Expenses	102,300	101,300	1,000
5670 Rent			
5672 Lease Payment Charge			
5675 Maintenance of General Plant	300,200	298,600	1,600
5680 Electrical Safety Authority Fees	42,200	42,600	(400)
5681 Special Purpose Charge Expense			
5685 Independent Electricity System Operator Fees and Penalties			
5695 OM&A Contra Account			
6205 Donations	20,500	44,000	(23,500)
6205 Donations, Sub-account LEAP Funding	46,000	46,000	0
Total - Administrative and General Expenses	3,047,400	3,180,700	(133,300)
Total OM&A	17,999,700	18,567,200	(567,500)

This Page Left Blank Intentionally



Incremental Capital Workform for 2014 Filers

Threshold Test

Year	2015		
Price Cap Index	1.55%	A	
Growth	0.00%	B	
Dead Band	20%	C	
			Settlement Agreement, Issue 2.1
			2014 Capital Additions 1/2 Cap. Additions
			16,544,031 8,272,015.50
Average Net Fixed Assets			
Gross Fixed Assets Opening	\$ 323,490,398		
Add: CWIP Opening	\$ -		
Capital Additions	\$ 16,544,031		
Capital Disposals	\$ -		
Capital Retirements	\$ -		
Deduct: CWIP Closing	\$ -		
Gross Fixed Assets - Closing	\$ 340,034,429		
Average Gross Fixed Assets	<u>\$ 331,762,413</u>		
			Settlement Agreement, Issue 2.1
			2014 Depreciation Expense 1/2 Dep'n. Exp.
			8,203,869 4,101,934.50
Accumulated Depreciation - Opening	\$ 143,663,187		
Depreciation Expense	\$ 8,203,869	D	
Disposals	\$ -		
Retirements	\$ -		
Accumulated Depreciation - Closing	\$ 151,867,056		
Average Accumulated Depreciation	<u>\$ 147,765,121</u>		
Average Net Fixed Assets	<u>\$ 183,997,292</u>	E	
Working Capital Allowance			
Working Capital Allowance Base	\$ 208,434,138		
Working Capital Allowance Rate	13%		
Working Capital Allowance	<u>\$ 27,096,438</u>	F	
Rate Base	<u>\$ 211,093,730</u>	G = E + F	
Depreciation	D \$ 8,203,869	H	
Threshold Test	159.88%	I = 1 + (G / H) * (B + A * (1 + B)) + C	
Threshold CAPEX	\$ 13,116,596	J = H * I	



Incremental Capital Workform for 2014 Filers

Threshold Test

Year	2016		
Price Cap Index	1.55%	A	
Growth	0.00%	B	
Dead Band	20%	C	
			Settlement Agreement, Issue 2.1
			2014 Capital Additions 1/2 Cap. Additions
			16,544,031 8,272,015.50
Average Net Fixed Assets			
Gross Fixed Assets Opening	\$ 323,490,398		
Add: CWIP Opening	\$ -		
Capital Additions	\$ 16,544,031		
Capital Disposals	\$ -		
Capital Retirements	\$ -		
Deduct: CWIP Closing	\$ -		
Gross Fixed Assets - Closing	\$ 340,034,429		
Average Gross Fixed Assets	<u>\$ 331,762,413</u>		
			Settlement Agreement, Issue 2.1
			2014 Depreciation Expense 1/2 Dep'n. Exp.
			8,203,869 4,101,934.50
Accumulated Depreciation - Opening	\$ 143,663,187		
Depreciation Expense	\$ 8,203,869	D	
Disposals	\$ -		
Retirements	\$ -		
Accumulated Depreciation - Closing	\$ 151,867,056		
Average Accumulated Depreciation	<u>\$ 147,765,121</u>		
Average Net Fixed Assets	<u>\$ 183,997,292</u>	E	
Working Capital Allowance			
Working Capital Allowance Base	\$ 208,434,138		
Working Capital Allowance Rate	13%		
Working Capital Allowance	<u>\$ 27,096,438</u>	F	
Rate Base	<u>\$ 211,093,730</u>	G = E + F	
Depreciation	D \$ 8,203,869	H	
Threshold Test	159.88%	I = 1 + (G / H) * (B + A * (1 + B)) + C	
Threshold CAPEX	\$ 13,116,596	J = H * I	



Incremental Capital Workform for 2014 Filers

Threshold Test

Year	2017		
Price Cap Index	1.55%	A	
Growth	0.00%	B	
Dead Band	20%	C	
			Settlement Agreement, Issue 2.1
			2014 Capital Additions 1/2 Cap. Additions
			16,544,031 8,272,015.50
Average Net Fixed Assets			
Gross Fixed Assets Opening	\$ 323,490,398		
Add: CWIP Opening	\$ -		
Capital Additions	\$ 16,544,031		
Capital Disposals	\$ -		
Capital Retirements	\$ -		
Deduct: CWIP Closing	\$ -		
Gross Fixed Assets - Closing	\$ 340,034,429		
Average Gross Fixed Assets	<u>\$ 331,762,413</u>		
			Settlement Agreement, Issue 2.1
			2014 Depreciation Expense 1/2 Dep'n. Exp.
			8,203,869 4,101,934.50
Accumulated Depreciation - Opening	\$ 143,663,187		
Depreciation Expense	\$ 8,203,869	D	
Disposals	\$ -		
Retirements	\$ -		
Accumulated Depreciation - Closing	\$ 151,867,056		
Average Accumulated Depreciation	<u>\$ 147,765,121</u>		
Average Net Fixed Assets	<u>\$ 183,997,292</u>	E	
Working Capital Allowance			
Working Capital Allowance Base	\$ 208,434,138		
Working Capital Allowance Rate	13%		
Working Capital Allowance	<u>\$ 27,096,438</u>	F	
Rate Base	<u>\$ 211,093,730</u>	G = E + F	
Depreciation	D \$ 8,203,869	H	
Threshold Test	159.88%	I = 1 + (G / H) * (B + A * (1 + B)) + C	
Threshold CAPEX	\$ 13,116,596	J = H * I	

