

January 29, 2015

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

RE: Niagara Peninsula Energy Inc.
2015 Cost of Service Rate Application (EB-2014-0096) – Undertakings

Dear Ms. Walli:

In accordance with Procedural Order No. 1, issued November 18, 2014, a Technical Conference was held in respect of Niagara Peninsula Energy Inc.'s ("NPEI's") 2015 Rate Application on January 20, 2015.

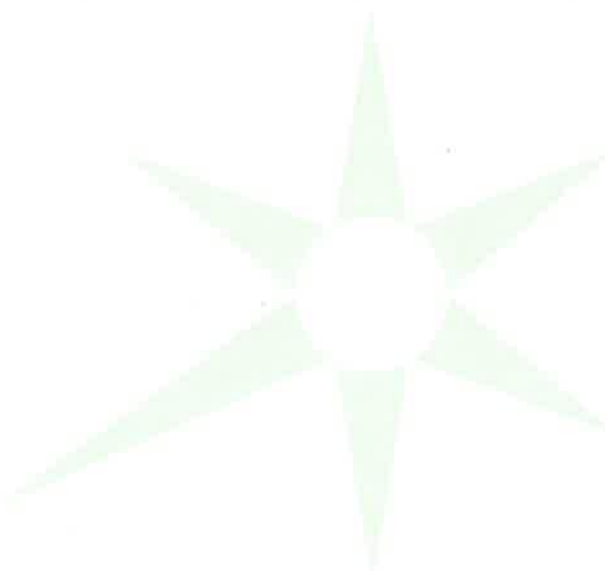
Please find enclosed NPEI's responses to Undertakings JT1.1 to JT1.15. An electronic version of this document along with the accompanying Excel models has been filed in the Board's RESS system.

NPEI's response to Undertaking JXT1.16 is being filed in confidence, under separate cover, in accordance with the Board's Practice Direction on Confidential Filings.

Yours truly,
Niagara Peninsula Energy Inc.



Suzanne Wilson, CPA, CA
Vice-President, Finance



Undertakings from Technical Conference held January 20, 2015

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**1. UNDERTAKING NO. JT1.1: TO FILE AN UPDATED REVENUE-
REQUIREMENT WORK FORM AND THE TRACKING SHEET AND AN
UPDATED PILS MODEL.**

Response

Please see Appendix A which includes an updated revenue requirement work form (RRWF), an updated RRWF tracking form and an updated PILS model. NPEI has updated the RRWF for the following:

- Updated 2014 total net additions in the amount of \$14,286,345.
- Updated 2014 accumulated depreciation in the amount of \$5,589,382
- Updated 2015 total net additions in the amount of \$11,362,264
- Updated 2015 accumulated depreciation in the amount of \$5,094,111
- Updated 2015 PILS model modified for the Small Business Deduction update for the Correction in the PILs Model to include (\$827,800) of 2015 Capital Contributions on Sheet O.8.
- Update RTSR model for 2015 UTR rates approved on Jan 8, 2015
- NPEI has also filed an updated EDVARR to reflect the change in account 1576 from \$7,170,985 originally filed to \$6,925,683 which reflects the 2014 projected capital additions and disposals.
- Bill impacts corresponding to the updated revenue deficiency of \$954,830 are included in Appendix E.

2. UNDERTAKING NO. JT1.2: TO REFILE THE TABLE IN APPENDIX 2-AA FROM THE RESPONSE TO 2-Energy Probe-14, SHOWING THE 2014 CONSISTENT WITH THE HISTORICAL NUMBERS AND ONLY SHOWING THE GROSS ADDITIONS.

Response

Please see below the updated Chapter 2 Appendices - Appendix 2-AA with the Total 2014 Projected Capital expenditures excluding 2014 disposals in the amount of \$14,919,972.

**Appendix 2-AA
Capital Projects Table**

Project #	Ref #	Projects	2014 Bridge Year	2015 Test Year	2015 Update for Carryforward s	Total	Actuals at Oct 31	Nov to Dec	2014 Total Projected excluding Disposals	Projected vs Bridge Year
		Reporting Basis	CGAAP	MIFRS	MIFRS					
		System Access								
		Subdivisions	400,000	587,004	587,004	3,181,561	813,642	152,480	966,122	566,122
	42	Customer Connection/Extension				999,318				-
	42	New Upgrade Services				1,071,284				-
		Line Relocation due to Municipal								
	43	Requirements < Materiality	539,910	500,000	500,000	2,400,394	578,763	149,767	728,530	188,620
	42	Demand based system reinforcements	1,410,778	1,007,500	1,007,500	5,150,664	1,753,963	393,135	2,147,098	736,320
	55	Niagara Parks Commission		818,905	818,905	818,905				-
2013-0100	38	City of Niagara Falls Kalar @ Rideau				169,530				-
2010-0016	39	Dorchester NS&T to Morrison				180,976				-
2011-0072	40	Drummond & Lundy's Lane Conflicts				267,123				-
2010-0009	41	Kalar to Catalina relocation				647,406				-
2010-0053		Oakwood Drive relocation				159,399				-
2010-0026	49	South Pelham Street				816,593				-
		Capital contributions	-900,000	-827,800	-827,800	-6,924,015	- 792,373	- 175,469	- 967,842	- 67,842
										-
		Sub-Total System Access	1,450,689	2,085,609	2,085,609	8,939,139	2,353,995	519,913	2,873,908	1,423,219
		Miscellaneous System Access	280,000	343,500	343,500	1,803,603	89,485	201,598	291,083	11,083
		Total System Access	1,730,689	2,429,109	2,429,109	10,742,741	2,443,480	721,511	3,164,991	1,434,302
		System Renewal								-
		MS/DS Rehabilitations								-
2010-0025	4	Pelham MS				226,046				-
2010-0017	10	Campden DS Feeder Egress				207,208				-
2011-0017	12	Campden DS Oil Containment				214,586				-
2011-0013	5	Smithville				636,049				-
2011-0022 2	6	Station Street				279,250				-
	7	Station #22 North of Pew		507,139	507,139	507,139				-
	8	Station #22 South of Pew		143,724	143,724	143,724				-
2012-0012	6	Greenlane				472,805				-
2013-0017	9	Station #8	252,037			443,150	291,747	5,752	297,499	45,462
2011-0011	11	4 Sectionalizing West Area				156,718				-
2011-0004	13	Lundy's Lane Pole Line -Montrose				156,213				-
2011-0007	14	Murray/Culp/Dunn/Main Rebuilds				395,970				-
2011-0005 8	15	Riall St Rebuild				501,064				-
2012-0002	16	Lundy's Lane/Ker St UG replacement				356,580				-
2012-0001	17	Montrose Kinsmen to Lundys				608,128				-
2012-0007	18	Murray/Dixon Rebuild				633,981				-
2012-0014 8	19	Victoria Ave Voltage Conversion				343,346				-
2013-0005	1	12-M-6 Replacement	372,631			911,378	265,264	10,343	275,607	- 97,024
2013-0011	2	Dorchester-Garden St to McMillan	362,018			560,825	518,962	15,043	534,005	171,987
2013-0008	3	High Street - Dorchester Stn 10 O/H				633,880				-
2013-0007	20	Murray/Culp				712,700				-
2013-0021	21	OH to UG Beacon Inn Jordan				259,593				-
2013-0003	22	UG Primary Weightman Bridge	701,810			814,811	761,764	43,395	805,159	103,349
2014-0009	23	3-M-28, 3-M-26, 3-M-29	417,731			417,731	21,288	421,538	442,826	25,095
2014-0001	24	Crawford Street Rebuild	516,557	282,324	737,691	798,880	9,124	52,066	61,190	- 455,367

**Appendix 2-AA
Capital Projects Table**

Project #	Ref #	Projects	2014 Bridge Year	2015 Test Year	2015 Update for Carryforward s	Total	Actuals at Oct 31	Nov to Dec	2014 Total Projected excluding Disposals	Projected vs Bridge Year
		Reporting Basis	CGAAP	MIFRS	MIFRS					
	56	Frederica Street Rebuild		676,144	220,777	676,144				-
2014-0004	25	Fallsview Blvd -Ferry/Robinson	332,173			332,173		-	-	332,173
2014-0015	26	Jordan Rd-Red Maple to QEW	397,516			397,516	9,763	305,000	314,763	82,753
	26	Jordan Phase II		449,324	449,324	449,324				
2014-1006	27	Wholesale Meter Replacement	300,000			300,000	278,372	84,608	362,980	62,980
2014-0008	28	OH to UG Rolling Acres Phase I	768,694	570,500	1,061,077	1,339,194	36,317	241,800	278,117	490,577
2014-0007	29	OH line rebuilds - 6 streets	516,513			516,513	464,497	96,128	560,625	44,112
		System Sustainment/Minor Betterments	400,000	680,000	680,000	3,736,480	953,977	21,603	975,580	575,580
1007 & 2007	30									
1010 & 2010	31	Replace poles identified with limited structural integrity	778,702	431,729	329,175	4,547,032	344,285	81,656	425,941	352,761
		Replacement of Submersibles & Kiosks with EFD switches and pos-tects	624,457	647,029	647,029	3,629,528	246,317	43,206	289,523	334,934
0020's	32	Replacement of Transformers with >50PPM PCB Content	566,479	495,104	495,104	1,186,758	346,844	15,226	362,070	204,409
2013-2011	57	NWTC Metering		289,605	289,605	289,605				-
	60	Willodell Rebuild		310,710	310,710	310,710				-
	59	Willoughby Dr. Extension		383,293	383,293	383,293				-
	58	Willoughby Drive		372,191	372,191	372,191				-
		Sub-Total System Renewal	7,307,316	6,238,817	6,626,840	29,858,218	4,548,521	1,437,364	5,985,885	1,321,431
		Miscellaneous System Renewal		144,237	144,237	1,819,953				
		Total System Renewal	7,307,316	6,383,054	6,771,077	31,678,171	4,548,521	1,437,364	5,985,885	1,321,431
		System Service								-
		Smart meters	1,903,089			6,105,227	1,724,874	-	1,724,874	178,215
		MIST Meters		143,150	143,150	143,150				-
0006's	34	Switchgear replacement program	110,057	250,002	250,002	1,591,405	119,261	217	119,478	9,421
2010-0024	35	Cherry Avenue				179,386				-
2010-0023	36	Durham Voltage Conversion				364,430				-
2010-0002	37	High Street Area				255,782				-
2010-0008	47	Oakwood Drive				198,387				-
2011-0003	50	KM2 & KM6 Montrose-McLeod				347,760				-
2012-0003	51	Kalar MTS K-M-1				169,041				-
2014-0018	53	King Street 27.6 kV	112,554	114,460	217,014	227,014		10,000	10,000	102,554
2010-0007	54	Robinson St Primary Extension				1,039,940				-
	62	Culp St-Drummond to Main								-
	48	Kalar Extend NS&T ROW-Beaverdams				768,438				-
		Mobile Substation				214,555				-
		Wi-Max Project	227,500	215,000	215,000	1,123,209	88,443	169,699	258,142	30,642
		Sub-Total System Service	2,353,200	722,612	825,166	12,939,426	1,932,578	179,916	2,112,494	240,706
		Miscellaneous	130,000	203,000	203,000	1,172,176	82,250	47,777	130,027	27
		Total System Service	2,483,200	925,612	1,028,166	14,111,602	2,014,828	227,693	2,242,521	240,679
		General Plant								-
		Building	1,500,485	44,000	44,000	4,276,958	1,460,370	179,373	1,639,743	139,258
		Computer Hardware	297,040	240,248	240,248	1,688,673	215,322	59,831	275,153	21,887
		Computer Software	498,710	368,740	368,740	1,639,150	409,891	272,577	682,468	183,758
		Vehicles	672,000	698,878	698,878	5,271,903	53,265	602,790	656,055	15,945
		General Equipment	299,000	95,627	95,627	1,257,029	204,989	68,167	273,156	25,844
		Sub-Total General Plant	3,267,235	1,447,492	1,447,492	14,133,713	2,343,837	1,182,738	3,526,575	259,340
		Miscellaneous-General Plant	0	0	0	-				-
		Total General Plant	3,267,235	1,447,492	1,447,492	14,133,713	2,343,837	1,182,738	3,526,575	259,340
		Less Renewable Generation Facility Assets and Other Non Rate-Regulated Utility Assets (input as negative)	0	0	0	-				-
		Total	14,788,440	11,185,268	11,675,845	70,666,228	11,350,666	3,569,306	14,919,972	131,532
Increase due to carryforwards					490,577					

3. UNDERTAKING NO. JT1.3: TO PROVIDE A FULL PACKAGE ON HOW NPC PROPOSAL WILL IMPACT REVENUE REQUIREMENTS; IN ADDITION PROVIDE 2014–2015 REVENUE REQUIREMENT WORK FORM

Response

NPEI was approached in June of 2014 by the NPC to negotiate an Agreement to assume ownership of the primary distribution system. The acquisition would result in NPEI providing distribution services throughout the NPC lands, the removal of the primary metering equipment and the subsequent installation of customer metering facilities impacted by this process. In order to utilize these circuit paths NPEI proposes to acquire the NPC distribution assets in the 2015 Test Year.

The electrical distribution system currently providing service within the NPC lands is under their ownership and operating authority. The NPC distribution system consists of approximately 6 kilometers of underground primary circuit and associated switches and transformation for the provision of electrical supply to NPC electrical loads in the park area. Appendix B contains a single line illustration of the NPC distribution system. The estimated amount used by NPEI for the current Rate Application is based strictly on the estimated net book value of approximately 3.0 K.M. of primary cable/duct-bank completed by the NPC in 2012 through Queen Victoria Park between Murray Hill and Dufferin Islands Drive. The majority of the other assets are approaching end of life cycles as defined by the former CGAAP, however these assets are currently fully functional and there is no immediate foreseeable requirement to be replaced.

The NPC electrical distribution system is supplied via three 13,800 volt connections to NPEI's distribution system and is revenue metered at the primary distribution connection points. The NPC distribution system is physically situated and connected in a manner that can provide benefit to NPEI customers adjacent to the NPC lands, through the ability to distribute electricity via the existing NPC circuit paths. A number of existing electrical capacity restrictions on other circuits providing supply to these adjacent customers would be resolved by utilizing the NPC circuit paths.

NPEI's ability to utilize these circuit paths provides the following benefits which include existing NPEI distribution circuit load relief, system flexibility during contingency periods, line loss optimization and increased reliability by distributing connected load on additional available circuits. In order for NPEI to construct redundant circuits that would

provide similar benefits resulting from the purchase of the above noted NPC assets, the capital investment would be greater than the estimated purchase cost of the NPC assets that have been included in the 2015 rate application.

As mentioned above it is estimated that low voltage metering would need to be installed at 13 single phase transformers with the customer class at GS<50KW, and 17 three phase transformers with the customer class at GS>50KW. This would result in a change of an additional 13 GS<50 kW customers and 14 GS>50 kW customers, with a resultant change of \$56,646 per year in additional distribution revenue based on existing 2014 rates net of the transformer allowance. NPEI estimates that an additional \$5,019 per year in meter reading and billing expense would be incurred as a result of adding the additional customers. Please note the net increase to revenue requirement of \$51,579 is based on the annual assumption. It is anticipated by NPEI that the purchase will occur in the 3rd quarter of 2015.

The top portion of the table below shows NPEI's estimate of the customer counts that would result based on the NPC transaction. Currently there are 25 NPC accounts. NPEI has estimated an additional 27 accounts as a result of low voltage metering at the 13 single phase transformers. The total increase in service charge revenue would be \$36,065 resulting from the reduction of 3 primary meters and the increase of 13 GS<50 and 17 GS>50 meters. There would be no change in the residential and Unmetered Scattered Load service charge revenue.

The current GS>50 kW primary metered load for the 3 primary meters was billed at 23,317 kW in 2014. This represents 99% of the total kW load; hence the total load excluding the primary metering factor of 1% results in 23,553 KW. The remaining 9 GS>50 kW customers were billed 12,222 kW in 2014. This resulted in a total of 35,775 kW billed to the NPC in 2014. The load for all 52 accounts will not change after the NPC transaction with NPEI however the type of load billed will change as a result of having 13 additional GS<59 kW customers.

First of all NPEI assumes the 9 current GS>50 kW customers will use 12,222 kW in 2015. In order to estimate the load shift between rate classes NPEI used 2014 actual billed kW for the current 9 GS> 50 kW customers on an annual basis to apply to the additional 17 GS >50 kW customers. NPEI has used the average billed demand of the 9 existing NPC GS>50 kW secondary customers ($12,222 / 9 = 1,358$) as the basis for the 17 new customers. This results in 23,086 kW. Therefore the total load applied to the GS>50 kW

class is 35,308 (12,222 + 23,086). The remaining load of 467 kW (35,775 – 35,308) will be applied to the GS<50 kW rate class which assumes no change in total load to the NPC.

NPEI has applied the 3-year average kW / kWh ratio for the GS>50 kW class of 0.2644%, as detailed in the original evidence at Exhibit 3, Tab 1, Schedule 1, to estimate the resulting billed kWh for the 13 new GS<50 kW customers ($466.93542 / 0.002644 = 176,601.9$ kWh). Therefore, the total kW load to be billed decreases by 467 kW and the total kWh load to be billed increases by 176,602 kWh.

Customer Counts				
Rate Class	Current		Proposal	Total Counts Proposed
Residential	1			1
GS < 50	11		13	24
GS > 50 Secondary	9		17	26
GS> 50 Primary	3		-3	0
USL	1			1
	25		27	52

Consumption / Demand						
Rate Class	Current kWh	Proposal kwh	Total kWh	Current kW	Proposal kw	Total kW
Residential	3,577	-	3,577	0		
GS < 50 (original 11 accounts)	242,996		242,996	0		
GS < 50 new 13 accounts	-	176,602	176,602	0		
GS > 50 Secondary (original 9 accounts)	3,940,229	-	3,940,229	12,222	-	12,222
GS > 50 new 17 accounts	-	8,730,258	8,730,258		23,086	23,086
GS> 50 Primary	11,764,801	(11,764,801)	-	23,553	(23,553)	-
USL	600	-	600			
	15,952,203	(2,857,941)	13,094,262	35,775	(467)	35,308

Average GS>50 kW usage for 9 customer	1,358		
17 new customers	17		
	23,086		
Balance remaining for GS< 50	35,775		
	35,308		
	467	23,086	23,553
Convert kW to kWh	0.2644%	0.2644%	
	176,601.9	8,730,258.2	8,906,860

The following table shows the impact of the additional NPC revenues with the assumed new rate class mix and the corresponding metering reading and billing expenses.

	In Rate Application							
	2014 - Current			2015 - Proposed at existing rates			Difference	
	Count/ Volume	Rate	\$	Count/ Volume	Rate	\$		\$
Service Charge								
Residential	1	16.06	193	1	16.06	193		-
GS < 50 (original 11 accounts)	11	37.79	4,988	11	37.79	4,988		-
GS < 50 new 13 accounts	-	37.79	-	13	37.79	5,895		5,895
GS > 50 Secondary (original 9 accounts)	9	179.58	19,395	9	179.58	19,395		-
GS > 50 new 17 accounts	-	179.58	-	17	179.58	36,634		36,634
GS> 50 Primary	3	179.58	6,465	-	179.58	-		(6,465)
USL	1	19.53	234	1	19.53	234		-
Total Service Charge	25		31,275	52		67,340		36,065
Distribution Volumetric								
Residential	3,577	0.0161	58	3,577	0.0161	58		-
GS < 50 (original 11 accounts)	242,996	0.0138	3,353	242,996	0.0138	3,353		-
GS < 50 new 13 accounts	-	0.0138	-	176,602	0.0138	2,437		2,437
GS > 50 Secondary (original 9 accounts)	12,222	4.2400	51,821	12,222	4.2400	51,821		-
GS > 50 new 17 accounts	-	4.2400	-	23,086	4.2400	97,885		97,885
GS> 50 Primary	23,553	4.2400	99,865	-	4.2400	-		(99,865)
USL	600	0.0137	8	600	0.0137	8		-
Total Distribution Volumetric			155,105			155,562		457
Transformer Allowance	33,406	(0.60)	(20,044)	-	(0.60)	-		20,044
SSS Admin Revenue	25	0.25	75	52	0.25	156		81
Total Revenue			166,411			223,058		56,646
Meter Reading Expense increase			\$ 4,465			9,456		4,991
Billing Supplies increase			27			56		29
Depreciation expense increase			11,699			11,699		-
Total incremental expenses	-	-	16,191			21,211		5,019
Net income before PILs			150,220			201,847		51,627
Taxes								
PILS at 26.5%			(2,178)			(2,186)		(8)
Net income after PILs			148,042			199,661		51,619
Return on Rate Base for increase of 27 customers								(40.00)
								51,579

NPEI's estimate of \$818,905 that has been included in the rate application is related to the estimated net book value remaining for the underground cable. NPEI would also assume the ownership of the high voltage transformers at an estimated net book value of zero dollars as part of this preliminary transaction. As a result, NPEI would no longer have to pay NPC the \$0.60 cents per kW for transformation allowances. This would result in a savings to NPEI in the amount of \$20,044 using 2014 actual data as illustrated in the table

above. SSS admin revenue would increase by \$81 annually as a result of the increase of 27 new services. In summary including the return of rate base for the increase of 27 customers related to the smart metering entity charge included in the Cost of Power, the working capital allowance would increase and the return on rate base would increase by \$40. In total, the revenue deficiency would decrease by \$51,579.

The table below shows rate base, revenue requirement, revenue deficiency, 2015 proposed revenue-to-cost ratios and proposed bill impacts (Sub-Total A only) under three scenarios:

- Including the NPC purchase (\$818,905 addition of which half is included in 2015, depreciation at 35 years with the half year rule of \$11,699 of which half is included in 2015 rate base.
- Excluding the NPC purchase $(\$818,905/2) - (\$11,699/2) = \$403,603$
- Including the NPC purchase at an increase of \$403,603 to rate base and the changes related to the additional 27 services as described above of \$51,579.
- NPEI has updated Chapter 2 Appendices-Appendix 2-P for the NPC transactions as follows

Appendix 2-P Cost Allocation

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study	%	Costs Allocated in Test Year Study (Column 7A)	%
Residential	\$ 21,014,764	66.12%	\$ 21,546,642	69.00%
GS < 50 kW	\$ 3,602,085	11.33%	\$ 3,357,528	10.75%
GS > 50 kW	\$ 6,500,897	20.46%	\$ 5,791,943	18.55%
Street Lighting	\$ 376,122	1.18%	\$ 327,724	1.05%
Sentinel Lighting	\$ 145,569	0.46%	\$ 91,855	0.29%
Unmetered Scattered Load (USL)	\$ 141,174	0.44%	\$ 111,921	0.36%
Total	\$ 31,780,610	100.00%	\$ 31,227,613	100.00%

Notes

- 1 Customer Classification - If proposed rate classes differ from those in place in the previous Cost Allocation study, modify the rate classes to match the current application as closely as possible.
- 2 Host Distributors - Provide information on embedded distributor(s) as a separate class, if applicable. If embedded distributor(s) are billed as customers in a General Service class, include the allocated cost and revenue of the embedded distributor(s) in the applicable class. Also complete Appendix 2-Q.
- 3 Class Revenue Requirements - If using the Board-issued model, in column 7A enter the results from Worksheet O-1, Revenue Requirement (row 40 in the 2013 model). This excludes costs in deferral and variance accounts. Note to Embedded Distributor(s), it also does not include Account 4750 - Low Voltage (LV) Costs.

