

## Appendix 2-Q Cost of Serving Embedded Distributor(s)

**To be completed by Host Distributors ONLY**

**(Not required if Host Distributor has an Embedded Distributor rate class, i.e. a separate row on Sheet 11 of the RRWF.)**

Proposed Rate Class for Billing Embedded Distributor(s)

Waterloo North Hydro Inc.

Host's Distribution Facilities used by Embedded Distributor(s)

(1)	(2)	(3)	(4)	(5)	(6) = '(3) + (4)
Asset Class	Total OM&A costs associated with asset class	Original cost of asset class	Accumulated amortization of asset class	Annual amortization of asset class	Net Book Value of asset class
<b>Totals for Host Distributor:</b>	(\$)	(\$)	(\$)	(\$)	
Distribution Stations					\$ -
Low Voltage Line					\$ -
<b>LV Line category # 2 (if applicable)</b>					\$ -
TS (owned by host)	\$ 1,953,000.00	\$ 78,056,762.37	\$ (33,457,632.00)	\$ (1,831,900.00)	\$ 44,599,130.37
O/H	\$ 2,145,600.00	\$ 106,702,310.11	\$ (39,727,540.00)	\$ (1,834,910.00)	\$ 66,974,770.11
U/G	\$ 1,814,900.00	\$ 105,968,836.16	\$ (40,367,281.50)	\$ (1,762,725.00)	\$ 65,601,554.66
					\$ -

(1)	(7)	(8)	(9)	(10)	(11)
Asset Class	Total line length or station capacity in asset class	Line length or capacity required to provide LV service to Embedded Distributor(s)	Annual total demand on station/line providing LV services (sum of 12 monthly peaks)	Annual billed Embedded Distributor demand on station/line providing LV services	Embedded Distributor(s)' Responsibility Share
Embedded Distributor's share:	kW or kVA; km	kW or kVA; km	kW or kVA	kW or kVA	percent
Distribution Stations					0.00%
Low Voltage Line					0.00%
LV Line # 2 (if applicable)					0.00%
TS (owned by host)	83,300.00	5,000.00	227,606	43,316	1.14%
O/H	1,017.70	14.30	227,606	43,316	0.27%
U/G	950.30	0.50	227,606	43,316	0.01%

(1)	(12)	(12a)	(13)	(14)	(15)	(16)
Asset Class	Return on Assets used to Provide LV services	Taxes/PILs	Annual amortization on assets used to provide LV services	OM&A costs with burden associated with assets used to provide LV services	Total annual cost associated with assets used to provide LV services	Monthly cost associated with the delivery of LV services
	(\$)	(\$)	(\$)	(\$)	(\$)	\$/kW or \$/kVA
Distribution Stations	\$ -	\$ -	\$ -	\$ -	\$ -	0.0000
Low Voltage Line	\$ -	\$ -	\$ -	\$ -	\$ -	0.0000
LV Line # 2 (if applicable)	\$ -	\$ -	\$ -	\$ -	\$ -	0.0000
TS (owned by host)	\$ 30,758.4767	\$ 6,634.3034	\$ 20,926.32	\$ 22,309.68	\$ 38,776.14	0.8952
O/H	\$ 10,803.3676	\$ 2,328.8048	\$ 4,906.79	\$ 5,737.61	\$ 13,963.00	0.3224
U/G	\$ 396.1075	\$ 85.3673	\$ 176.51	\$ 181.73	\$ 486.70	0.0112
Administration					\$ 6,387.10	0.1475
<b>Total</b>					<b>\$ 59,612.94</b>	<b>1.3762</b>

(17)	(18) Capital Structure (%)	(19) Cost Rate (%)	(20)	(21) (%)
Long-Term Debt	56.00%	4.13%	Weighted Average Cost of Capital	6.02%
Short-term Debt	4.00%	2.82%		
Common Equity	40.00%	8.98%	Tax/PILs Rate	27%
Preferred Shares				
<b>Total</b>	100.00%		Working Capital Allowance Factor	8%