This Page Left Blank Intentionally

Table 6: Unit OM&A Cost Indexes by Peer Group

Unit OM&A Cost Indexes

	2002	2003	2004	2005	2006	2007	2008	2009	Average of Last 3 Available Years ¹	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]
Small Northern Low Undergrounding											
Renfrew Hydro Inc.	0.911	0.975	0.904	0.798	0.984	1.080	1.199	1.205	1.161	0.670	-33.0%
Northern Ontario Wires Inc.	1.249	1.115	1.225	1.077	1.150	1.241	1.350	1.400	1.330	0.767	-23.3%
Parry Sound Power Corporation	0.945	1.143	1.150	1.213	1.263	1.240	1.422	1.467	1.377	0.794	-20.6%
Espanola Regional Hydro	1.286	1.070	0.997	1.056	1.361	1.350	1.386	1.502	1.413	0.815	-18.5%
Sioux Lookout Hydro Inc.	1.019	0.823	1.178	1.274	1.302	1.428	1.517	1.543	1.496	0.863	-13.7%
Fort Frances Power Corporation	1.150	1.161	1.181	1.251	1.288	1.386	1.520	1.638	1.515	0.874	-12.6%
Chapleau Public Utilities Corporation	1.582	1.643	1.668	1.842	1.766	2.292	2.136	1.784	2.071	1.194	19.4%
Atikokan Hydro Inc.	1.350	2.509	1.591	1.496	1.499	1.841	2.341	2.603	2.262	1.305	30.5%
Algoma Power Inc.	2.340	2.419	2.544	2.714	2.795	2.861	3.049	3.028	2.979	1.718	71.8%
Group Average									1.734		
Small Northern Medium Undergrounding											
Hearst Power Distribution Company	0.652	0.629	0.787	0.773	0.852	0.891	1.029	1.281	1.067	0.887	-11.3%
Lakeland Power Distribution Ltd.	0.974	1.174	0.819	0.823	0.979	0.881	1.218	1.341	1.147	0.953	-4.7%
Ottawa River Power Corporation	0.911	1.019	0.995	0.963	1.038	1.167	1.186	1.217	1.190	0.988	-1.2%
Kenora Hydro Electric Corporation	1.053	1.074	1.105	1.068	1.100	1.237	1.395	1.603	1.412	1.173	17.3%
Group Average									1.204		
Mid-Size Northern											
North Bay Hydro Distribution Limited	1.094	0.977	0.964	0.855	1.104	0.970	0.989	0.951	0.970	0.855	-14.5%
PUC Distribution Inc.	0.834	0.903	1.031	1.006	0.985	1.118	1.038	1.128	1.095	0.965	-3.5%
Thunder Bay Hydro Electricity	1.027	1.114	1.068	0.961	1.010	1.112	1.124	1.155	1.130	0.997	-0.3%
Greater Sudbury Hydro Inc.	0.990	0.959	1.084	0.967	1.028	1.705	1.132	1.186	1.341	1.183	18.3%
Group Average									1.134		
Large Northern											
Hydro One Networks Inc.	1.142	0.938	0.895	0.963	1.153	1.352	1.573	1.732	1.552	1.000	0.0%
Group Average									1.552		
Small Southern Low & Medium Undergrounding											
Hydro Hawkesbury Inc.	0.527	0.551	0.504	0.602	0.568	0.614	0.659	0.656	0.643	0.501	-49.9%
Lakefront Utilities Inc.	0.700	0.622	0.712	0.847	0.909	0.928	0.934	0.961	0.941	0.733	-26.7%
Hydro 2000 Inc.	0.556	0.633	0.634	1.142	0.910	0.961	0.987	1.082	1.010	0.787	-21.3%
Brant County Power Inc.	1.188	1.339	1.398	1.399	1.547	0.672	1.394	1.786	1.284	1.001	0.1%
Rideau St. Lawrence Distribution	1.011	1.045	1.041	1.138	1.166	1.220	1.321	1.434	1.325	1.033	3.3%
Wellington North Power Inc.	1.120	1.021	1.069	1.115	1.177	1.155	1.487	1.459	1.367	1.066	6.6%
Clinton Power Corporation	1.215	1.271	1.091	1.194	1.558	1.752	NA	1.786	1.769	1.379	37.9%
Port Colborne (CNP)	0.710	0.801	0.874	1.995	2.009	2.193	1.840	1.740	1.924	1.500	50.0%
Group Average									1.283		
Small Southern Medium-High Undergrounding											
Middlesex Power Distribution	0.967	1.128	0.980	1.089	0.954	0.919	0.916	0.983	0.939	0.810	-19.0%
Tillsonburg Hydro Inc.	0.808	1.268	1.263	1.387	0.975	0.967	1.002	1.333	1.100	0.948	-5.2%
Midland Power Utility Corporation	1.140	1.107	1.083	1.007	1.119	1.093	1.112	1.148	1.118	0.964	-3.6%
West Perth Power Inc.	1.150	1.163	1.067	0.903	1.157	1.117	1.294	1.525	1.312	1.131	13.1%
West Coast Huron Energy Inc.	1.162	1.172	1.149	1.443	1.478	1.220	1.304	1.469	1.331	1.147	14.7%
Group Average									1.160		
Small Southern Medium-High Undergrounding with Rapid Growth											
Grimsby Power Incorporated	0.682	0.690	0.757	0.796	0.765	0.837	0.892	0.926	0.885	0.852	-14.8%
Niagara-on-the-Lake Hydro Inc.	0.825	0.771	0.847	0.780	0.861	0.954	0.955	1.007	0.972	0.936	-6.4%
Orangeville Hydro Limited	0.866	0.913	0.812	0.882	0.886	0.951	1.054	1.042	1.015	0.978	-2.2%
Centre Wellington Hydro Ltd.	1.172	1.113	1.053	1.052	1.064	1.076	1.133	1.220	1.143	1.101	10.1%
Cooperative Hydro Embrun Inc.	0.925	0.997	0.897	1.059	1.070	1.171	1.174	1.185	1.177	1.133	13.3%
Group Average									1.038		

continued

Unit OM&A Cost Indexes

	2002	2003	2004	2005	2006	2007	2008	2009	Average of Last 3 Available Years ¹	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]
Mid-size Southern Low & Medium Undergrounding											
Innisfil Hydro Distribution	0.916	1.073	1.119	0.941	1.002	1.073	1.170	1.201	1.148	0.906	-9.4%
Norfolk Power Distribution Inc.	1.062	1.028	0.967	0.954	0.948	1.123	1.275	1.103	1.167	0.922	-7.8%
Orillia Power Distribution Corporation	0.914	1.016	1.047	1.172	1.143	1.230	1.325	1.368	1.308	1.033	3.3%
Haldimand County Hydro Inc.	1.075	1.014	1.094	1.030	1.098	1.387	1.392	1.246	1.342	1.060	6.0%
Fort Erie - Eastern Ontario	1.328	1.257	1.198	1.291	1.463	1.515	1.377	1.211	1.367	1.080	8.0%
Group Average									1.266		
Mid-size Southern Medium-High Undergrounding											
Chatham-Kent Hydro Inc.	0.660	0.653	0.688	0.679	0.687	0.705	0.769	0.794	0.756	0.738	-26.2%
Festival Hydro Inc.	0.782	0.736	0.751	0.724	0.809	0.800	0.829	0.858	0.829	0.809	-19.1%
Kingston Hydro Corporation	0.930	1.022	1.011	0.936	0.844	0.842	0.921	0.940	0.901	0.879	-12.1%
Peterborough Distribution	0.789	0.734	0.793	0.773	0.876	0.906	0.980	0.919	0.935	0.913	-8.7%
Essex Powerlines Corporation	1.028	0.926	1.029	1.148	1.122	1.038	0.991	0.959	0.996	0.973	-2.7%
E.L.K. Energy Inc.	0.932	0.983	0.835	0.570	0.840	0.874	0.989	1.150	1.004	0.980	-2.0%
Westario Power Inc.	0.956	1.099	1.114	0.978	0.967	0.925	1.103	1.017	1.015	0.991	-0.9%
Wasaga Distribution Inc.	0.740	0.784	0.851	0.940	1.003	0.982	1.025	1.068	1.025	1.001	0.1%
Welland Hydro-Electric System	0.798	0.881	0.955	0.820	0.763	0.982	0.999	1.128	1.036	1.011	1.1%
St. Thomas Energy Inc.	0.778	0.813	0.879	0.958	1.088	1.030	1.003	1.092	1.042	1.017	1.7%
Woodstock Hydro Services Inc.	0.838	0.907	0.928	0.940	0.973	1.005	1.032	1.089	1.042	1.017	1.7%
Niagara Peninsula Energy Inc.	0.938	0.966	0.980	1.052	1.054	1.000	1.092	1.113	1.068	1.043	4.3%
Bluewater Power Distribution	0.978	1.053	1.022	1.042	1.116	1.057	1.081	1.226	1.121	1.094	9.4%
COLLUS Power Corp.	0.823	0.788	0.829	0.823	0.987	1.027	1.127	1.247	1.133	1.106	10.6%
Erie Thames Powerlines Corporation	1.051	1.239	1.286	1.344	1.289	1.546	1.495	1.347	1.463	1.428	42.8%
Group Average									1.024		
Large City Southern Medium-High Undergrounding											
Hydro Ottawa Limited	0.840	0.761	0.640	0.593	0.716	0.687	0.836	0.842	0.788	0.838	-16.2%
Veridian Connections Inc.	0.946	1.109	0.915	0.815	0.858	0.757	0.846	0.825	0.809	0.861	-13.9%
Toronto Hydro-Electric System	0.864	0.894	0.923	0.870	0.863	0.934	1.079	1.149	1.054	1.122	12.2%
EnWin Utilities Ltd.	1.284	1.143	1.141	1.052	1.097	1.055	1.156	1.113	1.108	1.179	17.9%
Group Average									0.940		
Large City Southern High Undergrounding											
Hydro One Brampton Networks	0.583	0.567	0.520	0.518	0.562	0.529	0.618	0.611	0.586	0.741	-25.9%
PowerStream Inc.	0.618	0.703	0.715	0.715	0.669	0.716	0.799	0.831	0.782	0.989	-1.1%
Horizon Utilities Corporation	0.624	0.711	0.638	0.760	0.670	0.755	0.822	0.857	0.811	1.026	2.6%
London Hydro Inc.	0.728	0.714	0.708	0.711	0.778	0.812	0.861	0.895	0.856	1.083	8.3%
Enersource Hydro Mississauga	0.738	0.738	0.767	0.801	0.841	0.885	0.878	0.992	0.918	1.161	16.1%
Group Average									0.791		
Mid-size GTA Medium-High & High Undergrounding											
Kitchener-Wilmot Hydro Inc.	0.589	0.603	0.598	0.614	0.669	0.680	0.715	0.709	0.701	0.836	-16.4%
Waterloo North Hydro Inc.	0.814	0.787	0.788	0.745	0.763	0.736	0.761	0.743	0.747	0.890	-11.0%
Cambridge and North Dumfries	0.622	0.612	0.666	0.604	0.600	0.691	0.759	0.843	0.765	0.912	-8.8%
Oakville Hydro Electricity Distribution	0.783	0.860	0.859	0.808	0.868	0.811	0.745	0.781	0.779	0.928	-7.2%
Oshawa PUC Networks Inc.	0.878	0.943	0.912	0.674	0.687	0.740	0.844	0.852	0.812	0.968	-3.2%
Milton Hydro Distribution Inc.	0.844	0.798	0.776	0.785	0.766	0.778	0.834	0.845	0.819	0.976	-2.4%
Guelph Hydro Electric Systems Inc.	0.751	0.837	0.786	0.746	0.750	0.856	0.843	0.834	0.844	1.006	0.6%
Halton Hills Hydro Inc.	0.901	0.815	0.833	0.773	0.924	0.834	0.985	0.794	0.871	1.039	3.9%
Newmarket - Tay Power Distribution	0.798	0.897	0.872	0.816	0.813	0.801	0.903	0.926	0.877	1.045	4.5%
Burlington Hydro Inc.	0.730	0.761	0.786	0.775	0.841	0.871	0.919	0.936	0.909	1.083	8.3%
Whitby Hydro Electric Corporation	0.888	0.954	0.856	0.879	0.922	0.960	0.943	0.980	0.961	1.146	14.6%
Brantford Power Inc.	0.746	0.851	0.915	0.893	0.793	0.976	0.974	0.995	0.982	1.170	17.0%
Group Average									0.839		