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E	Difference in Base Dx Revenue 7(D)-7(B)
	Load Forecast (LF) X current approved rates	L.F. X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue	
Residential	\$ 15,624,862	\$ 16,116,239	\$ 17,485,046	\$ 1,260,532	\$ 1,860,184
GS < 50 kW	\$ 3,664,910	\$ 3,780,166	\$ 3,780,166	\$ 189,515	\$ 115,255
GS > 50 kW	\$ 8,970,881	\$ 9,253,000	\$ 7,876,921	\$ 139,194	\$ 1,093,959
Street Lighting	\$ 273,855	\$ 282,467	\$ 282,467	\$ 5,982	\$ 8,612
Sentinel Lighting	\$ 58,115	\$ 59,942	\$ 68,238	\$ 5,246	\$ 10,123
Unmetered Scattered Load (USL)	\$ 129,135	\$ 133,196	\$ 132,172	\$ 2,133	\$ 3,036
Total	\$ 28,721,758	\$ 29,625,010	\$ 29,625,010	\$ 1,602,603	\$ 903,252

Notes:

- 1 Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate
- 2 Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- 3 Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- 4 Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

Appendix 2-P Cost Allocation

C) Rebalancing Revenue-to-Cost (R/C) Ratios

Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year: 2014	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	%	%	%	%
Residential	85.00%	80.65	87.00	85 - 115
GS < 50 kW	109.09%	118.23	118.23	80 - 120
GS > 50 kW	145.83%	162.16	138.40	80 - 120
Street Lighting	70.00%	88.02	88.02	70 - 120
Sentinel Lighting	70.00%	70.97	80.00	80 - 120
Unmetered Scattered Load (USL)	101.51%	120.92	120.00	80 - 120

Notes

1 Previously Approved Revenue-to-Cost Ratios - For most applicants, Most Recent Year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006, the applicant should enter the ratios from their Informational Filing.

2 Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1. Status Quo means "Before Rebalancing".

D) Proposed Revenue-to-Cost Ratios

Class	Proposed Revenue-to-Cost Ratios			Policy Range
	2015	2016	2017	
	%	%	%	%
Residential	87.00%	89.00%	91.95%	85 - 115
GS < 50 kW	118.23	118.23%	118.23%	80 - 120
GS > 50 kW	138.40%	130.96%	120.00%	80 - 120
Street Lighting	88.02	88.02%	88.02%	70 - 120
Sentinel Lighting	80.00	80.00%	80.00%	80 - 120
Unmetered Scattered Load (USL)	120.00	120.00%	120.00%	80 - 120

Note

1 The applicant should complete Table D if it is applying for approval of a revenue to cost ratio in 2015 that is outside the Board's policy range for any customer class. Table (d) will show the information that the distributor would likely enter in the IRM model) in 2016. In 2015 Table (d), enter the planned ratios for the classes that will be 'Change' and 'No Change' in 2015 (in the current Revenue Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision – Cost Revenue Adjustment', column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

- The following table illustrates the fixed/variable revenue split corresponding to the revenue deficiency of (\$903,252) which has been adjusted for the estimated additional distribution revenues related to the 27 services in the NPC.

Revenue Deficiency = (903,252)						
Updated 2015 Projected Distribution Revenue at Proposed Rates						
Rate Class	Fixed Rate	Volumetric Rate	Fixed Revenue	Variable Revenue	Fixed %	Variable %
Residential	20.12	0.0150	11,365,280	6,119,766	65.00%	35.00%
General Service < 50 kW	46.55	0.0109	2,457,108	1,323,058	65.00%	35.00%
General Service > 50 kW	157.69	3.7527	1,657,627	6,219,294	21.04%	78.96%
Unmetered Scattered Load	19.99	0.0140	101,112	31,060	76.50%	23.50%
Sentinel Lighting	15.11	18.8520	54,947	13,291	80.52%	19.48%
Street Lighting	1.19	4.6061	184,890	97,577	65.46%	34.54%
			15,820,964	13,804,046		

	With NPC purchase		Impact	Without NPC Purchase		Impact	With NPC purchase adjusted for 27 new services		Change for adding 27 services
Rate Base									
2014 ending Net Fixed Assets	120,839,889			120,839,889			120,839,889		
2015 ending Net Fixed Assets	<u>127,421,623</u>		(807,206)	<u>126,614,417</u>			<u>127,421,623</u>		
Average Net Fixed Assets	124,130,756		(403,603)	123,727,153			124,130,756		
Working Capital Allowance Base	161,171,587			161,171,587		4,969	161,176,556		
Working Capital Allowance	13.0% 20,952,306			13.0% 20,952,306			13.0% 20,952,952		
Rate Base	145,083,062		(403,603)	144,679,459			145,083,708		646
Return On Rate Base									
Deemed Short-Term Debt %	4.00% 5,803,322			4.00% 5,787,178			4.00% 5,803,348		
Deemed Long-Term Debt %	56.00% 81,246,515			56.00% 81,020,497			56.00% 81,246,877		
Deemed Equity %	40.00% 58,033,225			40.00% 57,871,784			40.00% 58,033,483		
Short-Term Interest	2.16% 125,352			2.16% 125,003			2.16% 125,352		
Long-Term Interest	4.14% 3,363,606			4.14% 3,354,249			4.14% 3,363,621		
Return On Equity	9.30% 5,397,090			9.30% 5,382,076			9.30% 5,397,114		
Return On Rate Base	6.12% 8,886,047		(24,720)	6.12% 8,861,328		40	6.12% 8,886,087		40
Distribution Expenses & Taxes									
OM&A	17,021,918			17,021,918		5,019	17,026,937		
Amortization	5,094,111		(11,699)	5,082,412		-	5,094,111		
PILs/Taxes	220,468 <u>22,336,496</u>		2,178	222,646 <u>22,326,976</u>		8	220,476 <u>22,341,523</u>		5,027
Revenue Offsets	(1,602,522)			(1,602,522)		(81)	(1,602,603)		(81)
Distribution Revenue Requirement	29,620,022			29,585,782			29,625,008		4,986
<i>Distribution Revenue at Existing Rates</i>	<i>28,665,192</i>			<i>28,665,192</i>		56,565	<i>28,721,757</i>		
Revenue Sufficiency (Deficiency)	(954,830)		(34,240)	(920,590)			(903,251)		(51,579)
Revenue to Cost Ratio									
Residential	87.00%			87.00%			87.00%		
GS < 50 kW	118.41%			118.39%			118.23%		
GS >50	138.39%			138.40%			138.40%		
Sentinel Lights	80.00%			80.00%			80.00%		
Street Lighting	88.13%			88.20%			88.02%		
USL	120.00%			120.00%			120.00%		
Bill Impacts	\$	%					\$	%	
Residential	0.90	3.03%		0.88	2.96%		0.89	3.00%	
GS < 50 kW	(4.10)	-5.90%		-4.15	-5.97%		(4.25)	-6.12%	
GS >50	(303.78)	-32.22%		-304.65	-32.31%		(307.14)	-32.58%	
Sentinel Lights	2.46	16.62%		2.44	16.46%		2.45	16.54%	
Street Lighting	(0.07)	-4.21%		-0.07	-4.25%		(0.07)	-4.27%	
USL	(0.18)	-0.78%		-0.22	-0.96%		(0.19)	-0.83%	

Along with these undertakings, NPEI is filing a revised 2015_Cost_Allocation_Model_V3_2_with NPC estimate revenue, 2015_Test_year_Income_Tax_PILs_Workform_V3_with NPC estimate revenue and 2015_Rev_Reqt_Work_Form_V5_with NPC estimate revenue, all of which have been updated to reflect the impact of the estimated additional 27 NPC services.

4. UNDERTAKING NO. JT1.4: TO PROVIDE AN UPDATED CONTINUITY SCHEDULE FOR 2015.

Response

Please see below an updated Appendix 2-BA Fixed Asset Continuity 2015 including the carry forward of \$490,577 in gross additions added to account 1840 and an additional \$4,906 in accumulated depreciation added to account 1840.

CHANGE IN
OPENING
BALANCES

		UPDATED	UPDATED	UPDATED	UPDATED	UPDATED	UPDATED	UPDATED	UPDATED	UPDATED
		Cost				Accumulated Depreciation				
OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
1611	Computer Software (Formally known as Account 1925)	\$ 3,374,175	\$ 368,740		\$ 3,742,916	-\$ 2,865,618	-\$ 172,869		-\$ 3,038,488	\$ 704,428
1612	Land Rights (Formally known as Account 1906)	\$ -			\$ -	\$ -			\$ -	\$ -
1805	Land	\$ 507,273			\$ 507,273	\$ -			\$ -	\$ 507,273
1806	Land Rights	\$ 1,604,396			\$ 1,604,396	-\$ 925,261	-\$ 57,034		-\$ 982,295	\$ 622,101
1808	Buildings	\$ 111,638			\$ 111,638	-\$ 111,637	\$ -		-\$ 111,637	\$ - 1
1810	Leasehold Improvements	\$ -			\$ -	\$ -			\$ -	\$ -
1815	Transformer Station Equipment > 50 kV (1708, 1740, 1745)	\$ 3,833,013			\$ 3,833,013	-\$ 777,994	\$ 76,660		-\$ 854,654	\$ 2,978,359
1815	Transformer Station Equipment > 50 kV (1715, 1815)	\$ 1,535,543			\$ 1,535,543	-\$ 249,278	-\$ 36,851		-\$ 286,129	\$ 1,249,414
1815	Transformer Station Equipment > 50 kV (1716)	\$ 46,955			\$ 46,955	-\$ 47,860	\$ 905		-\$ 46,955	\$ 0
1815	Transformer Station Equipment > 50 kV (1717)	\$ 610,734			\$ 610,734	-\$ 214,406	-\$ 13,339		-\$ 227,745	\$ 382,989
1815	Transformer Station Equipment > 50 kV (1719)	\$ 625,179			\$ 625,179	\$ 263,660	\$ 35,747		-\$ 299,407	\$ 325,772
1820	Distribution Station Equipment <50 kV	\$ 4,239,170			\$ 4,239,170	-\$ 2,191,003	\$ 61,516		-\$ 2,252,520	\$ 1,986,650
1820	Distribution Station Equipment <50 Kv (1821)	\$ 2,619,866			\$ 2,619,866	-\$ 869,003	-\$ 81,222		-\$ 950,226	\$ 1,669,641
1825	Storage Battery Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
1830	Poles, Towers & Fixtures - Wood	\$ 42,310,535	\$ 2,219,067		\$ 44,529,603	-\$ 23,778,003	-\$ 460,546		-\$ 24,238,549	\$ 20,291,054
1830	Poles, Towers & Fixtures - (1831) Concrete	\$ 3,100,971			\$ 3,100,971	-\$ 1,307,748	-\$ 35,212		-\$ 1,342,960	\$ 1,758,011
1835	Overhead Conductors & Devices	\$ 24,655,836	\$ 1,164,812		\$ 25,820,649	-\$ 8,972,918	-\$ 299,353		-\$ 9,272,271	\$ 16,548,377
1835	Overhead Conductors & Devices (1836)	\$ 2,718,424	\$ 101,000		\$ 2,819,424	-\$ 1,348,676	-\$ 208,937		-\$ 1,557,613	\$ 1,261,810
1835	Overhead Conductors & Devices (1837)	\$ 2,660,793	\$ 30,162		\$ 2,690,955	-\$ 603,525	-\$ 84,210		-\$ 687,736	\$ 2,003,196
1840	Underground Conduit	\$ 10,793,125	\$ 1,327,447		\$ 12,120,571	-\$ 2,537,784	-\$ 203,015		-\$ 2,740,998	\$ 9,379,773
1845	Underground Conductors & Devices	\$ 66,750,122	\$ 2,444,065		\$ 69,194,187	-\$ 39,184,294	-\$ 1,240,021		-\$ 40,424,315	\$ 28,769,872
1845	Underground Conductors & Devices (1846)	\$ 2,210,839	\$ 561,196		\$ 2,772,036	-\$ 1,091,242	-\$ 61,092		-\$ 1,152,334	\$ 1,619,702
1850	Line Transformers (1850) Polemount	\$ 19,004,123	\$ 885,008		\$ 19,889,131	-\$ 13,415,289	-\$ 215,357		-\$ 13,630,646	\$ 6,258,485
1850	Line Transformers (1853) Padmount	\$ 19,603,996	\$ 662,260		\$ 20,266,256	-\$ 8,824,017	-\$ 547,748		-\$ 9,371,765	\$ 10,894,491
1855	Services (Overhead & Underground)	\$ 6,103,960	\$ 1,018,443		\$ 7,122,403	-\$ 1,541,644	-\$ 264,526		-\$ 1,806,171	\$ 5,316,232
1860	Meters	\$ 3,428,811	\$ 284,541		\$ 3,713,352	-\$ 1,151,744	-\$ 184,385		-\$ 1,336,129	\$ 2,377,223
1860	Meters (Smart Meters)	\$ 5,927,361	\$ 143,150		\$ 6,070,511	-\$ 1,442,514	-\$ 409,581		-\$ 1,852,095	\$ 4,218,415
1865	Other Installations on Customer's Premises	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
1875	Street Lighting and Signal Systems	\$ -			\$ -	\$ -			\$ -	\$ -
1905	Land	\$ 508,970			\$ 508,970	\$ -			\$ -	\$ 508,970
1908	Buildings & Fixtures	\$ 16,757,173	\$ 44,000		\$ 16,801,173	-\$ 2,949,363	-\$ 283,518		-\$ 3,232,881	\$ 13,568,293
1910	Leasehold Improvements	\$ 120,252			\$ 120,252	-\$ 120,252			-\$ 120,252	\$ -
1915	Office Furniture & Equipment (10 years)	\$ 1,651,565	\$ 32,824		\$ 1,684,388	-\$ 1,029,667	-\$ 110,019		-\$ 1,139,686	\$ 544,702
1915	Office Furniture & Equipment (5 years)	\$ -			\$ -	\$ -			\$ -	\$ -
1920	Computer Equipment - Hardware	\$ 1,257,769			\$ 1,257,769	-\$ 1,257,769			-\$ 1,257,769	\$ -
1920	Computer Equip.-Hardware(Post Mar. 22/04)	\$ 320,323			\$ 320,323	-\$ 315,054			-\$ 315,054	\$ 5,269
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 2,474,736	\$ 240,248		\$ 2,714,984	-\$ 1,692,320	-\$ 272,863		-\$ 1,965,183	\$ 749,801
1930	Transportation Equipment (1931)	\$ 705,984	\$ 114,086	-\$ 63,099	\$ 756,970	-\$ 432,198	\$ 76,721	\$ 63,099	-\$ 434,819	\$ 322,151
1930	Transportation Equipment (1932) Large Trucks	\$ 7,739,048	\$ 513,992	-\$ 250,482	\$ 8,002,558	-\$ 3,738,244	-\$ 341,100	\$ 250,482	-\$ 3,828,862	\$ 4,173,696
1930	Transportation Equipment (1933) Trailers	\$ 349,901	\$ 70,800		\$ 420,701	-\$ 235,561	-\$ 8,392		-\$ 243,948	\$ 176,758
1935	Stores, Equipment	\$ 284,057			\$ 284,057	-\$ 208,661	-\$ 9,770		-\$ 218,430	\$ 65,627
1940	Tools, Shop & Garage Equipment	\$ 2,022,339	\$ 60,803		\$ 2,083,141	-\$ 1,611,356	-\$ 81,710		-\$ 1,693,066	\$ 390,075
1945	Measurement & Testing Equipment	\$ 204,006	\$ 1,000		\$ 205,006	-\$ 186,352	-\$ 3,433		-\$ 189,785	\$ 15,221
1950	Power Operated Equipment	\$ -			\$ -	\$ -			\$ -	\$ -
1955	Communications Equipment	\$ 1,104,926	\$ 215,000		\$ 1,319,926	-\$ 212,809	-\$ 52,272		-\$ 265,082	\$ 1,054,844
1955	Communication Equipment (Smart Meters)	\$ -	\$ 1,000		\$ 1,000	\$ -			\$ -	\$ 1,000
1960	Miscellaneous Equipment	\$ 72,951	\$ -		\$ 72,951	-\$ 72,704	-\$ 258		-\$ 72,962	\$ 11
1970	Load Management Controls Customer Premises	\$ -	\$ -		\$ -	\$ -			\$ -	\$ -
1975	Load Management Controls Utility Premises	\$ -			\$ -	\$ -			\$ -	\$ -
1980	System Supervisor Equipment	\$ 128,961			\$ 128,961	-\$ 128,961			-\$ 128,961	\$ 0
1985	Miscellaneous Fixed Assets	\$ -			\$ -	\$ -			\$ -	\$ -
1990	Other Tangible Property	\$ -			\$ -	\$ -			\$ -	\$ -
1995	Contributions & Grants	\$ 22,484,705	\$ 827,800		\$ 23,312,505	\$ 7,151,215	\$ 883,252		\$ 8,034,468	\$ 15,278,038
2440	Deferred Revenue ⁶	\$ -			\$ -	\$ -			\$ -	\$ -
2005	2005-Property Under Capital Leases	\$ -			\$ -	\$ -			\$ -	\$ -
		\$ -			\$ -	\$ -			\$ -	\$ -
	Sub-Total	\$ 241,595,069	\$ 11,675,845	-\$ 313,581	\$ 252,957,333	-\$ 120,755,176	-\$ 5,094,111	\$ 313,581	-\$ 125,535,705	\$ 127,421,628
	Less Socialized Renewable Energy Generation Investments (input as negative)				\$ -				\$ -	\$ -
	Less Other Non Rate-Regulated Utility Assets (input as negative)				\$ -				\$ -	\$ -
	Total PP&E	\$ 241,595,069	\$ 11,675,845	-\$ 313,581	\$ 252,957,333	-\$ 120,755,176	-\$ 5,094,111	\$ 313,581	-\$ 125,535,705	\$ 127,421,628
	Depreciation Expense adj. from gain or loss on the retirement of assets (pool of like assets), if applicable ⁶									
	Total						-\$ 5,094,111			

5. UNDERTAKING NO. JT1.5: TO FILE AN UPDATED APPENDIX 2-JA.

Response

Please see below an updated Appendix 2-JA.

Appendix 2-JA

Summary of Recoverable OM&A Expenses

	Last Rebasing Year (2011 Board- Approved)	Last Rebasing Year (2011 Actuals)	2012 Actuals	2013 Actuals	2014 Bridge Year	2015 Test Year	2014 October Actuals excluding Prior Year Smart Meter entry	2014 Projected excluding prior year smart meter entry	2013 October Actuals	2013 Actuals with 12 months smart meter costs	Total 2014 vs Total 2013 excluding smart meters	Oct 2014 vs Oct 2013 with 10 months smart meter costs
Reporting Basis												
Operations	\$ 3,517,644	\$ 4,071,987	\$ 4,326,888	\$ 4,131,174	\$ 4,299,653	\$ 4,291,150	\$ 3,662,070	\$ 4,216,124	\$ 3,399,199	\$ 4,131,174	\$ 84,950	\$ 262,871
Maintenance	\$ 2,528,132	\$ 2,209,781	\$ 2,381,216	\$ 2,149,552	\$ 2,336,691	\$ 2,554,924	\$ 1,933,221	\$ 2,353,414	\$ 1,803,229	\$ 2,149,552	\$ 203,862	\$ 129,992
SubTotal	\$ 6,045,776	\$ 6,281,768	\$ 6,708,104	\$ 6,280,726	\$ 6,636,344	\$ 6,846,074	\$ 5,595,291	\$ 6,569,538	\$ 5,202,428	\$ 6,280,726	\$ 288,812	\$ 392,863
%Change (year over year)			6.8%	-6.4%	5.7%	3.2%	7.6%	4.6%				
%Change (Test Year vs Last Rebasing Year - Actual)						9.0%						
Billing and Collecting	\$ 3,913,667	\$ 3,875,994	\$ 3,697,637	\$ 3,735,692	\$ 6,193,652	\$ 5,609,882	\$ 3,904,605	\$ 4,693,893	\$ 3,406,235	\$ 4,046,941	\$ 646,952	\$ 498,370
Community Relations	\$ 81,464	\$ 60,687	\$ 79,068	\$ 81,554	\$ 85,525	\$ 69,600	\$ 73,136	\$ 78,028	\$ 72,738	\$ 81,554	-\$ 3,526	\$ 398
Administrative and General	\$ 4,035,775	\$ 3,888,611	\$ 4,284,082	\$ 4,054,337	\$ 4,342,309	\$ 4,496,362	\$ 3,621,301	\$ 4,343,648	\$ 3,372,354	\$ 4,054,337	\$ 289,311	\$ 248,947
SubTotal	\$ 8,030,906	\$ 7,825,292	\$ 8,060,787	\$ 7,871,583	\$ 10,621,486	\$ 10,175,844	\$ 7,599,042	\$ 9,115,569	\$ 6,851,327	\$ 8,182,832	\$ 932,737	\$ 747,715
%Change (year over year)			3.0%	-2.3%	34.9%	-4.2%	10.9%	15.8%				
%Change (Test Year vs Last Rebasing Year - Actual)						30.0%						
Total	\$ 14,076,682	\$ 14,107,060	\$ 14,768,891	\$ 14,152,309	\$ 17,257,830	\$ 17,021,918	\$ 13,194,333	\$ 15,685,107	\$ 12,053,755	\$ 14,463,558	\$ 1,221,549	\$ 1,140,578
%Change (year over year)			4.7%	-4.2%	21.9%	-1.4%	9.5%	10.8%			8.4%	9.5%

**6. UNDERTAKING NO. JT1.6: TO PROVIDE THE AMOUNT THE UTILITY
RECEIVED FROM THE CITY FOR WATER BILLING AND WATER COSTS
INCURRED BY THE UTILITY.**

Response

NPEI has included in Appendix C the monthly water billing spreadsheet for 2013. The spreadsheet illustrates the water revenues billed in each month for water and sewer monthly service charge, volumetric charge, flat rate charges and any rebates. The water supervision, water billing labour and direct water meter reading costs as recorded in the water expense accounts are also illustrated. Each month NPEI paid \$1.8M to the City of Niagara Falls for water and sewer billing. At the end of each quarter, NPEI trued-up the balance owing to the City net of labour, meter reading, interest, administration and HST less the water accounts receivable balance. At year end, NPEI moved all balance sheet balances related to water to its affiliate Niagara Falls Hydro Services Inc. At the end of 2013, water supervision recovered totaled \$120,172, water direct labour recovered totaled \$475,829 and water administration recovered totaled \$303,118. Note water revenues billed by NPEI related to water collection charges (\$42,032), late payment charges (\$126,184) and water occupancy change charges (\$24,867) are excluded from the monthly water billing spreadsheet as these revenues were retained by NPEI. These amounts were shown on IRR #118 4-Energy Probe-25 and have been included again below.

[illegible]

In the last column of the above spreadsheet, there was an error in the formula whereby, the (\$496,205) subtracted the \$47,601 and should have added the \$47,601 resulting in a net impact of \$811,325. Below is an updated spreadsheet corrected for the error in the formula.

[illegible]

The table below illustrates the net impact of the stranded water billing activities of \$915,606 on the 2015 test year revenue requirement.

	Impact on Revenue Requirement		
	Undertaking filing Actuals 2013	Undertaking filing Actuals 2013 Cash basis	Interrogatory filing Actuals 2013 Cash basis
OM&A impact			
Water expenses deducted from quarterly water payments to the City of Niagara Falls - 100% recovery			
Supervision	120,172.15	120,172.15	120,172.15
Reduction of cashier and temporary services	(129,000.00)	(129,000.00)	(129,000.00)
Water direct labour	475,829.34	475,829.34	475,829.34
	467,001.49	467,001.49	467,001.49
Billing clerk retired in 2013	-	(104,280.00)	(104,280.00)
Billing & Customer Service Labour remaining in 2015 OM&A	467,001.49	362,721.49	362,721.49
Water expenses related to the \$4.20 per water only bill	337,184.00	337,184.00	337,184.00
Postage & envelopes related to water only bills	(47,601.00)	(47,601.00)	(47,601.00)
Billing & G&A Expenses remaining in 2015 OM&A	289,583.00	289,583.00	289,583.00
Total OM&A impact	756,584.49	652,304.49	652,304.49
Revenue Offset impact			
Water revenues in Account 4375 Revenue Offsets			
Water collection revenues	42,032.00	42,032.00	42,032.00
Water Late payment revenues	126,184.00	126,184.00	126,184.00
Water occupancy change charge revenues	24,867.00	24,867.00	24,867.00
Difference between actual \$4.20 revenue collected and actual water expenses related to the \$4.20 per water only bill	(34,062.00)	(34,062.00)	(34,062.00)
Water revenues no longer received as revenue offsets	159,021.00	159,021.00	159,021.00
Total water impact on Revenue Requirement	915,605.49	811,325.49	811,325.49
Savings related to postage & envelopes related to water only bills were originally subtracted and should have been added	-	-	47,601
	-	-	47,601
	915,605.49	811,325.49	906,527.49

7. UNDERTAKING NO. JT1.7: TO PROVIDE A REFERENCE AS TO WHERE IN THE EVIDENCE IN THE PREVIOUS COST-OF-SERVICE APPLICATION, EB-2010-0138, THE DEPRECIATION EXPENSE CALCULATION BASED ON THE HALF-YEAR RULE IS SHOWN.