¹ Lower values imply better performance

Table 7: Performance Rankings Based on Unit Cost Indexes

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ^{1, 2}
Hydro Hawkesbury Inc.	0.501	-49.9%	1
Renfrew Hydro Inc.	0.670	-33.0%	2
Lakefront Utilities Inc.	0.733	-26.7%	3
Chatham-Kent Hydro Inc.	0.738	-26.2%	4
Hydro One Brampton Networks Inc.	0.741	-25.9%	5
Northern Ontario Wires Inc.	0.767	-23.3%	6
Hydro 2000 Inc.	0.787	-21.3%	7
Parry Sound Power Corporation	0.794	-20.6%	8
Festival Hydro Inc.	0.809	-19.1%	9
Middlesex Power Distribution Corporation	0.810	-19.0%	10
Espanola Regional Hydro Distribution Corpor	0.815	-18.5%	11
Kitchener-Wilmot Hydro Inc.	0.836	-16.4%	12
Hydro Ottawa Limited	0.838	-16.2%	13
Grimsby Power Incorporated	0.852	-14.8%	14
North Bay Hydro Distribution Limited	0.855	-14.5%	15
Veridian Connections Inc.	0.861	-13.9%	16
Sioux Lookout Hydro Inc.	0.863	-13.7%	17
Fort Frances Power Corporation	0.874	-12.6%	18
Kingston Hydro Corporation	0.879	-12.1%	19
Hearst Power Distribution Company Limited	0.887	-11.3%	20
Waterloo North Hydro Inc.	0.890	-11.0%	21
Innisfil Hydro Distribution Systems Limited	0.906	-9.4%	22
Cambridge and North Dumfries Hydro Inc.	0.912	-8.8%	23
Peterborough Distribution Incorporated	0.913	-8.7%	24
Norfolk Power Distribution Inc.	0.922	-7.8%	25
Oakville Hydro Electricity Distribution Inc.	0.928	-7.2%	26
Niagara-on-the-Lake Hydro Inc.	0.936	-6.4%	27
Tillsonburg Hydro Inc.	0.948	-5.2%	28
Lakeland Power Distribution Ltd.	0.953	-4.7%	29
Midland Power Utility Corporation	0.964	-3.6%	30
PUC Distribution Inc.	0.965	-3.5%	31
Oshawa PUC Networks Inc.	0.968	-3.2%	32
Essex Powerlines Corporation	0.973	-2.7%	33
Milton Hydro Distribution Inc.	0.976	-2.4%	34
Orangeville Hydro Limited	0.978	-2.2%	35
E.L.K. Energy Inc.	0.980	-2.0%	36
Ottawa River Power Corporation	0.988	-1.2%	37

continued

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ^{1, 2}
PowerStream Inc.	0.989	-1.1%	38
Westario Power Inc.	0.991	-0.9%	39
Thunder Bay Hydro Electricity Distribution In	0.997	-0.3%	40
Wasaga Distribution Inc.	1.001	0.1%	41
Brant County Power Inc.	1.001	0.1%	42
Guelph Hydro Electric Systems Inc.	1.006	0.6%	43
Welland Hydro-Electric System Corp.	1.011	1.1%	44
St. Thomas Energy Inc.	1.017	1.7%	45
Woodstock Hydro Services Inc.	1.017	1.7%	46
Horizon Utilities Corporation	1.026	2.6%	47
Orillia Power Distribution Corporation	1.033	3.3%	48
Rideau St. Lawrence Distribution Inc.	1.033	3.3%	49
Halton Hills Hydro Inc.	1.039	3.9%	50
Niagara Peninsula Energy Inc.	1.043	4.3%	51
Newmarket - Tay Power Distribution Ltd.	1.045	4.5%	52
Haldimand County Hydro Inc.	1.060	6.0%	53
Wellington North Power Inc.	1.066	6.6%	54
Fort Erie - Eastern Ontario Power (CNP)	1.080	8.0%	55
London Hydro Inc.	1.083	8.3%	56
Burlington Hydro Inc.	1.083	8.3%	57
Bluewater Power Distribution Corporation	1.094	9.4%	58
Centre Wellington Hydro Ltd.	1.101	10.1%	59
COLLUS Power Corp.	1.106	10.6%	60
Toronto Hydro-Electric System Limited	1.122	12.2%	61
West Perth Power Inc.	1.131	13.1%	62
Cooperative Hydro Embrun Inc.	1.133	13.3%	63
Whitby Hydro Electric Corporation	1.146	14.6%	64
West Coast Huron Energy Inc.	1.147	14.7%	65
Enersource Hydro Mississauga Inc.	1.161	16.1%	66
Brantford Power Inc.	1.170	17.0%	67
Kenora Hydro Electric Corporation Ltd.	1.173	17.3%	68
EnWin Utilities Ltd.	1.179	17.9%	69
Greater Sudbury Hydro Inc.	1.183	18.3%	70
Chapleau Public Utilities Corporation	1.194	19.4%	71
Atikokan Hydro Inc.	1.305	30.5%	72
Clinton Power Corporation	1.379	37.9%	73
Erie Thames Powerlines Corporation	1.428	42.8%	74
Port Colborne (CNP)	1.500	50.0%	75
Algoma Power Inc.	1.718	71.8%	76

¹ Lower values imply better performance

² Hydro One Networks Inc. is alone in their peer group so is omitted here

Table 6: Unit OM&A Cost Indexes by Peer Group

Unit OM&A Cost Indexes

	2005	2006	2007	2008	2009	2010	Average of Last 3 Available Years ¹	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]
Small Northern Low Undergrounding									
Renfrew Hydro Inc.	0.788	0.971	1.065	1.184	1.190	1.209	1.194	0.670	-33.0%
Northern Ontario Wires Inc.	1.061	1.133	1.222	1.329	1.378	1.396	1.367	0.767	-23.3%
Espanola Regional Hydro Distribution Corporation	1.040	1.340	1.329	1.364	1.478	1.423	1.422	0.798	-20.2%
Parry Sound Power Corporation	1.198	1.247	1.224	1.403	1.448	1.453	1.435	0.805	-19.5%
Sioux Lookout Hydro Inc.	1.259	1.286	1.411	1.496	1.522	1.556	1.525	0.856	-14.4%
Fort Frances Power Corporation	1.233	1.269	1.366	1.498	1.615	1.619	1.577	0.885	-11.5%
Chapleau Public Utilities Corporation	1.816	1.741	2.259	2.106	1.759	2.007	1.957	1.098	9.8%
Atikokan Hydro Inc.	1.475	1.478	1.813	2.299	2.555	2.888	2.581	1.448	44.8%
Algoma Power Inc.	2.664	2.742	2.808	2.991	2.971	2.986	2.983	1.674	67.4%
Group Average							1.782		
Small Northern Medium Undergrounding									
Hearst Power Distribution Company Limited	0.766	0.844	0.883	1.017	1.266	1.238	1.173	0.911	-8.9%
Ottawa River Power Corporation	0.949	1.022	1.150	1.168	1.198	1.156	1.174	0.911	-8.9%
Lakeland Power Distribution Ltd.	0.811	0.964	0.868	1.201	1.322	1.423	1.315	1.021	2.1%
Kenora Hydro Electric Corporation Ltd.	1.052	1.083	1.218	1.375	1.579	1.519	1.491	1.157	15.7%
Group Average							1.288		
Mid-Size Northern									
North Bay Hydro Distribution Limited	0.844	1.089	0.956	0.976	0.937	0.914	0.943	0.895	-10.5%
Greater Sudbury Hydro Inc.	0.953	1.013	1.680	1.115	1.169	0.780	1.021	0.970	-3.0%
PUC Distribution Inc.	0.992	0.971	1.102	1.023	1.112	1.190	1.108	1.053	5.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.947	0.995	1.096	1.108	1.137	1.170	1.138	1.081	8.1%
Group Average							1.053		
Large Northern									
Hydro One Networks Inc.	0.951	1.139	1.336	1.547	1.704	1.790	1.680	1.000	0.0%
Group Average							1.680		
Small Southern Low & Medium Undergrounding									
Hydro Hawkesbury Inc.	0.596	0.562	0.608	0.652	0.649	0.719	0.673	0.533	-46.7%
Lakefront Utilities Inc.	0.839	0.899	0.918	0.924	0.950	1.028	0.967	0.766	-23.4%
Hydro 2000 Inc.	1.127	0.898	0.948	0.973	1.067	1.224	1.088	0.861	-13.9%
Clinton Power Corporation	1.176	1.535	1.726	0.000	1.759	1.794	1.184	0.937	-6.3%
Rideau St. Lawrence Distribution Inc.	1.123	1.149	1.202	1.301	1.413	1.450	1.388	1.098	9.8%
Wellington North Power Inc.	1.101	1.162	1.140	1.468	1.440	1.491	1.466	1.161	16.1%
Brant County Power Inc.	1.379	1.525	0.664	1.377	1.763	1.644	1.595	1.262	26.2%
Port Colborne (CNP)	1.965	1.979	2.160	1.812	1.714	1.711	1.746	1.382	38.2%
Group Average							1.263		
Small Southern Medium-High Undergrounding									
Middlesex Power Distribution Corporation	1.075	0.943	0.908	0.905	0.970	0.967	0.947	0.758	-24.2%
Midland Power Utility Corporation	0.997	1.108	1.082	1.100	1.135	1.124	1.120	0.896	-10.4%
Tillsonburg Hydro Inc.	1.357	0.965	0.956	0.990	1.316	1.349	1.218	0.976	-2.4%
West Coast Huron Energy Inc.	1.430	1.464	1.209	1.292	1.456	1.361	1.369	1.096	9.6%
West Perth Power Inc.	0.893	1.144	1.105	1.279	1.507	1.985	1.590	1.273	27.3%
Group Average							1.249		
Small Southern Medium-High Undergrounding with Rapid Growth									
Grimsby Power Incorporated	0.784	0.752	0.823	0.878	0.911	0.871	0.887	0.837	-16.3%
Niagara-on-the-Lake Hydro Inc.	0.769	0.848	0.940	0.941	0.992	0.929	0.954	0.901	-9.9%
Orangeville Hydro Limited	0.870	0.874	0.938	1.040	1.027	1.098	1.055	0.996	-0.4%
Centre Wellington Hydro Ltd.	1.038	1.050	1.062	1.118	1.203	1.223	1.181	1.116	11.6%
Cooperative Hydro Embrun Inc.	1.042	1.052	1.151	1.155	1.166	1.331	1.217	1.150	15.0%
Group Average							1.059		

continued

Unit OM&A Cost Indexes

	2005	2006	2007	2008	2009	2010	Average of Last 3 Available Years ¹	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]
Mid-size Southern Low & Medium Undergrounding									
Norfolk Power Distribution Inc.	0.940	0.934	1.106	1.255	1.086	1.139	1.160	0.923	-7.7%
Innisfil Hydro Distribution Systems Limited	0.925	0.985	1.054	1.149	1.179	1.217	1.182	0.941	-5.9%
Haldimand County Hydro Inc.	1.014	1.080	1.365	1.369	1.228	1.253	1.284	1.022	2.2%
Fort Erie - Eastern Ontario Power (CNP)	1.271	1.440	1.491	1.355	1.191	1.328	1.291	1.028	2.8%
Orillia Power Distribution Corporation	1.157	1.128	1.214	1.308	1.350	1.436	1.365	1.086	8.6%
Group Average							1.256		
Mid-size Southern Medium-High Undergrounding									
Chatham-Kent Hydro Inc.	0.671	0.678	0.696	0.759	0.782	0.916	0.819	0.791	-20.9%
Festival Hydro Inc.	0.717	0.801	0.791	0.820	0.848	0.882	0.850	0.820	-18.0%
Peterborough Distribution Incorporated	0.763	0.864	0.894	0.967	0.907	0.851	0.908	0.877	-12.3%
Kingston Hydro Corporation	0.925	0.834	0.832	0.910	0.928	1.019	0.952	0.919	-8.1%
Essex Powerlines Corporation	1.132	1.105	1.023	0.977	0.945	0.964	0.962	0.929	-7.1%
Westario Power Inc.	0.964	0.953	0.912	1.088	1.002	0.929	1.006	0.971	-2.9%
E.L.K. Energy Inc.	0.562	0.828	0.863	0.976	1.134	0.916	1.009	0.974	-2.6%
St. Thomas Energy Inc.	0.946	1.073	1.016	0.989	1.075	1.062	1.042	1.006	0.6%
Welland Hydro-Electric System Corp.	0.809	0.752	0.968	0.985	1.111	1.056	1.050	1.014	1.4%
Wasaga Distribution Inc.	0.921	0.982	0.962	1.005	1.047	1.111	1.054	1.018	1.8%
Woodstock Hydro Services Inc.	0.930	0.961	0.993	1.019	1.075	1.109	1.068	1.031	3.1%
Niagara Peninsula Energy Inc.	1.038	1.039	0.986	1.077	1.097	1.125	1.099	1.061	6.1%
Bluewater Power Distribution Corporation	1.030	1.103	1.045	1.069	1.211	1.221	1.167	1.126	12.6%
COLLUS Power Corp.	0.812	0.973	1.012	1.111	1.228	1.216	1.185	1.144	14.4%
Erie Thames Powerlines Corporation	1.329	1.275	1.528	1.477	1.331	1.294	1.367	1.320	32.0%
Group Average							1.036		
Large City Southern Medium-High Undergrounding									
Hydro Ottawa Limited	0.586	0.707	0.678	0.825	0.831	0.827	0.828	0.841	-15.9%
Veridian Connections Inc.	0.805	0.846	0.747	0.834	0.814	0.835	0.828	0.841	-15.9%
EnWin Utilities Ltd.	1.042	1.086	1.045	1.144	1.100	1.140	1.128	1.146	14.6%
Toronto Hydro-Electric System Limited	0.862	0.855	0.925	1.069	1.138	1.251	1.153	1.171	17.1%
Group Average							0.984		
Large City Southern High Undergrounding									
Hydro One Brampton Networks Inc.	0.512	0.556	0.523	0.610	0.604	0.592	0.602	0.745	-25.5%
Horizon Utilities Corporation	0.752	0.662	0.746	0.812	0.845	0.811	0.823	1.018	1.8%
PowerStream Inc.	0.706	0.661	0.707	0.789	0.820	0.866	0.825	1.021	2.1%
London Hydro Inc.	0.702	0.768	0.801	0.849	0.883	0.937	0.890	1.101	10.1%
Enersource Hydro Mississauga Inc.	0.794	0.833	0.877	0.870	0.982	0.851	0.901	1.115	11.5%
Group Average							0.808		
Mid-size GTA Medium-High & High Undergrounding									
Kitchener-Wilmot Hydro Inc.	0.606	0.660	0.670	0.705	0.698	0.688	0.697	0.830	-17.0%
Waterloo North Hydro Inc.	0.735	0.754	0.726	0.752	0.734	0.763	0.750	0.892	-10.8%
Oakville Hydro Electricity Distribution Inc.	0.799	0.857	0.801	0.735	0.770	0.787	0.764	0.909	-9.1%
Cambridge and North Dumfries Hydro Inc.	0.598	0.594	0.683	0.751	0.833	0.787	0.790	0.941	-5.9%
Guelph Hydro Electric Systems Inc.	0.738	0.742	0.847	0.834	0.824	0.797	0.818	0.974	-2.6%
Milton Hydro Distribution Inc.	0.776	0.757	0.768	0.824	0.834	0.806	0.821	0.977	-2.3%
Oshawa PUC Networks Inc.	0.665	0.677	0.730	0.833	0.840	0.825	0.833	0.991	-0.9%
Halton Hills Hydro Inc.	0.762	0.911	0.823	0.971	0.782	0.840	0.864	1.029	2.9%
Newmarket - Tay Power Distribution Ltd.	0.805	0.802	0.790	0.890	0.913	0.926	0.910	1.083	8.3%
Burlington Hydro Inc.	0.766	0.831	0.861	0.907	0.923	0.926	0.919	1.093	9.3%
Whitby Hydro Electric Corporation	0.867	0.909	0.947	0.930	0.966	0.970	0.955	1.137	13.7%
Brantford Power Inc.	0.883	0.784	0.965	0.962	0.982	0.942	0.962	1.145	14.5%
Group Average							0.840		
AVERAGE: ALL COMPANIES	0.974	1.017	1.061	1.103	1.164	1.185	1.151		