Response

Please see Appendix D which includes excerpts from the 2011 cost of service rate application related to the half year rule for depreciation.

8. UNDERTAKING NO. JT1.8: TO FILE UPDATED COST ALLOCATION AND RATE DESIGN IMPACTS BASED ON THE TECHNICAL CONFERENCE.

Response

NPEI has filed an updated Cost Allocation Model in excel and bill impacts for the changes noted in JT 1.1 above. See Appendix E for bill impacts for all rate classes updated for the technical conference. NPEI has updated Chapter 2 Appendices –Appendix 2-P below revenue to cost ratios for all changes noted in JT 1.1. Also, below is an updated fixed/variable revenue split for the changes noted in JT1.1.

Appendix 2-P Cost Allocation

Please complete the following four tables.

A) Allocated Costs

Classes	Costs Allocated from Previous Study	%	Costs Allocated in Test Year Study (Column 7A)	%
Residential	\$ 21,014,764	66.12%	\$ 21,555,302	69.04%
GS < 50 kW	\$ 3,602,085	11.33%	\$ 3,352,993	10.74%
GS > 50 kW	\$ 6,500,897	20.46%	\$ 5,782,475	18.52%
Street Lighting	\$ 376,122	1.18%	\$ 327,883	1.05%
Sentinel Lighting	\$ 145,569	0.46%	\$ 91,919	0.29%
Unmetered Scattered Load (USL)	\$ 141,174	0.44%	\$ 111,973	0.36%
Total	\$ 31,780,610	100.00%	\$ 31,222,544	100.00%

Notes

- 1 Customer Classification - If proposed rate classes differ from those in place in the previous Cost Allocation study, modify the rate classes to match the current application as closely as possible.
- 2 Host Distributors - Provide information on embedded distributor(s) as a separate class, if applicable. If embedded distributor(s) are billed as customers in a General Service class, include the allocated cost and revenue of the embedded distributor(s) in the applicable class. Also complete Appendix 2-Q.
- 3 Class Revenue Requirements - If using the Board-issued model, in column 7A enter the results from Worksheet O-1, Revenue Requirement (row 40 in the 2013 model). This excludes costs in deferral and variance accounts. Note to Embedded Distributor(s), it also does not include Account 4750 - Low Voltage (LV) Costs.

B) Calculated Class Revenues

Classes (same as previous table)	Column 7B	Column 7C	Column 7D	Column 7E	Difference in Base Dx Revenue 7(D) - 7(B)
	Load Forecast (LF) X current approved rates	L.F. X current approved rates X (1 + d)	LF X proposed rates	Miscellaneous Revenue	
Residential	\$ 15,624,862	\$ 16,145,322	\$ 17,491,818	\$ 1,261,294	\$ 1,866,956
GS < 50 kW	\$ 3,659,015	\$ 3,780,896	\$ 3,780,896	\$ 189,243	\$ 121,881
GS > 50 kW	\$ 8,920,210	\$ 9,217,340	\$ 7,863,812	\$ 138,617	-\$ 1,056,398
Street Lighting	\$ 273,855	\$ 282,977	\$ 282,977	\$ 5,984	\$ 9,122
Sentinel Lighting	\$ 58,115	\$ 60,051	\$ 68,285	\$ 5,250	\$ 10,170
Unmetered Scattered Load (USL)	\$ 129,135	\$ 133,437	\$ 132,234	\$ 2,134	\$ 3,098
Total	\$ 28,665,192	\$ 29,620,022	\$ 29,620,022	\$ 1,602,522	\$ 954,830

Notes:

- 1 Columns 7B to 7D - LF means Load Forecast of Annual Billing Quantities (i.e. customers or connections X 12, (kWh or kW, as applicable). Revenue Quantities should be net of Transformer Ownership Allowance. Exclude revenue from rate adders and rate
- 2 Columns 7C and 7D - Column total in each column should equal the Base Revenue Requirement
- 3 Columns 7C - The Board cost allocation model calculates "1+d" in worksheet O-1, cell C21. "d" is defined as Revenue Deficiency/ Revenue at Current Rates.
- 4 Columns 7E - If using the Board-issued Cost Allocation model, enter Miscellaneous Revenue as it appears in Worksheet O-1, row 19.

Appendix 2-P Cost Allocation

C) Rebalancing Revenue-to-Cost (R/C) Ratios

Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year: 2014	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	%	%	%	%
Residential	85.00%	80.75	87.00	85 - 115
GS < 50 kW	109.09%	118.41	118.41	80 - 120
GS > 50 kW	145.83%	161.80	138.39	80 - 120
Street Lighting	70.00%	88.13	88.13	70 - 120
Sentinel Lighting	70.00%	71.04	80.00	80 - 120
Unmetered Scattered Load (USL)	101.51%	121.07	120.00	80 - 120

Notes

1 Previously Approved Revenue-to-Cost Ratios - For most applicants, Most Recent Year would be the third year of the IRM 3 period, e.g. if the applicant rebased in 2009 with further adjustments over 2 years, the Most recent year is 2011. For applicants whose most recent rebasing year is 2006, the applicant should enter the ratios from their Informational Filing.

2 Status Quo Ratios - The Board's updated Cost Allocation Model yields the Status Quo Ratios in Worksheet O-1. Status Quo means "Before Rebalancing".

D) Proposed Revenue-to-Cost Ratios

Class	Proposed Revenue-to-Cost Ratios			Policy Range
	2015	2016	2017	
	%	%	%	%
Residential	87.00%	89.00%	91.93%	85 - 115
GS < 50 kW	118.41	118.41%	118.41%	80 - 120
GS > 50 kW	138.39%	130.94%	120.00%	80 - 120
Street Lighting	88.13	88.13%	88.13%	70 - 120
Sentinel Lighting	80.00	80.00%	80.00%	80 - 120
Unmetered Scattered Load (USL)	120.00	120.00%	120.00%	80 - 120

Note

1 The applicant should complete Table D if it is applying for approval of a revenue to cost ratio in 2015 that is outside the Board's policy range for any customer class. Table (d) will show the information that the distributor would likely enter in the IRM model) in 2016. In 2015 Table (d), enter the planned ratios for the classes that will be 'Change' and 'No Change' in 2015 (in the current Revenue Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision – Cost Revenue Adjustment', column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

The table below illustrates the fixed/variable revenue split corresponding to the (\$954,830) revenue deficiency.

Updated Fixed/Variable Revenue split for (\$954,830) revenue deficiency

	Revenue Deficiency = (954,830)					
Updated 2015 Projected Distribution Revenue at Proposed Rates						
Rate Class	Fixed Rate	Volumetric Rate	Fixed Revenue	Variable Revenue	Fixed %	Variable %
Residential	20.13	0.0150	11,369,682	6,122,136	65.00%	35.00%
General Service < 50 kW	46.70	0.0109	2,457,582	1,323,314	65.00%	35.00%
General Service > 50 kW	158.31	3.7566	1,637,588	6,226,225	20.82%	79.18%
Unmetered Scattered Load	20.00	0.0140	101,159	31,074	76.50%	23.50%
Sentinel Lighting	15.12	18.8650	54,984	13,300	80.52%	19.48%
Street Lighting	1.19	4.6145	185,223	97,754	65.46%	34.54%
			15,806,218	13,813,803		

9. UNDERTAKING NO. JT1.9: TO PROVIDE AN UPDATED RTSR MODEL.

Response

NPEI has filed an updated RTSR model that includes the updated UTR rates for 2015 to reflect the EB-2014-0357 Rate Order dated January 8, 2015. The table below shows the impact of the approved UTRs.

Transmission - Network	Rate Class	2015	2015 - Interrogatory Responses		2015 - Technical Conference		Difference
		Volume	Rate	Amount	Rate	Amount	Amount
kWh	Residential	426,602,336	0.0076	3,237,603	0.0076	3,223,310	(14,293)
kWh	General Service < 50 kW	126,837,721	0.0069	870,302	0.0068	866,460	(3,842)
kW	General Service > 50	1,771,675	2.8297	5,013,232	2.8172	4,991,100	(22,132)
kWh	Unmetered Scattered Load	2,321,201	0.0069	15,927	0.0068	15,857	(70)
kW	Sentinel Lighting	705	2.0951	1,477	2.0858	1,471	(6)
kW	Street Lighting	21,184	2.1391	45,316	2.1297	45,116	(200)
	TOTAL			9,183,857		9,143,312	(40,545)
Transmission - Connection	Rate Class	Volume	2015 - Interrogatory Responses		2015 - Technical Conference		
			Rate	Amount	Rate	Amount	
kWh	Residential	426,602,336	0.0053	2,254,256	0.0053	2,248,559	(5,697)
kWh	General Service < 50 kW	126,837,721	0.0047	589,809	0.0046	588,318	(1,491)
kW	General Service > 50	1,771,675	1.8460	3,270,488	1.8413	3,262,222	(8,266)
kWh	Unmetered Scattered Load	2,321,201	0.0047	10,794	0.0046	10,767	(27)
kW	Sentinel Lighting	705	1.5425	1,087	1.5386	1,085	(2)
kW	Street Lighting	21,184	1.4183	30,045	1.4147	29,969	(76)
	TOTAL			6,156,479		6,140,919	(15,560)
	Total Transmission			15,340,336		15,284,231	(56,105)

10. UNDERTAKING NO. JT1.10: TO FILE A FINAL VERSION OF ALL THE TABLES IN CHAPTER 2.

Response

NPEI has filed an updated Chapter 2 Appendices. All green highlighted tabs represent the updated tables as a result of the technical conference.

11. UNDERTAKING NO. JT1.11: TO CONFIRM WHETHER THE FAIR MARKET VALUE BUMP ADJUSTS THE NUMBERS, AND IF SO, WHAT THE MAGNITUDE OF THAT ADJUSTMENT WOULD BE, AND TO PROVIDE THE ACTUAL RATES

OF RETURN BASED ON THE ACTUAL CAPITAL STRUCTURE OF THE UTILITY.

Response

NPEI confirms that in the tables filed in response to Interrogatory #146 5-VECC-39, all impacts of the Fair Market Value Bump have been removed.

The table below provides a summary of NPEI's rates of return for 2011-2014, calculated as follows:

- Regulated income excluding all FMV Bump impacts, as per response to 5-VECC-39
- Regulated income excluding all FMV Bump impacts, but using NPEI's actual interest expense and actual debt/equity ratio
- Actual income including the impact of FMV Bump, actual interest expense and actual debt/equity ratio including FMV Bump assets and equity

Return on Equity	2011	2012	2013	2014 Projected
Regulated income, FMV Bump excluded	8.0%	6.6%	6.7%	3.8%
Regulated income, FMV Bump excluded, actual debt/equity	4.5%	5.9%	5.7%	4.1%
Actual income including FMV Bump, actual debt/equity	2.5%	3.1%	1.7%	1.7%

The tables below show the details of NPEI's rate of return based on excluding the impact of the FMV Bump, but using NPEI's actual interest and debt/equity levels. This is line two of the table noted above.

	2011		2012	
	Updated using the 2013 template		Updated using the 2013 template	
Regulatory Net Income Calculation:				
Net Income per Financial Statements	✓	\$ 2,311,889	✓	\$ 2,751,369
Remove:				
Depreciation expense on FMV Bump	✓	\$ 1,086,669	✓	\$ 1,137,424
Net repayment of PILs effective October 2012		\$ 0		\$ 365,815
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 3,398,558		\$ 4,254,608
Remove:				
Future/deferred taxes		\$ 0		\$ 0
Non rate regulated items		\$ 0		\$ 0
Adjustment to interest expense - for deemed debt		\$ 0		\$ 0
Adjusted regulated net income	✓	\$ 3,398,558	✓	\$ 4,254,608
Actual Equity Calculation:				
Rate Base:				
Cost of power	✓	\$ 114,642,681	✓	\$ 121,234,036
Operating expenses	✓	\$ 16,975,809	✓	\$ 17,468,062
Total		\$ 131,618,491		\$ 138,702,098
Working capital allowance %		15%		15%
Total working capital allowance		\$ 19,742,774		\$ 20,805,315
Fixed Assets				
Opening balance - regulated fixed assets (NBV)	✓	\$ 100,033,163	✓	\$ 101,075,768
Closing balance - regulated fixed assets (NBV)	✓	\$ 101,075,768	✓	\$ 103,934,202
Average regulated fixed assets		\$ 100,554,465		\$ 102,504,985
Total rate base		\$ 120,297,239		\$ 123,310,300
Actual short-term debt	0%	\$ 0	0%	\$ 0
Actual long-term debt	38%	\$ 45,538,759	41%	\$ 50,646,636
Actual equity	62%	\$ 74,758,480	59%	\$ 72,663,663
		\$ 120,297,239		\$ 123,310,300
Actual Rate of Return on Equity				
	✓	4.5%	✓	5.9%
ROE% from most recent cost of service application	last approved EDR	9.58%	last approved EDR	9.58%
Difference - maximum deadband 3%		-5.03%		-3.72%

	2013		2014 Projected	
Regulatory Net Income Calculation:				
Net Income per Financial Statements		█ \$ 1,458,180		█ \$ 1,595,251
Remove:				
Depreciation expense on FMV Bump		█ \$ 1,132,277		\$ 1,099,112
Net repayment of PILs effective October 2012		█ \$ 1,554,749		\$ 632,525
Regulated net income, as per RRR 2.1.13 reconciliation		█ \$ 4,145,206		█ \$ 3,326,888
Remove:				
Future/deferred taxes		\$ 0		\$ 0
Non rate regulated items		\$ 0		\$ 0
Adjustment to interest expense - for deemed debt		\$ 0		\$ 0
Adjusted regulated net income		█ <u>\$ 4,145,206</u>		█ <u>\$ 3,326,888</u>
Actual Equity Calculation:				
Rate Base:				
Cost of power		█ \$ 130,559,982		█ \$ 137,756,785
Operating expenses		█ \$ 16,598,017		█ \$ 19,500,685
Total		\$ 147,157,999		\$ 157,257,470
Working capital allowance %		15%		15%
Total working capital allowance		\$ 22,073,700		\$ 23,588,620
Fixed Assets				
Opening balance - regulated fixed assets (NBV)	█ \$ 103,934,202		█ \$ 111,460,559	
Closing balance - regulated fixed assets (NBV)	█ \$ 111,460,559		█ \$ 120,839,893	
Average regulated fixed assets	\$ 107,697,380	\$ 107,697,380	\$ 116,150,226	\$ 116,150,226
Total rate base		█ <u>\$ 129,771,080</u>		█ <u>\$ 139,738,847</u>
Actual short-term debt	0%	\$ 0	0%	\$ 0
Actual long-term debt	44%	\$ 56,743,139	42%	\$ 59,186,493
Actual equity	56%	\$ 73,027,942	58%	\$ 80,552,354
		\$ 129,771,080		\$ 139,738,847
Actual Rate of Return on Equity				
		█ 5.7%		█ 4.1%
ROE% from most recent cost of service application	last approved EDR	9.58%	last approved EDR	9.58%
Difference - maximum deadband 3%		-3.90%		-5.45%

The tables below show the details of NPEI's rate of return based on including all elements of the FMV Bump, and using NPEI's actual interest and debt/equity levels.

Below is an updated Table 5-1 which includes the Contributed Surplus and the life to date impact of the depreciation expense related to the FMV bump on assets on retained earnings.

Table 5-1 updated to include the FMV bump							
Capital Structure Deemed vs Actual							
	Exclude FMV	Exclude FMV					Exclude FMV
	2010 Actual	2011 Board Approved	2011 Actual	2012 Actual	2013 Actual	2014 Bridge	2015 Test
	NPEI	NPEI	NPEI	NPEI	NPEI	NPEI	NPEI
Long Term Debt including current portion	41,356,335	66,964,501	39,239,365	47,027,846	54,714,362	52,844,734	59,329,659
Short Term Debt	-	4,783,179	-	-	-	-	-
Common Equity	61,518,553	47,831,787	81,483,961	83,035,330	83,293,509	84,797,856	76,139,690
Actual Debt/Equity							
Long Term Debt Ratio	40%	56%	33%	36%	40%	38%	44%
Short Term Debt Ratio	0%	4%	0%	0%	0%	0%	0%
Equity Ratio	60%	40%	67%	64%	60%	62%	56%

Per Audited Financial Statements	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Liabilities and Shareholders' Equity						
Current liabilities:						
Accounts payable and accrued liabilities	15,473,628	14,559,095	17,050,910	12,563,424	14,930,359	16,027,939
Due to affiliated companies - note 2	-	-	7,057,380	7,076,931	6,604,304	6,931,923
Payments in lieu of corporate income taxes payable	6,913,022	7,513,902	-	-	420,248	-
Current portion of customer deposits	709,338	700,199	703,755	956,994	920,248	871,903
Current portion of capital lease	-	-	-	-	-	47,177
Current portion of long-term liabilities - note 4	1,869,628	2,313,484	2,211,519	2,116,973	1,576,810	10,286,548
	24,965,616	25,086,680	27,023,564	22,714,322	24,452,719	34,165,490
Long-term liabilities:						
Long term debt - note 4	52,844,734	44,714,362	37,027,846	39,239,362	37,468,835	29,842,316
Customer deposits	746,673	737,534	741,089	994,329	1,135,265	1,085,030
Employees' accumulated vested sick leave	112,861	168,533	196,738	213,467	198,757	185,679
Employee future benefits - note 11	3,886,289	3,778,345	3,710,564	3,657,023	3,612,877	3,571,160
Regulatory liabilities - note 10	4,107,313	2,894,654	3,764,714	7,616,488	7,629,013	4,960,259
	61,697,871	52,293,428	45,440,952	51,720,669	50,044,747	39,644,444
Shareholders' Equity						
Share capital - note 5	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882
Contributed surplus	25,459,207	25,459,207	25,459,207	25,459,207	25,459,207	25,459,207
Retained earnings	26,588,420	26,330,241	24,778,872	22,966,983	20,933,183	18,760,559
	83,293,509	83,035,330	81,483,961	79,672,072	77,638,272	75,465,648
Contingent Liabilities - note 8	169,956,995	160,415,438	153,948,476	154,107,064	152,135,738	149,275,582
	2008 Without FMV Bump	2008 With FMV bump			2011 Without FMV Bump	2011 With FMV bump
3005 Common Shares Issued	31,245,882	31,245,882		3005 Common Shares Issued	31,245,882	31,245,882
3010 Contributed Surplus	-	18,753,902		3010 Contributed Surplus	-	18,753,902
3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305		3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305
3040 Appropriated Retained Earnings	13,764,077	16,667,617		3040 Appropriated Retained Earnings	23,567,366	22,966,983
3049 Dividends payable - Common Shares	(500,000)	(500,000)		3049 Dividends payable - Common Shares	(500,000)	(500,000)
3046 Balance Transferred from Income	2,592,941	2,592,941		3046 Balance Transferred from Income	2,311,889	2,311,889
FMV Depreciation expense current year	1,161,103	-		FMV Depreciation expense current year	1,086,669	-
	54,969,309	75,465,647			64,417,111	81,483,961
	2009 Without FMV Bump	2009 With FMV bump			2012 Without FMV Bump	2012 With FMV bump
3005 Common Shares Issued	31,245,882	31,245,882		3005 Common Shares Issued	31,245,882	31,245,882
3010 Contributed Surplus	-	18,753,902		3010 Contributed Surplus	-	18,753,902
3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305		3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305
3040 Appropriated Retained Earnings	17,018,122	18,760,558		3040 Appropriated Retained Earnings	26,465,924	24,778,872
3049 Dividends payable - Common Shares	(500,000)	(500,000)		3049 Dividends payable - Common Shares	(1,200,000)	(1,200,000)
3046 Balance Transferred from Income	2,672,653	2,672,625		3046 Balance Transferred from Income	2,751,369	2,751,369
FMV Depreciation expense current year	1,108,989	-		FMV Depreciation expense current year	1,137,424	-
	58,250,951	77,638,272		Net Payment in lieu of taxes repayment	365,815	-
					67,471,719	83,035,330
	2010 Without FMV Bump	2010 With FMV bump			2013 Without FMV Bump	2013 With FMV bump
3005 Common Shares Issued	31,245,882	31,245,882		3005 Common Shares Issued	31,245,882	31,245,882
3010 Contributed Surplus	-	18,753,902		3010 Contributed Surplus	-	18,753,902
3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305		3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305
3040 Appropriated Retained Earnings	20,299,764	20,933,183		3040 Appropriated Retained Earnings	29,520,532	26,330,241
3049 Dividends payable - Common Shares	(500,000)	(500,000)		3049 Dividends payable - Common Shares	(1,200,000)	(1,200,000)
3046 Balance Transferred from Income	2,533,800	2,533,800		3046 Balance Transferred from Income	1,458,179	1,458,179
FMV Depreciation expense current year	1,233,802	-		FMV Depreciation expense current year	1,132,277	-
	61,518,553	79,672,072		Net Payment in lieu of taxes repayment	1,554,749	-
					70,416,924	83,293,509
	2014 Without FMV Bump	2014 With FMV bump			2015 Without FMV Bump	2015 With FMV bump
3005 Common Shares Issued	31,245,882	31,245,882		3005 Common Shares Issued	31,245,882	31,245,882
3010 Contributed Surplus	-	18,753,902		3010 Contributed Surplus	-	18,753,902
3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305		3047 Appropriations of Retained Earnings - current	6,705,305	6,705,305
3040 Appropriated Retained Earnings	32,465,737	26,588,420		3040 Appropriated Retained Earnings	33,970,083	28,092,767
3049 Dividends payable - Common Shares	(1,200,000)	(1,200,000)		3049 Dividends payable - Common Shares	(1,200,000)	(1,200,000)
3046 Balance Transferred from Income	2,704,347	2,704,347		3046 Balance Transferred from Income	5,418,420	-
FMV Depreciation expense current year	-	-		FMV Depreciation expense current year	-	-
Net Payment in lieu of taxes repayment	-	-			76,139,690	83,597,856
	71,921,270	84,797,856				

	2011		2012	
	Updated using the 2013 template		Updated using the 2013 template	
Regulatory Net Income Calculation:				
Net Income per Financial Statements		\$ 2,311,889		\$ 2,751,369
Remove:				
Depreciation expense on FMV Bump		\$ 0		
Net repayment of PILs effective October 2012		\$ 0		
Regulated net income, as per RRR 2.1.13 reconciliation		\$ 2,311,889		\$ 2,751,369
Remove:				
Future/deferred taxes		\$ 0		
Non rate regulated items		\$ 0		
Adjustment to interest expense - for deemed debt		\$ 0		
Actual net income		\$ 2,311,889		\$ 2,751,369
Actual Equity Calculation:				
Rate Base:				
Cost of power		\$ 114,642,681		\$ 121,234,036
Operating expenses		\$ 16,975,809		\$ 17,468,062
Total		\$ 131,618,491		\$ 138,702,098
Working capital allowance %		15%		15%
Total working capital allowance		\$ 19,742,774		\$ 20,805,315
Fixed Assets				
Opening balance - fixed assets (NBV)	\$ 118,186,710		\$ 118,142,646	
Closing balance - fixed assets (NBV)	\$ 118,142,646		\$ 119,863,656	
Average fixed assets	\$ 118,164,678	\$ 118,164,678	\$ 119,003,151	\$ 119,003,151
Total rate base		\$ 137,907,451		\$ 139,808,466
Actual short-term debt	0%	\$ 0	0%	\$ 0
Actual long-term debt	33%	\$ 44,824,816	36%	\$ 50,551,518
Actual equity	67%	\$ 93,082,636	64%	\$ 89,256,948
		\$ 137,907,451		\$ 139,808,466
Actual Rate of Return on Equity with FMV Bump				
		2.5%		3.1%
ROE% from most recent cost of service application last approved EDR		9.58%	last approved EDR	9.58%
Difference - maximum deadband 3%		-7.10%		-6.50%

	2013	2014 Projected
Regulatory Net Income Calculation:		
Net Income per Financial Statements	\$ 1,458,180	\$ 1,595,251
Remove:		
Depreciation expense on FMV Bump		
Net repayment of PILs effective October 2012		
Regulated net income, as per RRR 2.1.13 reconciliation	\$ 1,458,180	\$ 1,595,251
Remove:		
Future/deferred taxes		
Non rate regulated items		
Adjustment to interest expense - for deemed debt		
Actual net income	\$ 1,458,180	\$ 1,595,251
Actual Equity Calculation:		
Rate Base:		
Cost of power	\$ 130,559,982	\$ 137,756,785
Operating expenses	\$ 16,598,017	\$ 19,500,685
Total	\$ 147,157,999	\$ 157,257,470
Working capital allowance %	15%	15%
Total working capital allowance	\$ 22,073,700	\$ 23,588,620
Fixed Assets		
Opening balance - fixed assets (NBV)	\$ 119,863,656	\$ 126,257,736
Closing balance - fixed assets (NBV)	\$ 126,257,736	\$ 134,537,306
Average fixed assets	\$ 123,060,696	\$ 130,397,521
Total rate base	\$ 145,134,396	\$ 153,986,142
Actual short-term debt	0% \$ 0	0% \$ 0
Actual long-term debt	40% \$ 57,539,732	38% \$ 59,119,468
Actual equity	60% \$ 87,594,664	62% \$ 94,866,673
	\$ 145,134,396	\$ 153,986,142
Actual Rate of Return on Equity with FMV Bump	1.7%	1.7%
ROE% from most recent cost of service application	last approved EDR 9.58%	last approved EDR 9.58%
Difference - maximum deadband 3%	-7.92%	-7.90%

12. UNDERTAKING NO. JT1.12: TO PROVIDE A TABLE SHOWING THE INCREMENTAL COSTS THAT HAVE BEEN INCURRED DUE TO THE IMPLEMENTATION OF SMART METERS.