¹ Lower values imply better performance

Table 7: Performance Rankings Based on Unit Cost Indexes

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
Hydro Hawkesbury Inc.	0.533	-46.7%	1
Renfrew Hydro Inc.	0.670	-33.0%	2
Hydro One Brampton Networks Inc.	0.745	-25.5%	3
Middlesex Power Distribution Corporation	0.758	-24.2%	4
Lakefront Utilities Inc.	0.766	-23.4%	5
Northern Ontario Wires Inc.	0.767	-23.3%	6
Chatham-Kent Hydro Inc.	0.791	-20.9%	7
Espanola Regional Hydro Distribution Corporation	0.798	-20.2%	8
Parry Sound Power Corporation	0.805	-19.5%	9
Festival Hydro Inc.	0.820	-18.0%	10
Kitchener-Wilmot Hydro Inc.	0.830	-17.0%	11
Grimsby Power Incorporated	0.837	-16.3%	12
Hydro Ottawa Limited	0.841	-15.9%	13
Veridian Connections Inc.	0.841	-15.9%	14
Sioux Lookout Hydro Inc.	0.856	-14.4%	15
Hydro 2000 Inc.	0.861	-13.9%	16
Peterborough Distribution Incorporated	0.877	-12.3%	17
Fort Frances Power Corporation	0.885	-11.5%	18
Waterloo North Hydro Inc.	0.892	-10.8%	19
North Bay Hydro Distribution Limited	0.895	-10.5%	20
Midland Power Utility Corporation	0.896	-10.4%	21
Niagara-on-the-Lake Hydro Inc.	0.901	-9.9%	22
Oakville Hydro Electricity Distribution Inc.	0.909	-9.1%	23
Hearst Power Distribution Company Limited	0.911	-8.9%	24
Ottawa River Power Corporation	0.911	-8.9%	25
Kingston Hydro Corporation	0.919	-8.1%	26
Norfolk Power Distribution Inc.	0.923	-7.7%	27
Essex Powerlines Corporation	0.929	-7.1%	28
Clinton Power Corporation	0.937	-6.3%	29
Cambridge and North Dumfries Hydro Inc.	0.941	-5.9%	30
Innisfil Hydro Distribution Systems Limited	0.941	-5.9%	31
Greater Sudbury Hydro Inc.	0.970	-3.0%	32
Westario Power Inc.	0.971	-2.9%	33
E.L.K. Energy Inc.	0.974	-2.6%	34
Guelph Hydro Electric Systems Inc.	0.974	-2.6%	35
Tillsonburg Hydro Inc.	0.976	-2.4%	36
Milton Hydro Distribution Inc.	0.977	-2.3%	37
Oshawa PUC Networks Inc.	0.991	-0.9%	38
Orangeville Hydro Limited	0.996	-0.4%	39

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
St. Thomas Energy Inc.	1.006	0.6%	40
Welland Hydro-Electric System Corp.	1.014	1.4%	41
Wasaga Distribution Inc.	1.018	1.8%	42
Horizon Utilities Corporation	1.018	1.8%	43
Lakeland Power Distribution Ltd.	1.021	2.1%	44
PowerStream Inc.	1.021	2.1%	45
Haldimand County Hydro Inc.	1.022	2.2%	46
Fort Erie - Eastern Ontario Power (CNP)	1.028	2.8%	47
Halton Hills Hydro Inc.	1.029	2.9%	48
Woodstock Hydro Services Inc.	1.031	3.1%	49
PUC Distribution Inc.	1.053	5.3%	50
Niagara Peninsula Energy Inc.	1.061	6.1%	51
Thunder Bay Hydro Electricity Distribution Inc.	1.081	8.1%	52
Newmarket - Tay Power Distribution Ltd.	1.083	8.3%	53
Orillia Power Distribution Corporation	1.086	8.6%	54
Burlington Hydro Inc.	1.093	9.3%	55
West Coast Huron Energy Inc.	1.096	9.6%	56
Chapleau Public Utilities Corporation	1.098	9.8%	57
Rideau St. Lawrence Distribution Inc.	1.098	9.8%	58
London Hydro Inc.	1.101	10.1%	59
Enersource Hydro Mississauga Inc.	1.115	11.5%	60
Centre Wellington Hydro Ltd.	1.116	11.6%	61
Bluewater Power Distribution Corporation	1.126	12.6%	62
Whitby Hydro Electric Corporation	1.137	13.7%	63
COLLUS Power Corp.	1.144	14.4%	64
Brantford Power Inc.	1.145	14.5%	65
EnWin Utilities Ltd.	1.146	14.6%	66
Cooperative Hydro Embrun Inc.	1.150	15.0%	67
Kenora Hydro Electric Corporation Ltd.	1.157	15.7%	68
Wellington North Power Inc.	1.161	16.1%	69
Toronto Hydro-Electric System Limited	1.171	17.1%	70
Brant County Power Inc.	1.262	26.2%	71
West Perth Power Inc.	1.273	27.3%	72
Erie Thames Powerlines Corporation	1.320	32.0%	73
Port Colborne (CNP)	1.382	38.2%	74
Atikokan Hydro Inc.	1.448	44.8%	75
Algoma Power Inc.	1.674	67.4%	76

¹ Lower values imply better performance

² Hydro One Networks Inc. is alone in its peer group and is omitted here

Table 6: Unit OM&A Cost Indexes by Peer Group

Unit OM&A Cost Indexes

	2006	2007	2008	2009	2010	2011	Average of Last 3 Available Years ¹	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]
Small Northern Low Undergrounding									
Renfrew Hydro Inc.	0.958	1.051	1.168	1.174	1.194	1.333	1.234	0.684	-31.6%
Northern Ontario Wires Inc.	1.115	1.203	1.308	1.357	1.375	1.464	1.398	0.775	-22.5%
Espanola Regional Hydro Distribution Corporation	1.321	1.310	1.344	1.457	1.403	1.397	1.419	0.787	-21.3%
Parry Sound Power Corporation	1.227	1.205	1.382	1.426	1.431	1.536	1.464	0.812	-18.8%
Sioux Lookout Hydro Inc.	1.263	1.386	1.471	1.496	1.531	1.447	1.491	0.827	-17.3%
Fort Frances Power Corporation	1.253	1.348	1.478	1.593	1.597	1.630	1.607	0.891	-10.9%
Chapleau Public Utilities Corporation	1.718	2.229	2.078	1.735	1.981	1.968	1.894	1.050	5.0%
Atikokan Hydro Inc.	1.455	1.786	2.267	2.520	2.849	2.681	2.683	1.488	48.8%
Algoma Power Inc.	2.698	2.762	2.943	2.923	2.938	3.272	3.044	1.688	68.8%
Group Average							1.804		
Small Northern Medium Undergrounding									
Ottawa River Power Corporation	1.010	1.136	1.154	1.184	1.142	1.303	1.210	0.900	-10.0%
Hearst Power Distribution Company Limited	0.831	0.869	1.002	1.247	1.220	1.211	1.226	0.912	-8.8%
Lakeland Power Distribution Ltd.	0.949	0.854	1.183	1.302	1.402	1.296	1.333	0.992	-0.8%
Kenora Hydro Electric Corporation Ltd.	1.070	1.203	1.357	1.559	1.500	1.768	1.609	1.197	19.7%
Group Average							1.344		
Mid-Size Northern									
North Bay Hydro Distribution Limited	1.073	0.943	0.962	0.924	0.901	0.974	0.933	0.872	-12.8%
Greater Sudbury Hydro Inc.	1.000	1.658	1.101	1.153	0.770	1.263	1.062	0.992	-0.8%
Thunder Bay Hydro Electricity Distribution Inc.	0.981	1.080	1.093	1.122	1.154	1.118	1.132	1.057	5.7%
PUC Distribution Inc.	0.957	1.087	1.009	1.097	1.174	1.194	1.155	1.079	7.9%
Group Average							1.071		
Large Northern									
Hydro One Networks Inc.	1.118	1.311	1.522	1.676	1.761	1.760	1.733	1.000	0.0%
Group Average							1.733		
Small Southern Low & Medium Undergrounding									
Hydro Hawkesbury Inc.	0.554	0.599	0.643	0.640	0.710	0.756	0.702	0.535	-46.5%
Lakefront Utilities Inc.	0.887	0.905	0.911	0.937	1.015	1.107	1.020	0.777	-22.3%
Hydro 2000 Inc.	0.886	0.935	0.960	1.053	1.208	1.251	1.171	0.892	-10.8%
Rideau St. Lawrence Distribution Inc.	1.135	1.187	1.285	1.395	1.432	1.392	1.406	1.072	7.2%
Wellington North Power Inc.	1.143	1.122	1.447	1.420	1.470	1.825	1.572	1.198	19.8%
Brant County Power Inc.	1.503	0.653	1.356	1.736	1.619	1.468	1.608	1.226	22.6%
Port Colborne (CNP)	1.951	2.129	1.787	1.689	1.686	1.733	1.703	1.298	29.8%
Group Average							1.312		
Small Southern Medium-High Undergrounding									
Entegrus Powerlines Inc. (Middlesex)	0.930	0.896	0.892	0.957	0.954	0.934	0.948	0.800	-20.0%
Midland Power Utility Corporation	1.091	1.066	1.084	1.119	1.107	1.015	1.080	0.911	-8.9%
Tillsonburg Hydro Inc.	0.950	0.942	0.975	1.297	1.329	1.331	1.319	1.112	11.2%
West Coast Huron Energy Inc.	1.441	1.190	1.272	1.433	1.340	1.412	1.395	1.177	17.7%
Group Average							1.186		
Small Southern Medium-High Undergrounding with Rapid Growth									
Grimsby Power Incorporated	0.743	0.813	0.867	0.900	0.860	0.993	0.918	0.826	-17.4%
Niagara-on-the-Lake Hydro Inc.	0.835	0.926	0.927	0.977	0.915	0.983	0.958	0.862	-13.8%
Orangeville Hydro Limited	0.863	0.926	1.026	1.014	1.083	1.248	1.115	1.003	0.3%
Centre Wellington Hydro Ltd.	1.035	1.047	1.102	1.186	1.206	1.336	1.243	1.118	11.8%
Cooperative Hydro Embrun Inc.	1.040	1.138	1.142	1.153	1.316	1.499	1.323	1.190	19.0%
Group Average							1.111		

(continued)

Unit OM&A Cost Indexes

	2006	2007	2008	2009	2010	2011	Average of Last 3 Available Years ¹	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]
Mid-size Southern Low & Medium Undergrounding									
Norfolk Power Distribution Inc.	0.920	1.090	1.237	1.070	1.123	1.091	1.095	0.877	-12.3%
Innisfil Hydro Distribution Systems Limited	0.971	1.039	1.134	1.163	1.200	1.297	1.220	0.978	-2.2%
Fort Erie - Eastern Ontario Power (CNP)	1.420	1.470	1.336	1.175	1.310	1.244	1.243	0.996	-0.4%
Haldimand County Hydro Inc.	1.063	1.344	1.348	1.208	1.233	1.344	1.261	1.011	1.1%
Orillia Power Distribution Corporation	1.112	1.197	1.289	1.331	1.416	1.510	1.419	1.137	13.7%
Group Average							1.247		
Mid-size Southern Medium-High Undergrounding									
Festival Hydro Inc.	0.789	0.780	0.808	0.836	0.869	0.873	0.860	0.812	-18.8%
Entegrus Powerlines Inc. (Chatham-Kent)	0.668	0.686	0.748	0.771	0.903	0.923	0.866	0.818	-18.2%
Peterborough Distribution Incorporated	0.853	0.882	0.954	0.895	0.840	0.921	0.885	0.836	-16.4%
Westario Power Inc.	0.940	0.899	1.073	0.989	0.917	0.976	0.960	0.907	-9.3%
Essex Powerlines Corporation	1.091	1.010	0.964	0.933	0.952	1.013	0.966	0.913	-8.7%
Kingston Hydro Corporation	0.823	0.820	0.898	0.916	1.005	1.095	1.005	0.950	-5.0%
E.L.K. Energy Inc.	0.818	0.851	0.964	1.120	0.905	1.040	1.022	0.965	-3.5%
Wasaga Distribution Inc.	0.972	0.952	0.994	1.036	1.100	1.112	1.083	1.023	2.3%
St. Thomas Energy Inc.	1.059	1.003	0.977	1.062	1.049	1.162	1.091	1.031	3.1%
Woodstock Hydro Services Inc.	0.947	0.979	1.005	1.061	1.094	1.165	1.107	1.045	4.5%
Niagara Peninsula Energy Inc.	1.024	0.971	1.061	1.081	1.108	1.135	1.108	1.047	4.7%
Welland Hydro-Electric System Corp.	0.742	0.955	0.971	1.097	1.042	1.195	1.111	1.050	5.0%
COLLUS Power Corp.	0.960	0.999	1.096	1.212	1.199	1.225	1.212	1.145	14.5%
Bluewater Power Distribution Corporation	1.087	1.029	1.053	1.193	1.203	1.298	1.232	1.163	16.3%
Erie Thames Powerlines Corporation	1.400	1.470	1.431	1.362	1.388	1.362	1.371	1.295	29.5%
Group Average							1.059		
Large City Southern Medium-High Undergrounding									
Veridian Connections Inc.	0.835	0.737	0.823	0.803	0.824	0.817	0.815	0.811	-18.9%
Hydro Ottawa Limited	0.697	0.668	0.814	0.820	0.815	0.875	0.837	0.833	-16.7%
EnWin Utilities Ltd.	1.070	1.030	1.128	1.085	1.124	1.193	1.134	1.129	12.9%
Toronto Hydro-Electric System Limited	0.841	0.910	1.053	1.121	1.233	1.348	1.234	1.228	22.8%
Group Average							1.005		
Large City Southern High Undergrounding									
Hydro One Brampton Networks Inc.	0.548	0.516	0.602	0.595	0.583	0.623	0.600	0.740	-26.0%
PowerStream Inc.	0.651	0.697	0.778	0.808	0.854	0.787	0.816	1.006	0.6%
Horizon Utilities Corporation	0.653	0.736	0.801	0.835	0.800	0.855	0.830	1.023	2.3%
Enersource Hydro Mississauga Inc.	0.819	0.862	0.855	0.966	0.837	0.877	0.893	1.101	10.1%
London Hydro Inc.	0.757	0.790	0.838	0.871	0.925	0.955	0.917	1.130	13.0%
Group Average							0.811		
Mid-size GTA Medium-High & High Undergrounding									
Kitchener-Wilmot Hydro Inc.	0.651	0.661	0.695	0.689	0.678	0.765	0.711	0.839	-16.1%
Waterloo North Hydro Inc.	0.743	0.715	0.740	0.723	0.752	0.767	0.747	0.882	-11.8%
Oakville Hydro Electricity Distribution Inc.	0.844	0.789	0.725	0.759	0.776	0.910	0.815	0.962	-3.8%
Halton Hills Hydro Inc.	0.896	0.809	0.955	0.770	0.826	0.861	0.819	0.967	-3.3%
Cambridge and North Dumfries Hydro Inc.	0.585	0.673	0.739	0.821	0.776	0.863	0.820	0.968	-3.2%
Milton Hydro Distribution Inc.	0.745	0.756	0.811	0.821	0.794	0.870	0.828	0.978	-2.2%
Oshawa PUC Networks Inc.	0.667	0.719	0.822	0.829	0.815	0.909	0.851	1.004	0.4%
Guelph Hydro Electric Systems Inc.	0.730	0.834	0.821	0.812	0.785	1.002	0.866	1.023	2.3%
Brantford Power Inc.	0.773	0.952	0.949	0.969	0.930	0.837	0.912	1.077	7.7%
Newmarket - Tay Power Distribution Ltd.	0.790	0.778	0.877	0.900	0.913	0.925	0.912	1.077	7.7%
Burlington Hydro Inc.	0.819	0.848	0.894	0.910	0.912	0.962	0.928	1.096	9.6%
Whitby Hydro Electric Corporation	0.897	0.934	0.917	0.953	0.956	0.959	0.956	1.129	12.9%
Group Average							0.847		
AVERAGE: ALL COMPANIES	0.995	1.036	1.100	1.136	1.151	1.211	1.166		