Response

Please see the table below.

Smart Meter Incremental Annual Costs for 2015	
	2015
2 Smart meter co-ordinators	188,000
Automated Smart Meter reading expenses	200,000
Smart meter security audit	60,000
Noted in Original rate filing EX 4/T1/S1/page 4 of 5	448,000
ODS (Operational Data Storage) operation VECC IRR #61(TC)	69,735
Manual meter reading services prior to smart meters	(234,600)
	<u>283,135</u>

13. UNDERTAKING NO. JT1.13: TO PROVIDE AN UPDATE OF THE TABLE PROVIDED IN RESPONSE TO 4 STAFF 40 WITH RESPECT TO OPEBS AND TO PROVIDE THE CASH CONTRIBUTION AMOUNT, VERSUS THE AMOUNTS INCLUDED IN RATES ON AN ACCRUAL BASIS FROM THE YEAR THAT NPEI FIRST STARTED RECOVERING FOR OPEBS.

Response

Please see the table below which has been updated to reflect the premiums paid plus the change in OPEB accrual in rates. The actual premiums paid, by year, excluding any change in the OPEB accrual has also been updated from the table submitted with NPEI's interrogatory responses.

Prior to the merger between the former Niagara Falls Hydro and the former Peninsula West Utilities, only Niagara Falls Hydro employees had other post employee benefits. The OPEB amounts included in the Niagara Falls Hydro customers rates from 2006 to 2010 have been added to the table. The 2006 EDR rate application was based on the 2004 actual balances for Niagara Falls Hydro only. An estimated OM&A versus capital split of 83%|17% was used for the 2006 OPEB amounts included in rates based on the 2004 actuals.

Upon the merger date of January 1, 2008, the Peninsula West Utility employees were added to the actuarial valuation however rate recovery was only from the Niagara Falls Hydro customers until 2011 when the rates were harmonized.

An estimated OM&A versus capital split of 80%|20% was used for the 2011 amounts included in rates based on the 2011 test year.

	2006 EDR distribution expenses are based on 2004 Actuals		PWU ee's were added to OPEB January 1, 2008				2011 COS rate Application						
OPEBs	First year of recovery 2006 for NFHYDRO only customers	Total 2007 for NFHYDRO only customers	Total 2008 for NFHYDRO only customers	Total 2009 for NFHYDRO only customers	Total 2010 for NFHYDRO only customers	Total for NFHYDRO only customers	First year of recovery 2011 ALL NPEI customers	2012	2013	2014	2015	Total 2011 to 2015	Total 2006 to 2015
Amounts included in rates	167,739	167,739	167,739	167,739	167,739		237,000	237,000	237,000	237,000	273,909		
OM&A	139,223	139,223	139,223	134,191	134,191	686,053	189,600	189,600	189,600	189,600	199,570	957,970	1,644,023
Capital expenditures	28,516	28,516	28,516	33,548	33,548	152,642	47,400	47,400	47,400	47,400	74,339	263,939	416,581
Sub-total	167,739	167,739	167,739	167,739	167,739	838,695	237,000	237,000	237,000	237,000	273,909	1,221,909	2,060,604
Paid benefit amounts	134,053	136,215	160,049	175,725	185,644	791,686	188,372	206,208	199,830	166,774	172,000	933,184	1,724,870
Net excess amount included in rates greater than amounts actually paid	33,686	31,524	7,690	(7,986)	(17,905)	47,009	48,628	30,792	37,170	70,226	101,909	288,725	335,734

14. UNDERTAKING NO. JT1.14: TO PROVIDE A CALCULATION OF THE LOWEST COST PER UNIT RISK CALCULATION IN 2 STAFF 30(E).

Response

Please see the table below which provides a calculation of the lowest cost per unit risk related to the mobile substation.

Technical Altern	Project Description	Estimated Cost	Baseline					Target					Delta Score	Cost/Delta
			Reliability	Efficiency	Safety	Community Relations	Total	Reliability	Efficiency	Safety	Community Relation	Total		
1	Mobile Substation	\$ 250,000	20	16	60	25	32	8	8	4	8	6.8	25.2	\$ 9,920.63
2	Compatible Spare Units	\$ 750,000	20	16	60	25	32	12	12	4	12	9.6	22.4	\$ 33,482.14
3	Line Exstions / Interties	\$ 5,800,000	20	16	60	25	32	4	8	4	4	5	27	\$214,814.81

Alternative # 1 –Mobile Substation above had the lowest Cost/Delta. Alternative # 2 – NPEI would require 3 stand-alone transformers as spares that we would use at the 3 stations. Alternative #3 estimated the cost for line extensions to build redundant systems between the 3 stations.

15. UNDERTAKING NO. JT1.15: TO PROVIDE A BREAKDOWN OF COST ALLOCATION OF ASSETS BY RATE CLASS.

Response

Please see response to Undertaking JT1.3 for the breakdown of cost allocation of assets by rate class and bill impacts related to the NPC transaction.

16. UNDERTAKING NO. JXT1.16: TO PROVIDE A LIST OF THE 11 COMPARATOR UTILITIES' WAGE INCREASES FOR 2015, IN CONFIDENCE.

Response

NPEI has filed this undertaking in accordance with the Ontario Energy Board's Practice Direction on Confidential filings dated April 24, 2014.

Appendix A

Updated RRWF – Revenue Deficiency = (\$954,830)

Updated RRWF Tracking Form

Updated PILS model



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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Data Input ⁽¹⁾

	Initial Application	(2)	Adjustments	Interrogatory Responses	(6)	Adjustments	Per Board Decision
1 Rate Base							
Gross Fixed Assets (average)	\$247,689,793		(\$413,592)	\$ 247,276,201			\$247,276,201
Accumulated Depreciation (average)	(\$123,945,922)	(5)	\$800,481	(\$123,145,441)			(\$123,145,441)
Allowance for Working Capital:							
Controllable Expenses	\$17,041,580		(\$19,662)	\$ 17,021,918			\$17,021,918
Cost of Power	\$136,943,243		\$7,206,425.71	\$ 144,149,669			\$144,149,669
Working Capital Rate (%)	13.00%	(9)		13.00%	(9)		13.00% (9)
2 Utility Income							
Operating Revenues:							
Distribution Revenue at Current Rates	\$28,371,080		\$294,112	\$28,665,192			
Distribution Revenue at Proposed Rates	\$29,374,853		\$245,169	\$29,620,022			
Other Revenue:							
Specific Service Charges	\$803,285		(\$0)	\$803,285			
Late Payment Charges	\$361,000		\$0	\$361,000			
Other Distribution Revenue	\$251,187		\$6,047	\$257,234			
Other Income and Deductions	\$181,003		\$0	\$181,003			
Total Revenue Offsets	\$1,596,475	(7)	\$6,047	\$1,602,522			
Operating Expenses:							
OM+A Expenses	\$16,754,348		(\$19,662)	\$ 16,734,686		\$ -	\$16,734,686
Depreciation/Amortization	\$4,936,879		\$157,232	\$ 5,094,111			\$5,094,111
Property taxes	\$287,232			\$ 287,232			\$287,232
Other expenses							
3 Taxes/PILs							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$4,814,861)	(3)		(\$4,479,933)			
Utility Income Taxes and Rates:							
Income taxes (not grossed up)	\$34,407			\$162,044			
Income taxes (grossed up)	\$43,189			\$220,468			
Federal tax (%)	15.00%			15.00%			
Provincial tax (%)	5.33%			11.50%			
Income Tax Credits	(\$81,003)			(\$81,003)			
4 Capitalization/Cost of Capital							
Capital Structure:							
Long-term debt Capitalization Ratio (%)	56.0%			56.0%			56.0%
Short-term debt Capitalization Ratio (%)	4.0%	(8)		4.0%	(8)		4.0% (8)
Common Equity Capitalization Ratio (%)	40.0%			40.0%			40.0%
Preferred Shares Capitalization Ratio (%)							
	100.0%			100.0%			100.0%
Cost of Capital							
Long-term debt Cost Rate (%)	4.28%			4.14%			4.14%
Short-term debt Cost Rate (%)	2.11%			2.16%			2.16%
Common Equity Cost Rate (%)	9.36%			9.30%			9.30%
Preferred Shares Cost Rate (%)	0.00%						

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement
- (8) 4.0% unless an Applicant has proposed or been approved for another amount.
- (9) Starting with 2013, default Working Capital Allowance factor is 13% (of Cost of Power plus controllable expenses). Alternatively, WCA factor based on lead-lag study or approved WCA factor for another distributor, with supporting rationale.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers



Version 5.00

Utility Name	Niagara Peninsula Energy Inc.
Service Territory	
Assigned EB Number	EB-2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	suzanne.wilson@npei.ca

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

[1. Info](#)

[2. Table of Contents](#)

[3. Data Input Sheet](#)

[4. Rate Base](#)

[5. Utility Income](#)

[6. Taxes PILs](#)

[7. Cost of Capital](#)

[8. Rev Def Suff](#)

[9. Rev Req](#)

[10. Tracking Sheet](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
- (5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel***



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Rate Base and Working Capital

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$247,689,793	(\$413,592)	\$247,276,201	\$ -	\$247,276,201
2	Accumulated Depreciation (average)	(3)	(\$123,945,922)	\$800,481	(\$123,145,441)	\$ -	(\$123,145,441)
3	Net Fixed Assets (average)	(3)	\$123,743,871	\$386,889	\$124,130,760	\$ -	\$124,130,760
4	Allowance for Working Capital	(1)	\$20,018,027	\$934,279	\$20,952,306	\$ -	\$20,952,306
5	Total Rate Base		\$143,761,898	\$1,321,168	\$145,083,067	\$ -	\$145,083,067

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		\$17,041,580	(\$19,662)	\$17,021,918	\$ -	\$17,021,918
7	Cost of Power		\$136,943,243	\$7,206,426	\$144,149,669	\$ -	\$144,149,669
8	Working Capital Base		\$153,984,823	\$7,186,764	\$161,171,587	\$ -	\$161,171,587
9	Working Capital Rate %	(2)	13.00%	0.00%	13.00%	0.00%	13.00%
10	Working Capital Allowance		\$20,018,027	\$934,279	\$20,952,306	\$ -	\$20,952,306

Notes

- (2) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2014 cost of service applications is 13%.
(3) Average of opening and closing balances for the year.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

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Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Per Board Decision
	Operating Revenues:					
1	Distribution Revenue (at Proposed Rates)	\$29,374,853	\$245,169	\$29,620,022	\$ -	\$29,620,022
2	Other Revenue (1)	\$1,596,475	\$6,047	\$1,602,522	\$ -	\$1,602,522
3	Total Operating Revenues	\$30,971,328	\$251,216	\$31,222,544	\$ -	\$31,222,544
	Operating Expenses:					
4	OM+A Expenses	\$16,754,348	(\$19,662)	\$16,734,686	\$ -	\$16,734,686
5	Depreciation/Amortization	\$4,936,879	\$157,232	\$5,094,111	\$ -	\$5,094,111
6	Property taxes	\$287,232	\$ -	\$287,232	\$ -	\$287,232
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$21,978,459	\$137,570	\$22,116,029	\$ -	\$22,116,029
10	Deemed Interest Expense	\$3,567,234	(\$78,277)	\$3,488,958	\$ -	\$3,488,958
11	Total Expenses (lines 9 to 10)	\$25,545,693	\$59,293	\$25,604,987	\$ -	\$25,604,987
12	Utility income before income taxes	\$5,425,635	\$191,922	\$5,617,557	\$ -	\$5,617,557
13	Income taxes (grossed-up)	\$43,189	\$177,279	\$220,468	\$ -	\$220,468
14	Utility net income	\$5,382,446	\$14,644	\$5,397,090	\$ -	\$5,397,090

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$803,285	(\$0)	\$803,285		\$803,285
	Late Payment Charges	\$361,000	\$ -	\$361,000		\$361,000
	Other Distribution Revenue	\$251,187	\$6,047	\$257,234		\$257,234
	Other Income and Deductions	\$181,003	\$ -	\$181,003		\$181,003
	Total Revenue Offsets	\$1,596,475	\$6,047	\$1,602,522	\$ -	\$1,602,522



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Revenue Requirement Workform (RRWF) for 2015 Filers

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$5,382,445	\$5,397,090	\$5,397,090
2	Adjustments required to arrive at taxable utility income	(\$4,814,861)	(\$4,479,933)	(\$4,814,861)
3	Taxable income	<u>\$567,584</u>	<u>\$917,157</u>	<u>\$582,229</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$34,407</u>	<u>\$162,044</u>	<u>\$162,044</u>
6	Total taxes	<u>\$34,407</u>	<u>\$162,044</u>	<u>\$162,044</u>
7	Gross-up of Income Taxes	<u>\$8,782</u>	<u>\$58,424</u>	<u>\$58,424</u>
8	Grossed-up Income Taxes	<u>\$43,189</u>	<u>\$220,468</u>	<u>\$220,468</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$43,189</u>	<u>\$220,468</u>	<u>\$220,468</u>
10	Other tax Credits	(\$81,003)	(\$81,003)	(\$81,003)
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	5.33%	11.50%	11.50%
13	Total tax rate (%)	<u>20.33%</u>	<u>26.50%</u>	<u>26.50%</u>

Notes



Revenue Requirement Workform (RRWF) for 2015 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
		Initial Application				
		(%)	(\$)	(%)		(\$)
	Debt					
1	Long-term Debt	56.00%	\$80,506,663	4.28%		\$3,445,899
2	Short-term Debt	4.00%	\$5,750,476	2.11%		\$121,335
3	Total Debt	60.00%	\$86,257,139	4.14%		\$3,567,234
	Equity					
4	Common Equity	40.00%	\$57,504,759	9.36%		\$5,382,445
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$57,504,759	9.36%		\$5,382,445
7	Total	100.00%	\$143,761,898	6.23%		\$8,949,680
		Interrogatory Responses				
		(%)	(\$)	(%)		(\$)
	Debt					
1	Long-term Debt	56.00%	\$81,246,517	4.14%		\$3,363,606
2	Short-term Debt	4.00%	\$5,803,323	2.16%		\$125,352
3	Total Debt	60.00%	\$87,049,840	4.01%		\$3,488,958
	Equity					
4	Common Equity	40.00%	\$58,033,227	9.30%		\$5,397,090
5	Preferred Shares	0.00%	\$ -	0.00%		\$ -
6	Total Equity	40.00%	\$58,033,227	9.30%		\$5,397,090
7	Total	100.00%	\$145,083,067	6.12%		\$8,886,048
		Per Board Decision				
		(%)	(\$)	(%)		(\$)
	Debt					
8	Long-term Debt	56.00%	\$81,246,517	4.14%		\$3,363,606
9	Short-term Debt	4.00%	\$5,803,323	2.16%		\$125,352
10	Total Debt	60.00%	\$87,049,840	4.01%		\$3,488,958
	Equity					
11	Common Equity	40.00%	\$58,033,227	9.30%		\$5,397,090
12	Preferred Shares	0.00%	\$ -	0.00%		\$ -
13	Total Equity	40.00%	\$58,033,227	9.30%		\$5,397,090
14	Total	100.00%	\$145,083,067	6.12%		\$8,886,048

Notes

(1)

Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I



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Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Interrogatory Responses		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,003,772		\$954,830		\$954,830
2	Distribution Revenue	\$28,371,080	\$28,371,081	\$28,665,192	\$28,665,192	\$28,665,192	\$28,665,192
3	Other Operating Revenue	\$1,596,475	\$1,596,475	\$1,602,522	\$1,602,522	\$1,602,522	\$1,602,522
	Offsets - net						
4	Total Revenue	\$29,967,555	\$30,971,328	\$30,267,714	\$31,222,544	\$30,267,714	\$31,222,544
5	Operating Expenses	\$21,978,459	\$21,978,459	\$22,116,029	\$22,116,029	\$22,116,029	\$22,116,029
6	Deemed Interest Expense	\$3,567,234	\$3,567,234	\$3,488,958	\$3,488,958	\$3,488,958	\$3,488,958
8	Total Cost and Expenses	\$25,545,693	\$25,545,693	\$25,604,987	\$25,604,987	\$25,604,987	\$25,604,987
9	Utility Income Before Income Taxes	\$4,421,862	\$5,425,635	\$4,662,727	\$5,617,557	\$4,662,727	\$5,617,557
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$4,814,861)	(\$4,814,861)	(\$4,479,933)	(\$4,479,933)	(\$4,479,933)	(\$4,479,933)
11	Taxable Income	(\$392,999)	\$610,774	\$182,794	\$1,137,624	\$182,794	\$1,137,624
12	Income Tax Rate	20.33%	20.33%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$79,911)	\$124,192	\$48,441	\$301,470	\$48,441	\$301,470
14	Income Tax Credits	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)	(\$81,003)
15	Utility Net Income	\$4,582,775	\$5,382,446	\$4,695,290	\$5,397,090	\$4,695,290	\$5,397,090
16	Utility Rate Base	\$143,761,898	\$143,761,898	\$145,083,067	\$145,083,067	\$145,083,067	\$145,083,067
17	Deemed Equity Portion of Rate Base	\$57,504,759	\$57,504,759	\$58,033,227	\$58,033,227	\$58,033,227	\$58,033,227
18	Income/(Equity Portion of Rate Base)	7.97%	9.36%	8.09%	9.30%	8.09%	9.30%
19	Target Return - Equity on Rate Base	9.36%	9.36%	9.30%	9.30%	9.30%	9.30%
20	Deficiency/Sufficiency in Return on Equity	-1.39%	0.00%	-1.21%	0.00%	-1.21%	0.00%
21	Indicated Rate of Return	5.67%	6.23%	5.64%	6.12%	5.64%	6.12%
22	Requested Rate of Return on Rate Base	6.23%	6.23%	6.12%	6.12%	6.12%	6.12%
23	Deficiency/Sufficiency in Rate of Return	-0.56%	0.00%	-0.48%	0.00%	-0.48%	0.00%
24	Target Return on Equity	\$5,382,445	\$5,382,445	\$5,397,090	\$5,397,090	\$5,397,090	\$5,397,090
25	Revenue Deficiency/(Sufficiency)	\$799,670	\$0	\$701,800	(\$0)	\$701,800	(\$0)
26	Gross Revenue Deficiency/(Sufficiency)	\$1,003,772 (1)		\$954,830 (1)		\$954,830 (1)	

Notes:

(1)

Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)



Ontario Energy Board

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Revenue Requirement Workform (RRWF) for 2015 Filers

Revenue Requirement

Line No.	Particulars	Application	Interrogatory Responses	Per Board Decision
1	OM&A Expenses	\$16,754,348	\$16,734,686	\$16,734,686
2	Amortization/Depreciation	\$4,936,879	\$5,094,111	\$5,094,111
3	Property Taxes	\$287,232	\$287,232	\$287,232
5	Income Taxes (Grossed up)	\$43,189	\$220,468	\$220,468
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$3,567,234	\$3,488,958	\$3,488,958
	Return on Deemed Equity	\$5,382,445	\$5,397,090	\$5,397,090
8	Service Revenue Requirement (before Revenues)	<u>\$30,971,328</u>	<u>\$31,222,544</u>	<u>\$31,222,544</u>
9	Revenue Offsets	\$1,596,475	\$1,602,522	\$ -
10	Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)	<u>\$29,374,853</u>	<u>\$29,620,022</u>	<u>\$31,222,544</u>
11	Distribution revenue	\$29,374,853	\$29,620,022	\$29,620,022
12	Other revenue	\$1,596,475	\$1,602,522	\$1,602,522
13	Total revenue	<u>\$30,971,328</u>	<u>\$31,222,544</u>	<u>\$31,222,544</u>
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>(\$0) (1)</u>	<u>(\$0) (1)</u>

Notes

(1) Line 11 - Line 8



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form

The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.) Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.

⁽¹⁾ Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

⁽²⁾ Short description of change, issue, etc.

60 Tracking Rows have been provided below. If you require more, please contact Industry Relations @ IndustryRelations@ontarioenergyboard.ca.

Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance (\$)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
1	Original Application	\$ 8,949,680	6.23%	\$ 143,761,898	\$ 153,984,823	\$ 20,018,027	\$ 4,936,879	\$ 43,189	\$ 16,754,348	\$ 30,971,328	\$ 1,596,475	\$ 29,374,853	\$ 1,003,772



Revenue Requirement Workform (RRWF) for 2015 Filers

Tracking Form
The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)
Summary of Proposed Changes

Reference ⁽¹⁾	Item / Description ⁽²⁾	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
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	Original Application	\$ 8,949,680	6.23%	\$ 143,761,898	\$ 153,984,823	\$ 20,018,027	\$ 4,936,879	\$ 43,189	\$ 16,754,348	\$ 30,971,328	\$ 1,596,475	\$ 29,374,853	\$ 1,003,773
1	1-EP-2	Correct amortization period of regulatory costs to 5 years	6.23%	\$ 143,759,342	\$ 153,965,160	\$ 20,015,471	\$ 4,936,879	\$ 43,156	\$ 16,734,685	\$ 30,951,258	\$ 1,596,475	\$ 29,354,783	\$ 983,703
	Change	\$ 374	0.00%	\$ 2,556	\$ 19,663	\$ 2,556	\$ -	\$ 33	\$ 19,663	\$ 20,070	\$ -	\$ 20,070	\$ 20,070
2	8-VECC-48	Update RTSR Model for proposed 2015 UTRs	6.23%	\$ 143,770,651	\$ 154,052,148	\$ 20,026,779	\$ 4,936,879	\$ 43,300	\$ 16,734,685	\$ 30,952,107	\$ 1,596,475	\$ 29,355,632	\$ 984,552
	Change	\$ 705	\$ -	\$ 11,309	\$ 86,988	\$ 11,308	\$ -	\$ 144	\$ -	\$ 849	\$ -	\$ 849	\$ 849
3	3-EP-12	Update COP for Oct 2014 RPP Report	6.23%	\$ 144,360,019	\$ 158,585,748	\$ 20,616,147	\$ 4,936,879	\$ 50,787	\$ 16,734,685	\$ 30,996,285	\$ 1,596,475	\$ 29,399,809	\$ 1,028,729
	Change	\$ 36,689	\$ -	\$ 589,368	\$ 4,533,600	\$ 589,368	\$ -	\$ 7,487	\$ -	\$ 44,178	\$ -	\$ 44,177	\$ 44,177
4	3-EP-20, 3-VECC-24	Update SSS Admin Revenue	6.23%	\$ 144,360,019	\$ 158,585,748	\$ 20,616,147	\$ 4,936,879	\$ 50,787	\$ 16,734,685	\$ 30,996,285	\$ 1,602,522	\$ 29,393,762	\$ 1,022,682
	Change	\$ 0	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ 6,047	\$ 6,047	\$ 6,047
5	3-VECC-16, 3-VECC-17, 3-VECC-18	Update CDM for 2013 final verified. Update 2015 CDM target. Correct double counting of CDM variable in regression model	6.23%	\$ 144,703,471	\$ 161,227,692	\$ 20,959,600	\$ 4,936,879	\$ 55,165	\$ 16,734,685	\$ 31,022,042	\$ 1,602,522	\$ 29,419,520	\$ 754,328
	Change	\$ 21,380	\$ -	\$ 343,452	\$ 2,641,944	\$ 343,453	\$ -	\$ 4,378	\$ -	\$ 25,757	\$ -	\$ 25,758	\$ 268,354
6	5-EP-34	Update 2015 Cost of Capital Parameters	6.12%	\$ 144,703,471	\$ 161,227,692	\$ 20,959,600	\$ 4,936,879	\$ 43,366	\$ 16,734,685	\$ 30,864,961	\$ 1,602,522	\$ 29,262,439	\$ 597,247
	Change	\$ 145,282	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ 11,799	\$ -	\$ 157,081	\$ -	\$ 157,081	\$ 157,081
7	4-Staff-41	Update 2015 PILs to reflect elimination of Small Business Deduction	6.12%	\$ 144,703,471	\$ 161,227,692	\$ 20,959,600	\$ 4,936,879	\$ 94,620	\$ 16,734,685	\$ 30,916,215	\$ 1,602,522	\$ 29,313,693	\$ 648,501
	Change	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 51,254	\$ -	\$ 51,254	\$ 0	\$ 51,254	\$ 51,254
8	2-EP-41TC	Correct PILs Model to include (\$827,800) of 2015 Capital Contributions	6.12%	\$ 144,703,471	\$ 161,227,692	\$ 20,959,600	\$ 4,936,879	\$ 106,559	\$ 16,734,685	\$ 30,928,154	\$ 1,602,522	\$ 29,325,632	\$ 660,440
	Change	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,939	\$ -	\$ 11,939	\$ -	\$ 11,939	\$ 11,939
9	2-EP-41TC	Update 2014 and 2015 capital expenditures for projections and carry forwards.	6.12%	\$ 145,090,356	\$ 161,227,692	\$ 20,959,600	\$ 5,094,111	\$ 220,565	\$ 16,734,685	\$ 31,223,089	\$ 1,602,522	\$ 29,620,567	\$ 955,375
	Change	\$ 23,696	\$ 0	\$ 386,885	\$ 0	\$ 0	\$ 157,232	\$ 114,006	\$ -	\$ 294,935	\$ 0	\$ 294,935	\$ 294,935
10	8-EP-60TC	Update RTSR model for 2015 UTR rates approved on Jan 8, 2015.	6.12%	\$ 145,083,062	\$ 161,171,587	\$ 20,952,306	\$ 5,094,111	\$ 220,468	\$ 16,734,685	\$ 31,222,544	\$ 1,602,522	\$ 29,620,022	\$ 954,830
	Change	\$ 447	\$ -	\$ 7,294	\$ 56,105	\$ 7,294	\$ -	\$ 97	\$ -	\$ 545	\$ -	\$ 545	\$ 545



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Version 3.0

Utility Name	Niagara Peninsula Energy Inc.
Assigned EB Number	EB-2014-0096
Name and Title	Suzanne Wilson, VP Finance
Phone Number	905-353-6004
Email Address	Suzanne.wilson@npei.ca
Date	9/23/2014
Last COS Re-based Year	2011

Note: Drop-down lists are shaded blue; Input cells are shaded green.

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While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

[1. Info](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

[C. Sch 8 Hist](#)

[D. Schedule 10 CEC Hist](#)

[E. Sch 13 Tax Reserves Hist](#)

[F. Sch 7-1 Loss Cfwd Hist](#)

[G. Adj. Taxable Income Historical](#)

[H. PILs, Tax Provision Historical](#)

[I. Schedule 8 CCA Bridge Year](#)

[J. Schedule 10 CEC Bridge Year](#)

[K. Sch 13 Tax Reserves Bridge](#)

[L. Sch 7-1 Loss Cfwd Bridge](#)

[M. Adj. Taxable Income Bridge](#)

[N. PILs, Tax Provision Bridge](#)

[O. Schedule 8 CCA Test Year](#)

[P. Schedule 10 CEC Test Year](#)

[Q. Sch 13 Tax Reserve Test Year](#)

[R. Sch 7-1 Loss Cfwd](#)

[S. Taxable Income Test Year](#)

[T. PILs, Tax Provision](#)



Income Tax/PILs Workform for 2015 Filers

Rate Base

\$ 145,083,062

Return on Ratebase

Deemed ShortTerm Debt %	4.00%	T	\$	5,803,322	$W = S * T$
Deemed Long Term Debt %	56.00%	U	\$	81,246,515	$X = S * U$
Deemed Equity %	40.00%	V	\$	58,033,225	$Y = S * V$
Short Term Interest Rate	2.16%	Z	\$	125,352	$AC = W * Z$
Long Term Interest	4.14%	AA	\$	3,363,606	$AD = X * AA$
Return on Equity (Regulatory Income)	9.30%	AB	\$	5,397,090	$AE = Y * AB$
Return on Rate Base			\$	8,886,047	$AF = AC + AD + AE$

Questions that must be answered

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?
If Yes, please describe what was the tax treatment in the manager's summary.
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historical	Bridge	Test Year
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No
Yes	Yes	Yes
Yes	Yes	Yes
No	No	No



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Tax Rates

Federal & Provincial As of June 20, 2012

Federal income tax

General corporate rate
Federal tax abatement
Adjusted federal rate

Rate reduction

Ontario income tax

Combined federal and Ontario

Federal & Ontario Small Business

Federal small business threshold
Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

Effective #####	Effective #####	Effective #####	Effective #####	Effective #####
38.00%	38.00%	38.00%	38.00%	38.00%
-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
28.00%	28.00%	28.00%	28.00%	28.00%
-11.50%	-13.00%	-13.00%	-13.00%	-13.00%
16.50%	15.00%	15.00%	15.00%	15.00%
11.75%	11.50%	11.50%	11.50%	11.50%
28.25%	26.50%	26.50%	26.50%	26.50%
500,000	500,000	500,000	500,000	500,000
500,000	500,000	500,000	500,000	0
11.00%	11.00%	11.00%	11.00%	11.00%
4.50%	4.50%	4.50%	4.50%	0.00%

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non- Distribution Portion	UCC Regulated Historical Year
1	Distribution System - post 1987	56,259,372		56,259,372
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	0		0
2	Distribution System - pre 1988	3,633,291		3,633,291
8	General Office/Stores Equip	1,666,790		1,666,790
10	Computer Hardware/ Vehicles	2,705,841		2,705,841
10.1	Certain Automobiles			0
12	Computer Software	57,371		57,371
13₁	Lease # 1			0
13₂	Lease #2			0
13₃	Lease # 3			0
13₄	Lease # 4			0
14	Franchise			0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	282,408		282,408
42	Fibre Optic Cable			0
43.1	Certain Energy-Efficient Electrical Generating Equipment			0
43.2	Certain Clean Energy Generation Equipment			0
45	Computers & Systems Software acq'd post Mar 22/04	2,832		2,832
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			0
47	Distribution System - post February 2005	48,060,734		48,060,734
50	Data Network Infrastructure Equipment - post Mar 2007	364,650		364,650
52	Computer Hardware and system software			0
95	CWIP			0
3	Buildings acquired before 1988	1,275,277		1,275,277
1b	Buildings > 18-03-07	4,969,771		4,969,771
1b	Buildings > 18-03-07	2,425,531		2,425,531
				0
				0
				0
				0
				0
				0
				0
				0
				0
	SUB-TOTAL - UCC	121,703,868	0	121,703,868



Income Tax/PILs Workform for 2015 Filer

Schedule 10 CEC - Historical Year

Cumulative Eligible Capital

1,050,008

Additions

Cost of Eligible Capital Property Acquired during Test Year

Other Adjustments

Subtotal

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

x 1/2 = 0

0 0

Amount transferred on amalgamation or wind-up of subsidiary

0 0

Subtotal

1,050,008

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

Subtotal

x 3/4 = 0

Cumulative Eligible Capital Balance

1,050,008

Current Year Deduction

1,050,008 x 7% = 73,501

Cumulative Eligible Capital - Closing Balance

976,507



Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital Gains Reserves ss.40(1)			0
Tax Reserves Not Deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for goods and services not delivered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & Share Issue Expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General Reserve for Inventory Obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	0	0	0



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical			0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual Historical			0

Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	A	3,187,387		3,187,387
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	5,321,041		5,321,041
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121			0
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other Additions				
Interest Expensed on Capital Leases	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
Previous years apprenticeship tax credit claimed	294	106,351		106,351
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Change in Employee Future Benefits		107,944		107,944

Change in Regulatory variance accounts		Undertaken from Technical Conference	879,966	
Inducement - ITA 12(1)(x)-ITC from apprenticeship job creation expenditures		12,572	January 29, 2015	12,572
			62 of 107	0
				0
				0
				0
				0
				0
Total Additions		6,427,874	0	6,427,874
Deductions:				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	8,552,056		8,552,056
Terminal loss from Schedule 8	404			0
Cumulative eligible capital deduction from Schedule 10	405	73,501		73,501
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions: (Please explain in detail the nature of the item)				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Apprenticeship credits included in FS income		118,062		118,062
				0
				0
				0
				0
				0
				0
Total Deductions		8,743,619	0	8,743,619
Net Income for Tax Purposes		871,642	0	871,642
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
TAXABLE INCOME		871,642	0	871,642



Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Wires Only

Regulatory Taxable Income

\$ 871,642 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

11.50% B

\$ 100,239 C = A * B

Small business credit

Ontario Small Business Threshold

\$ 500,000 D

Rate reduction (negative)

-7.00% E

-\$ 35,000 F = D * E

Ontario Income tax

\$ 65,239 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate

7.48%

K = J / A

Federal tax rate (Maximum 15%)

15.00%

L

Combined tax rate

22.48% M = K + L

Total Income Taxes

\$ 195,985 N = A * M

Investment Tax Credits

\$ 8,909 O

Miscellaneous Tax Credits

\$ 109,153 P

Total Tax Credits

\$ 118,062 Q = O + P

Corporate PILs/Income Tax Provision for Historical Year

\$ 77,923 R = N - Q

Class	Class Description	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Distribution System - post 1987	\$ 56,259,372			\$ 56,259,372	\$ -	\$ 56,259,372	4%	\$ 2,250,375	\$ 54,008,997
1 Enhanced	Non-residential Buildings Req. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ 3,633,291			\$ 3,633,291	\$ -	\$ 3,633,291	6%	\$ 217,997	\$ 3,415,294
8	General Office/Stores Equip	\$ 1,666,790	\$ 526,500		\$ 2,193,290	\$ 263,250	\$ 1,930,040	20%	\$ 386,008	\$ 1,807,282
10	Computer Hardware/ Vehicles	\$ 2,705,841	\$ 672,000	-\$ 441,130	\$ 2,936,711	\$ 115,435	\$ 2,821,276	30%	\$ 846,383	\$ 2,090,328
10.1	Certain Automobiles				\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 57,371	\$ 737,966		\$ 795,337	\$ 368,983	\$ 426,354	100%	\$ 426,354	\$ 368,983
13 1	Lease # 1				\$ -	\$ -	\$ -	-	\$ -	\$ -
13 2	Lease #2				\$ -	\$ -	\$ -	-	\$ -	\$ -
13 3	Lease # 3				\$ -	\$ -	\$ -	-	\$ -	\$ -
13 4	Lease # 4				\$ -	\$ -	\$ -	-	\$ -	\$ -
14	Franchise				\$ -	\$ -	\$ -	-	\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 282,408			\$ 282,408	\$ -	\$ 282,408	8%	\$ 22,593	\$ 259,815
42	Fibre Optic Cable				\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment				\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment				\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 2,832			\$ 2,832	\$ -	\$ 2,832	45%	\$ 1,274	\$ 1,558
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 48,060,734	\$ 11,180,726	-\$ 192,497	\$ 59,048,963	\$ 5,494,114	\$ 53,554,848	8%	\$ 4,284,388	\$ 54,764,575
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 364,650	\$ 302,295		\$ 666,945	\$ 151,148	\$ 515,798	55%	\$ 283,689	\$ 383,256
52	Computer Hardware and system software				\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP				\$ -	\$ -	\$ -	-	\$ -	\$ -
3	Buildings acquired before 1988	\$ 1,275,277			\$ 1,275,277	\$ -	\$ 1,275,277	5%	\$ 63,764	\$ 1,211,513
1b	Buildings > 18-03-07	\$ 4,969,771	\$ 1,500,485		\$ 6,470,256	\$ 750,243	\$ 5,720,014	6%	\$ 343,201	\$ 6,127,055
1b	Buildings > 18-03-07	\$ 2,425,531			\$ 2,425,531	\$ -	\$ 2,425,531	6%	\$ 145,532	\$ 2,279,999
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
					\$ -	\$ -	\$ -	-	\$ -	\$ -
	TOTAL	\$ 121,703,868	\$ 14,919,972	-\$ 633,627	\$ 135,990,213	\$ 7,143,172	\$ 128,847,040		\$ 9,271,557	\$ 126,718,656



Income Tax/PILs Workform for 2015 Filer

Schedule 10 CEC - Bridge Year

Cumulative Eligible Capital

976,507

Additions

Cost of Eligible Capital Property Acquired during Test Year

Other Adjustments

Subtotal

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

x 1/2 = 0

0 0

Amount transferred on amalgamation or wind-up of subsidiary

0 0

Subtotal

976,507

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

Other Adjustments

Subtotal

x 3/4 = 0

Cumulative Eligible Capital Balance

976,507

Current Year Deduction

976,507 x 7% = 68,356

Cumulative Eligible Capital - Closing Balance

908,152

Continuity of Reserves

[illegible]



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filer

Corporation Loss Continuity and Application

Schedule 7-1 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	0
Balance available for use in Test Year	0
Amount to be used in Bridge Year	0
Balance available for use post Bridge Year	0

Net Capital Loss Carry Forward Deduction	Total
Actual Historical	0
Application of Loss Carry Forward to reduce taxable income in Bridge Year	
Other Adjustments Add (+) Deduct (-)	
Balance available for use in Test Year	0
Amount to be used in Bridge Year	
Balance available for use post Bridge Year	0



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Total for Regulated Utility
Income before PILs/Taxes	A	3,880,413
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets	104	
Amortization of intangible assets	106	5,589,432
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves deducted in prior year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Other Additions		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		8,909
Change in Employee Benefits		20,994
Previous years Ontario apprenticeship tax credits claimed		109,153
Change in regulatory variance accounts		0
Total Additions		5,728,488
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	9,271,557
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10	405	68,356
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves claimed in current year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)		



Income Tax/PILs Workform for 2015 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		111,027
Total Deductions		9,450,940
Net Income for Tax Purposes		157,962
Charitable donations from Schedule 2	311	
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	
Non-capital losses of preceding taxation years from Schedule 4	331	0
Net-capital losses of preceding taxation years from Schedule 4 (Please include explanation and calculation in Manager's summary)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
TAXABLE INCOME		157,962



Income Tax/PILs Workform for 2015 Filers

PILS Tax Provision - Bridge Year

Wires Only

Regulatory Taxable Income

\$ 157,962 A

Ontario Income Taxes

Income tax payable

Ontario Income Tax

4.50% B

\$

7,108 C = A * B

Small business credit

Ontario Small Business Threshold
Rate reduction

\$ - D

-7.00% E

\$

- F = D * E

Ontario Income tax

\$ 7,108 J = C + F

Combined Tax Rate and PILs

Effective Ontario Tax Rate
Federal tax rate (Maximum 15%)
Combined tax rate

4.50%

K = J / A

11.00%

L

15.50% M = K + L

Total Income Taxes

\$ 24,484 N = A * M

Investment Tax Credits

\$ 7,329 O

Miscellaneous Tax Credits

\$ 103,699 P

Total Tax Credits

\$ 111,028 Q = O + P

Corporate PILs/Income Tax Provision for Bridge Year

\$ - R = N - Q

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

Income Tax/PILs Workform for 2015 Filers

Schedule 8 CCA - Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	UCC End of Test Year
1	Distribution System - post 1987	\$ 54,008,997			\$ 54,008,997	\$ -	\$ 54,008,997	4%	\$ 2,160,360	\$ 51,848,637
1 Enhanced	Non-residential Buildings Reg. 1100(1)(a.1) election	\$ -			\$ -	\$ -	\$ -	6%	\$ -	\$ -
2	Distribution System - pre 1988	\$ 3,415,294			\$ 3,415,294	\$ -	\$ 3,415,294	6%	\$ 204,918	\$ 3,210,376
8	General Office/Stores Equip	\$ 1,807,282	310,627		\$ 2,117,909	\$ 155,313	\$ 1,962,595	20%	\$ 392,519	\$ 1,725,389
10	Computer Hardware/ Vehicles	\$ 2,090,328	698,878	-313,581	\$ 2,475,625	\$ 192,648	\$ 2,282,977	30%	\$ 684,893	\$ 1,790,732
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 368,983	368,740		\$ 737,723	\$ 184,370	\$ 553,353	100%	\$ 553,353	\$ 184,370
13.1	Lease # 1	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13.2	Lease #2	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13.3	Lease # 3	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
13.4	Lease # 4	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise	\$ -			\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B	\$ 259,815			\$ 259,815	\$ -	\$ 259,815	8%	\$ 20,785	\$ 239,030
42	Fibre Optic Cable	\$ -			\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & Systems Software acq'd post Mar 22/04	\$ 1,558			\$ 1,558	\$ -	\$ 1,558	45%	\$ 701	\$ 857
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post February 2005	\$ 54,764,575	10,013,352		\$ 64,777,927	\$ 5,006,676	\$ 59,771,251	8%	\$ 4,781,700	\$ 59,996,227
50	Data Network Infrastructure Equipment - post Mar 2007	\$ 383,256	240,248		\$ 623,504	\$ 120,124	\$ 503,380	55%	\$ 276,859	\$ 346,645
52	Computer Hardware and system software	\$ -			\$ -	\$ -	\$ -	100%	\$ -	\$ -
95	CWIP	\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
3	Buildings acquired before 1988	\$ 1,211,513			\$ 1,211,513	\$ -	\$ 1,211,513	5%	\$ 60,576	\$ 1,150,937
1b	Buildings > 18-03-07	\$ 6,127,055			\$ 6,127,055	\$ -	\$ 6,127,055	6%	\$ 367,623	\$ 5,759,432
1b	Buildings > 18-03-07	\$ 2,279,999	44,000		\$ 2,323,999	\$ 22,000	\$ 2,301,999	6%	\$ 138,120	\$ 2,185,879
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
		\$ -			\$ -	\$ -	\$ -	0%	\$ -	\$ -
	TOTAL	\$ 126,718,656	\$ 11,675,845	\$- 313,581	\$ 138,080,920	\$ 5,681,132	\$ 132,399,788		\$ 9,642,407	\$ 128,438,513



Income Tax/PILs Workform for 2015 Filers

Schedule 10 CEC - Test Year

Cumulative Eligible Capital

908,152

Additions

Cost of Eligible Capital Property Acquired during Test Year

0

Other Adjustments

0

Subtotal

0

x 3/4 = 0

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002

0

x 1/2 = 0

0

0

Amount transferred on amalgamation or wind-up of subsidiary

0

0

Subtotal

908,152

Deductions

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year

0

Other Adjustments

0

Subtotal

0

x 3/4 = 0

Cumulative Eligible Capital Balance

908,152

Current Year Deduction (Carry Forward to Tab "Test Year Taxable Income")

908,152

x 7% =

63,571

Cumulative Eligible Capital - Closing Balance

844,581

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

[illegible]



Ontario Energy Board

Income Tax/PILs Workform for 2015 Filers

Schedule 7-1 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)	0		0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year	0		0
Balance available for use post Test Year	0	0	0

	Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction			
Actual/Estimated Bridge Year	0		0
			0
Other Adjustments Add (+) Deduct (-)			0
Balance available for use in Test Year	0	0	0
Amount to be used in Test Year			0
Balance available for use post Test Year	0	0	0



Income Tax/PILs Workform for 2015 Fi

Taxable Income - Test Year

		Test Year Taxable Income
Net Income Before Taxes		5,397,090

	T2 S1 line #	
Additions:		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	5,094,111
Recapture of capital cost allowance from Schedule 8	107	
Gain on sale of eligible capital property from Schedule 10	108	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	0
Reserves from financial statements- balance at end of year	126	0
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	

Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<i>Other Additions: (please explain in detail the nature of the item)</i>		
Interest Expensed on Capital Leases	290	
Realized Income from Deferred Credit Accounts	291	
Pensions	292	
Non-deductible penalties	293	
	294	
	295	
	296	
	297	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		7,329
Change in Regulatory variance accounts		0
Change in Employee future benefits		101,909
Previous years Ontario apprenticeship tax credit claimed		103,699
Total Additions		5,307,048
Deductions:		
Gain on disposal of assets per financial statements	401	
Dividends not taxable under section 83	402	
Capital cost allowance from Schedule 8	403	9,642,407
Terminal loss from Schedule 8	404	
Cumulative eligible capital deduction from Schedule 10 CEC	405	63,571
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	0
Reserves from financial statements - balance at beginning of year	414	0
Contributions to deferred income plans	416	
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
<i>Other deductions: (Please explain in detail the nature of the item)</i>		
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	

Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
	394	
	395	
	396	
	397	
ARO Payments - Deductible for Tax when Paid		
ITA 13(7.4) Election - Capital Contributions Received		
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds		
Deferred Revenue - ITA 20(1)(m) reserve		
Principal portion of lease payments		
Lease Inducement Book Amortization credit to income		
Financing fees for tax ITA 20(1)(e) and (e.1)		
Apprenticeship credits included in FS income		81,003
Total Deductions		9,786,981
NET INCOME FOR TAX PURPOSES		917,157
Charitable donations	311	
Taxable dividends received under section 112 or 113	320	
Non-capital losses of preceding taxation years from Schedule 7-1	331	0
Net-capital losses of preceding taxation years (Please show calculation)	332	
Limited partnership losses of preceding taxation years from Schedule 4	335	
REGULATORY TAXABLE INCOME		917,157