¹ Lower values imply better performance

Table 7: Performance Rankings Based on Unit Cost Indexes

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
Hydro Hawkesbury Inc.	0.535	-46.5%	1
Renfrew Hydro Inc.	0.684	-31.6%	2
Hydro One Brampton Networks Inc.	0.740	-26.0%	3
Northern Ontario Wires Inc.	0.775	-22.5%	4
Lakefront Utilities Inc.	0.777	-22.3%	5
Espanola Regional Hydro Distribution Corporation	0.787	-21.3%	6
Entegrus Powerlines Inc. (Middlesex)	0.800	-20.0%	7
Veridian Connections Inc.	0.811	-18.9%	8
Parry Sound Power Corporation	0.812	-18.8%	9
Festival Hydro Inc.	0.812	-18.8%	10
Entegrus Powerlines Inc. (Chatham-Kent)	0.818	-18.2%	11
Grimsby Power Incorporated	0.826	-17.4%	12
Sioux Lookout Hydro Inc.	0.827	-17.3%	13
Hydro Ottawa Limited	0.833	-16.7%	14
Peterborough Distribution Incorporated	0.836	-16.4%	15
Kitchener-Wilmot Hydro Inc.	0.839	-16.1%	16
Niagara-on-the-Lake Hydro Inc.	0.862	-13.8%	17
North Bay Hydro Distribution Limited	0.872	-12.8%	18
Norfolk Power Distribution Inc.	0.877	-12.3%	19
Waterloo North Hydro Inc.	0.882	-11.8%	20
Fort Frances Power Corporation	0.891	-10.9%	21
Hydro 2000 Inc.	0.892	-10.8%	22
Ottawa River Power Corporation	0.900	-10.0%	23
Westario Power Inc.	0.907	-9.3%	24
Midland Power Utility Corporation	0.911	-8.9%	25
Hearst Power Distribution Company Limited	0.912	-8.8%	26
Essex Powerlines Corporation	0.913	-8.7%	27
Kingston Hydro Corporation	0.950	-5.0%	28
Oakville Hydro Electricity Distribution Inc.	0.962	-3.8%	29
E.L.K. Energy Inc.	0.965	-3.5%	30
Halton Hills Hydro Inc.	0.967	-3.3%	31
Cambridge and North Dumfries Hydro Inc.	0.968	-3.2%	32
Milton Hydro Distribution Inc.	0.978	-2.2%	33
Innisfil Hydro Distribution Systems Limited	0.978	-2.2%	34
Lakeland Power Distribution Ltd.	0.992	-0.8%	35
Greater Sudbury Hydro Inc.	0.992	-0.8%	36
Fort Erie - Eastern Ontario Power (CNP)	0.996	-0.4%	37
Orangeville Hydro Limited	1.003	0.3%	38
Oshawa PUC Networks Inc.	1.004	0.4%	39
PowerStream Inc.	1.006	0.6%	40
Haldimand County Hydro Inc.	1.011	1.1%	41

¹ Lower values imply better performance

² Hydro One Networks Inc. is alone in their peer group so is omitted here

(continued)

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
Guelph Hydro Electric Systems Inc.	1.023	2.3%	42
Horizon Utilities Corporation	1.023	2.3%	43
Wasaga Distribution Inc.	1.023	2.3%	44
St. Thomas Energy Inc.	1.031	3.1%	45
Woodstock Hydro Services Inc.	1.045	4.5%	46
Niagara Peninsula Energy Inc.	1.047	4.7%	47
Welland Hydro-Electric System Corp.	1.050	5.0%	48
Chapleau Public Utilities Corporation	1.050	5.0%	49
Thunder Bay Hydro Electricity Distribution Inc.	1.057	5.7%	50
Rideau St. Lawrence Distribution Inc.	1.072	7.2%	51
Brantford Power Inc.	1.077	7.7%	52
Newmarket - Tay Power Distribution Ltd.	1.077	7.7%	53
PUC Distribution Inc.	1.079	7.9%	54
Burlington Hydro Inc.	1.096	9.6%	55
Enersource Hydro Mississauga Inc.	1.101	10.1%	56
Tillsonburg Hydro Inc.	1.112	11.2%	57
Centre Wellington Hydro Ltd.	1.118	11.8%	58
EnWin Utilities Ltd.	1.129	12.9%	59
Whitby Hydro Electric Corporation	1.129	12.9%	60
London Hydro Inc.	1.130	13.0%	61
Orillia Power Distribution Corporation	1.137	13.7%	62
COLLUS Power Corp.	1.145	14.5%	63
Bluewater Power Distribution Corporation	1.163	16.3%	64
West Coast Huron Energy Inc.	1.177	17.7%	65
Cooperative Hydro Embrun Inc.	1.190	19.0%	66
Kenora Hydro Electric Corporation Ltd.	1.197	19.7%	67
Wellington North Power Inc.	1.198	19.8%	68
Brant County Power Inc.	1.226	22.6%	69
Toronto Hydro-Electric System Limited	1.228	22.8%	70
Erie Thames Powerlines Corporation	1.295	29.5%	71
Port Colborne (CNP)	1.298	29.8%	72
Atikokan Hydro Inc.	1.488	48.8%	73
Algoma Power Inc.	1.688	68.8%	74

¹ Lower values imply better performance

² Hydro One Networks Inc. is alone in their peer group so is omitted here

Table 17 (as corrected December 19, 2013)

Distributor	Ranking	Actual minus Predicted Cost
HYDRO HAWKESBURY INC.	1	-59.0%
WASAGA DISTRIBUTION INC.	2	-43.6%
NORTHERN ONTARIO WIRES INC.	3	-33.3%
HEARST POWER DISTRIBUTION COMPANY LIMITED	4	-28.3%
E.L.K. ENERGY INC.	5	-26.6%
HALTON HILLS HYDRO INC.	6	-26.5%
HALDIMAND COUNTY HYDRO INC.	7	-23.5%
KITCHENER	8	-22.2%
COOPERATIVE HYDRO EMBRUN INC.	9	-20.9%
ESPANOLA REGIONAL HYDRO DISTRIBUTION CORP	10	-20.0%
NEWMARKET	11	-18.3%
OSHAWA PUC NETWORKS INC.	12	-18.1%
GRIMSBY POWER INCORPORATED	13	-17.1%
ESSEX POWERLINES CORPORATION	14	-15.5%
WELLAND HYDRO-ELECTRIC SYSTEM CORP.	15	-15.4%
MILTON HYDRO DISTRIBUTION INC.	16	-14.9%
LAKEFRONT UTILITIES INC.	17	-15.3%
Entegrus Powerlines	18	-10.4%
LONDON HYDRO INC.	19	-12.7%
ENERSOURCE HYDRO MISSISSAUGA INC.	20	-11.7%
HORIZON UTILITIES CORPORATION	21	-11.2%
RIDEAU ST. LAWRENCE DISTRIBUTION INC.	22	-10.4%
LAKELAND POWER DISTRIBUTION LTD.	23	-10.4%
HYDRO 2000 INC.	24	-9.3%
HYDRO ONE BRAMPTON NETWORKS INC.	25	-7.4%
KENORA HYDRO ELECTRIC CORPORATION LTD.	26	-7.1%
BURLINGTON HYDRO INC.	27	-7.9%
CAMBRIDGE and NORTH DUMFRIES HYDRO INC.	28	-7.0%
COLLUS POWER CORPORATION	29	-5.0%
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	30	-5.2%
CENTRE WELLINGTON HYDRO LTD.	31	-4.4%
POWERSTREAM INC.	32	-4.2%
WHITBY HYDRO ELECTRIC CORPORATION	33	-3.2%
ORILLIA POWER DISTRIBUTION CORPORATION	34	-3.1%
VERIDIAN CONNECTIONS INC.	35	-2.3%
WESTARIO POWER INC.	36	-1.5%
ST. THOMAS ENERGY INC.	37	-1.4%
ORANGEVILLE HYDRO LIMITED	38	-0.1%

Table 17 (continued, as corrected December 19, 2013)

Difference Between Actual and Predicted Cost: Cost Benchmarking Model

Distributor	Ranking	Actual minus Predicted Cost
OTTAWA RIVER POWER CORPORATION	39	-0.1%
PUC DISTRIBUTION INC.	40	-0.1%
NORFOLK POWER DISTRIBUTION INC.	41	0.5%
BRANTFORD POWER INC.	42	2.0%
BLUEWATER POWER DISTRIBUTION CORPORATION	43	1.6%
KINGSTON HYDRO CORPORATION	44	1.6%
HYDRO OTTAWA LIMITED	45	1.7%
SIOUX LOOKOUT HYDRO INC.	46	2.1%
WATERLOO NORTH HYDRO INC.	47	2.5%
PARRY SOUND POWER CORPORATION	48	3.9%
NORTH BAY HYDRO DISTRIBUTION LIMITED	49	5.0%
THUNDER BAY HYDRO ELECTRICITY DISTRIBUTION INC.	50	4.9%
NIAGARA-ON-THE-LAKE HYDRO INC.	51	5.6%
NIAGARA PENINSULA ENERGY INC.	52	6.9%
GUELPH HYDRO ELECTRIC SYSTEMS INC.	53	8.3%
GREATER SUDBURY HYDRO INC.	54	9.5%
OAKVILLE HYDRO ELECTRICITY DISTRIBUTION INC.	55	10.2%
ERIE THAMES POWERLINES CORPORATION	56	11.1%
TILLSONBURG HYDRO INC.	57	12.2%
FORT FRANCES POWER CORPORATION	58	12.3%
WELLINGTON NORTH POWER INC.	59	12.7%
CANADIAN NIAGARA POWER INC.	60	14.0%
PETERBOROUGH DISTRIBUTION INCORPORATED	61	14.3%
BRANT COUNTY POWER INC.	62	16.5%
RENFREW HYDRO INC.	63	17.3%
ATIKOKAN HYDRO INC.	64	18.5%
MIDLAND POWER UTILITY CORPORATION	65	17.7%
ENWIN UTILITIES LTD.	66	19.5%
CHAPLEAU PUBLIC UTILITIES CORPORATION	67	18.8%
FESTIVAL HYDRO INC.	68	19.6%
WEST COAST HURON ENERGY INC.	69	21.7%
WOODSTOCK HYDRO SERVICES INC.	70	31.8%
TORONTO HYDRO-ELECTRIC SYSTEM LIMITED	71	44.8%
HYDRO ONE NETWORKS INC.	72	58.2%
ALGOMA POWER INC.	73	65.5%

RESIDENTIAL 800 KWH BILL - UTILITY COMPARISON		
UTILITY	RANKING	TOTAL BILL
Fort Albany Power Corporation	1	\$76.48
Wasaga Distribution Inc.	2	\$106.63
Hydro Hawkesbury Inc.	3	\$107.23
Kashechewan Power Corporation	4	\$107.89
PUC Distribution Inc.	5	\$108.80
E.L.K. Energy Inc.	6	\$110.22
Hearst Power Distribution Company Limited	7	\$111.08
Brantford Power Inc.	8	\$111.72
Ottawa River Power Corporation	9	\$111.80
Thunder Bay Hydro Electriciy Distribution Inc.	10	\$112.62
Oshawa PUC Networks Inc.	11	\$112.92
Fort Frances Power Corporation	12	\$113.75
Collus Power Corporation	13	\$114.16
Kitchener-Wilmot Hydro Inc.	14	\$114.42
PowerStream Inc.	15	\$114.94
Hydro One Brampton Networks Inc.	16	\$115.58
Cambridge and North Dumfries Hydro Inc.	17	\$115.91
Peterborough Distribution Incorporated	18	\$116.12
Lakefront Utilities Inc.	19	\$116.14
Renfrew Hydro Inc.	20	\$116.18
Centre Wellington Hydro Ltd.	21	\$116.56
Kenora Hydro Electric Corporation Ltd.	22	\$116.76
Grimsby Power Inc.	23	\$117.03
Enersource Hydro Mississauga Inc.	23	\$117.03
Greater Sudbury Hydro Inc.	24	\$117.30
Waterloo North Hydro Inc.	25	\$117.45
London Hydro Inc.	26	\$117.77
Guelph Hydro Electric Systems Inc.	27	\$117.86
Tillsonburg Hydro Inc.	28	\$118.01
Veridian Connections Inc.	29	\$118.17
Hydro Ottawa Limited	30	\$118.23
Halton Hills Hydro Inc.	31	\$118.50
Niagara Peninsula Energy Inc.	32	\$119.08
Cooperative Hydro Embrun Inc.	33	\$119.13
Orillia Power Distribution Corporation	34	\$119.14
St. Thomas Energy Inc.	35	\$119.24
Burlington Hydro Inc.	36	\$119.63
Milton Hydro Distribution Inc.	37	\$119.76
North Bay Hydro Distribution Limited	38	\$119.84
Brant County Power Inc.	39	\$120.28
Entegrus Powerlines Inc.	40	\$120.47
Horizon Utilities Corporation	41	\$120.67
Kingston Hydro Corporation	42	\$120.92
Newmarket-Tay Power Distribution Ltd.	43	\$121.01

Enwin Utilities Ltd.	44	\$121.05
Niagara-on-the-Lake Hydro Inc.	45	\$121.28
Whitby Hydro Electric Corporation	46	\$121.42
Welland Hydro-Electric Systems Corp	47	\$121.43
Orangeville Hydro Limited	48	\$121.83
Rideau St. Lawrence Distribution Inc.	49	\$122.69
West Coast Huron Energy Inc.	50	\$123.04
Oakville Hydro Electricity Distribution Inc.	51	\$123.07
Essex Powerlines Corporation	52	\$123.11
Hydro 2000 Inc.	53	\$123.17
Westario Power Inc.	54	\$123.34
Erie Thames Powerlines Corporation	55	\$123.77
Woodstock Hydro Services Inc.	56	\$124.88
Northern Ontario Wires Inc.	57	\$125.17
Festival Hydro Inc.	58	\$125.18
Bluewater Power Distribution Corporation	59	\$125.35
Toronto Hydro-Electric Systems Limited	60	\$126.47
Innisfil Hydro Distribution Systems Limited	61	\$127.42
Midland Power Utility Corporation	62	\$128.33
Sioux Lookout Hydro Inc.	63	\$129.83
Wellington North Power Inc.	64	\$129.96
Canadian Niagara Power Inc.	65	\$130.34
Espanola Regional Hydro Distribution Corporation	66	\$130.74
Chapleau Public Utilities Corporation	67	\$132.92
Hydro One Networks Inc.	68	\$133.11
Lakeland Power Distribution Ltd.	69	\$133.13
Parry Sound Power Corporation	70	\$133.95
Algoma Power Inc.	71	\$135.12
Haldimand County Hydro Inc.	72	\$137.13
Atikokan Hydro Inc.	73	\$141.53
Norfolk Power Distribution Inc.	74	\$173.84