Income Tax/PILs Workform for 2015 Filers

PILs Tax Provision - Test Year

Wires Only

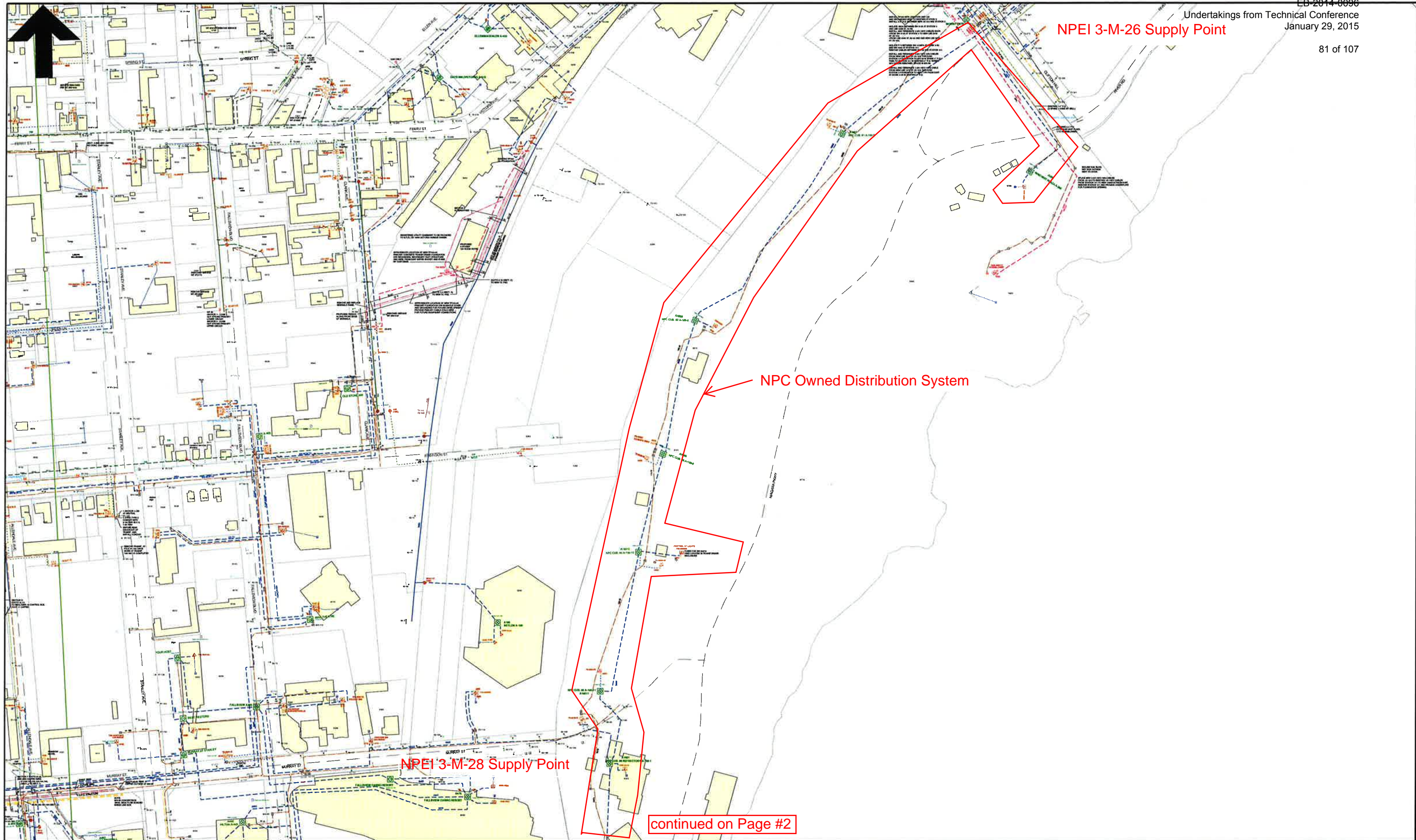
Regulatory Taxable Income					\$ 917,157	A
Ontario Income Taxes						
<i>Income tax payable</i>	Ontario Income Tax	11.50%	B	\$ 105,473	C = A * B	
<i>Small business credit</i>	Ontario Small Business Threshold Rate reduction	\$ -	D			
		-11.50%	E	\$ -	F = D * E	
<i>Ontario Income tax</i>					\$ 105,473	J = C + F
Combined Tax Rate and PILs		Effective Ontario Tax Rate		11.50%	K = J / A	
		Federal tax rate (Maximum 15%)		15.00%	L	
		Combined tax rate			26.50%	M = K + L
Total Income Taxes					\$ 243,047	N = A * M
Investment Tax Credits				\$ 6,208	O	
Miscellaneous Tax Credits				\$ 74,795	P	
Total Tax Credits					\$ 81,003	Q = O + P
Corporate PILs/Income Tax Provision for Test Year					\$ 162,044	R = N - Q
Corporate PILs/Income Tax Provision Gross Up ¹				73.50%	S = 1 - M	\$ 58,424 T = R / S - R
Income Tax (grossed-up)					\$ 220,468	U = R + T

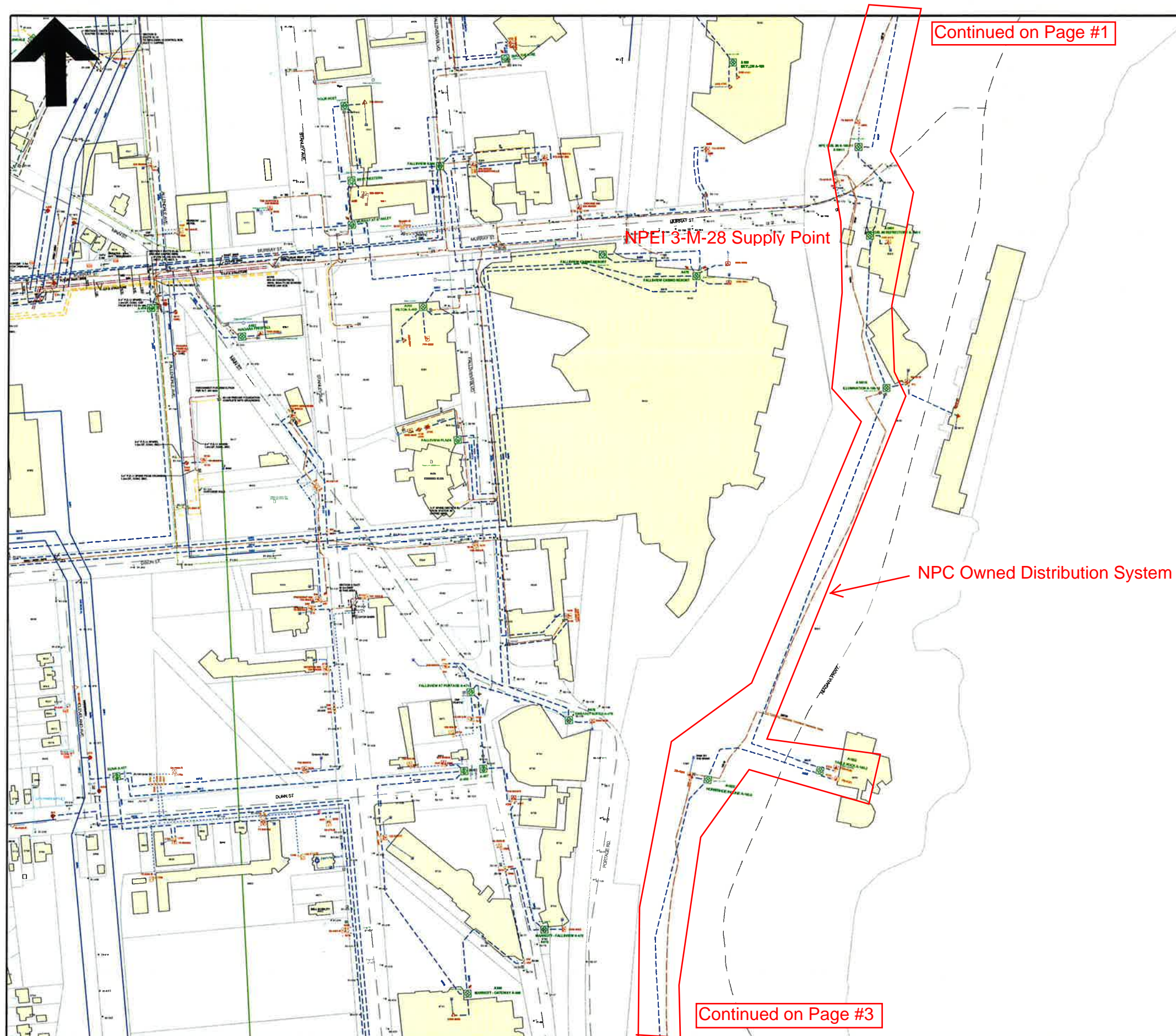
Note:

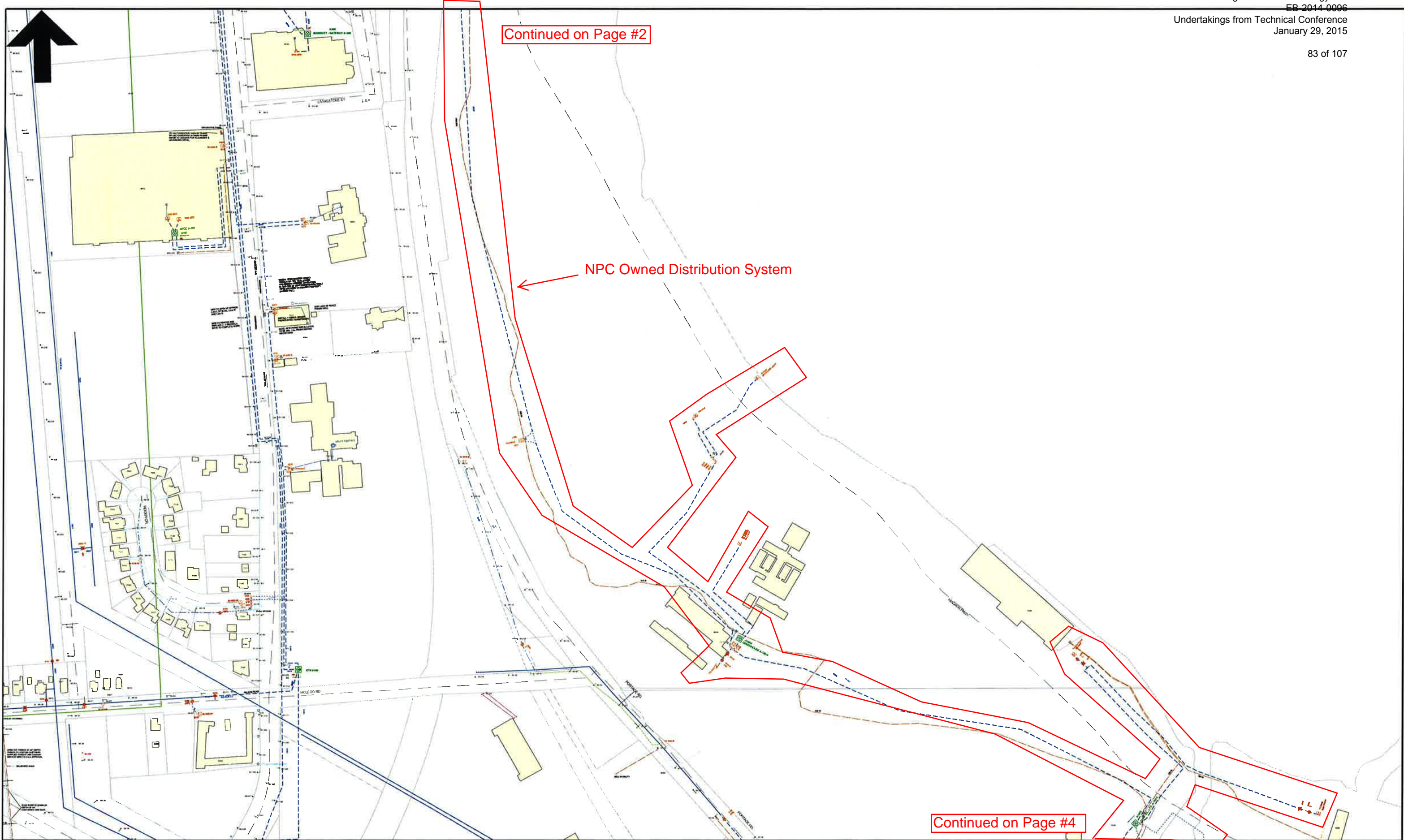
1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

Appendix B

NPC Maps







Continued on Page #3

NPC Owned Distribution System

NPEI 3-M-27 Supply Point



Submitted By:
Tom Sielicki

Date:
22/01/2015

Scale:
1:3,622

Appendix C

Monthly water billing spreadsheet 2013

Niagara Peninsula Energy Quarterly Water Payments 2013

		Opening Balance	Jan	Feb	Mar	Total	April	May	June	Total	July
										86 of 107	
										-	
4250	Water Revenue: Monthly Service Charge		(762,828.03)	(649,329.56)	(766,086.03)	(2,178,243.62)	(651,698.39)	(769,356.17)	(666,867.25)	(2,087,921.81)	(780,291.42)
4251	Water Revenue: Volumetric Charge (Consumption)		(879,802.30)	(851,758.60)	(883,517.21)	(2,615,078.11)	(748,125.24)	(912,080.44)	(650,523.64)	(2,310,729.32)	(989,399.61)
4255	Water Seniors Rebate		500.00	0.00	0.00	500.00	-	-	-	-	0.00
4255-00-11	Water Tax Rebate		200.00	0.00	0.00	200.00	-	-	-	-	0.00
4260	Water Revenue: Flat Rate Customers		(6,773.32)	(7,707.06)	(4,923.55)	(19,403.93)	(10,498.28)	(7,455.87)	(9,079.70)	(27,033.85)	(6,852.06)
4260	Sewer Revenue: Flat Rate Customers		(7,276.75)	(8,409.12)	(5,245.59)	(20,931.46)	(11,464.40)	(7,957.64)	(9,773.40)	(29,195.44)	(7,236.78)
4270	Sewer Revenue: Monthly Service Charge		(694,256.53)	(591,453.68)	(697,059.58)	(1,982,769.79)	(592,560.68)	(688,930.64)	(594,012.37)	(1,875,503.69)	(693,819.54)
4271	Sewer Revenue: Volumetric Charge (Consumption)		(890,709.22)	(864,060.65)	(884,719.75)	(2,639,489.62)	(769,416.46)	(944,339.08)	(642,496.89)	(2,356,252.43)	(1,034,151.43)
4272	Water & Sewer Revenue Adjustments		764.54	0.00	2,265.15	3,029.69	229.44	811.32	-	1,040.76	2,315.20
4273	Water Sod rebates		0.00	0.00	0.00	-	-	-	-	-	840.00
4274	Toilet Rebated		1,260.00	0.00	0.00	1,260.00	-	4,380.00	1,200.00	5,580.00	1,980.00
4280	Sewer Rebate		0.00	0.00	0.00	-				-	
			(3,238,921.61)	(2,972,718.67)	(3,239,286.56)	(9,450,926.84)	(2,783,534.01)	(3,324,928.52)	(2,571,553.25)	(8,680,015.78)	(3,506,615.64)
Less: Expenses											
5805-00-01	Water Billing direct Supervision		13,261.52	7,681.20	8,086.33	29,029.05	9,366.51	13,072.09	10,241.61	32,680.21	10,473.38
5810-00-01	Water Billing direct labour		47,433.11	39,324.41	41,000.25	127,757.77	43,550.82	48,132.33	36,073.84	127,756.99	40,060.27
5810-00-01	Water meter reading expenses		10,244.01	10,689.88	11,890.20	32,824.09	15,589.59	9,789.32	11,145.18	36,524.09	10,104.44
5835-00-01	Water Interest on Deposits		13.29	3.44	(11.09)	5.64	24.49	15.61	68.15	108.25	65.58
Subtotal			70,951.93	57,698.93	60,965.69	189,616.55	68,531.41	71,009.35	57,528.78	197,069.54	60,703.67
4375-02	Water Administration (\$4.20 per water only bill)	4.20	30,441.60	19,958.40	30,853.20	81,253.20	19,916.40	30,286.20	19,966.80	70,169.40	30,370.20
4375-02	Depreciation		1,509.31	1,509.31	1,509.31	4,527.93	1,509.31	1,509.31	1,509.31	4,527.93	1,509.31
Total water Expenses to be recovered before HST			102,902.84	79,166.64	93,328.20	275,397.68	89,957.12	102,804.86	79,004.89	271,766.87	92,583.18
HST			12,043.92	8,901.53	10,588.38	31,533.83	9,664.60	12,089.99	8,812.90	30,567.49	10,713.71
1005	Total to be sent to City of Niagara Falls		(3,123,974.85)	(2,884,650.50)	(3,135,369.98)	(9,143,995.33)	(2,683,912.29)	(3,210,033.67)	(2,483,735.46)	(8,377,681.42)	(3,403,318.75)
		(9,277,416.91)	1,800,000.00	1,800,000.00	1,800,000.00	(3,877,416.91)	1,800,000.00	1,800,000.00	1,800,000.00	5,400,000.00	1,800,000.00
Less: payments			5,462,375.38			5,462,375.38	3,435,622.16			3,435,622.16	
Balance before Water Accounts Receivable						7,559,036.86				457,940.74	

**Niagara Peninsula Energy
Quarterly Water Payments
2013**

		Aug	Sept	Total	Oct	Nov	Dec	Total	Total for 2013 87 of 107	UNBILLED REVENUE 2013
4250	Water Revenue: Monthly Service Charge	(665,891.27)	(785,137.64)	(2,231,320.33)	(674,064.59)	(783,483.66)	(669,851.58)	(2,127,399.83)	(8,624,885.59)	(913,283.15)
4251	Water Revenue: Volumetric Charge (Consumption)	(1,035,326.40)	(1,300,366.92)	(3,325,092.93)	(910,843.46)	(1,009,248.53)	(744,557.89)	(2,664,649.88)	(10,915,550.24)	(981,930.78)
4255	Water Seniors Rebate	9,850.00	14,600.00	24,450.00	6,900.00	7,650.00	3,200.00	17,750.00	42,700.00	-
4255-00-10	Water Tax Rebate	3,780.00	5,520.00	9,300.00	2,720.00	2,820.00	1,280.00	6,820.00	16,320.00	-
4260	Water Revenue: Flat Rate Customers	(9,880.87)	(9,245.47)	(25,978.40)	(8,863.33)	(6,691.54)	(5,797.56)	(21,352.43)	(93,768.61)	(7,085.44)
4260	Sewer Revenue: Flat Rate Customers	(10,618.67)	(9,823.93)	(27,679.38)	(9,518.86)	(7,065.52)	(6,207.70)	(22,792.08)	(100,598.36)	(7,652.57)
4270	Sewer Revenue: Monthly Service Charge	(593,319.24)	(697,356.24)	(1,984,495.02)	(600,053.14)	(696,554.67)	(596,365.36)	(1,892,973.17)	(7,735,741.67)	(822,262.58)
4271	Sewer Revenue: Volumetric Charge (Consumption)	(1,080,668.59)	(1,362,188.98)	(3,477,009.00)	(947,812.92)	(1,059,875.86)	(771,079.00)	(2,778,767.78)	(11,251,518.83)	(1,023,421.53)
4272	Water & Sewer Revenue Adjustments	161.24	261.84	2,738.28	230.66	137.70	402.24	770.60	7,579.33	
4273	Water Sod rebates	-	810.00	1,650.00	0.00	0.00	0.00	-	1,650.00	
4274	Toilet Rebated	-	2,100.00	4,080.00	0.00	2,940.00	1,740.00	4,680.00	15,600.00	
4280	Sewer Rebate			-				-	-	
		<u>(3,381,913.80)</u>	<u>(4,140,827.34)</u>	<u>(11,029,356.78)</u>	<u>(3,141,305.64)</u>	<u>(3,549,372.08)</u>	<u>(2,787,236.85)</u>	<u>(9,477,914.57)</u>	<u>(38,638,213.97)</u>	<u>(3,755,636.05)</u>
Less: Expenses										
5805-00-01	Water Billing direct Supervision	6,684.05	10,727.89	27,885.32	12,950.77	12,506.00	5,120.80	30,577.57	120,172.15	
5810-00-01	Water Billing direct labour	29,583.22	37,467.84	107,111.33	45,197.11	40,015.79	27,990.35	113,203.25	475,829.34	
5810-00-01	Water meter reading expenses	15,928.49	16,348.73	42,381.66	16,572.60	41,407.27	9,779.40	67,759.27	179,489.11	
5835-00-01	Water Interest on Deposits	55.87	83.46	204.91	122.20	60.22	3,903.90	4,086.32	4,405.12	
	Subtotal	<u>52,251.63</u>	<u>64,627.92</u>	<u>177,583.22</u>	<u>74,842.68</u>	<u>93,989.28</u>	<u>46,794.45</u>	<u>215,626.41</u>	<u>779,895.72</u>	
4375-02	Water Administration (\$4.20 per water only bill)	4.20	20,071.80	30,399.60	80,841.60	20,126.40	30,513.00	20,214.60	70,854.00	303,118.20
4375-02	Depreciation		1,509.31	1,509.31	4,527.93	1,509.31	1,509.31	1,509.31	4,527.93	18,111.72
	Total water Expenses to be recovered before HST	<u>73,832.74</u>	<u>96,536.83</u>	<u>262,952.75</u>	<u>96,478.39</u>	<u>126,011.59</u>	<u>68,518.36</u>	<u>291,008.34</u>	<u>1,101,125.64</u>	
	HST	7,520.29	10,413.60	28,647.60	0.00	10,371.87	10,990.73	7,128.56	28,491.16	119,240.08
1005	Total to be sent to City of Niagara Falls	<u>(3,300,560.77)</u>	<u>(4,033,876.91)</u>	<u>(10,737,756.43)</u>	<u>0.00</u>	<u>(3,034,455.38)</u>	<u>(3,412,369.76)</u>	<u>(2,711,589.93)</u>	<u>(9,158,415.07)</u>	(37,417,848.25)
		<u>1,800,000.00</u>	<u>1,800,000.00</u>	<u>5,400,000.00</u>	<u>1,800,000.00</u>	<u>1,800,000.00</u>	<u>1,800,000.00</u>	<u>5,400,000.00</u>		12,322,583.09
	Less: payments	3,349,953.24		<u>3,349,953.24</u>		<u>4,597,566.45</u>	-	<u>4,597,566.45</u>		<u>16,845,517.23</u>
	Balance before Water Accounts Receivable			<u>- 1,987,803.19</u>				<u>839,151.38</u>		<u>(8,249,747.93)</u>

4250	Water Revenue: Monthly Service Charge		(9,538,168.74)	(8,452,359.38)	(901,768.27)	(9,354,127.65)	(184,041.09)
4251	Water Revenue: Volumetric Charge (Consumption)		(11,897,481.02)	(11,931,020.08)	(1,125,300.84)	(13,056,320.92)	1,158,839.90
4255	Water Seniors Rebate		42,700.00	46,450.00	-	46,450.00	(3,750.00)
4255-00-10	Water Tax Rebate			17,920.00	-	17,920.00	
4260	Water Revenue: Flat Rate Customers		(100,854.05)	(93,817.59)	(7,764.61)	(101,582.20)	728.15
4260	Sewer Revenue: Flat Rate Customers		(108,250.93)	(103,391.49)	(8,525.58)	(111,917.07)	3,666.14
4270	Sewer Revenue: Monthly Service Charge		(8,558,004.25)	(7,791,319.07)	(831,074.55)	(8,622,393.62)	64,389.37
4271	Sewer Revenue: Volumetric Charge (Consumption)		(12,274,940.36)	(12,381,245.08)	(1,107,127.88)	(13,488,372.96)	1,213,432.60
4272	Water & Sewer Revenue Adjustments		7,579.33	11,348.93	-	11,348.93	(3,769.60)
4273	Water Sod rebates		1,650.00	1,840.00	-	1,840.00	(190.00)
4274	Toilet Rebated		15,600.00	22,140.00	-	22,140.00	
4280	Sewer Rebate		-	-	-	-	0.00
			<u>(42,410,170.02)</u>	<u>(40,653,453.76)</u>	<u>(3,981,561.73)</u>	<u>(44,635,015.49)</u>	<u>2,224,845.47</u>
Less: Expenses							
5805-00-00	Water Billing direct Supervision		120,172.15	139,823.72			-19,651.57
5810-00-00	Water Billing direct labour		475,829.34	473,637.49			2,191.85
5810-00-00	Water meter reading expenses		179,489.11	129,475.00			50,014.11
5835-00-00	Water Interest on Deposits		<u>4,405.12</u>	<u>4,112.90</u>			<u>292.22</u>
	Subtotal		<u>779,895.72</u>	<u>747,049.11</u>			<u>32,846.61</u>
4375-02	Water Administration (\$4.20 per water only bill)	4.20	303,118.20	300,909.00			2,209.20
4375-02	Depreciation		18,111.72	18,111.72			-
	Total water Expenses to be recovered before HST		<u>1,101,125.64</u>	<u>1,066,069.83</u>			<u>35,055.81</u>
	HST			121,222.65			-1,982.57
1005	Total to be sent to City of Niagara Falls						
	Less: payments						
	Balance before Water Accounts Receivable						

Jan-13	3,123,974.85	
Feb-13	2,884,650.50	
Mar-13	3,135,369.98	
Apr-13	2,683,912.29	
May-13	3,210,033.67	
Jun-13	2,483,735.46	
Jul-13	3,403,318.75	
Aug-13	3,300,560.77	
Sep-13	4,033,876.91	
Oct-13	3,034,455.38	
Nov-13	3,412,369.76	
Dec-13	2,711,589.93	
31702	(1,800,000.00)	Paid January 15th 2013
32151	(5,462,375.38)	Paid January 25th 2013
32324	(1,800,000.00)	Paid February 15th
32988	(1,800,000.00)	Paid March 15th
33654	(1,800,000.00)	Paid April 15th
33975	(3,435,622.16)	Paid April 26th
34286	(1,800,000.00)	Paid May 15th
34917	(1,800,000.00)	Paid June 15th
35531	(1,800,000.00)	Paid July 15th
36271	(3,349,953.24)	Paid August 9th
36206	(1,800,000.00)	Paid August 15th
36863	(1,800,000.00)	Paid September 15th
37427	(1,800,000.00)	Paid October 15th
38161	(4,597,566.45)	Paid November 6, 2013
38179	(1,800,000.00)	Paid November 15th 2013
38873	(1,800,000.00)	Paid December 15th 2013
39607	-	Paid January 15th 2014

6,318,653.82

Balance

8,249,747.93

Less Water AR at December 31, 2013 (1,607,917.99)

Balance owing 4th quarter

6,641,829.94

Appendix D

2011 evidence regarding half year rule

STI.7

Exhibit 2 – Capital Expenditures & Rate Base

NPEI is an infrastructure-based business with its distribution system assets the key element in the delivery of electricity to its existing and new customers. NPEI's distribution system include three (3) Transformer Stations that step down the voltage from 115kV to 13.8kV for distribution in the City of Niagara Falls and three (3) Transformer Stations that step down the voltage from 115kV/230kV to 27.6kV in the former Peninsula West service territory. NPEI constructed, owns, and maintains one of these six Transformer Stations since 2004. This new transformer station was approved to be a deemed distribution asset in the 2006 EDR rate application. The transformer station was built over a two year period from 2003 to 2004 and as a result, half of the addition costs were included in the rate base for the 2006 EDR rate application. The remaining portion is included in the 2011 Cost of Service rate application. All of the transformer stations are operated by Hydro One.

NPEI's distribution assets range in age from new to over 70 years old. A third party, Kinetrics, was engaged to perform an asset condition study and prepare an Asset Management Plan for NPEI. Once this report is complete, NPEI will submit it as an appendix to Exhibit 2.

NPEI commenced deployment of smart meters in December 2009. As at June 30, 2010, NPEI obtained an audit report on financial information related to smart meters. NPEI had 74% of its total deployment installed at June 30, 2010 and has included \$4,175,010 in its rate base for 2010.

NPEI historically calculated accumulated depreciation and depreciation expense using a full year's depreciation in the year of purchase. In 2010, NPEI has changed the calculation of accumulated depreciation and depreciation expense using the half year rule. This change was done to minimize the timing differences between amortization and CCA calculated for tax purposes.

NPEI is changing the depreciation accounting policy to calculate depreciation using the half year rule. This change in depreciation accounting will reduce the timing differences between accounting depreciation and the calculation of Capital Cost Allowance (CCA) that is used for tax purposes. This change is not retroactive and there is no entry to opening retained earnings.

Variance Analysis on Accumulated Depreciation

Changes in accumulated depreciation are directly affected by changes in fixed assets due to additions of new investment in assets, and the disposition of identifiable assets. The 2006 Board Approved closing balance for accumulated depreciation is based on the average of NPEI's 2003 and 2004 year end account balances, plus Tier 1 capital adjustments approved in the 2006 EDR Applications. As such, the variance between 2006 Board Approved and 2006 Actual represents two years of depreciation changes, and in order to arrive at the annual impact, the variance must be divided by two.

From 2006 Actual to the 2011 Test Year, Table 2-15 illustrates the change in accumulated depreciation, which is a representation of the depreciation expense in the year for each of the above accounts. The change in accumulated depreciation is a result of capital expenditures over a seven year period, from January 1, 2005 to December 31, 2011. Depreciation is calculated on a straight line basis over the remaining useful life of the assets, using depreciation rates consistent with Appendix B of the 2006 Electricity Distribution Rate Handbook. A detailed analysis of capital expenditures and rate base is provided in this Exhibit. Further details of depreciation expense are included in Exhibit 4.

Change to Half Year Rule

In 2010, NPEI has changed the calculation of accumulated depreciation and depreciation expense to use the half year rule, where half a year's depreciation is taken in the year of acquisition. Prior to 2010, NPEI used a full year of depreciation in the year of acquisition. This change was done to minimize the timing differences between amortization and CCA calculated for tax purposes.

➤ Amortization

Amortization is provided on a straight-line basis for capital assets available for use over their estimated service lives, at the following annual rates:

Land Rights 4% (25 years)
Transformer station equipment 2.5% (40 years)
Distribution station equipment 4% (25 years)
Distribution system 4% (25 years)
Meters 4% (25 years)
Buildings 2% (50 years)
Leasehold improvements 33.3% (3 years)
Furniture & Equipment 10% (10 years)
Computer Hardware 20% (5 years)
Computer Software 100% (1 year)
System Supervisory equipment 7% (14 years)
Communication equipment 25% (4 years)
Transportation Equipment 12.5% (8 years)
Other equipment 10% - 20% (5 to 10 years)

Prior to 2010, full amortization was recorded in the year of acquisition; no amortization is recorded in the year of disposition. Beginning in 2010, half a year of amortization is recorded in the year of acquisition.

➤ Disposals and Write Downs

For readily identifiable assets retired or disposed of, the asset cost and related accumulated amortization are removed from the applicable capital accounts.

Differences between the proceeds, if any, and the unamortized asset amount plus removal costs are recorded as a gain or loss in the year of disposal.

Depreciation, Amortization & Depletion

Amortization on capital assets is calculated as follows:

- NPEI uses the pooling of assets for all fixed assets with the exception of the following:

- 1915 Furniture & Equipment
- 1920 Computer Equipment
- 1925 Computer Software,
- 1930 Transportation Equipment
- 1935 Stores Equipment
- 1940 Tools, Shop & Garage Equipment
- 1945 Measurement Equipment
- 1955 Communication Equipment
- 1960 Miscellaneous Equipment
- 1980 Supervisory System Equipment,

Amortization is calculated on a straight line basis over the estimated remaining useful life of the assets at the end of the previous year; plus:

- Prior to 2010 a full year's amortization was taken on capital additions during the current year. For 2010 and for this rate application NPEI is using the half year rule for calculating depreciation expense for the 2011 Test Year.
- Depreciation rates are in line with rates set out in the APH. As discussed in the OM&A Manager's Summary above, this application has been filed in accordance with CGAAP, thus, NPEI has filed this application under the same depreciation rates

as NPEI files its Audited CGAAP Financial Statements. NPEI has not applied any of the provisions of the Board's Depreciation Study (EB-2010-0178), as this study specifically relates to the transition to IFRS, as evidenced by the subject line of the Board's April 30, 2010 letter "Depreciation Study for Electricity Distributors (EB-2010-0178) – Transition to International Financial Reporting Standards ("IFRS"). A summary of the depreciation rates are as follows in Table 4-19: A summary of those rates are as follows:

Table 4-19 Depreciation Rates

USoA	Description	Rate
1805	Land	N/A
1806	Land Rights	4.00%
1815	Transformer Station Equipment > 50kV	2.50%
1820	Distribution Station Equipment < 50kV	4.00%
1830	Poles, Towers & Fixtures	4.00%
1835	Overhead Conductors & Devices	4.00%
1840	Underground Conduit	4.00%
1845	Underground Conductors & Devices	4.00%
1850	Line Transformers	4.00%
1855	Services	4.00%
1860	Metering	4.00%
1908	Buildings	2.00%
1910	Leasehold improvements	33.33%
1915	Furniture & Equipment	10.00%
1920	Computer Hardware	20.00%
1925	Computer Software	100%
1930	Transportation equipment - large vehicle, trailers	12.50%
1930	Transportation equipment - small vehicles	12.50%
1935	Stores equipment	10.00%
1940	Tools, Shop and Garage Equipment	10.00%
1945	Measurement and Testing Equipment	20.00%
1955	Communication Equipment	25.00%
1960	Miscellaneous Equipment	20.00%
1980	System Supervisory Equipment	7.00%
1995	Contributed Capital	4.00%

All of NPEI's amortization expense runs through account 5705-Amortization Expense – Property, Plant and equipment. Details of NPEI's depreciation by account number are provided in the Fixed Asset Continuity Schedules in Exhibit 2.

NPEI's depreciation expense does match the accumulated amortization because NPEI does not expense depreciation for overhead calculation for vehicles, stores, tools, measurement, and communication equipment. NPEI has a stand alone fixed asset software system for accounts 1915 to 1980. This system calculates depreciation in the first month following the asset being put into use. The pooling method of depreciation is not used for these assets.

Table 4-20 Amortization expense

USoA	Description	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Bridge	2011 Test Year
5705	Depreciation Expense-Property Plant & Equipment	6,667,024	6,896,734	6,571,652	6,642,438	7,000,940	7,143,688

NPEI has provided in Board Appendix 2-M Format the Depreciation and Amortization Expense Schedules for 2006 Actual, 2007 Actual, 2008 Actual, 2009 Actual, 2010 Bridge and 2011 Test Years.

1 for 2010 methodology, but not the actuals for 2010.

2 So my question is this: Can you undertake to provide
3 an updated response to either Energy Probe IR 25 or to this
4 Technical Conference Question No, 8 that reflects actual
5 2010 capital additions and actual 2010 depreciation that
6 would match the 7,427,000 and change in the IR 6(b)
7 response.

8 [Witness panel confers]

9 MR. BLYTHIN: Yes, we can undertake to provide that.

10 MR. AIKEN: Thank you.

11 MS. HELT: That will be Undertaking JT1.2.

12 **UNDERTAKING NO. JT1.2: TO UPDATE FOR 2010 ACTUALS**

13 MR. AIKEN: My last question is on Energy Probe
14 Technical Conference Question No. 9, and this has to deal
15 with depreciation as well.

16 In the original tables 4-21 through -26 in Exhibit 4,
17 there is an "adjustment" column made to the depreciation
18 expense, and I had asked for an explanation of what those
19 adjustments are.

20 The response indicated that it is just — that is what
21 it is, an adjustment. It is the difference between one
22 column and another.

23 My question is more specific than that. Is it — an
24 adjustment required because you have different rates than
25 what the Board has used? Or your depreciation starts the
26 month after an asset goes into service, rather than the
27 half-year or full-year methodologies? Or what is driving
28 that adjustment difference?

1 MS. WILSON: Mr. Aiken, for all of the assets from
2 account 1915 through to 1980, we have all those assets
3 recorded in a Worth It program. So yes, those adjustments
4 are related to the start date of the depreciation, versus
5 the full year/half year, just taking a percentage, because
6 we actually know when the asset came into play. Usually it
7 is the invoice date.

8 So there is that. With the assets, including the
9 building 1908, account 1908, and all of the 1800 accounts,
10 we have depreciation schedules that we have taken back from
11 the manual ledger days of 1979, and we have put all of
12 those entries into — these manual entries into an Excel
13 spread sheet.

14 One of the reasons the difference came out in the
15 "adjustment" column was it is really stemming from the
16 original column called "fully depreciated" and we found
17 errors in that spreadsheet from assets back in the early
18 days that should have been depreciated fully and were not,
19 or vice versa.

20 It is really a difference between how this spreadsheet
21 is calculating it and how — NPI's historic Excel
22 spreadsheets coming from these manual ledgers.

23 MR. AIKEN: Okay. Thank you. Those are my questions.

24 **QUESTIONS BY MR. BUONAGURO:**

25 MR. BUONAGURO: Good morning, panel. I only have
26 questions related to two of the VECC technical conference
27 questions, and I am going to start with VECC Technical
28 Conference Question No. 6. Hopefully, I won't go on too

Appendix E

Bill Impacts related to Revenue Deficiency of (\$954,830)

Appendix 2-W Bill Impacts

Customer Class: **Residential**

TOU / non-TOU: **TOU**

Consumption **800** kWh

May 1 - October 31

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 16.0600	1	\$ 16.06	\$ 20.1300	1	\$ 20.13	\$ 4.07	25.34%
Smart Meter Rate Adder	Monthly	\$ 0.9000	1	\$ 0.90	\$ -	1	\$ -	-\$ 0.90	-100.00%
Distribution Volumetric Rate	kWh	\$ 0.0161	800	\$ 12.88	\$ 0.0150	800	\$ 12.00	-\$ 0.88	-6.83%
Rate Rider for Disposition of Resid	Monthly	-\$ 0.0400	1	\$ 0.04	\$ -	1	\$ -	\$ 0.04	-100.00%
Disposition of Accounts 1575/1571 kWh		\$ -	800	\$ -	-\$ 0.0029	800	\$ 2.32	-\$ 2.32	
Disposition of Accounts 1575/1571 kWh		\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Stranded meter recovery	Monthly	\$ -	1	\$ -	\$ 0.8929	1	\$ 0.89	\$ 0.89	
Sub-Total A (excluding pass through)				\$ 29.80			\$ 30.70	\$ 0.90	3.03%
Rate Rider for	kWh	-\$ 0.0057	800	\$ 4.56	-\$ 0.0005	800	\$ 0.40	\$ 4.16	-91.23%
Deferral/Variance Account									
Disposition									
Rate Rider for	kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Deferral/Variance Account									
Disposition									
Rate Rider for Application of	kWh	-\$ 0.0001	800	\$ 0.08	\$ -	800	\$ -	\$ 0.08	-100.00%
Tax Change									
Rate Rider for Application of	kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Tax Change									
Low Voltage Service Charge	kWh	\$ 0.0005	800	\$ 0.40	\$ 0.0005	800	\$ 0.40	\$ -	
Line Losses on Cost of Power	kWh	\$ 0.0950	44.8	\$ 4.26	\$ 0.0950	38.3393	\$ 3.64	-\$ 0.61	-14.42%
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 30.61			\$ 35.14	\$ 4.53	14.80%
RTSR - Network	kWh	\$ 0.0073	845	\$ 6.17	\$ 0.0076	838	\$ 6.37	\$ 0.20	3.31%
RTSR - Line and	kWh	\$ 0.0050	845	\$ 4.22	\$ 0.0053	838	\$ 4.44	\$ 0.22	5.19%
Transformation Connection									
Sub-Total C - Delivery (including Sub-Total B)				\$ 41.00			\$ 45.95	\$ 4.95	12.08%
Wholesale Market Service	kWh	\$ 0.0044	845	\$ 3.72	\$ 0.0044	838	\$ 3.69	-\$ 0.03	-0.76%
Charge (WMSC)									
Rural and Remote Rate	kWh	\$ 0.0013	845	\$ 1.10	\$ 0.0013	838	\$ 1.09	-\$ 0.01	-0.76%
Protection (RRRP)									
Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	
Debt Retirement Charge (DRC)	kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	
TOU - Off Peak	kWh	\$ 0.0770	512	\$ 39.42	\$ 0.0770	512	\$ 39.42	\$ -	
TOU - Mid Peak	kWh	\$ 0.1140	144	\$ 16.42	\$ 0.1140	144	\$ 16.42	\$ -	
TOU - On Peak	kWh	\$ 0.1400	144	\$ 20.16	\$ 0.1400	144	\$ 20.16	\$ -	
Energy - RPP - Tier 1	kWh	\$ 0.0880	600	\$ 52.80	\$ 0.0880	600	\$ 52.80	\$ -	
Energy - RPP - Tier 2	kWh	\$ 0.1030	200	\$ 20.60	\$ 0.1030	200	\$ 20.60	\$ -	
Total Bill on TOU (before Taxes)				\$ 127.66			\$ 132.58	\$ 4.92	3.85%
HST		13%		\$ 16.60	13%		\$ 17.24	\$ 0.64	3.85%
Total Bill (including HST)				\$ 144.26			\$ 149.81	\$ 5.55	3.85%
Ontario Clean Energy Benefit 1				-\$ 14.43			-\$ 14.98	-\$ 0.55	3.81%
Total Bill on TOU (including OCEB)				\$ 129.83			\$ 134.83	\$ 5.00	3.86%
Total Bill on RPP (before Taxes)				\$ 125.06			\$ 129.98	\$ 4.92	3.93%
HST		13%		\$ 16.26	13%		\$ 16.90	\$ 0.64	3.93%
Total Bill (including HST)				\$ 141.32			\$ 146.88	\$ 5.55	3.93%
Ontario Clean Energy Benefit 1				-\$ 14.13			-\$ 14.69	-\$ 0.56	3.96%
Total Bill on RPP (including OCEB)				\$ 127.19			\$ 132.19	\$ 4.99	3.93%

Loss Factor (%)

5.60%

4.79%

1 Applicable to eligible customers only. Refer to the Ontario Clean Energy Benefit Act, 2010.

Note that the "Charge \$" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing must cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000

GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000

GS>50kW (kW) - 60, 100, 500, 1000

Large User - range appropriate for utility

Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Appendix 2-W Bill Impacts

Customer Class: **Residential**

TOU / non-TOU: **TOU**

Consumption **800** kWh

November 1 - April 30

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 16.0600	1	\$ 16.06	\$ 20.1300	1	\$ 20.13	\$ 4.07	25.34%
Smart Meter Rate Adder	Monthly	\$ 0.9000	1	\$ 0.90	\$ -	1	\$ -	\$ 0.90	-100.00%
Distribution Volumetric Rate	kWh	\$ 0.0161	800	\$ 12.88	\$ 0.0150	800	\$ 12.00	\$ 0.88	-6.83%
Rate Rider for Disposition of Resi	Monthly	-\$ 0.0400	1	-\$ 0.04	\$ -	1	\$ -	\$ 0.04	-100.00%
Disposition of Accounts 1575/1571 kWh		\$ -	800	\$ -	-\$ 0.0029	800	\$ 2.32	\$ 2.32	
Disposition of Accounts 1575/1571 kWh		\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Stranded meter recovery	Monthly	\$ -	1	\$ -	\$ 0.8929	1	\$ 0.89	\$ 0.89	
Sub-Total A (excluding pass through)				\$ 29.80			\$ 30.70	\$ 0.90	3.03%
Rate Rider for	kWh	-\$ 0.0057	800	-\$ 4.56	-\$ 0.0005	800	\$ 0.40	\$ 4.16	-91.23%
Deferral/Variance Account									
Disposition									
Rate Rider for	kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Deferral/Variance Account									
Disposition									
Rate Rider for Application of	kWh	-\$ 0.0001	800	-\$ 0.08	\$ -	800	\$ -	\$ 0.08	-100.00%
Tax Change									
Rate Rider for Application of	kWh	\$ -	800	\$ -	\$ -	800	\$ -	\$ -	
Tax Change									
Low Voltage Service Charge	kWh	\$ 0.0005	800	\$ 0.40	\$ 0.0005	800	\$ 0.40	\$ -	
Line Losses on Cost of Power	kWh	\$ 0.0950	44.8	\$ 4.26	\$ 0.0950	38.3393	\$ 3.64	\$ 0.61	-14.42%
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 30.61			\$ 35.14	\$ 4.53	14.80%
RTSR - Network	kWh	\$ 0.0073	845	\$ 6.17	\$ 0.0076	838	\$ 6.37	\$ 0.20	3.31%
RTSR - Line and Transformation Connection	kWh	\$ 0.0050	845	\$ 4.22	\$ 0.0053	838	\$ 4.44	\$ 0.22	5.19%
Sub-Total C - Delivery (including Sub-Total B)				\$ 41.00			\$ 45.95	\$ 4.95	12.08%
Wholesale Market Service Charge (WMSC)	kWh	\$ 0.0044	845	\$ 3.72	\$ 0.0044	838	\$ 3.69	-\$ 0.03	-0.76%
Rural and Remote Rate Protection (RRRP)	kWh	\$ 0.0013	845	\$ 1.10	\$ 0.0013	838	\$ 1.09	-\$ 0.01	-0.76%
Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	
Debt Retirement Charge (DRC)	kWh	\$ 0.0070	800	\$ 5.60	\$ 0.0070	800	\$ 5.60	\$ -	
TOU - Off Peak	kWh	\$ 0.0770	512	\$ 39.42	\$ 0.0770	512	\$ 39.42	\$ -	
TOU - Mid Peak	kWh	\$ 0.1140	144	\$ 16.42	\$ 0.1140	144	\$ 16.42	\$ -	
TOU - On Peak	kWh	\$ 0.1400	144	\$ 20.16	\$ 0.1400	144	\$ 20.16	\$ -	
Energy - RPP - Tier 1	kWh	\$ 0.0880	800	\$ 70.40	\$ 0.0880	800	\$ 70.40	\$ -	
Energy - RPP - Tier 2	kWh	\$ 0.1030		\$ -	\$ 0.1030		\$ -	\$ -	
Total Bill on TOU (before Taxes)				\$ 127.66			\$ 132.58	\$ 4.92	3.85%
HST		13%		\$ 16.60	13%		\$ 17.24	\$ 0.64	3.85%
Total Bill (including HST)				\$ 144.26			\$ 149.81	\$ 5.55	3.85%
Ontario Clean Energy Benefit 1				-\$ 14.43			-\$ 14.98	-\$ 0.55	3.81%
Total Bill on TOU (including OCEB)				\$ 129.83			\$ 134.83	\$ 5.00	3.86%
Total Bill on RPP (before Taxes)				\$ 122.06			\$ 126.98	\$ 4.92	4.03%
HST		13%		\$ 15.87	13%		\$ 16.51	\$ 0.64	4.03%
Total Bill (including HST)				\$ 137.93			\$ 143.49	\$ 5.55	4.03%
Ontario Clean Energy Benefit 1				-\$ 13.79			-\$ 14.35	-\$ 0.56	4.06%
Total Bill on RPP (including OCEB)				\$ 124.14			\$ 129.14	\$ 4.99	4.02%

Loss Factor (%)

5.60%

4.79%

1 Applicable to eligible customers only. Refer to the Ontario Clean Energy Benefit Act, 2010.

Note that the "Charge \$" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing must cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000
GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000
GS>50kW (kW) - 60, 100, 500, 1000
Large User - range appropriate for utility
Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Appendix 2-W Bill Impacts

Customer Class: **General Service < 50 kW**

TOU / non-TOU: **TOU**

Consumption **2,000** kWh

Non-Residential

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 37.7900	1	\$ 37.79	\$ 46.7000	1	\$ 46.70	\$ 8.91	23.58%
Smart Meter Rate Adder	Monthly	\$ 1.5300	1	\$ 1.53	\$ -	1	\$ -	-\$ 1.53	-100.00%
Distribution Volumetric Rate	kWh	\$ 0.0138	2000	\$ 27.60	\$ 0.0109	2000	\$ 21.80	-\$ 5.80	-21.01%
Rate Rider for Disposition of Residual	Monthly	\$ 2.4900	1	\$ 2.49	\$ -	1	\$ -	-\$ 2.49	-100.00%
Disposition of Accounts 1575/1571 kWh	Monthly	\$ -	2000	\$ -	-\$ 0.0029	2000	-\$ 5.80	-\$ 5.80	
Disposition of Accounts 1575/1571 kWh	Monthly	\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
Stranded meter recovery	Monthly	\$ -	1	\$ -	\$ 2.6138	1	\$ 2.61	\$ 2.61	
Sub-Total A (excluding pass through)				\$ 69.41			\$ 65.31	-\$ 4.10	-5.90%
Rate Rider for Deferral/Variance Account	kWh	-\$ 0.0057	2000	-\$ 11.40	-\$ 0.0010	2000	-\$ 2.00	\$ 9.40	-82.46%
Rate Rider for Deferral/Variance Account	kWh	\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
Rate Rider for Application of Tax Change	kWh	-\$ 0.0001	2000	-\$ 0.20	\$ -	2000	\$ -	\$ 0.20	-100.00%
Rate Rider for Application of Tax Change	kWh	\$ -	2000	\$ -	\$ -	2000	\$ -	\$ -	
Low Voltage Service Charge	kWh	\$ 0.0004	2000	\$ 0.80	\$ 0.0004	2000	\$ 0.80	\$ -	
Line Losses on Cost of Power	kWh	\$ 0.0950	112	\$ 10.64	\$ 0.0950	95.8481	\$ 9.11	-\$ 1.53	-14.42%
Smart Meter Entity Charge	Monthly	\$ 0.7900	1	\$ 0.79	\$ 0.7900	1	\$ 0.79	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 70.04			\$ 74.01	\$ 3.97	5.67%
RTSR - Network	kWh	\$ 0.0066	2112	\$ 13.94	\$ 0.0068	2096	\$ 14.25	\$ 0.31	2.24%
RTSR - Line and Transformation Connection	kWh	\$ 0.0044	2112	\$ 9.29	\$ 0.0046	2096	\$ 9.64	\$ 0.35	3.75%
Sub-Total C - Delivery (including Sub-Total B)				\$ 93.27			\$ 97.90	\$ 4.63	4.96%
Wholesale Market Service Charge (WMSC)	kWh	\$ 0.0044	2112	\$ 9.29	\$ 0.0044	2096	\$ 9.22	-\$ 0.07	-0.76%
Rural and Remote Rate	kWh	\$ 0.0013	2112	\$ 2.75	\$ 0.0013	2096	\$ 2.72	-\$ 0.02	-0.76%
Standard Supply Service Charge	kWh	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	
Debt Retirement Charge (DRC)	kWh	\$ 0.0070	2000	\$ 14.00	\$ 0.0070	2000	\$ 14.00	\$ -	
TOU - Off Peak	kWh	\$ 0.0770	1280	\$ 98.56	\$ 0.0770	1280	\$ 98.56	\$ -	
TOU - Mid Peak	kWh	\$ 0.1140	360	\$ 41.04	\$ 0.1140	360	\$ 41.04	\$ -	
TOU - On Peak	kWh	\$ 0.1400	360	\$ 50.40	\$ 0.1400	360	\$ 50.40	\$ -	
Energy - RPP - Tier 1	kWh	\$ 0.0880	750	\$ 66.00	\$ 0.0880	750	\$ 66.00	\$ -	
Energy - RPP - Tier 2	kWh	\$ 0.1030	1250	\$ 128.75	\$ 0.1030	1250	\$ 128.75	\$ -	
Total Bill on TOU (before Taxes)				\$ 309.56			\$ 314.10	\$ 4.54	1.47%
HST		13%		\$ 40.24	13%		\$ 40.83	\$ 0.59	1.47%
Total Bill (including HST)				\$ 349.80			\$ 354.93	\$ 5.13	1.47%
Ontario Clean Energy Benefit 1				-\$ 34.98			-\$ 35.49	-\$ 0.51	1.46%
Total Bill on TOU (including OCEB)				\$ 314.82			\$ 319.44	\$ 4.62	1.47%
Total Bill on RPP (before Taxes)				\$ 314.31			\$ 318.85	\$ 4.54	1.44%
HST		13%		\$ 40.86	13%		\$ 41.45	\$ 0.59	1.44%
Total Bill (including HST)				\$ 355.17			\$ 360.30	\$ 5.13	1.44%
Ontario Clean Energy Benefit 1				-\$ 35.52			-\$ 36.03	-\$ 0.51	1.44%
Total Bill on RPP (including OCEB)				\$ 319.65			\$ 324.27	\$ 4.62	1.44%

Loss Factor (%)

5.60%

4.79%

1 Applicable to eligible customers only. Refer to the Ontario Clean Energy Benefit Act, 2010.

Note that the "Charge \$" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing must cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000

GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000

GS>50kW (kW) - 60, 100, 500, 1000

Large User - range appropriate for utility

Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Appendix 2-W Bill Impacts

Customer Class: **General Service > 50**

TOU / non-TOU: **non-TOU**

Consumption **65,000** kWh

Non-Residential

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 179.5800	1	\$ 179.58	\$ 158.3100	1	\$ 158.31	-\$ 21.27	-11.84%
Smart Meter Rate Adder	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Distribution Volumetric Rate	kW	\$ 4.2400	180	\$ 763.20	\$ 3.7679	180	\$ 678.22	-\$ 84.98	-11.13%
Rate Rider for Disposition of Resi	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Disposition of Accounts 1575/157 kWh		\$ -	65000	\$ -	\$ -	65000	\$ -	\$ -	
Disposition of Accounts 1575/157 kW		\$ -	180	\$ -	\$ 1.0974	180	\$ 197.53	-\$ 197.53	
Stranded meter recovery	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 942.78			\$ 639.00	-\$ 303.78	-32.22%
Rate Rider for Deferral/Variance Account Disposition	kWh	\$ -	65000	\$ -	\$ -	65000	\$ -	\$ -	
Rate Rider for Deferral/Variance Account Disposition	kW	-\$ 1.9526	180	-\$ 351.47	-\$ 0.4382	180	-\$ 78.88	\$ 272.59	-77.56%
Rate Rider for Application of Tax Change	kWh	\$ -	65000	\$ -	\$ -	65000	\$ -	\$ -	
Rate Rider for Application of Tax Change	kW	-\$ 0.0178	180	-\$ 3.20	\$ -	180	\$ -	\$ 3.20	-100.00%
Low Voltage Service Charge	kW	\$ 0.1592	180	\$ 28.66	\$ 0.1612	180	\$ 29.02	\$ 0.36	1.26%
Line Losses on Cost of Power	kWh	\$ 0.1030	3640	\$ 374.92	\$ 0.0950	3115.06	\$ 295.93	-\$ 78.99	-21.07%
Smart Meter Entity Charge	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 991.68			\$ 885.07	-\$ 106.61	-10.75%
RTSR - Network	kW	\$ 2.7218	190	\$ 517.36	\$ 2.8172	189	\$ 531.40	\$ 14.04	2.71%
RTSR - Line and	kW	\$ 1.7467	190	\$ 332.01	\$ 1.8413	189	\$ 347.32	\$ 15.30	4.61%
Sub-Total C - Delivery (including Sub-Total B)				\$ 1,841.06			\$ 1,763.79	-\$ 77.27	-4.20%
Wholesale Market Service Charge (WMS)	kWh	\$ 0.0044	68640	\$ 302.02	\$ 0.0044	68115	\$ 299.71	-\$ 2.31	-0.76%
Rural and Remote Rate	kWh	\$ 0.0013	68640	\$ 89.23	\$ 0.0013	68115	\$ 88.55	-\$ 0.68	-0.76%
Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	
Debt Retirement Charge (DRC)	kWh	\$ 0.0070	65000	\$ 455.00	\$ 0.0070	65000	\$ 455.00	\$ -	
TOU - Off Peak	kWh	\$ 0.0770	41600	\$ 3,203.20	\$ 0.0770	41600	\$ 3,203.20	\$ -	
TOU - Mid Peak	kWh	\$ 0.1140	11700	\$ 1,333.80	\$ 0.1140	11700	\$ 1,333.80	\$ -	
TOU - On Peak	kWh	\$ 0.1400	11700	\$ 1,638.00	\$ 0.1400	11700	\$ 1,638.00	\$ -	
Energy - RPP - Tier 1	kWh	\$ 0.0880	750	\$ 66.00	\$ 0.0880	750	\$ 66.00	\$ -	
Energy - RPP - Tier 2	kWh	\$ 0.1030	64250	\$ 6,617.75	\$ 0.1030	64250	\$ 6,617.75	\$ -	
Total Bill on TOU (before Taxes)				\$ 8,862.55			\$ 8,782.29	-\$ 80.26	-0.91%
HST		13%		\$ 1,152.13	13%		\$ 1,141.70	-\$ 10.43	-0.91%
Total Bill (including HST)				\$ 10,014.69			\$ 9,923.99	-\$ 90.70	-0.91%
Ontario Clean Energy Benefit 1				\$ 1,001.47			\$ 992.40	\$ 9.07	-0.91%
Total Bill on TOU (including OCEB)				\$ 9,013.22			\$ 8,931.59	-\$ 81.63	-0.91%
Total Bill on RPP (before Taxes)				\$ 9,371.30			\$ 9,291.04	-\$ 80.26	-0.86%
HST		13%		\$ 1,218.27	13%		\$ 1,207.84	-\$ 10.43	-0.86%
Total Bill (including HST)				\$ 10,589.57			\$ 10,498.88	-\$ 90.70	-0.86%
Ontario Clean Energy Benefit 1				-\$ 1,058.96			-\$ 1,049.89	\$ 9.07	-0.86%
Total Bill on RPP (including OCEB)				\$ 9,530.61			\$ 9,448.99	-\$ 81.63	-0.86%

Loss Factor (%)

5.60%

4.79%

1 Applicable to eligible customers only. Refer to the Ontario Clean Energy Benefit Act, 2010.

Note that the "Charge \$" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing must cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000

GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000

GS>50kW (kW) - 60, 100, 500, 1000

Large User - range appropriate for utility

Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Appendix 2-W Bill Impacts

Customer Class: **Unmetered Scattered Load**

TOU / non-TOU: **non-TOU**

Consumption **250** kWh

Non-Residential

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 19.5300	1	\$ 19.53	\$ 20.0000	1	\$ 20.00	\$ 0.47	2.41%
Smart Meter Rate Adder	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Distribution Volumetric Rate	kWh	\$ 0.0137	250	\$ 3.43	\$ 0.0140	250	\$ 3.50	\$ 0.07	2.19%
Rate Rider for Disposition of Residual	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Disposition of Accounts 1575/1571 kWh	Monthly	\$ -	250	\$ -	\$ 0.0029	250	\$ 0.73	\$ 0.73	
Disposition of Accounts 1575/1571 kWh	Monthly	\$ -	250	\$ -	\$ -	250	\$ -	\$ -	
Stranded meter recovery	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total A (excluding pass through)				\$ 22.96			\$ 22.78	-\$ 0.18	-0.78%
Rate Rider for Deferral/Variance Account Disposition	kWh	-\$ 0.0057	250	-\$ 1.43	-\$ 0.0011	250	-\$ 0.28	\$ 1.15	-80.70%
Rate Rider for Deferral/Variance Account Disposition	kWh	\$ -	250	\$ -	\$ -	250	\$ -	\$ -	
Rate Rider for Application of Tax Change	kWh	-\$ 0.0002	250	-\$ 0.05	\$ -	250	\$ -	\$ 0.05	-100.00%
Rate Rider for Application of Tax Change	kWh	\$ -	250	\$ -	\$ -	250	\$ -	\$ -	
Low Voltage Service Charge	kWh	\$ 0.0004	250	\$ 0.10	\$ 0.0004	250	\$ 0.10	\$ -	
Line Losses on Cost of Power	kWh	\$ 0.0880	14	\$ 1.23	\$ 0.0950	11.981	\$ 1.14	-\$ 0.09	-7.61%
Smart Meter Entity Charge	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	
Sub-Total B - Distribution (includes Sub-Total A)				\$ 22.81			\$ 23.74	\$ 0.93	4.06%
RTSR - Network	kWh	\$ 0.0066	264	\$ 1.74	\$ 0.0068	262	\$ 1.78	\$ 0.04	2.24%
RTSR - Line and	kWh	\$ 0.0044	264	\$ 1.16	\$ 0.0046	262	\$ 1.21	\$ 0.04	3.75%
Sub-Total C - Delivery				\$ 25.72			\$ 26.72	\$ 1.01	3.92%
Wholesale Market Service	kWh	\$ 0.0044	264	\$ 1.16	\$ 0.0044	262	\$ 1.15	-\$ 0.01	-0.76%
Rural and Remote Rate Protection (RRRP)	kWh	\$ 0.0013	264	\$ 0.34	\$ 0.0013	262	\$ 0.34	-\$ 0.00	-0.76%
Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	
Debt Retirement Charge (DRC)	kWh	\$ 0.0070	250	\$ 1.75	\$ 0.0070	250	\$ 1.75	\$ -	
TOU - Off Peak	kWh	\$ 0.0770	160	\$ 12.32	\$ 0.0770	160	\$ 12.32	\$ -	
TOU - Mid Peak	kWh	\$ 0.1140	45	\$ 5.13	\$ 0.1140	45	\$ 5.13	\$ -	
TOU - On Peak	kWh	\$ 0.1400	45	\$ 6.30	\$ 0.1400	45	\$ 6.30	\$ -	
Energy - RPP - Tier 1	kWh	\$ 0.0880	250	\$ 22.00	\$ 0.0880	250	\$ 22.00	\$ -	
Energy - RPP - Tier 2	kWh	\$ 0.1030		\$ -	\$ 0.1030		\$ -	\$ -	
Total Bill on TOU (before Taxes)				\$ 52.97			\$ 53.97	\$ 1.00	1.88%
HST		13%		\$ 6.89	13%		\$ 7.02	\$ 0.13	1.88%
Total Bill (including HST)				\$ 59.86			\$ 60.98	\$ 1.13	1.88%
Ontario Clean Energy Benefit 1				-\$ 5.99			-\$ 6.10	-\$ 0.11	1.84%
Total Bill on TOU (including OCEB)				\$ 53.87			\$ 54.88	\$ 1.02	1.89%
Total Bill on RPP (before Taxes)				\$ 51.22			\$ 52.22	\$ 1.00	1.95%
HST		13%		\$ 6.66	13%		\$ 6.79	\$ 0.13	1.95%
Total Bill (including HST)				\$ 57.88			\$ 59.01	\$ 1.13	1.95%
Ontario Clean Energy Benefit 1				-\$ 5.79			-\$ 5.90	-\$ 0.11	1.90%
Total Bill on RPP (including OCEB)				\$ 52.09			\$ 53.11	\$ 1.02	1.95%

Loss Factor (%)

5.60%

4.79%

1 Applicable to eligible customers only. Refer to the Ontario Clean Energy Benefit Act, 2010.

Note that the "Charge \$" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing must cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000
GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000
GS>50kW (kW) - 60, 100, 500, 1000
Large User - range appropriate for utility
Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Appendix 2-W Bill Impacts

Customer Class: **Sentinel Lighting**

TOU / non-TOU: **non-TOU**

Consumption **44** kWh

Non-Residential

Charge Unit	Current Board-Approved			Proposed			Impact	
	Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	\$ 12.8700	1	\$ 12.87	\$ 15.1200	1	\$ 15.12	\$ 2.25	17.48%
Smart Meter Rate Adder	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Distribution Volumetric Rate	\$ 16.0553	0.12	\$ 1.93	\$ 18.8650	0.12	\$ 2.26	\$ 0.34	17.50%
Rate Rider for Disposition of Residual	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Disposition of Accounts 1575/1571 kWh	\$ -	44	\$ -	\$ -	44	\$ -	\$ -	-
Disposition of Accounts 1575/1571 kWh	\$ -	0.12	\$ -	\$ 1.0681	0.12	\$ 0.13	\$ 0.13	-
Stranded meter recovery	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Sub-Total A (excluding pass through)			\$ 14.80			\$ 17.26	\$ 2.46	16.62%
Rate Rider for	\$ -	44	\$ -	\$ -	44	\$ -	\$ -	-
Rate Rider for	\$ 2.0980	0.12	\$ 0.25	\$ 2.4077	0.12	\$ 0.29	\$ 0.54	-214.76%
Rate Rider for Application of Tax Change	\$ -	44	\$ -	\$ -	44	\$ -	\$ -	-
Rate Rider for Application of Tax Change	\$ 0.4168	0.12	\$ 0.05	\$ -	0.12	\$ -	\$ 0.05	-100.00%
Low Voltage Service Charge	\$ 0.1330	0.12	\$ 0.02	\$ 0.1347	0.12	\$ 0.02	\$ 0.00	1.28%
Line Losses on Cost of Power	\$ 0.0880	2.464	\$ 0.22	\$ 0.0950	2.10866	\$ 0.20	\$ 0.02	-7.61%
Smart Meter Entity Charge	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Sub-Total B - Distribution			\$ 14.73			\$ 17.76	\$ 3.03	20.60%
RTSR - Network	\$ 2.0152	0	\$ 0.26	\$ 2.0858	0	\$ 0.26	\$ 0.01	2.71%
RTSR - Line and Transformation Connection	\$ 1.4595	0	\$ 0.18	\$ 1.5386	0	\$ 0.19	\$ 0.01	4.61%
Sub-Total C - Delivery (including Sub-Total B)			\$ 15.17			\$ 18.22	\$ 3.05	20.10%
Wholesale Market Service Charge (WMSC)	\$ 0.0044	46	\$ 0.20	\$ 0.0044	46	\$ 0.20	\$ 0.00	-0.76%
Rural and Remote Rate	\$ 0.0013	46	\$ 0.06	\$ 0.0013	46	\$ 0.06	\$ 0.00	-0.76%
Standard Supply Service Charge	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	-
Debt Retirement Charge (DRC)	\$ 0.0070	44	\$ 0.31	\$ 0.0070	44	\$ 0.31	\$ -	-
TOU - Off Peak	\$ 0.0770	28	\$ 2.17	\$ 0.0770	28	\$ 2.17	\$ -	-
TOU - Mid Peak	\$ 0.1140	8	\$ 0.90	\$ 0.1140	8	\$ 0.90	\$ -	-
TOU - On Peak	\$ 0.1400	8	\$ 1.11	\$ 0.1400	8	\$ 1.11	\$ -	-
Energy - RPP - Tier 1	\$ 0.0880	44	\$ 3.87	\$ 0.0880	44	\$ 3.87	\$ -	-
Energy - RPP - Tier 2	\$ 0.1030		\$ -	\$ 0.1030		\$ -	\$ -	-
Total Bill on TOU (before Taxes)			\$ 20.17			\$ 23.22	\$ 3.05	15.11%
HST	13%		\$ 2.62	13%		\$ 3.02	\$ 0.40	15.11%
Total Bill (including HST)			\$ 22.79			\$ 26.24	\$ 3.44	15.11%
Ontario Clean Energy Benefit 1			-\$ 2.28			-\$ 2.62	-\$ 0.34	14.91%
Total Bill on TOU (including OCEB)			\$ 20.51			\$ 23.62	\$ 3.10	15.13%
Total Bill on RPP (before Taxes)			\$ 19.86			\$ 22.91	\$ 3.05	15.34%
HST	13%		\$ 2.58	13%		\$ 2.98	\$ 0.40	15.34%
Total Bill (including HST)			\$ 22.44			\$ 25.89	\$ 3.44	15.34%
Ontario Clean Energy Benefit 1			-\$ 2.24			-\$ 2.59	-\$ 0.35	15.63%
Total Bill on RPP (including OCEB)			\$ 20.20			\$ 23.30	\$ 3.09	15.31%

Loss Factor (%)

5.60%

4.79%

¹ Applicable to eligible customers only. Refer to the Ontario Clean Energy Benefit Act, 2010.

Note that the "Charge \$" columns provide breakdowns of the amounts that each bill component contributes to the total monthly bill at the referenced consumption level at existing and proposed rates.

Applicants must provide bill impacts for residential at 800 kWh and GS<50kW at 2000 kWh. In addition, their filing must cover the range that is relevant to their service territory, class by class. A general guideline of consumption levels follows:

Residential (kWh) - 100, 250, 500, 800, 1000, 1500, 2000
GS<50kW (kWh) - 1000, 2000, 5000, 10000, 15000
GS>50kW (kW) - 60, 100, 500, 1000
Large User - range appropriate for utility
Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.

Appendix 2-W Bill Impacts

Customer Class: **Street Lighting**

TOU / non-TOU: **non-TOU**

Consumption **50** kWh

Non-Residential

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
Monthly Service Charge	Monthly	\$ 1.1500	1	\$ 1.15	\$ 1.1900	1	\$ 1.19	\$ 0.04	3.48%
Smart Meter Rate Adder	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Distribution Volumetric Rate	kW	\$ 4.4657	0.13	\$ 0.58	\$ 4.6145	0.13	\$ 0.60	\$ 0.02	3.33%
Rate Rider for Disposition of Residual	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Disposition of Accounts 1575/1571 kWh	Monthly	\$ -	50	\$ -	\$ -	50	\$ -	\$ -	-
Disposition of Accounts 1575/1571 kWh	kW	\$ -	0.13	\$ -	\$ 1.0166	0.13	\$ 0.13	\$ 0.13	-
Stranded meter recovery	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Sub-Total A (excluding pass through)				\$ 1.73			\$ 1.66	\$ 0.07	-4.21%
Rate Rider for Deferral/Variance Account Disposition	kWh	\$ -	50	\$ -	\$ -	50	\$ -	\$ -	-
Rate Rider for Deferral/Variance Account Disposition	kW	\$ 2.1152	0.13	\$ 0.27	\$ 0.4099	0.13	\$ 0.05	\$ 0.22	-80.62%
Rate Rider for Application of	kWh	\$ -	50	\$ -	\$ -	50	\$ -	\$ -	-
Rate Rider for Application of	kW	\$ 0.0439	0.13	\$ 0.01	\$ -	0.13	\$ -	\$ 0.01	-100.00%
Low Voltage Service Charge	kW	\$ 0.1223	0.13	\$ 0.02	\$ 0.1239	0.13	\$ 0.02	\$ 0.00	1.31%
Line Losses on Cost of Power	kWh	\$ 0.0880	2.8	\$ 0.25	\$ 0.0950	2.3962	\$ 0.23	\$ 0.02	-7.61%
Smart Meter Entity Charge	Monthly	\$ -	1	\$ -	\$ -	1	\$ -	\$ -	-
Sub-Total B - Distribution (includes Sub-Total A)				\$ 1.71			\$ 1.85	\$ 0.14	7.94%
RTSR - Network	kW	\$ 2.0576	0	\$ 0.28	\$ 2.1297	0	\$ 0.29	\$ 0.01	2.71%
RTSR - Line and	kW	\$ 1.3420	0	\$ 0.18	\$ 1.4147	0	\$ 0.19	\$ 0.01	4.61%
Sub-Total C - Delivery				\$ 2.18			\$ 2.33	\$ 0.15	6.98%
Wholesale Market Service Charge (WMSC)	kWh	\$ 0.0044	53	\$ 0.23	\$ 0.0044	52	\$ 0.23	\$ 0.00	-0.76%
Rural and Remote Rate Protection (RRRP)	kWh	\$ 0.0013	53	\$ 0.07	\$ 0.0013	52	\$ 0.07	\$ 0.00	-0.76%
Standard Supply Service Charge		\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	-
Debt Retirement Charge (DRC)	kWh	\$ 0.0070	50	\$ 0.35	\$ 0.0070	50	\$ 0.35	\$ -	-
TOU - Off Peak	kWh	\$ 0.0770	32	\$ 2.46	\$ 0.0770	32	\$ 2.46	\$ -	-
TOU - Mid Peak	kWh	\$ 0.1140	9	\$ 1.03	\$ 0.1140	9	\$ 1.03	\$ -	-
TOU - On Peak	kWh	\$ 0.1400	9	\$ 1.26	\$ 0.1400	9	\$ 1.26	\$ -	-
Energy - RPP - Tier 1	kWh	\$ 0.0880	50	\$ 4.40	\$ 0.0880	50	\$ 4.40	\$ -	-
Energy - RPP - Tier 2	kWh	\$ 0.1030		\$ -	\$ 0.1030		\$ -	\$ -	-
Total Bill on TOU (before Taxes)				\$ 7.83			\$ 7.98	\$ 0.15	1.91%
HST		13%		\$ 1.02	13%		\$ 1.04	\$ 0.02	1.91%
Total Bill (including HST)				\$ 8.85			\$ 9.02	\$ 0.17	1.91%
Ontario Clean Energy Benefit 1				\$ 0.88			\$ 0.90	\$ 0.02	2.27%
Total Bill on TOU (including OCEB)				\$ 7.97			\$ 8.12	\$ 0.15	1.87%
Total Bill on RPP (before Taxes)				\$ 7.48			\$ 7.63	\$ 0.15	2.00%
HST		13%		\$ 0.97	13%		\$ 0.99	\$ 0.02	2.00%
Total Bill (including HST)				\$ 8.45			\$ 8.62	\$ 0.17	2.00%
Ontario Clean Energy Benefit 1				\$ 0.85			\$ 0.86	\$ 0.01	1.18%
Total Bill on RPP (including OCEB)				\$ 7.60			\$ 7.76	\$ 0.16	2.10%

Loss Factor (%) **5.60%**

4.79%

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GS>50kW (kW) - 60, 100, 500, 1000

Large User - range appropriate for utility

Lighting Classes and USL - 150 kWh and 1 kW, range appropriate for utility.

Note that cells with the highlighted color shown to the left indicate quantities that are loss adjusted.